

113TH CONGRESS
1ST SESSION

S. 1577

To amend the Truth in Lending Act to improve upon the definitions provided for points and fees in connection with a mortgage transaction.

IN THE SENATE OF THE UNITED STATES

OCTOBER 28, 2013

Mr. MANCHIN (for himself, Mr. JOHANNIS, Mr. LEVIN, Ms. STABENOW, Mr. TOOMEY, and Mr. KIRK) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To amend the Truth in Lending Act to improve upon the definitions provided for points and fees in connection with a mortgage transaction.

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 “Mortgage Choice Act
5 of 2013”.

6 **SEC. 2. DEFINITION OF POINTS AND FEES.**

7 (a) AMENDMENT TO SECTION 103 OF TILA.—Sec-
8 tion 103(bb)(4) of the Truth in Lending Act (15 U.S.C.
9 1602(bb)(4)) is amended—

1 (1) by striking “paragraph (1)(B)” and insert-
2 ing “paragraph (1)(A) and section 129C”;

3 (2) in subparagraph (C)—

4 (A) by inserting “and insurance” after
5 “taxes”;

6 (B) in clause (ii), by inserting “, except as
7 retained by a creditor or its affiliate as a result
8 of their participation in an affiliated business
9 arrangement (as defined in section 2(7) of the
10 Real Estate Settlement Procedures Act of 1974
11 (12 U.S.C. 2602(7))” after “compensation”;
12 and

13 (C) by striking clause (iii) and inserting
14 the following:

15 “(iii) the charge is—

16 “(I) a bona fide third-party
17 charge not retained by the mortgage
18 originator, creditor, or an affiliate of
19 the creditor or mortgage originator; or

20 “(II) a charge set forth in section
21 106(e)(1);” and

22 (3) in subparagraph (D)—

23 (A) by striking “accident,”; and

24 (B) by striking “or any payments” and in-
25 serting “and any payments”.

1 (b) AMENDMENT TO SECTION 129C OF TILA.—Sec-
2 tion 129C of the Truth in Lending Act (15 U.S.C. 1639c)
3 is amended—

4 (1) in subsection (a)(5)(C), by striking “103”
5 and all that follows through “or mortgage origi-
6 nator” and inserting “103(bb)(4)”; and

7 (2) in subsection (b)(2)(C)(i), by striking “103”
8 and all that follows through “or mortgage origi-
9 nator)” and inserting “103(bb)(4)”.

10 **SEC. 3. RULEMAKING.**

11 Not later than the end of the 90-day period beginning
12 on the date of the enactment of this Act, the Bureau of
13 Consumer Financial Protection shall issue final regula-
14 tions to carry out the amendments made by this Act, and
15 such regulations shall be effective upon issuance.

○