

114TH CONGRESS
1ST SESSION

S. 1974

To require the Bureau of Consumer Financial Protection to amend its regulations relating to qualified mortgages, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 5, 2015

Ms. HEITKAMP introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To require the Bureau of Consumer Financial Protection to amend its regulations relating to qualified mortgages, 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 “Relationship Lending
5 Preservation Act of 2015”.

6 **SEC. 2. QUALIFIED MORTGAGE AMENDMENT.**

7 (a) DEFINITIONS.—In this section—

8 (1) the term “affiliate” has the meaning given
9 the term in section 2(k) of the Bank Holding Com-
10 pany Act of 1956 (12 U.S.C. 1841(k));

1 (2) the term “Bureau” means the Bureau of
2 Consumer Financial Protection;

3 (3) the terms “community financial institution”
4 and “Federal Home Loan Bank System” have the
5 meanings given those terms in section 2 of the Fed-
6 eral Home Loan Bank Act (12 U.S.C. 1422);

7 (4) the term “creditor” has the meaning given
8 that term in section 103 of the Truth in Lending
9 Act (15 U.S.C. 1602);

10 (5) the term “Federal Home Loan Bank”
11 means a bank established under the authority of the
12 Federal Home Loan Bank Act (12 U.S.C. 1421 et
13 seq.); and

14 (6) the term “qualified mortgage” has the
15 meaning given that term in section 129C(b)(2)(A) of
16 the Truth in Lending Act (15 U.S.C.
17 1639c(b)(2)(A)).

18 (b) REQUIREMENT TO ISSUE REGULATIONS.—Not
19 later than 9 months after the date of enactment of this
20 Act, the Bureau shall issue regulations that provide that
21 the term “qualified mortgage” includes any mortgage loan
22 that—

23 (1) is extended by a creditor that—

1 (A) together with its affiliates, has less
2 than \$10,000,000,000 in total consolidated as-
3 sets; and

4 (B) is a member of a Federal Home Loan
5 Bank;

6 (2) meets the requirements of clauses (i), (ii),
7 (iv), (v), (vii), and (viii) of section 129C(b)(2)(A) of
8 the Truth in Lending Act (15 U.S.C.
9 1639c(b)(2)(A));

10 (3) is eligible to be purchased by a Federal
11 Home Loan Bank pursuant to requirements estab-
12 lished by the Federal Home Loan Bank, including
13 underwriting and documentation requirements; and

14 (4) is eligible to be purchased and is held by a
15 Federal Home Loan Bank pursuant to regulations
16 issued by the Federal Housing Finance Agency.

17 (c) ASSESSMENT OF REGULATIONS.—

18 (1) IN GENERAL.—The Bureau shall conduct,
19 in consultation with the Federal Housing Finance
20 Agency, an assessment of the regulations issued
21 under subsection (b), which shall—

22 (A) address, among other relevant factors,
23 the usage of the regulations by community fi-
24 nancial institutions, the impact of the regula-
25 tions on access to residential mortgage loans,

1 and whether the Federal Home Loan Banks
2 have established underwriting and documenta-
3 tion requirements; and

4 (B) reflect available evidence and any data
5 that the Bureau reasonably may collect.

6 (2) REPORT.—Not later than 4 years after the
7 date on which the Bureau issues the regulations
8 under subsection (b), the Bureau shall publish and
9 submit to the Committee on Banking, Housing, and
10 Urban Affairs of the Senate and the Committee on
11 Financial Services of the House of Representatives
12 a report on the assessment conducted under para-
13 graph (1).

14 (3) PUBLIC COMMENT REQUIRED.—Before pub-
15 lishing the report under paragraph (2), the Bureau
16 shall invite public comment on recommendations for
17 modifying, expanding, or eliminating the regulations
18 issued under subsection (b).

19 (d) REVISION OF REGULATIONS.—Beginning 5 years
20 after the date on which the Bureau issues the regulations
21 under subsection (b), the Bureau may revise those regula-
22 tions if the Bureau determines that the revision is nec-
23 essary—

24 (1) to protect the safety of mortgage loan bor-
25 rowers or lenders; or

1 (2) to increase access to mortgage credit.

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