II

113TH CONGRESS
1ST SESSION

S. 949

To amend the Truth in Lending Act to improve upon the definitions provided for points and fees in connection with a mortgage transaction.

IN THE SENATE OF THE UNITED STATES

MAY 14, 2013

Mr. MANCHIN (for himself and Mr. JOHANNS) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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A BILL

To amend the Truth in Lending Act to improve upon the definitions provided for points and fees in connection with a mortgage transaction.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Consumer Mortgage Choice Act''.

SEC. 2. DEFINITION OF POINTS AND FEES.

(a) AMENDMENT TO SECTION 103 OF TILA.—Section 103(bb)(4) of the Truth in Lending Act (15 U.S.C. 1602(bb)(4)) is amended—

(1) by striking "paragraph (1)(B)" and inserting "paragraph (1)(A) and section 129C";

(2) by striking subparagraph (B) and inserting the following:

"(B) all compensation paid directly by a consumer to a mortgage originator, including a mortgage originator that is also the creditor in a table-funded transaction, but not including compensation paid by a mortgage originator or a creditor to an individual employed by the mortgage originator or creditor;";

(3) in subparagraph (C)—

(A) by inserting "and insurance" after "taxes";

(B) in clause (ii), by inserting ", except as retained by a creditor or its affiliate as a result of their participation in an affiliated business arrangement (as defined in section 2(7) of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2602(7))" after "compensation"; and

(C) by striking clause (iii) and inserting the following:

"(iii) the charge is—

"(I) a bona fide third-party charge not retained by the mortgage originator, creditor, or an affiliate of the creditor or mortgage originator; or

"(II) a charge set forth in section 106(e)(1);"; and

(4) in subparagraph (D)—

(A) by striking "accident,"; and

(B) by striking "or any payments" and inserting "and any payments".

(b) AMENDMENT TO SECTION 129C OF TILA.—Section 129C of the Truth in Lending Act (15 U.S.C. 1639c) is amended—

(1) in subsection (a)(5)(C), by striking "103" and all that follows through "or mortgage originator" and inserting "103(bb)(4)"; and

(2) in subsection (b)(2)(C)(i), by striking "103" and all that follows through "or mortgage originator)" and inserting "103(bb)(4)".

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