

117TH CONGRESS
1ST SESSION

H. R. 618

To promote access to mortgage credit during the COVID–19 pandemic by preventing restrictions on providing Federal backing for single-family mortgage loans in forbearance, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 28, 2021

Mr. VARGAS (for himself, Ms. WATERS, Ms. VELÁZQUEZ, Mr. CLEAVER, Ms. LEE of California, Mrs. HAYES, Mr. EVANS, and Ms. BARRAGÁN) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To promote access to mortgage credit during the COVID–19 pandemic by preventing restrictions on providing Federal backing for single-family mortgage loans in forbearance, 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 “Promoting Access to
5 Credit for Homebuyers Act of 2021”.

1 **SEC. 2. FANNIE MAE AND FREDDIE MAC.**

2 (a) **PURCHASE REQUIREMENTS.**—During the period
3 that begins 5 days after the date of the enactment of this
4 Act and ends 60 days after the covered period with respect
5 to the mortgage, notwithstanding any other provision of
6 law, an enterprise may not refuse to purchase any single-
7 family mortgage originated on or after February 1, 2020,
8 that otherwise would have been eligible for purchase by
9 such enterprise, solely due to the fact that the borrower
10 has, for the borrower’s previous mortgage or on the mort-
11 gage being purchased—

12 (1) entered into forbearance as a result of a fi-
13 nancial hardship due, directly or indirectly, to the
14 COVID-19 emergency;

15 (2) requested forbearance as a result of a finan-
16 cial hardship due, directly or indirectly, to the
17 COVID-19 emergency; or

18 (3) inquired as to options related to forbearance
19 as a result of a financial hardship due, directly or
20 indirectly, to the COVID-19 emergency.

21 (b) **PROHIBITION ON RESTRICTIONS.**—With respect
22 to purchase of single-family mortgages described in sub-
23 section (a) and specified in any of paragraphs (1) through
24 (3) of such subsection, an enterprise may not—

1 (1) establish additional restrictions that are not
2 applicable to similarly situated mortgages under
3 which the borrower is not in forbearance;

4 (2) charge a higher guarantee fee (within the
5 meaning provided such term in section 1327 of the
6 Housing and Community Development Act of 1992
7 (12 U.S.C. 4547)), or loan level pricing adjustment,
8 or otherwise alter pricing for such mortgages, rel-
9 ative to similarly situated mortgages under which
10 the borrower is not in forbearance;

11 (3) apply repurchase requirements to such
12 mortgages that are more restrictive than repurchase
13 requirements applicable to similarly situated mort-
14 gages under which the borrower is not in forbear-
15 ance; or

16 (4) require lender indemnification of such mort-
17 gages, solely due to the fact that the borrower is in
18 forbearance.

19 (c) FRAUD DETECTION.—This section may not be
20 construed to prevent an enterprise from conducting over-
21 sight and review of single-family mortgages purchased
22 when a borrower is in forbearance on the borrower’s pre-
23 vious mortgage, or on the mortgage being purchased, for
24 purposes of detecting fraud. An enterprise shall report any
25 fraud detected to the Director.

1 (d) ENTERPRISE CAPITAL.—During the period that
2 begins 5 days after the date of the enactment of this Act
3 and ends 60 days after the covered period with respect
4 to a mortgage, notwithstanding any other provision of law,
5 a forbearance on such mortgage shall not be considered
6 to be a delinquency under such mortgage for purposes of
7 calculating capital of an enterprise for any purpose under
8 title XIII of the Housing and Community Development
9 Act of 1992 (12 U.S.C. 4501 et seq.).

10 (e) RULES OF CONSTRUCTION.—

11 (1) PURCHASE PARAMETERS.—This section
12 may not be construed to require an enterprise to
13 purchase single-family mortgages that do not meet
14 existing or amended purchase parameters, other
15 than parameters related to borrower forbearance, es-
16 tablished by such enterprise.

17 (2) EMPLOYMENT; INCOME.—This section may
18 not be construed to prevent an enterprise from es-
19 tablishing additional requirements to ensure that a
20 borrower has not lost their job or income prior to a
21 mortgage closing.

22 (f) IMPLEMENTATION.—The Director may issue any
23 guidance, orders, and regulations necessary to carry out
24 this section.

1 **SEC. 3. FHA.**

2 (a) PROHIBITION ON RESTRICTIONS.—During the
3 period that begins 5 days after the date of the enactment
4 of this Act and ends 60 days after the covered period with
5 respect to the mortgage, notwithstanding any other provi-
6 sion of law, the Secretary of Housing and Urban Develop-
7 ment may not deny the provision of mortgage insurance
8 for a single-family mortgage originated on or after Feb-
9 ruary 1, 2020, may not implement additional premiums
10 or otherwise alter pricing for such a mortgage, may not
11 require mortgagee indemnification, and may not establish
12 additional restrictions on such a mortgagor, solely due to
13 the fact that the borrower has—

14 (1) entered into forbearance as a result of a fi-
15 nancial hardship due, directly or indirectly, to the
16 COVID-19 emergency;

17 (2) requested forbearance as a result of a finan-
18 cial hardship due, directly or indirectly, to the
19 COVID-19 emergency; or

20 (3) inquired as to options related to forbearance
21 as a result of a financial hardship due, directly or
22 indirectly, to the COVID-19 emergency.

23 (b) RULES OF CONSTRUCTION.—

24 (1) INSURANCE.—This section may not be con-
25 strued to require the Secretary of Housing and
26 Urban Development to provide insurance on single-

1 family mortgages that do not meet existing or
2 amended insurance parameters, other than param-
3 eters related to borrower forbearance, established by
4 the Secretary.

5 (2) EMPLOYMENT; INCOME.—This section may
6 not be construed to prevent the Secretary of Hous-
7 ing and Urban Development from establishing addi-
8 tional requirements regarding insurance on single-
9 family mortgages to ensure that a borrower has not
10 lost their job or income prior to a mortgage closing.

11 **SEC. 4. REPORTING REQUIREMENTS.**

12 (a) FHFA ACTIONS.—During the COVID-19 emer-
13 gency, the Director may not increase guarantee fees, loan
14 level pricing adjustments, or any other fees or implement
15 any restrictions on access to credit unless the Director
16 provides 48-hour advance notice of such increase or re-
17 strictions to the Committee on Financial Services of the
18 House of Representatives and the Committee on Banking,
19 Housing, and Urban Affairs of the Senate together with
20 a detailed report of the policy rationale for the decision,
21 including any and all data considered in making such deci-
22 sion.

23 (b) QUARTERLY REPORTS BY ENTERPRISES AND
24 FHA.—

1 (1) REQUIREMENT.—Each enterprise and the
2 Secretary of Housing and Urban Development, with
3 respect to the FHA mortgage insurance programs,
4 shall provide reports to the Congress, and make
5 such reports publicly available, not less frequently
6 than quarterly regarding the impact of COVID-19
7 pandemic on the such enterprises’ and program’s
8 ability to meet their charter requirements, civil
9 rights responsibilities, mandates under the CARES
10 Act (Public Law 116–136), and other laws enacted
11 in response to the COVID-19 pandemic, and other
12 requirements under law. The first such report shall
13 be submitted not later than the expiration of the 3-
14 month period beginning upon the date of the enact-
15 ment of this Act and the requirement under this
16 paragraph to submit such reports shall terminate
17 upon the expiration of the 2-year period beginning
18 upon the termination of the COVID-19 emergency.

19 (2) CONTENT.—Each report required under
20 paragraph (1) shall include the following information
21 for the most recent quarter for which data is avail-
22 able:

23 (A) ENTERPRISES.—For each report re-
24 quired by an enterprise:

1 (i) The number of single-family and
2 multi-family residential mortgage loans
3 purchased by the enterprise and the un-
4 paid principal balance of such mortgage
5 loans purchased, disaggregated by—

6 (I) mortgage loans made to low-
7 and moderate-income borrowers;

8 (II) mortgage loans made for
9 properties in low- and moderate-in-
10 come census tracts; and

11 (III) mortgage loans made for
12 properties in central cities, rural
13 areas, and underserved areas.

14 (ii) In the single-family residential
15 mortgage market—

16 (I) the total number, unpaid
17 principal balance, and length of
18 forbearances provided to borrowers,
19 including whether or not the forbear-
20 ance was requested by the borrower;

21 (II) a detailed breakdown of the
22 loan modifications offered to bor-
23 rowers and whether the borrowers ac-
24 cepted the offer including the total
25 number and unpaid principal balance

1 of loan modifications ultimately made
2 to borrowers;

3 (III) a detailed breakdown of the
4 home retention options offered to bor-
5 rowers and whether the borrowers ac-
6 cepted the offer including the total
7 number and unpaid principal balance
8 of other home retention options ul-
9 timately made to borrowers;

10 (IV) the total number of out-
11 comes that included short-sales, deed-
12 in-lieu of foreclosure, and foreclosure
13 sales; and

14 (V) the total number of delin-
15 quent mortgage loans.

16 (iii) A description of any efforts by
17 the enterprise to provide assistance and
18 support to consumers who are not pro-
19 ficient in English.

20 (iv) A description of any other efforts
21 by the enterprise to provide assistance to
22 low- and moderate-income communities,
23 central cities, rural areas, and other under-
24 served areas, such as financial literacy and

1 education or support of fair housing and
2 housing counseling agencies.

3 (v) A description of any other assist-
4 ance provided by the enterprise to con-
5 sumers in response to the COVID-19 pan-
6 demic.

7 (B) FHA.—For each report required with
8 respect to the FHA mortgage insurance pro-
9 grams:

10 (i) The number and unpaid principal
11 balance for all residential mortgage loans,
12 disaggregated by type, insured under such
13 programs.

14 (ii) The total number, unpaid prin-
15 cipal balance, and length of forbearances
16 provided to borrowers, including whether
17 or not the forbearance was requested by
18 the borrower.

19 (iii) A detailed breakdown of the loan
20 modifications offered to borrowers and
21 whether the borrowers accepted the offer
22 including the total number and unpaid
23 principal balance of loan modifications ulti-
24 mately made to borrowers.

1 (iv) A detailed breakdown of the home
2 retention options offered to borrowers and
3 whether the borrowers accepted the offer
4 including the total number and unpaid
5 principal balance of other home retention
6 options ultimately made to borrowers.

7 (v) A description of any efforts under
8 such programs to provide assistance and
9 support to consumers who are not pro-
10 ficient in English.

11 (vi) A description of any other efforts
12 under such programs to provide assistance
13 to low- and moderate-income communities,
14 central cities, rural areas, and other under-
15 served areas, such as financial literacy and
16 education or support of fair housing and
17 housing counseling agencies.

18 (vii) A description of any other assist-
19 ance provided under such programs to con-
20 sumers in response to the COVID-19 pan-
21 demic.

22 (viii) The total number of delinquent
23 mortgage loans.

24 (C) PROVISIONS TO BE INCLUDED IN ALL
25 REPORTS.—Each report required under para-

1 graph (1) shall include, to the degree reason-
2 ably possible, the following information:

3 (i) An analysis of all loan level data
4 required by subparagraphs (A) and (B)
5 disaggregated by race, national origin, gen-
6 der, disability status, whether or not the
7 borrower seeking or obtaining assistance
8 speaks English as a second language, the
9 preferred language of the borrower, debt-
10 to-income level of the borrower, loan-to-
11 value ratio of the loan, and credit score of
12 the borrower.

13 (ii) A geographical analysis at the
14 census tract level, but if information is not
15 available at the census tract level for any
16 of the items required by subparagraphs
17 (A) and (B), the geographical analysis
18 shall be provided at the zip code level for
19 the item for which a census tract analysis
20 was not possible.

21 (iii) A description of any policy
22 changes made by the enterprise or Sec-
23 retary of Housing and Urban Develop-
24 ment, as appropriate, in response to the
25 COVID-19 pandemic and analysis of ac-

1 tions taken to ensure that such policy
2 changes were in compliance with all rel-
3 evant civil rights responsibilities, including
4 the Fair Housing Act, including the Af-
5 firmatively Furthering Fair Housing provi-
6 sion, the Equal Credit Opportunity Act,
7 the Community Reinvestment Act of 1977,
8 the Federal Housing Enterprises Financial
9 Safety and Soundness Act of 1992, the
10 Housing and Economic Recovery Act of
11 2008, Federal Home Loan Bank Act, Ex-
12 ecutive Orders 11063 and 12892, the Fed-
13 eral National Mortgage Association Char-
14 ter Act, and the Federal Home Loan Mort-
15 gage Corporation Act.

16 (c) REPORT BY GAO.—Not later than the expiration
17 of the 120-day period that begins upon the termination
18 of the COVID-19 emergency, the Comptroller General of
19 the United States shall submit to the Congress and make
20 publicly available a report on—

21 (1) the extent to which the enterprises and the
22 FHA mortgage insurance programs provided loan
23 products, forbearances, loan modifications, and
24 COVID-19-related assistance to consumers and the

1 total number of delinquent mortgage loans under
2 such programs;

3 (2) the availability and type of any such assist-
4 ance provided post-forbearance; and

5 (3) the overall ability of the enterprises and the
6 FHA mortgage insurance programs to successfully
7 meet their charter requirements, civil rights respon-
8 sibilities, and other requirements under law.

9 The report shall also include an analysis of all loan level
10 data required by this subsection disaggregated by race, na-
11 tional origin, gender, disability status, whether or not the
12 borrower seeking or obtaining assistance speaks English
13 as a second language, the preferred language of the bor-
14 rower, debt-to-income level of the borrower, loan-to-value
15 ratio of the loan, and credit score of the borrower.

16 **SEC. 5. DEFINITIONS.**

17 For purposes of this Act, the following definitions
18 shall apply:

19 (1) COVERED PERIOD.—The term “covered pe-
20 riod” means, with respect to a federally backed
21 mortgage loan, the period of time during which the
22 borrower under such loan may request forbearance
23 on the loan under section 4022(b) of the CARES
24 Act (15 U.S.C. 9056; Public Law 116–136; 134
25 Stat. 490).

1 (2) COVID-19 EMERGENCY.—The term
2 “COVID-19 emergency” has the meaning given such
3 term in section 4022 of the CARES Act (15 U.S.C.
4 9056; Public Law 116–136; 134 Stat. 490).

5 (3) DIRECTOR.—The term “Director” means
6 the Director of the Federal Housing Finance Agen-
7 cy.

8 (4) ENTERPRISE.—The term “enterprise” has
9 the meaning given such term in section 1303 of the
10 Housing and Community Development Act of 1992
11 (12 U.S.C. 4502).

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