

116TH CONGRESS
1ST SESSION

H. R. 1036

To amend the Truth in Lending Act to clarify the exclusion for seller-financiers from the definition of mortgage originator, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 7, 2019

Mr. RIGGLEMAN introduced the following bill; which was referred to the
Committee on Financial Services

A BILL

To amend the Truth in Lending Act to clarify the exclusion
for seller-financiers from the definition of mortgage origi-
nator, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Preserving Access to
5 Rural Installment Transactions for Years Act of 2019”
6 or the “PARITY Act of 2019”.

1 **SEC. 2. AMENDMENTS RELATED TO THE EXCLUSION OF**
2 **SELLER-FINANCERS IN THE DEFINITION OF**
3 **MORTGAGE ORIGINATOR.**

4 Section 103(dd)(2)(E) of the Truth in Lending Act
5 (15 U.S.C. 1602(dd)(2)(E)) is amended—

6 (1) in the matter preceding clause (i)—

7 (A) by striking “3 properties” and insert-
8 ing “5 properties”;

9 (B) by striking “a person, estate, or trust”
10 and inserting “a person or entity (including a
11 corporation, partnership, proprietorship, asso-
12 ciation, cooperative, estate, or trust)”; and

13 (C) by striking “such person, estate, or
14 trust” and inserting “such a person or entity”;

15 (2) in clause (i)—

16 (A) by inserting “or” after the semicolon;

17 (B) by striking “a person, estate, or trust
18 that has constructed” and inserting “such a
19 person or entity that—

20 “(I) has constructed”; and

21 (C) by inserting at the end the following
22 new subclause:

23 “(II) has received any other com-
24 pensation related to such loan, includ-
25 ing origination points or fees and ex-
26 cluding interest payments.”;

1 (3) by striking clauses (ii), (iii), and (iv); and

2 (4) by inserting after clause (i) the following

3 new clauses:

4 “(ii) is not a high-cost mortgage;

5 “(iii) does not include terms under
6 which the outstanding principal balance
7 will increase at any time over the course of
8 the loan because the regular periodic pay-
9 ments do not cover the full amount of in-
10 terest due;

11 “(iv) has—

12 “(I) a fixed rate; or

13 “(II) an adjustable rate that was
14 not determined by a prior contractual
15 obligation between the consumer and
16 such a person or entity and—

17 “(aa) is adjustable after 5
18 or more years (as determined by
19 the addition of a margin to a
20 widely available index rate) sub-
21 ject to reasonable annual and
22 lifetime limitations on interest
23 rate increases or is determined
24 by a prior obligation that is in-

1 cluded in or assumed by the
2 terms of the loan; or

3 “(bb) with respect to any
4 part of such loan contractually
5 required to be used to make pay-
6 ments on an existing mortgage
7 loan secured by such a property,
8 is adjustable on or after the date
9 of a rate adjustment on such ex-
10 isting mortgage loan; and”.

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