

115TH CONGRESS  
2D SESSION

# H. R. 2226

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IN THE SENATE OF THE UNITED STATES

MARCH 7, 2018

Received; read twice and referred to the Committee on Banking, Housing, and  
Urban Affairs

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## AN ACT

To amend the Truth in Lending Act to provide a safe harbor  
from certain requirements related to qualified mortgages  
for residential mortgage loans held on an originating  
depository institution's portfolio, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Portfolio Lending and  
3 Mortgage Access Act”.

4 **SEC. 2. MINIMUM STANDARDS FOR RESIDENTIAL MORT-**  
5 **GAGE LOANS.**

6       Section 129C(b) of the Truth in Lending Act (15  
7 U.S.C. 1639c(b)) is amended by adding at the end the  
8 following:

9               “(4) SAFE HARBOR.—

10               “(A) IN GENERAL.—A residential mort-  
11 gage loan shall be deemed a qualified mortgage  
12 loan for purposes of this subsection if the  
13 loan—

14               “(i) is originated by, and continuously  
15 retained in the portfolio of, a covered insti-  
16 tution;

17               “(ii) is in compliance with the limita-  
18 tions with respect to prepayment penalties  
19 described in subsections (c)(1) and (c)(3);

20               “(iii) is in compliance with the re-  
21 quirements related to points and fees  
22 under paragraph (2)(A)(vii);

23               “(iv) does not have negative amortiza-  
24 tion terms or interest-only terms; and

25               “(v) is a loan for which the covered  
26 institution considers, documents, and

1 verifies the debt, income, and financial re-  
2 sources of the consumer in accordance with  
3 subparagraph (C).

4 “(B) EXCEPTION FOR CERTAIN TRANS-  
5 FERS.—Subparagraph (A) shall not apply to a  
6 residential mortgage loan if the legal title to  
7 such residential mortgage loan is sold, assigned,  
8 or otherwise transferred to another person un-  
9 less the legal title to such residential mortgage  
10 loan is sold, assigned, or otherwise trans-  
11 ferred—

12 “(i) to another person by reason of  
13 the bankruptcy or failure of the covered in-  
14 stitution that originated such loan;

15 “(ii) to an insured depository institu-  
16 tion or insured credit union that has less  
17 than \$10,000,000,000 in total consolidated  
18 assets on the date of such sale, assign-  
19 ment, or transfer, if the loan is retained in  
20 portfolio by such insured depository insti-  
21 tution or insured credit union;

22 “(iii) pursuant to a merger of the cov-  
23 ered institution that originated such loan  
24 with another person or the acquisition of a  
25 the covered institution that originated such

1 loan by another person or of another per-  
 2 son by a covered institution, if the loan is  
 3 retained in portfolio by the person to whom  
 4 the loan is sold, assigned, or otherwise  
 5 transferred; or

6 “(iv) to a wholly owned subsidiary of  
 7 the covered institution that originated such  
 8 loan if the loan is considered to be an asset  
 9 of such covered institution for regulatory  
 10 accounting purposes.

11 “(C) CONSIDERATION AND DOCUMENTA-  
 12 TION REQUIREMENTS.—The consideration and  
 13 documentation requirements described in sub-  
 14 paragraph (A)(v) shall—

15 “(i) not be construed to require com-  
 16 pliance with, or documentation in accord-  
 17 ance with, appendix Q to part 1026 of title  
 18 12, Code of Federal Regulations, or any  
 19 successor regulation; and

20 “(ii) be construed to permit multiple  
 21 methods of documentation.

22 “(D) DEFINITIONS.—In this paragraph—

23 “(i) the term ‘covered institution’  
 24 means an insured depository institution or  
 25 an insured credit union that, together with

1           its affiliates, has less than  
2           \$10,000,000,000 in total consolidated as-  
3           sets on the date on the origination of a  
4           residential mortgage loan;

5           “(ii) the term ‘insured credit union’  
6           has the meaning given the term in section  
7           101 of the Federal Credit Union Act (12  
8           U.S.C. 1752);

9           “(iii) the term ‘insured depository in-  
10          stitution’ has the meaning given the term  
11          in section 3 of the Federal Deposit Insur-  
12          ance Act (12 U.S.C. 1813);

13          “(iv) the term ‘interest-only term’  
14          means a term of a residential mortgage  
15          loan that allows one or more of the peri-  
16          odic payments made under the loan to be  
17          applied solely to accrued interest and not  
18          to the principal of the loan; and

19          “(v) the term ‘negative amortization  
20          term’ means a term of a residential mort-  
21          gage loan under which the payment of

1                    periodic payments will result in an increase  
2                    in the principal of the loan.”.

Passed the House of Representatives March 6,  
2018.

Attest:

KAREN L. HAAS,  
*Clerk.*