

114TH CONGRESS  
1ST SESSION

# H. R. 1210

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.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 2015

Mr. BARR (for himself, Mr. AMODEI, Mr. BLUM, Mr. DOLD, Mr. DUFFY, Mr. FINCHER, Mr. GUINTA, Mrs. HARTZLER, Mr. HILL, Mr. HULTGREN, Mr. JOYCE, Mr. KING of New York, Mr. LUCAS, Mr. LUETKEMEYER, Mr. MESSER, Mr. MULVANEY, Mr. NEUGEBAUER, Mr. RENACCI, Mr. RIBBLE, Mr. ROTHFUS, Mr. STIVERS, Mr. STUTZMAN, Mr. TIPTON, Mr. WEBER of Texas, and Mr. EMMER of Minnesota) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Portfolio Lending and  
5 Mortgage Access Act".

1 **SEC. 2. SAFE HARBOR FOR CERTAIN LOANS HELD ON**  
2 **PORTFOLIO.**

3 (a) IN GENERAL.—Section 129C of the Truth in  
4 Lending Act (15 U.S.C. 1639c) is amended by adding at  
5 the end the following:

6 “(j) SAFE HARBOR FOR CERTAIN LOANS HELD ON  
7 PORTFOLIO.—

8 “(1) SAFE HARBOR FOR CREDITORS THAT ARE  
9 DEPOSITORY INSTITUTIONS.—

10 “(A) IN GENERAL.—A creditor that is a  
11 depository institution shall not be subject to  
12 suit for failure to comply with subsection (a),  
13 (c)(1), or (f)(2) of this section or section 129H  
14 with respect to a residential mortgage loan, and  
15 the banking regulators shall treat such loan as  
16 a qualified mortgage, if—

17 “(i) the creditor has, since the origi-  
18 nation of the loan, held the loan on the  
19 balance sheet of the creditor; and

20 “(ii) all prepayment penalties with re-  
21 spect to the loan comply with the limita-  
22 tions described under subsection (c)(3).

23 “(B) EXCEPTION FOR CERTAIN TRANS-  
24 FERS.—In the case of a depository institution  
25 that transfers a loan originated by that institu-  
26 tion to another depository institution by reason

1 of the bankruptcy or failure of the originating  
2 depository institution or the purchase of the  
3 originating depository institution, the depository  
4 institution transferring such loan shall be  
5 deemed to have complied with the requirement  
6 under subparagraph (A)(i).

7 “(2) SAFE HARBOR FOR MORTGAGE ORIGINA-  
8 TORS.—A mortgage originator shall not be subject  
9 to suit for a violation of section 129B(c)(3)(B) for  
10 steering a consumer to a residential mortgage loan  
11 if—

12 “(A) the creditor of such loan is a deposi-  
13 tory institution and has informed the mortgage  
14 originator that the creditor intends to hold the  
15 loan on the balance sheet of the creditor for the  
16 life of the loan; and

17 “(B) the mortgage originator informs the  
18 consumer that the creditor intends to hold the  
19 loan on the balance sheet of the creditor for the  
20 life of the loan.

21 “(3) DEFINITIONS.—For purposes of this sub-  
22 section:

23 “(A) BANKING REGULATORS.—The term  
24 ‘banking regulators’ means the Federal banking

1 agencies, the Bureau, and the National Credit  
2 Union Administration.

3 “(B) DEPOSITORY INSTITUTION.—The  
4 term ‘depository institution’ has the meaning  
5 given that term under section 19(b)(1) of the  
6 Federal Reserve Act (12 U.S.C. 505(b)(1)).

7 “(C) FEDERAL BANKING AGENCIES.—The  
8 term ‘Federal banking agencies’ has the mean-  
9 ing given that term under section 3 of the Fed-  
10 eral Deposit Insurance Act.”.

11 (b) RULE OF CONSTRUCTION.—Nothing in the  
12 amendment made by this Act may be construed as pre-  
13 venting a balloon loan from qualifying for the safe harbor  
14 provided under section 129C(j) of the Truth in Lending  
15 Act if the balloon loan otherwise meets all of the require-  
16 ments under such subsection (j), regardless of whether the  
17 balloon loan meets the requirements described under  
18 clauses (i) through (iv) of section 129C(b)(2)(E) of such  
19 Act.

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