

112TH CONGRESS
2D SESSION

H. R. 4163

To amend certain provisions of the Truth in Lending Act related to the compensation of mortgage originators, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 7, 2012

Mr. GARY G. MILLER of California (for himself and Mr. SHERMAN) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend certain provisions of the Truth in Lending Act related to the compensation of mortgage originators, 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 Consumers’
5 Mortgage Origination Choices Act of 2012”.

1 **SEC. 2. COMPENSATION OF MORTGAGE ORIGINATORS BY**
2 **MORTGAGE BROKERS.**

3 Subsection (c)(4) of section 129B of the Truth in
4 Lending Act (as added by Public Law 111–203) is amend-
5 ed by adding at the end the following new subparagraph:

6 “(E) prohibiting a mortgage originator
7 who receives compensation directly from a con-
8 sumer in accordance with this section from
9 compensating another mortgage originator em-
10 ployee, mortgage originator agent, or mortgage
11 originator contractor based on the principal
12 amount of the loan, provided that the amount
13 of compensation received by such employee,
14 agent, or contractor may not vary based on any
15 other terms of the loan.”.

16 **SEC. 3. LIMITED REDUCTION IN MORTGAGE ORIGINATOR**
17 **COMPENSATION.**

18 Section 129B of such Act is amended—

19 (1) by redesigning subsections (d), (e), and (f)
20 as subsections (e), (f), and (g), respectively; and

21 (2) by inserting after subsection (c) the fol-
22 lowing new subsection:

23 “(d) REDUCTION IN MORTGAGE ORIGINATOR COM-
24 PENSATION TO PAY FOR COST INCREASES BEYOND THE
25 CONTROL OF THE ORIGINATOR.—A mortgage originator,
26 at the request of a consumer, may reduce the amount of

1 compensation being received by such originator to offset
2 settlement charges, other than settlement charges con-
3 trolled by such originator, which are permitted under the
4 Real Estate Settlement Procedures Act (12 U.S.C. 2601–
5 2617), that exceed the amounts previously disclosed on the
6 good faith estimate of the settlement charges provided to
7 such consumer pursuant to section 5(c) of such Act (12
8 U.S.C. 2604(c)), provided that the originator’s compensa-
9 tion may not increase.”.

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