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114TH CONGRESS
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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

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A BILL

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Relationship Lending Preservation Act of 2015''.

SEC. 2. QUALIFIED MORTGAGE AMENDMENT.

(a) DEFINITIONS.—In this section—

(1) the term ''affiliate'' has the meaning given the term in section 2(k) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(k));

(2) the term ''Bureau'' means the Bureau of Consumer Financial Protection;

(3) the terms ''community financial institution'' and ''Federal Home Loan Bank System'' have the meanings given those terms in section 2 of the Federal Home Loan Bank Act (12 U.S.C. 1422);

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

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

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

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

(1) is extended by a creditor that—

(A) together with its affiliates, has less than $10,000,000,000 in total consolidated assets; and

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

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

(3) is eligible to be purchased by a Federal Home Loan Bank pursuant to requirements established by the Federal Home Loan Bank, including underwriting and documentation requirements; and

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

(c) ASSESSMENT OF REGULATIONS.—

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

(A) address, among other relevant factors, the usage of the regulations by community financial institutions, the impact of the regulations on access to residential mortgage loans,

and whether the Federal Home Loan Banks have established underwriting and documentation requirements; and

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

(2) REPORT.—Not later than 4 years after the date on which the Bureau issues the regulations under subsection (b), the Bureau shall publish and submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report on the assessment conducted under paragraph (1).

(3) PUBLIC COMMENT REQUIRED.—Before publishing the report under paragraph (2), the Bureau shall invite public comment on recommendations for modifying, expanding, or eliminating the regulations issued under subsection (b).

(d) REVISION OF REGULATIONS.—Beginning 5 years after the date on which the Bureau issues the regulations under subsection (b), the Bureau may revise those regulations if the Bureau determines that the revision is necessary—

(1) to protect the safety of mortgage loan borrowers or lenders; or

1 (2) to increase access to mortgage credit.

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