

Mr. VAN HOLLEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

□ 1500

## PRESERVING ACCESS TO MANUFACTURED HOUSING ACT OF 2015

Mr. FINCHER. Mr. Speaker, pursuant to House Resolution 189, I call up the bill (H.R. 650) to amend the Truth in Lending Act to modify the definitions of a mortgage originator and a high-cost mortgage, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 189, the bill is considered read.

The text of the bill is as follows:

H.R. 650

*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 “Preserving Access to Manufactured Housing Act of 2015”.

### SEC. 2. MORTGAGE ORIGINATOR DEFINITION.

Section 103 of the Truth in Lending Act (15 U.S.C. 1602) is amended—

(1) by redesignating the second subsection (cc) and subsection (dd) as subsections (dd) and (ee), respectively; and

(2) in paragraph (2)(C) of subsection (dd), as so redesignated, by striking “an employee of a retailer of manufactured homes who is not described in clause (i) or (iii) of subparagraph (A) and who does not advise a consumer on loan terms (including rates, fees, and other costs)” and inserting “a retailer of manufactured or modular homes or its employees unless such retailer or its employees receive compensation or gain for engaging in activities described in subparagraph (A) that is in excess of any compensation or gain received in a comparable cash transaction”.

### SEC. 3. HIGH-COST MORTGAGE DEFINITION.

Section 103 of the Truth in Lending Act (15 U.S.C. 1602) is amended—

(1) by redesignating subsection (aa) (relating to disclosure of greater amount or percentage), as so designated by section 1100A of the Consumer Financial Protection Act of 2010, as subsection (bb);

(2) by redesignating subsection (bb) (relating to high cost mortgages), as so designated by section 1100A of the Consumer Financial Protection Act of 2010, as subsection (aa), and moving such subsection to immediately follow subsection (z); and

(3) in subsection (aa)(1)(A), as so redesignated—

(A) in clause (i)(I), by striking “(8.5 percentage points, if the dwelling is personal property and the transaction is for less than \$50,000)” and inserting “(10 percentage points if the dwelling is personal property or is a transaction that does not include the purchase of real property on which a dwelling is to be placed, and the transaction is for less than \$75,000 (as such amount is adjusted by the Bureau to reflect the change in the Consumer Price Index))”; and

(B) in clause (ii)—

(i) in subclause (I), by striking “or” at the end; and

(ii) by adding at the end the following:

“(III) in the case of a transaction for less than \$75,000 (as such amount is adjusted by

the Bureau to reflect the change in the Consumer Price Index) in which the dwelling is personal property (or is a consumer credit transaction that does not include the purchase of real property on which a dwelling is to be placed) the greater of 5 percent of the total transaction amount or \$3,000 (as such amount is adjusted by the Bureau to reflect the change in the Consumer Price Index); or”.

The SPEAKER pro tempore. The gentleman from Tennessee (Mr. FINCHER) and the gentlewoman from California (Ms. WATERS) each will control 30 minutes.

The Chair recognizes the gentleman from Tennessee (Mr. FINCHER).

#### GENERAL LEAVE

Mr. FINCHER. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and submit extraneous materials on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. FINCHER. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, before I start, I want to thank Chairman HENSARLING and the leadership that he has shown in his ability to work with us and allow us to do these commonsense pieces of legislation that help our districts all over this country, especially my home State of Tennessee and the Eighth Congressional District. So I just want to definitely make sure I thank him for his leadership and support.

Mr. Speaker, I am pleased to be the sponsor of H.R. 650, the Preserving Access to Manufactured Housing Act. Access to affordable housing is of vital importance to families in my district and all across the United States. Unfortunately, due to CFPB mortgage regulations that do not reflect the unique nature of the manufactured home sales process, access to financing for manufactured homes is in serious jeopardy.

Manufactured housing serves as a critical option for those who cannot otherwise afford to buy a home. Homes are commonly available at lower monthly payments than what it costs to rent. And the average price of a manufactured home is less than \$43,000, compared to an average price of \$177,000 for a site-built home. Almost three-quarters of families living in manufactured homes have annual incomes under \$40,000.

But this important source of homeownership for American families is being threatened by current high-cost mortgage rules that are too inflexible and often lead to the denial of financing for certain homes, particularly those that are lower priced, more affordable options.

Since the CFPB's Home Ownership and Equity Protection Act “high cost” rules consider cost as a percentage of a loan, smaller size loans, like manufactured home loans, often violate points

and fee caps. Manufactured home loans are typically associated with fixed interest rates, full amortization, shorter loan terms, and the absence of alternative features, such as balloon payments, negative amortization, no down payment loans, et cetera, to allow them to satisfy conservative and prudent underwriting standards, and H.R. 650 won't change this.

Because of the resulting “high-cost” designation and increased lender liability associated with it, some lenders have stopped making manufactured housing loans altogether, and others have stopped originating loans under \$20,000. Many community owners have said that their tenants are being forced to sell their homes well below market value to cash buyers because potential buyers can't find financing. These below-market sales don't just hurt sellers; they hurt every homeowner in the community who feels a huge loss on the equity of their home.

Additionally, since the CFPB's rule on the loan originator definition has gone into effect, retailers have been forced to stop providing technical assistance to consumers during the process of home buying. This bill modifies the definition of high-cost loans so that manufactured housing loans are not unfairly swept under the high-cost loan designation simply due to their size.

Mr. Speaker, this bill would help ensure the availability of financing options for manufactured homes while preserving the necessary consumer protections in the Dodd-Frank Act and the SAFE Act. Let me say that one more time. This bill would help ensure the availability of financing options for manufactured homes while preserving the necessary consumer protections in the Dodd-Frank Act and the SAFE Act.

H.R. 650 not only preserves Dodd-Frank's core consumer protections, but it helps consumers by restoring access to financing. Such financing enables working families and retirees to obtain housing that is much cheaper than renting or conventional home mortgage options.

CFPB, HUD, and State oversight of manufactured lending will continue. Consumers will continue to have the wide range of mortgage protections established by Dodd-Frank, including the QM “ability to repay” requirement, the prohibition on steering incentives, the prohibition against steering a consumer to a loan that has predatory characteristics, the prohibition on mandatory arbitration, loan term disclosure requirements, and the other State and Federal laws.

This bill is about ensuring access to affordable housing, especially in rural America, where rental properties are not as abundant as in urban areas. This bill enjoys broad bipartisan support by groups including the National Association of Realtors, the Mortgage Bankers Association, the Manufactured Housing Institute, the National Organization of African Americans in Housing, the National Association of Federal Credit

Unions, the National Association of Mortgage Professionals, the California Association of Mortgage Professionals, and numerous manufactured housing State associations.

This bill, Mr. Speaker, is a compromise from last year's bipartisan bill. In an effort to gain even more support on both sides of the aisle, we introduced a bipartisan compromise again this Congress. This is not a Democrat or a Republican issue. It is an affordability of housing issue for rural America. We cannot forget about rural America, Mr. Speaker. These are my constituents and the constituents of many folks here who serve in this body.

So, Mr. Speaker, I urge my colleagues today to support this. With that, I reserve the balance of my time.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in opposition to H.R. 650, which would undermine the Dodd-Frank Wall Street Reform Act and eliminate consumer protections for some of the country's most vulnerable borrowers.

Mr. Speaker, the talking points describe this bill as one that preserves access to manufactured housing. But the reality is that we have learned this bill is a solution to a problem that does not exist. We agreed that this issue needed additional study last year, and reports we have received from the Consumer Financial Protection Bureau, the manufactured housing industry, and the Center for Public Integrity have all shown us that this measure would not create access to affordable housing but would instead allow an incredibly profitable industry to make even more money by charging exorbitant interest rates and fees to low-income borrowers.

The industry itself asserts that it has been growing and is highly profitable even with the Dodd-Frank mortgage protections in place. In fact, according to its trade association, the manufactured housing industry recorded shipment increases in every month of 2014. The Manufactured Housing Association for Regulatory Reform found that 2014 marked a "fifth consecutive year of annual industry production increases."

Even one of the world's investors, Berkshire Hathaway Chairman Warren Buffett, has been touting the post-Dodd-Frank profitability of manufactured housing. In a letter to his shareholders, he pointed out that Clayton Homes, Berkshire's highly profitable manufacturing housing subsidiary, earned a total of \$558 million in 2014—an increase of 34 percent over 2013. Yes, that is a 34 percent increase, even after the Dodd-Frank rules were in place.

Unfortunately, Mr. Speaker, this is the same Clayton Homes that was the subject of a recent Seattle Times-Center for Public Integrity joint investigation that found this manufactured housing empire profits in every imaginable way—from producing the hous-

ing, to selling the housing, to originating loans that take advantage of vulnerable consumers and leave them virtually no way to refinance.

So, Mr. Speaker, I insert this article into the RECORD. This, again, is a scathing article that was produced by The Seattle Times.

[From the Seattle Times and The Center for Public Integrity, April 7, 2015]

#### THE MOBILE-HOME TRAP: HOW A WARREN BUFFETT EMPIRE PREYS ON THE POOR

EPHRATA, GRANT COUNTY.—After years of living in a 1963 travel trailer, Kirk and Patricia Ackley found a permanent house with enough space to host grandkids and care for her aging father suffering from dementia. So, as the pilot cars prepared to guide the factory-built home up from Oregon in May 2006, the Ackleys were elated to finalize paperwork waiting for them at their loan broker's kitchen table.

But the closing documents he set before them held a surprise: The promised 7 percent interest rate was now 12.5 percent, with monthly payments of \$1,100, up from \$700.

The terms were too extreme for the Ackleys. But they'd already spent \$11,000, at the dealer's urging, for a concrete foundation to accommodate this specific home. They could look for other financing but desperately needed a space to care for her father.

Kirk's construction job and Patricia's Wal-Mart job together weren't enough to afford the new monthly payment. But, they said, the broker was willing to inflate their income in order to qualify them for the loan. "You just need to remember," they recalled him saying, "you can refinance as soon as you can."

To their regret, the Ackleys signed.

The disastrous deal ruined their finances and nearly their marriage. But until informed recently by a reporter, they didn't realize that the homebuilder (Golden West), the dealer (Oakwood Homes) and the lender (21st Mortgage) were all part of a single company: Clayton Homes, the nation's biggest homebuilder, which is controlled by its second-richest man—Warren Buffett.

Buffett's mobile-home empire promises low-income Americans the dream of homeownership. But Clayton relies on predatory sales practices, exorbitant fees, and interest rates that can exceed 15 percent, trapping many buyers in loans they can't afford and in homes that are almost impossible to sell or refinance, an investigation by The Seattle Times and Center for Public Integrity has found.

Berkshire Hathaway, the investment conglomerate Buffett leads, bought Clayton in 2003 and spent billions building it into the mobile-home industry's biggest manufacturer and lender. Today, Clayton is a many-headed hydra with companies operating under at least 18 names, constructing nearly half of the industry's new homes and selling them through its own retailers. It finances more mobile-home purchases than any other lender by a factor of six. It also sells property insurance on them and repossesses them when borrowers fail to pay.

Berkshire extracts value at every stage of the process. Clayton even builds the homes with materials—such as paint and carpeting—supplied by other Berkshire subsidiaries.

More than a dozen Clayton customers described a consistent array of deceptive practices that locked them into ruinous deals: loan terms that changed abruptly after they paid deposits or prepared land for their new homes; surprise fees tacked on to loans; and pressure to take on excessive payments

based on false promises that they could later refinance.

Former dealers said the company encouraged them to steer buyers to finance with Clayton's own high-interest lenders.

Under federal guidelines, most Clayton mobile-home loans are considered "higher-priced." Those loans averaged 7 percentage points higher than the typical home loan in 2013, according to a Times/CPI analysis of federal data, compared to just 3.8 percentage points for other lenders.

Buyers told of Clayton collection agents urging them to cut back on food and medical care or seek handouts in order to make house payments. And when homes got hauled off to be resold, some consumers already had paid so much in fees and interest that the company still came out ahead. Even through the Great Recession and housing crisis, Clayton was profitable every year, generating \$558 million in pre-tax earnings in 2014.

The company's tactics contrast with Buffett's public profile as a financial sage who values responsible lending and helping poor Americans keep their homes.

Berkshire Hathaway spokeswoman Carrie Soya and Clayton spokeswoman Audrey Saunders ignored more than a dozen requests by phone, email and in person to discuss Clayton's policies and treatment of consumers. In an emailed statement, Saunders said Clayton helps customers find homes within their budgets and has a "purpose of opening doors to a better life, one home at a time."

#### FIRST, A DREAM

As Buffett tells it, his purchase of Clayton Homes came from an "unlikely source": Visiting students from the University of Tennessee gave him a copy of founder Jim Clayton's self-published memoir, "First a Dream," in early 2003. Buffett enjoyed reading the book and admired Tim Clayton's record, he has said, and soon called CEO Kevin Clayton, offering to buy the company.

"A few phone calls later, we had a deal," Buffett said at his 2003 shareholders meeting, according to notes taken at the meeting by hedge-fund manager Whitney Tilson.

The tale of serendipitous dealmaking paints Buffett and the Claytons as sharing down-to-earth values, antipathy for Wall Street and an old-fashioned belief in treating people fairly. But, in fact, the man who brought the students to Omaha said Clayton's book wasn't the genesis of the deal.

"The Claytons really initiated this contact," said Al Auxier, the Tennessee professor, since retired, who chaperoned the student trip after fostering a relationship with the billionaire.

CEO Kevin Clayton, the founder's son, reached out to Buffett through Auxier, the professor said in a recent interview, and asked whether Buffett might explore "a business relationship" with Clayton Homes.

At the time, mobile-home loans had been defaulting at alarming rates, and investors had grown wary of them. Kevin Clayton was seeking a new source of cash to relend to homebuyers. He knew that Berkshire Hathaway, with its perfect bond rating, could provide it as cheaply as anyone. Later that year, Berkshire Hathaway paid \$1.7 billion in cash to buy Clayton Homes.

Clayton provided more than half of new mobile-home loans in eight states. In Texas, the number exceeds 70 percent. Clayton has more than 90 percent of the market in Odesa, one of the most expensive places in the country to finance a mobile home.

To maintain its down-to-earth image, Clayton has hired the stars of the reality-TV show "Duck Dynasty" to appear in ads.

The company's headquarters is a hulking structure of metal sheeting surrounded by

acres of parking lots and a beach volleyball court for employees, located a few miles south of Knoxville, Tenn. Next to the front door, there is a slot for borrowers to deposit payments.

Near the headquarters, two Clayton sales lots sit three miles from each other. Clayton Homes' banners promise "\$0 CASH DOWN." TruValue Homes, also owned by Clayton, advertises "REPOS FOR SALE." Other nearby Clayton lots operate as Luv Homes and Oakwood Homes. With all the different names, many customers believe that they're shopping around.

House-sized banners at dealerships reinforce that impression, proclaiming they will "BEAT ANY DEAL." In some parts of the country, buyers would have to drive many miles past several Clayton-owned lots, to reach a true competitor.

#### GUIDED INTO COSTLY LOANS

Soon after Buffett bought Clayton Homes, he declared a new dawn for the moribund mobile-home industry, which provides housing for some 20 million Americans. Lenders should require "significant down payments and shorter-term loans," Buffett wrote.

He called 30-year loans on mobile homes "a mistake," according to notes Tilson took during Berkshire Hathaway's 2003 shareholders meeting.

"Home purchases should involve an honest-to-God down payment of at least 10% and monthly payments that can be comfortably handled by the borrower's income," Buffett later wrote. "That income should be carefully verified."

But in examining more than 100 Clayton home sales through interviews and reviews of loan documents from 41 states, reporters found that the company's loans routinely violated the lending standards laid out by Buffett.

Clayton dealers often sold homes with no cash down payment. Numerous borrowers said they were persuaded to take on outsized payments by dealers promising that they could later refinance. And the average loan term actually increased from 21 years in 2007 to more than 23 years in 2009, the last time Berkshire disclosed that detail.

Clayton's loan to Dorothy Mansfield, a disabled Army veteran who lost her previous North Carolina home to a tornado in 2011, includes key features that Buffett condemned.

Mansfield had a lousy credit score of 474, court records show. Although she had seasonal and part-time jobs, her monthly income often consisted of less than \$700 in disability benefits. She had no money for a down payment when she visited Clayton Homes in Fayetteville, N.C.

Vanderbilt, one of Clayton's lenders, approved her for a \$60,000, 20-year loan to buy a Clayton home at 10.13 percent annual interest. She secured the loan with two parcels of land that her family already owned free and clear.

The dealer didn't request any documents to verify Mansfield's income or employment, records show. Mansfield's monthly payment of \$673 consumed almost all of her guaranteed income. Within 18 months, she was behind on payments and Clayton was trying to foreclose on the home and land.

Many borrowers interviewed for this investigation described being steered by Clayton dealers into Clayton financing without realizing the companies were one and the same. Sometimes, buyers said, the dealer described the financing as the best deal available. Other times, the Clayton dealer said it was the only financing option.

Kevin Carroll, former owner of a Clayton-affiliated dealership in Indiana, said in an interview that he used business loans from a Clayton lender to finance inventory for his

lot. If he also guided homebuyers to work with the same lender, 21st Mortgage, the company would give him a discount on his business loans—a "kickback," in his words.

Doug Farley, who was a general manager at several Clayton-owned dealerships, also used the term "kickback" to describe the profit-share he received on Clayton loans until around 2008. After that, the company changed its incentives to instead provide "kickbacks" on sales of Clayton's insurance to borrowers, he said.

Ed Atherton, a former lot manager in Arkansas, said his regional supervisor was pressuring lot managers to put at least 80 percent of buyers into Clayton financing. Atherton left the company in 2013.

During the most recent four-year period, 93 percent of Clayton's mobile-home loans had such costly terms that they required extra disclosure under federal rules. Among all other mobile-home lenders, fewer than half of their loans met that threshold.

Customers said in interviews that dealers misled them to take on unaffordable loans, with tactics including last-minute changes to loan terms and unexplained fees that inflate loan balances. Such loans are, by definition, predatory.

"They're going to assume the client is unsophisticated, and they're right," said Felix Harris, a housing counselor with the non-profit Knoxville Area Urban League.

Some borrowers felt trapped because they put up a deposit before the dealer explained the loan terms or, like the Ackleys, felt compelled to swallow bait-and-switch deals because they had spent thousands to prepare their land.

#### PROMISE DENIED

A couple of years after moving into their new mobile home, Kirk Ackley was injured in a backhoe rollover. Unable to work, he and his wife urgently needed to refinance the costly 21st Mortgage loan they regretted signing.

They pleaded with the lender several times for the better terms that they originally were promised, but were denied, they said. The Ackleys tried to explain the options to a 21st supervisor: If they refinanced to lower payments, they could stay in the home and 21st would get years of steady returns. Otherwise, the company would have to come out to their rural property, pull the house from its foundation and haul it away, possibly damaging it during the repossession.

They both recall being baffled by his reply: "We don't care. We'll come take a chainsaw to it—cut it up and haul it out in boxes."

Nine Clayton consumers interviewed for this story said they were promised a chance to refinance. In reality, Clayton almost never refinances loans and accounts for well under 1 percent of mobile-home refinancings reported in government data from 2010 to 2013. It made more than one-third of the purchase loans during that period.

Of Washington's 25 largest mobile-home lenders, Clayton's subsidiaries ranked No. 1 and No. 2 for the highest interest rates in 2013. Together, they ranked eighth in loans originated.

"If you have a decrease in income and can't afford the mortgage, at least a lot of the big companies will do modifications," said Harris, the Knoxville housing counselor. "Vanderbilt won't even entertain that." In general, owners have difficulty refinancing or selling their mobile homes because few lenders offer such loans. One big reason: Homes are overpriced or depreciate so quickly that they generally are worth less than what the borrower owes, even after years of monthly payments.

Ellie Carosa, of Napavine, Lewis County, found this out the hard way in 2010 after she

put down some \$40,000 from an inheritance to buy a used home from Clayton priced at about \$65,000.

Clayton sales reps steered Carosa, who is 67 years old and disabled, to finance the unpaid amount through Vanderbilt at 9 percent interest over 20 years.

One year later, Carosa was already having problems—peeling paint and failing carpets—so she decided to have a market expert assess the value of her home. She hoped to eventually sell the house so the money could help her granddaughter, whom she adopted as her daughter at age 8, attend a local college to study music. Carosa was stunned to learn that the home was worth only \$35,000, far less than her original down payment. "I've lost everything," Carosa said.

#### 'RUDEST, MOST CONDESCENDING' AGENTS

Berkshire's borrowers who fall behind on their payments face harassing, potentially illegal phone calls from a company rarely willing to offer relief.

Carol Carroll, a nurse living near Bug Tusle, Ala., began looking for a new home in 2003 after her husband had died, leaving her with a 6-year-old daughter. Instead of a down payment, she said, the salesman assured her she could simply put up two acres of her family land as collateral.

In December 2005, Carroll was permanently disabled in a catastrophic car accident in which two people were killed. Knowing it would take a few months for her disability benefits to be approved, Carroll said, she called Vanderbilt and asked for a temporary reprieve. The company's answer: "We don't do that."

However, Clayton ratcheted up her property-insurance premiums, eventually costing her \$803 more per year than when she started, she said. Carroll was one of several Clayton borrowers who felt trapped in the company's insurance, often because they were told they had no other options. Some had as many as five years' worth of expensive premiums included in their loans, inflating the total balance to be repaid with interest. Others said they were misled into signing up even though they already had other insurance. Carroll has since sold belongings, borrowed money from relatives and cut back on groceries to make payments. When she was late, she spoke frequently to Clayton's phone agents, whom she described as "the rudest, most condescending people I have ever dealt with." It's a characterization echoed by almost every borrower interviewed for this story.

Consumers say the company's response to pleas for help is an invasive interrogation about their family budgets, including how much they spend on food, toiletries and utilities.

Denise Pitts, of Knoxville, Tenn., said Vanderbilt collectors have called her multiple times a day, with one suggesting that she cancel her Internet service, even though she home-schools her son. They have called her relatives and neighbors, a tactic other borrowers reported.

After Pitts' husband, Kirk, was diagnosed with aggressive cancer, she said, a Vanderbilt agent told her she should make the house payment her "first priority" and let medical bills go unpaid. She said the company has threatened to seize her property immediately even though the legal process to do so would take at least several months.

Practices like contacting neighbors, calling repeatedly and making false threats can violate consumer-protection laws in Washington, Tennessee and other states.

Last year, frequent complaints about Clayton's aggressive collection practices led Tennessee state officials to contact local housing counselors seeking information about

their experiences with the company, according to two people with knowledge of the conversations.

#### TREATED LIKE CAR OWNERS

Mobile-home buyers who own their land sites may be able to finance their home purchases with real-estate mortgages, which give them more federal and state consumer protections than the other major financing option, a personal-property loan. With conventional home mortgages, companies must wait 120 days before starting foreclosure. In some states, the foreclosure process can take more than a year, giving consumers a chance to save their homes.

Despite these protections, two-thirds of mobile-home buyers who own their land end up in personal-property loans, according to a federal study. These loans may close more quickly and have fewer upfront costs, but their rates are generally much higher. And if borrowers fall behind on payments, their homes can be seized with little or no warning.

Those buyers are more vulnerable because they end up being treated like car owners instead of homeowners, said Bruce Neas, an attorney who has worked for years on foreclosure and manufactured-housing issues in Washington state.

Tiffany Galler was a single mother living in Crestview, Fla., in 2005 when she bought a mobile home for \$37,195 with a loan from 21st Mortgage. She later rented out the home.

After making payments over eight years totaling more than the sticker price of the home, Galler lost her tenant in November 2013 and fell behind on her payments. She arranged to show the home to a prospective renter two months later. But when she arrived at her homesite, Galler found barren dirt with PVC pipe sticking up from the ground.

She called 911, thinking someone had stolen her home.

Hours later, Galler tracked her repossessed house to a sales lot 30 miles away that was affiliated with 21st. It was listed for \$25,900.

#### CLAYTON WINS CONCESSIONS

The government has known for years about concerns that mobile-home buyers are treated unfairly. Little has been done.

Fifteen years ago, Congress directed the Department of Housing and Urban Development to examine issues such as loan terms and regulations in order to find ways to make mobile homes affordable. That's still on HUD's to-do list.

The industry, however, has protected its interests vigorously. Clayton Homes is represented in Washington, DC, by the Manufactured Housing Institute (MHI), a trade group that has a Clayton executive as its vice chairman and another as its secretary. CEO Kevin Clayton has represented MHI before Congress.

MHI spent \$4.5 million since 2003 lobbying the federal government. Those efforts have helped the company escape much scrutiny, as has Buffett's persona as a man of the people, analysts say.

"There is a Teflon aspect to Warren Buffett," said James McRitchie, who runs a widely read blog, Corporate Governance.

Still, after the housing crisis, lawmakers tightened protections for mortgage borrowers with a sweeping overhaul known as the Dodd-Frank Act, creating regulatory headaches for the mobile-home industry. Kevin Clayton complained to lawmakers in 2011 that the new rules would lump in some of his company's loans with "subprime, predatory" mortgages, making it harder for mobile-home buyers "to obtain affordable financing."

Although the rules had yet to take effect that year, 99 percent of Clayton's mobile-

home loans were so expensive that they met the federal government's "higher-priced" threshold.

Dodd-Frank also tasked federal financial regulators with creating appraisal requirements for risky loans. Appraisals are common for conventional home sales, protecting both the lender and the consumer from a bad deal.

Clayton's own data suggest that its mobile homes may be overpriced from the start, according to comments it filed with federal regulators. When Vanderbilt was required to obtain appraisals before finalizing a loan, company officials wrote, the home was determined to be worth less than the sales price about 30 percent of the time.

But when federal agencies jointly proposed appraisal rules in September 2012, industry objections led them to exempt loans secured solely by a manufactured home.

Then Clayton pushed for more concessions, arguing that manufactured-home loans tied to land should also be exempt. Paul Nichols, then-president of Clayton's Vanderbilt Mortgage, told regulators that the appraisal requirement would be costly and onerous, significantly reducing "the availability of affordable housing in the United States."

In 2013, regulators conceded. They will not require a complete appraisal for new manufactured homes.

Ms. MAXINE WATERS of California. The investigation found that Clayton locked one disabled veteran in Tennessee, Dorothy Mansfield, into an expensive loan even though the required monthly payment would leave her only \$27 to cover the rest of her living costs. Other borrowers were quoted inexpensive loan terms only to see interest and fees skyrocket once they had put down a nonrefundable deposit—or paid out large amounts of money to prepare their land for installation of the home. Just like subprime borrowers in the financial crisis, many looking to purchase manufactured housing were convinced to take out high-cost loans because they were sold false promises that they would be able to refinance to lower rates in the future.

Former Clayton salespeople have blown the whistle. They are coming forward, and they are talking. They have attested that they have pressured consumers to use Clayton-affiliated financing even if it wasn't the best deal, and some even received kickbacks for putting customers into more expensive loans.

If enacted, H.R. 650 would allow abusive lenders to charge up to nearly 14 percent interest before consumer protections are triggered, more than four times what the average borrower is paying on a home loan. There is not one Member of Congress who would pay or is paying 14 percent interest, 12, 13, 11 percent interest. This is outrageous.

In the coming years, this number could very well grow to 16 percent, 17 percent, and likely 18 percent as interest rates rise back to normal. Even worse, the bill would also make it legal for Clayton sales personnel to steer borrowers toward high-cost loans—loans from other parts of the Clayton conglomerate—that are not in their interest—a practice we banned for all loan originators after the financial crisis.

Mr. Speaker, when it comes to manufactured housing, consumers are already exposed to significant risk: high interest rates, the inability to refinance, and in many cases, depreciation that starts as soon as the manufactured home is sold. Today, we consider a measure that would even further roll back key protections.

This measure would do away with a number of protections current law affords to many high-cost loans such as stiffer penalties for bad actor lenders, additional disclosures for investors and consumers who purchase high-cost mortgages, mandatory counseling so borrowers would know what they are getting into, and even the ability of borrowers to have their loan rescinded if lenders don't follow the law. They would lose all of these protections.

As the Consumer Financial Protection Bureau noted in their study of the manufactured housing industry, the individuals who apply for loans for manufactured housing "include consumers that may be considered more financially vulnerable and, thus, may particularly stand to benefit from strong consumer protections." And now, in addition to the CFPB's report, we have investigative reporting that puts names, faces, and individual stories of woe to the CFPB's description of market practices and policy failures.

Finally, the Obama administration has said that they "strongly oppose" this bill because it would "put lowest income and economically vulnerable consumers at significant risk of being subjected to predatory lending and being steered into more expensive loans even when they qualify for lower cost alternatives."

Rolling back consumer protections amidst evidence that the manufactured housing industry needs more oversight is a dangerous giveaway to a sector that already profits handsomely at the expense of vulnerable borrowers.

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Mr. Speaker and Members, I would urge my colleagues to oppose this legislation.

I reserve the balance of my time.

Mr. FINCHER. Mr. Speaker, I yield myself 1 minute.

I enter into the RECORD a letter from Mr. Barney Frank back in 2011, a former chairman and former ranking member of our committee, on this issue:

Thank you for your thoughtful letter about the negative impact of the Financial Reform bill on manufactured housing. I'm very proud of the work I have done with the manufactured housing industry for years and was regretful to realize that we did have this problem. I do not think it is necessary to include manufactured housing as part of our effort to prevent abusive mortgage practices, and I am now working with my staff to see if we can find a way to make a change that would deal with the problem you currently point out.

Mr. Speaker, so much of what the ranking member, my colleague on the other side of the aisle is saying—we are

not messing with those parts of the bill that strengthen protections. All we are doing is fixing the unintended consequences that happened with the Dodd-Frank bill being so big.

With that, I yield 5 minutes to the gentleman from Texas (Mr. NEUGEBAUER), my good friend, the chairman of the Financial Institutions Subcommittee.

Mr. NEUGEBAUER. Mr. Speaker, I thank the gentleman from Tennessee.

This bill isn't about profits; it is about providing an opportunity for American families to have housing choices.

H.R. 650 is an important bill for communities in my district, the Texas 19th District, and communities across America. For most of my career, I was in a home building business. For many small communities in my district, the town would make efforts to go out and work to recruit a new employer.

Oftentimes, this could be a manufacturer, cotton, or dairy production facility. This goal was to help develop the economy and provide job opportunities for the folks. However, in many of these communities, there is already a limited amount of housing stock available.

In order for these communities to grow, you have to have sufficient housing availability to attract those businesses. You can't grow your community if folks don't have a place to live, and so the manufactured housing industry has been an integral part of providing housing for rural America. Unfortunately, under the new mortgage rules coming out of CFPB, the manufactured housing industry is facing some pretty significant headwinds and regulatory obstacles.

Last summer, I had the opportunity to go and visit a manufactured housing dealer in my district. The dealer began by telling me stories of family after family that were unable to serve because of the new mortgage restrictions.

For some of these young families, this is the first home that they may own. It may be a manufactured home worth only \$15,000 or \$20,000, and they are very proud of it. Unfortunately, today, many of the families in rural America have run out of places to turn to achieve the American Dream and own an affordable home.

Today, I want to address the issue of consumer protection. When consumer protection starts limiting consumer choices, then we have gone too far.

Unfortunately, I think many of the CFPB rules have gone too far. They are not only negatively impacting the consumers, but we also have a duty to make sure that the people we represent have the opportunities to make their own financial decisions about their housing and not the Federal Government and not one agency to make that decision for them.

This bill, H.R. 650, makes important corrections to the definition of a mortgage originator under the Truth in Lending Act. It is a bipartisan bill that

ensures low- and moderate-income families have access to credit for the purchase of affordable homes.

It ensures that the CFPB rules are properly calibrated and don't consider small-balance manufactured home loans as high-cost loans under the Housing Ownership and Equity Protection Act.

For those reasons, I thank Mr. FINCHER and the bipartisan sponsors for their work on this bill, and I support its final passage.

I just want to mention that, when you look at a lot of these small communities—and it has been mentioned, Well, sometimes, people can rent, or they can own; and, in some cases, people say, you know—and rightfully so—that, sometimes, manufactured housing is a lower cost of housing for some of those people.

Let me say this: in some of these communities, it is not about whether you have a choice to rent or to own; in some cases, there is just not adequate housing stock in those communities.

If you want to choke a little small community across America, you take away the ability to provide housing. That is one of the main infrastructures for any community to grow. In many of these communities, there hasn't been a new house built in those communities in 30 or 40 years.

What you are saying to those small communities, because we are so intent in protecting Americans and we don't trust them to make their own decisions, we are just going to take away any opportunity that those small communities have to prosper and grow in the future.

Now, I don't think that is what the Founding Fathers of this country intended. They intended for this to be the land of opportunity. If we continue to do these kinds of things, we take away the opportunities of Americans that want to live in those communities.

Mr. Speaker, I encourage passage of this.

Ms. MAXINE WATERS of California. Mr. Speaker, I think it is important for people to know that that letter that was read was back in 2011, and that was prior to the Consumer Financial Protection Bureau's very investigative reporting.

I yield 3 minutes to the gentlewoman from Alabama (Ms. SEWELL).

Ms. SEWELL of Alabama. Mr. Speaker, I thank Ranking Member WATERS.

Today, I stand in support of H.R. 650, the Preserving Access to Manufactured Housing Act. Manufactured housing serves as an affordable and sustainable housing option for roughly 22 million Americans. In my State of Alabama, more than 300,000 families reside in manufactured housing, which comprises in excess of 14 percent of the State's housing market.

In districts like mine, where we face tremendous economic disparities and suppressed rental markets, manufactured housing must remain an option.

Oftentimes, it is the only safe and affordable mortgage option available to families.

Without this bill, working families and retirees with poor credit or limited income can't obtain credit at all and are forced into more expensive housing options; and, in some parts of my district, the more rural parts of my district, the only option for many is manufactured housing.

H.R. 650 makes a simple but necessary adjustment to these thresholds to enable lenders to fully meet the demand for affordable, responsible loans for manufactured homes.

In many ways, Mr. Speaker, this bill is an acknowledgement that manufactured housing is different from regular dwelling housing. It is, in fact, not real property, but personal property, more like a car than it is like a home.

The fact of the matter is I believe that Dodd-Frank did not anticipate—was an unintended consequence of Dodd-Frank—that manufactured housing would get wrapped into the regulatory scheme for dwelling homes.

In fact, most of the lenders are not loan originators, as it would be in the mortgage context; rather, they are lenders giving limited options—I should say giving families, working families, the only option in many, many of the jurisdictions, the rural communities, that I represent.

With all due respect, I don't see this as a predatory lending bill. This is all about access to affordability. I, like the ranking member, strongly advocate against predatory lending, would not be supportive of an industry that preys upon the most vulnerable in the community.

In fact, many of my constituents represent vulnerable communities. Instead, I really see this as an opportunity for them, many of the communities I represent, to have affordable housing at all.

It is with that that I ask my colleagues on both sides of the aisle to consider H.R. 650 as an opportunity for rural communities all across America to have, as a viable option, manufactured housing.

I want to repeat something that was very important. In no way does this bill take away consumer protections. The consumer protections that were established by Dodd-Frank are really important.

The SPEAKER pro tempore. The time of the gentlewoman has expired.

Ms. MAXINE WATERS of California. I yield the gentlewoman an additional 30 seconds.

Ms. SEWELL of Alabama. The consumers will continue to have the wide range of consumer protections that Dodd-Frank affords and which I think many of us agree with.

Steering would be prohibited. We would still have truth-in-lending disclosures, which are critically important, and loan-term disclosures that are critically important; and the prohibition against mandatory arbitration and other State laws are not affected.

I see this not as a predatory lending bill, but an access to affordable housing bill, and I ask my colleagues to support H.R. 650.

Mr. FINCHER. Mr. Speaker, I would like to thank the gentlewoman from Alabama for supporting the legislation.

I yield such time as he may consume to the gentleman from Kentucky (Mr. BARR).

Mr. BARR. Mr. Speaker, I thank the gentleman for yielding, and I want to thank the gentleman from Tennessee for his leadership on this very important issue, Mr. FINCHER, for being a champion for affordability of housing and manufactured housing in particular.

I want to thank all of my colleagues who are supporting this important legislation that I had cosponsored, the Preserving Access to Manufactured Housing Act, and it is a bipartisan bill, and that is important.

Affordable manufactured housing is a key source of housing for many of our constituents, particularly those living in rural areas, including my district in central and eastern Kentucky, many of those individuals who could not otherwise afford to buy or even rent a home.

Unfortunately, due to the regulatory requirements of the Dodd-Frank Act, many lenders have stopped offering loans for manufactured houses. The loans in question are generally fixed-rate, fixed-termed, fully amortized, small-dollar loans that have nothing in common with the bad mortgage loans that brought down the housing market in 2008; yet the Consumer Financial Protection Bureau has treated retailers of manufactured homes as "mortgage originators," despite the fact that they do not originate loans.

Furthermore, the small-dollar amounts of manufactured housing triggers high-cost regulatory controls since points and fees represent a proportionally larger share of a small-dollar loan than a larger 30-year mortgage on real property.

These definitions increase the regulatory and liability burdens on retailers and lenders, driving them from the market and resulting in higher costs and reduced choice for prospective home buyers.

In fact, due to the increased lender liability associated with this mortgage designation, some manufactured housing lenders have stopped making manufactured home loans entirely, and others have stopped originating manufactured home loans under \$20,000, which is a typical price point.

The legislation before us today does nothing to roll back existing protections against predatory lending, as has been said previously by my friend on the other side of the aisle, Congresswoman SEWELL.

H.R. 650 merely clarifies the definitions for mortgage originators in high-cost loans to correct an unfortunate consequence of these regulations that the Federal Government will be protecting homeowners right out of their homes.

This legislation will reduce the bureaucratic red tape, increase access to affordable manufactured housing for American families, and let me just conclude by saying this in response to some of the arguments made by the ranking member. She made the point that manufactured home sales are increasing. Well, that is not an argument against this legislation.

On the contrary, it underscores the extent to which Americans are relying on manufactured housing in the Obama economy and the need to preserve access to lower-priced, more affordable homes, homes such as manufactured homes, which commonly are available at lower monthly payments than what it cost even to rent. It also reinforces the need for this legislation because we need to preserve access to affordable housing.

This argument, this canard that this is somehow rolling back consumer protections for lower-income homeowners, this is not true at all. This legislation does nothing to roll back consumer protections. I simply do not define consumer protection as a law that tries to protect people in a way that makes access to housing completely unreachable. That is not consumer protection.

I urge my colleagues on both sides of the aisle to support this bipartisan piece of legislation that preserves access to affordable housing and preserves commonsense consumer protections.

Ms. MAXINE WATERS of California. Mr. Speaker, I think it is important for me to correct statements that have been made more than once by the opposite side of the aisle about consumer protections.

H.R. 650 would remove consumer protections afforded to borrowers of high-priced mortgage loans under the Home Ownership and Equity Protection Act, as enhanced by Dodd-Frank, for manufactured housing loans that currently receive such protections.

□ 1530

Those protections include:

Prior to making a high-cost mortgage, the lender must receive written certification that the consumer has received counseling from a HUD-approved counselor or State agency. That would be out. Restrictions on loan terms for high-cost mortgages, including the loan payments currently only allowed in very limited circumstances; prepayment penalties banned; a limitation of due-on-demand features of loans; creditors banned from recommending default on an existing loan to be refinanced by a high-cost mortgage; no fees can be charged by services or creditors to modify or renew or extend a high-cost mortgage; late fees capped at 4 percent of past due payments and the pyramiding of fees banned; no fees for borrowers to receive a payoff statement; charges that qualify for points and fees cannot be financed into principal balance; a ban on issuing two

loans in order to evade HOEPA coverage by splitting fees and rates.

All of these are protections that would be eliminated.

Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. CLEAVER).

Mr. CLEAVER. Mr. Speaker, I would argue that the fact that home sales are increasing for manufactured homes is even more of a reason for us to want to be protective of some kind of an industry that is growing.

I represent areas in which there are a number of manufactured homes throughout the rural parts of Missouri that are included in the Fifth Congressional District. I am a capitalist. I believe that people ought to be able to make money. I think they ought to make money in the manufactured home industry, and I would like for them to make money in the Fifth Congressional District.

Yet I think that everyone in here would agree that we have all had questions about what happens when a car is purchased and the driver drives it around the corner and loses about \$1,200 in depreciation. Nobody I have ever met or had a conversation with said, Oh, I understand that. The car depreciates almost as soon as you sign the note. What happens is that this is an unintended reason for more, I think, congressional oversight of this particular industry because these homes also lose value like automobiles. Let me give you an example from the Seattle study. This is sad, and I will try and do this quickly, Mr. Speaker.

Tiffany Galler is a single mother who was living in Florida in 2005. She bought a mobile home for \$37,165. With the loan she purchased from 21st Mortgage, she then rented the home out. She made payments for 8 years, payments totaling more than the sticker price of the home. Galler lost her tenant in November of 2013, and she fell behind on her payments. She arranged to show the home to a prospective renter 2 months later, but when she arrived at her home site, Ms. Galler found barren dirt with PVC pipe sticking up from the ground. She called 911, thinking someone had stolen her home, but she found out later that her home was 30 miles away and was up for sale for \$25,900.

The SPEAKER pro tempore. The time of the gentleman has expired.

Ms. MAXINE WATERS of California. I yield the gentleman an additional 30 seconds.

Mr. CLEAVER. That is a real reason for us not only to look at this industry but to protect people as it is growing.

Mr. FINCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. WILLIAMS), my good friend.

Mr. WILLIAMS. I thank the gentleman from Tennessee for his leadership on this issue.

Mr. Speaker, I rise today in support of H.R. 650, a bipartisan piece of legislation that would make commonsense changes to Dodd-Frank and restore



clarity to a market that has been hit hard by unnecessary regulations.

Texas builds or manufactures over 25 percent of the Nation's new manufactured homes—almost 12,000 last year. To put that in perspective, Texas is home to 19 manufacturing facilities with an average of 185 skilled workers per factory. At a time when our Nation is still recovering from the financial crisis of 2008, now is the time to free small businesses from harmful regulations that only hurt hard-working Americans. I cannot emphasize enough how important it is to have access to affordable financing for manufactured homes, especially in central Texas, where the average home price for a manufactured home is \$60,000.

The one-size-fits-all regulatory approach under the CFPB is clearly not working. Instead of protecting potential consumers, the CFPB has, once again, gotten it wrong. Treating lending products for manufactured housing as high cost and predatory clearly will not protect consumers, but it will reduce access to small balance loans.

With increased lender liabilities, obtaining a high-cost mortgage has become nearly impossible. Having critical resources for low- to moderate-income families is vital in many parts of rural America. By passing the Preserving Access to Manufactured Housing Act, Congress can correct one of the many unintended consequences of the Dodd-Frank Act. This bill is fair, and this bill is logical. It must pass. I urge its immediate passage.

In God we trust.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield 2 minutes to the gentlewoman from Arizona (Ms. SINEMA).

Ms. SINEMA. Thank you, Ranking Member WATERS, for yielding.

Mr. Speaker, manufactured housing is a key form of affordable housing in my State, particularly in rural and underserved communities. More than 300,000 families in Arizona live in manufactured homes. Manufactured homes provide an affordable housing choice for many low- and moderate-income families.

Existing manufactured home owners and potential buyers are negatively impacted by current regulations. These rules inadvertently curtail a consumer's ability to access manufactured home loans or to receive effective assistance in the manufactured home buying process. These regulations unintentionally create situations where borrowers are not allowed to be matched with lenders who can help them in a timely and efficient manner.

For example, if a Realtor in Arizona works with a veteran who wants to use his or her VA eligibility to purchase a home, the Realtor connects the veteran with a number of lenders who offer VA home loans. Due to the current restrictions placed on retail salespeople, the process is different if a veteran shops for a manufactured home.

Manufactured home sale centers have a marketing table where lenders place

marketing and lending materials. Manufactured home salespeople cannot assist veterans in finding lenders. Instead, when a veteran enters the home center, she is instructed to go to the table and sift through the countless brochures and loan programs by herself to determine which lender is best. There may be a dozen different lenders' information displayed on this table. As you can imagine, this is a very daunting and discouraging process for most borrowers, especially for first-time home buyers.

Had the salesperson simply been able to point the veteran in the direction of a lender that offers VA loans, the veteran would have been taken care of immediately and would have been able to have made an informed and confident decision.

H.R. 650 will remedy the unintended consequences of current regulations, providing potential home buyers with more options, better advice, and more confidence when buying a new home.

The bill also amends the definition of a "high-cost mortgage" and corresponding thresholds to ensure that consumers of small balance mortgage loans will have the opportunity to access mortgage credit. I would encourage my colleagues to join me in supporting this important legislation.

Mr. FINCHER. Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas (Mr. HILL).

Mr. HILL. Thank you, Mr. FINCHER, for yielding on this important measure, and thank you for your leadership.

Mr. Speaker, it pains me to stand in opposition to my friend, the ranking member of the committee, and in support of H.R. 650, but I believe that H.R. 650 is a commonsense bill that actually preserves financing options for manufactured homes while preserving and maintaining consumer protections.

I want to add too that my friend from Missouri noted the health of the industry, and I would like to provide a countercomment on that. In the last decade alone—this very tough economic decade that we have had—there has been an 80 percent decline in the production of manufactured housing in the country. Some 160 plants have closed, and there has been a loss of some 200,000 jobs. Therefore, this industry is important to our Nation. As a percentage of total housing units, in my home State of Arkansas, we have 170,000 units, which is some 13 percent of housing units in our State—one of the largest percentages in the country.

For many years, I was a community banker with offices in the Mississippi Delta region of Arkansas. For many of our families, especially in rural areas, manufactured housing is not only the best option for housing, but it is the best option for clean, safe, modern, and affordable housing. Often, due to low volumes in these kinds of towns, it is the only option, as many of my colleagues have noted.

However, under the new mortgage rules issued by the Consumer Financial

Protection Bureau, many of these manufactured housing loans are now automatically considered high cost and, therefore, would subject both the consumers to higher costs and the lenders to greater liability. Therefore, many of my old colleagues in community banking offer fewer loans, and that impacts hard-working, low- to moderate-income families across Arkansas and particularly in rural America, families whose only objective is to own a home, to have the dream of homeownership.

The Director of the CFPB has acknowledged that its rules may, in fact, have this issue of constraining credit, but as the executive director of Arkansas Manufactured Housing Association said in a recent letter:

Most low-income Arkansas families don't have the luxury when it comes to their mortgage options, and many of our member businesses won't last through a few more years of decline in sales.

Mr. Speaker, I submit this letter for the RECORD.

ARKANSAS MANUFACTURED  
HOUSING ASSOCIATION,

Hon. FRENCH HILL,  
*House of Representatives, Longworth House Office Building, Washington, DC.*

DEAR CONGRESSMAN HILL: Congratulations on your election to Congress representing Arkansas' 2nd District and on your selection to the House Financial Services Committee.

During the campaign, we visited briefly about how the implementation of 'The Dodd-Frank Act' (and the avalanche of additional regulation created by the Act) hinders job creation and increases the cost of financial services for Arkansas consumers and businesses. More specifically, we discussed how 'Dodd-Frank' has adversely impacted the members of the Arkansas Manufactured Housing Association (AMHA) and their customers—low-to-moderate income homebuyers throughout the state.

Over the past year, the Consumer Financial Protection Bureau (CFPB) has implemented a number of final rules, issued interpretations of those rules, and clarifications of the interpretations of those rules—all in defense of practices that continue to disrupt consumer lending for low-to-moderate income homebuyers, particularly to purchasers in predominantly rural markets like Arkansas.

At Congressional hearing about the Dodd-Frank's 'Ability to Repay' (ATR) and 'Qualified Mortgage' (QM) rules, one of the CFPB's key witnesses testified that the Bureau recognizes "... that concerns about liability under the Dodd-Frank Act's 'Ability-To-Repay' requirement might cause creditors to constrain their lending—particularly in the first few YEARS after the rule takes effect."

In response to that statement—on behalf of an industry which over the past decade has experienced an 80 percent decline in new home production; the closure of more than 160 manufacturing facilities; and the loss of more than 200,000 American jobs—I would say that most low-to-moderate income Arkansas families don't have the luxury of taking a 'wait and see approach' when it comes to their mortgage options and that many of our member businesses won't last through another 'few YEARS' of decline in production and sales.

Throughout its continued rulemaking, the CFPB has demonstrated a fundamental lack of understanding about manufactured home lending. And, through the implementation of rules like ATR and QM, the Bureau has created additional challenges for manufactured

home purchasers and lenders wishing to offer mortgage loans on manufactured homes.

As you are undoubtedly aware, lenders which provide specific mortgage products for the manufactured home industry (particularly personal property type 'home only' [chattel] loans), community banks and other financial institutions will likely offer fewer manufactured home loan options if such loans are not able to be classified as 'qualified mortgages'. The liability created by Dodd-Frank on such loans (classified as 'high cost' or 'high priced') will prevent most institutions from offering these loans to hard-working Arkansas families.

You also know that manufactured home loans tend to be lower balance loans. And, while the cost of origination for a \$50,000 manufactured home loan may be the same as the cost of origination for a \$250,000 'site-built' home loan in 'real dollars'—that origination cost (when considered against the lower-balance loan total) will more readily cause that lower-balance loan to fall outside the parameters of a 'qualified mortgage'.

The loss of mortgage options for paycheck-to-paycheck wage earners seeking to attain 'The American Dream of Home Ownership'—particularly in a state where the median annual household income is around \$40,000—will keep many Arkansas families living in rental units or dependent upon government assistance programs for their housing needs.

The manufactured home industry is asking for your immediate assistance with industry-specific legislation to amend the provisions of Dodd-Frank which are restricting the availability of credit needed by those seeking to purchase manufactured housing. H.R. 650—The Preserving Access to Manufactured Housing Act—would revise the high-cost mortgage triggers for manufactured home loans and make clarifications to the loan originator definition as it applies to manufactured home retailers and their salespeople.

On behalf of the members of the Arkansas Manufactured Housing Association (AMHA) and the customers that we serve, I would respectfully request that you become a cosponsor of H.R. 650.

Thank you for your consideration of this issue of great importance to the manufactured housing industry and our customers—the low-to-moderate income families of Arkansas. Feel free to contact me if you have questions about this request.

Sincerely,

J.D. HARPER,  
*Executive Director,*  
*Arkansas Manufactured Housing Association.*

Mr. HILL. Regarding consumer protection, I agree with my colleagues that this bill does not weaken any current laws. It protects consumer access to affordable credit; it preserves the consumer's choice; it helps Americans achieve financial independence; and it prevents the CFPB rules from overprotecting low-income consumers out of the option of a manufactured home.

H.R. 650 is about protecting the American Dream of homeownership. I am proud to support this bipartisan bill. I think it is common sense.

Mr. FINCHER. Mr. Speaker, may I inquire as to how much time is left on both sides?

The SPEAKER pro tempore. The gentleman from Tennessee has 10½ minutes remaining, and the gentlewoman from California has 13 minutes remaining.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield myself such time as I may consume.

Members, I reiterate that H.R. 650 would remove consumer protections afforded to borrowers of high-priced mortgage loans under the Home Ownership and Equity Protection Act, as enhanced by Dodd-Frank, for manufactured housing loans that currently receive such protections, and I read off some of those protections.

I further want to share that these lenders want to be able to originate these high-priced loans at 14 percent and even more when the interest rates change, but they want this bill to change the definition of a "mortgage originator" so that the licensing and antisteering requirements of Dodd-Frank would not apply to manufactured housing.

Not only are they going for protection for higher priced loans and higher fees, they want to change the definition so they don't look like they are originating loans, and they don't want to come under the law in terms of what we require for protection for higher priced loans.

Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. AL GREEN).

Mr. AL GREEN of Texas. I thank the Honorable MAXINE WATERS for continuing to be a champion for people who have been taken advantage of. She has a rich history of fighting for those who are not in a position to fight for themselves.

Mr. Speaker, I guess there will be a question of "Who are you going to believe?" Will it be MAXINE WATERS, who has for decades been fighting for the least, the last, and the lost? MAXINE WATERS, who is known across the length and breadth of this country as a champion for poor people, for people who purchase manufactured homes?

MAXINE WATERS has said—and I concur with her—that this bill will create an opportunity for people to take advantage of those who are living at a level of life wherein what they pay for a home must be what they can afford, and they cannot afford to lose that home.

□ 1545

This is why she is so concerned, and I join her in this notion, that there is predatory lending taking place if this bill passes. If this bill passes, people will be allowed to steer people into homes that will have higher interest rates. If this bill passes, there will be people who will need counseling but will not get the counseling that they need to help them maintain home ownership. If this bill passes, we will go back to prepayment penalties. If this bill passes, we will not be able to bring back these protections and safeguards that have been instated under Dodd-Frank. We will eliminate them, and they will be gone forever.

We need to think before we act and before we vote. This is an important vote for those who are not going to be able to stand up and fight for themselves, but I thank God that we have got the Honorable MAXINE WATERS on

the floor of the U.S. House of Representatives standing here today to stand up for them.

So who are you going to believe? There seems to be a difference of opinion. When you have differences in opinions, you look to see who has been doing what and for how long. She has been fighting for these kinds of rights that we are talking about today since she has been in the Congress of the United States of America. I am proud to stand with the Honorable MAXINE WATERS.

I think that if we pass this bill, we will continue to do what many want to do, but in an incremental salami way. We will continue to slice away at Dodd-Frank. We will continue to do what those who can't repeal it in full would do in part, and that is eliminate the protections for consumers.

Mr. FINCHER. I reserve the balance of my time.

Ms. MAXINE WATERS of California. Mr. Speaker and Members, before the next Members rise to speak on this bill, I would just like to remind everybody that this amount of interest rate that they will be getting on these loans, should this bill pass, is 10 percent above the prime rate; and from 14 percent it could go up to maybe 18 percent. There is no Member of Congress who would pay that kind of interest rate on a home loan or manufactured housing or anything else, but we are asking the most vulnerable in our society that are targeted to pay this kind of entry rate in the interest of getting credit.

I yield 3 minutes to the gentleman from Maryland (Mr. SARBANES).

Mr. SARBANES. Mr. Speaker, I thank the gentlelady for yielding. I want to congratulate her as well on her amazing advocacy on behalf of consumers across this country and her leadership on the Committee on Financial Services.

Mr. Speaker, here we are again forced to ask the question: Who calls the shots here in Washington and in Congress and on Capitol Hill? We shouldn't have to ask that question. It should be the people that call the shots. It should be everyday Americans that call the shots here, but unfortunately it is big money on Wall Street that continues to call the shots. It is big money that is leaning on Congress to water down, once again, the Dodd-Frank rules in ways that will harm consumers. With the mortgage crisis barely in our rear-view mirror, the hidden hand of Wall Street is intent on rolling back critical consumer protections and stripping away important reforms that have been made to our mortgage market.

Exhibit A for today—and I say "for today" because there has actually been dozens of exhibits of this kind of legislation that have come forth over the last few months authored by Wall Street interests. But Exhibit A for today is called Preserving Access to Manufactured Housing Act, H.R. 650. Preserving access; it sounds good, but



it is a wolf in sheep's clothing. That is how they title these things around here.

This legislation would roll back critical consumer protections for our Nation's most vulnerable families, undermining a simple proposition that the owners of manufactured homes deserve the same protections as traditional homeowners; specifically, the legislation would cause interest rates to spike and would reintroduce conflict of interest into the manufactured home market.

By the way, Mr. Speaker, later on today we will see Exhibit B for today. That is called the Mortgage Choice Act, H.R. 685. That is legislation that would scrap vital consumer protections put in place by Dodd-Frank to prevent unscrupulous lenders from steering consumers into higher fee mortgages. That is what is going on around here.

Of all the areas in need of Congress' attention, the Republican majority has chosen to once again focus on giveaways to the Wall Street crowd. American consumers deserve better than that, and I urge my colleagues to vote against H.R. 650 and later against H.R. 685.

Mr. FINCHER. Mr. Speaker, I yield 4 minutes to the gentleman from Texas (Mr. HENSARLING), the chairman of our committee, and I again want to thank him for his leadership on this issue.

Mr. HENSARLING. Mr. Speaker, I thank the gentleman for yielding, but more importantly, I thank him for his leadership, and I thank him for standing up for so many of the downtrodden, the low- and moderate-income Americans from sea to shining sea who want to realize some piece of the American Dream—they want to own a home.

Now, maybe it is not going to be quite as nice as a home that some Member of Congress might live in, you know, but it is going to be their home. In this case, it is going to be a manufactured home. I can say for many of the people who live, Mr. Speaker, in the Fifth District of Texas, if it weren't for manufactured housing, they wouldn't have a house.

As the gentleman from Tennessee so eloquently said as this legislation was being marked up in our committee, there are so many on the left and the far left who want to protect consumers right out of their homes. That is shameful, Mr. Speaker. It is absolutely shameful. They should have the same equal opportunity to own a home as any Member of this body, and yet my friends on the other side of the aisle would take it away from them. No, they have got a bumper sticker slogan here. You know, they have got Dodd-Frank; we are going to aim at Wall Street. But when they aim at Wall Street, they are hitting Main Street. They are hitting Main Street, and low- and moderate-income Americans are suffering.

We have bank after bank after bank after credit union after credit union, we are talking community financial in-

stitutions who are saying, without the legislation of the gentleman from Tennessee, they have got to get out of the business. You know what that means, Mr. Speaker? It means people lose their opportunity to own that first home, which might just be a manufactured house.

First Arkansas Bank and Trust, we heard from them:

Our bank has a long history of helping consumers, especially those who, for some reason, cannot qualify for secondary market financing at the time. Due to the fact that this type of financing is now overly burdened by the qualified mortgage standards, we have ceased this type of financing.

I heard from the Central Maine Credit Union. And, by the way, we haven't mentioned Goldman Sachs and J.P. Morgan. No, these are community financial institutions, Mr. Speaker.

I am sorry. This comes from Five County Credit Union:

Since October of 2010, Five County has no longer been offering mobile home loans to its members due to the Federal legislation.

First National Bank of Milaca. I hope I am pronouncing this right, but given that it isn't a money center bank on Wall Street, we are a little less familiar with its name. This is in Minnesota.

The high price mortgage rules have caused my bank to reduce the number of real estate mortgages we make on certain type houses, specifically mobile homes.

I could go on and on. I have got a stack of these, Mr. Speaker. That is why the gentleman from Tennessee, with his able leadership, has brought forth legislation—bipartisan legislation, I might add; bipartisan, almost half of the Democrats on our committee supported it.

The ranking member supported it before she was against it. I don't quite understand the change of mind. The need is still as great. People are still suffering. The low- and moderate-income Americans have been falling behind. Here is a chance to let them have an opportunity to get into a mobile home. But, no, no, no, no, no, we have got a Wall Street bumper sticker slogan here, and it doesn't matter who is going to get hurt.

Well, it does matter. It matters a lot, Mr. Speaker. We need to ensure that every American, regardless of their income, in a competitive, transparent, innovative capital market, that they have the opportunity to finance that mobile home. Every American should have that opportunity.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. FINCHER. I yield the gentleman an additional 1 minute.

Mr. HENSARLING. Every single American should have that opportunity, and it is the gentleman from Tennessee who is hearing their voices and is representing their voices on the House floor today.

Again, I want to thank him for his leadership and thank him for the thousands and thousands across the Fifth District of Texas that I have the privi-

lege and honor of representing that, just because they are low income, he knows—he knows—they still deserve that chance for the American Dream. He is fighting for their American Dream.

This was compromise language, Mr. Speaker. This is not the bill I wanted; it is not the bill he wanted. It was compromise language. In fact, the ranking member supported even a broader provision in the previous Congress. But what has happened is, yet again, the left hand doesn't always know what the far left hand is doing; and the far left hand has decided that all of a sudden we are going to aim at Wall Street banks, and it doesn't matter if any person working at a Walmart or working at a Whataburger loses their chance at the American Dream.

That has to stop. We need to support the legislation of the gentleman from Tennessee. I urge the House to adopt it.

Ms. MAXINE WATERS of California. I yield 2 minutes to the gentlelady from Illinois (Ms. SCHAKOWSKY).

Ms. SCHAKOWSKY. Mr. Speaker, it is interesting that the gentleman just described this as a consumer protection bill for people who live in manufactured housing. We are talking about trailer homes. But yet the National Manufactured Home Owners Association is opposing this bill, along with the Alliance for a Just Society, Americans for Financial Reform, the Center for American Progress, the Center for Responsible Lending, Consumer Action, Corporation for Enterprise Development, Empire Justice, Financial Protection Law Center, the Housing Assistance Council, the Leadership Conference on Civil and Human Rights, the National Consumer Law Center, National Council of La Raza, National Fair Housing Alliance, North Carolina Justice Center, U.S. Public Interest Research Group. Are these the far left that he is talking about, the people who actually represent folks that live in the kind of housing that he is saying that he wants to protect?

Nearly 7 years ago, our housing collapse resulted in more than 5 million foreclosures and 10 million jobs lost, and so we enacted Dodd-Frank to reform Wall Street, to improve consumer protections against crippling loans and the creation of the Consumer Financial Protection Bureau. The two bills, H.R. 650 and H.R. 685, would strip many of these consumer protections, would allow higher fees and reduce consumer protections and permit some of the most abusive and deceptive practices that trapped borrowers into unaffordable loans. Those protections were hard earned, and they were clearly justified. Eliminating them would put us back in the same situation that led to the worst recession since 1929.

This bill, H.R. 650, would weaken consumer protections for manufactured home loans. This is a bad bill, and I urge my colleagues to vote "no."

Mr. FINCHER. I reserve the balance of my time.

Ms. MAXINE WATERS of California. Mr. Speaker, could you tell me how much time we have left?

The SPEAKER pro tempore. The gentlewoman from California has 4 minutes remaining. The gentleman from Tennessee has 5½ minutes remaining.

Ms. MAXINE WATERS of California. I yield 2 minutes to the gentleman from Washington (Mr. HECK).

□ 1600

Mr. HECK of Washington. Mr. Speaker, I cannot tell you how thrilled I am to hear that the chair of the committee has seen the light and will follow the lead of the gentleman from Tennessee, and I am looking forward to him signing on to Congressman FINCHER's Export-Import Bank reauthorization bill.

In fact, I wish I could stand here and support this in the name of consumer protection, but it isn't. When we had this hearing, the most common thread was that we needed more information about what is happening out here.

Well, unfortunately, since that hearing, we have received more information. Indeed, The Seattle Times ran an unbelievably in-depth article detailing some of the worst practices among manufactured home lenders, some of those practices which contributed to the subprime bubble and meltdown: not verifying borrowers' income, pushing borrowers into unaffordable loans, aggressive debt collection, driving up costs through hidden add-ons, overappraising homes, all of these things.

If you do nothing else, read this essay, which I flat predict today—write it down—is going to win a Pulitzer Prize. Write it down.

It has been suggested that lenders could not make a living were they held to 8 points over prime, but that doesn't square with reality. What is reality? Take out the largest lender, who averages 7 points over prime, average all the rest, and it is 3.8 percent over prime.

Don't tell me lenders can't make a living in the manufactured home market unless they are given 10 points over prime. They are making a living. In fact, they could double it and still be approximately what the single largest does.

This bill is about relaxing an awful lot of consumer protections among our most vulnerable population, requirements to do housing counseling, a ban on teaser rates, early provision of disclosures, large font statement of the consumers' rights.

This bill would go backwards on those measures and would expose the most vulnerable among us to exploitation. As a consequence, I would urge my colleagues to vote "no" on H.R. 650 in the name of consumer protection.

Mr. FINCHER. Mr. Speaker, I continue to reserve the balance of my time.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield myself such time as I may consume.

My colleagues on the opposite side of the aisle keep telling us how everybody

who would make money on the most vulnerable population is somehow suffering. They are suffering because somehow they are not able to make these loans because they cannot be guaranteed the profits that they want to get.

Let me again just share some information with you. Clayton Homes, the largest U.S. mobile home manufacturer, as well as the two biggest mobile home lenders, 21st Mortgage Corporation and Vanderbilt Mortgage and Finance, are owned by Berkshire Hathaway, an amazingly profitable company whose shares trade for \$215,000 each.

Berkshire Hathaway profited to the tune of \$19.87 billion, or 12,092 per share, in 2014. The CEO of Berkshire Hathaway is Mr. Warren Buffett, the third richest man in the world.

Even though the CFPB's rule on manufactured housing was effective in January 2014, again, Clayton Homes profited to the tune of \$558 million in 2014, up from \$416 million in 2013 and \$255 million in 2012. Why do we need to provide this industry with more regulatory relief when they are already thriving?

Note that these profits come on the backs of some of America's lowest income households. In fact, 84 percent of the industry's customers make less than the U.S. median household income.

Clayton, again, is a large conglomerate of companies operating under at least 18 names, constructing nearly half of the industry's new homes and selling them through its own retailers. Many consumers think they are shopping around, not realizing that it is just different dealers with different names, all operating under the Clayton umbrella.

Let me just wrap this up by saying that this bill is absolutely a giveaway. It is my friends on the opposite side of the aisle deciding that it is more important to allow this industry to charge exorbitant interest rates and fees to this vulnerable population than it is to try and do something about reform.

We went through a recession—almost a depression—in this country because of the way loan initiators came up with these exotic products. You want to take us right back to that kind of situation.

I would ask my colleagues to vote "no" on this bill. It is not needed, and it is absolutely predatory.

I yield back the balance of my time. Mr. FINCHER. Mr. Speaker, I yield myself such time as I may consume.

I am going to finish up and just hit on several accusations that have been made by my friends on the other side of the aisle. Before I do, I will read a statement from the ranking member last Congress—this was back in May 2014—on H.R. 1779, which was the bill before the compromise, which had interest rates at 14 percent, not capped at 10 above prime.

But I'm going to support the bill, and I'm supporting the bill because I have been em-

bracing opportunities to support rural communities.

In the same vein, I'm going to support this bill, even though I have some questions about it, because, again, I want my legislators here, my friends, my colleagues, rather, who are from rural areas that are trying hard to make sure that they provide opportunities and they realize the problems of their constituents, I want them to know that we can work together on rural and urban problems, without always being opposed simply because it's urban or simply because it's rural.

Now, that is before the compromised language, Mr. Speaker. Now, that language is significantly less. Once again, we are not doing away with the protections that Dodd-Frank makes sure that apply to folks all over districts all over our country.

Think about this. I go home every weekend. I live in a little place called Frog Jump. It is a real place in west Tennessee. My county is Crockett County, a very rural county that doesn't have a stoplight in our county, not a red light in our county. We are that small, 12,000, 13,000 people.

I go home to my constituents, the folks in my district, and they tell me: FINCHER—a lot of them call me by my last name—FINCHER, we are trying to buy a mobile home—a manufactured home—and we are happy with the price, we have been happy with all of the terms of the conditions of the manufactured home that we are trying to buy; but, FINCHER, we can't buy one because Washington has gotten in the way. We are happy with the price; we are happy with the terms; we are happy with the product, but bureaucrats and politicians in Washington seem to think they know more than we know here in Crockett County.

Now, Mr. Speaker, my colleagues on the other side of the aisle, it is almost like, Do as we say, but don't do as we do. It is almost like they are totally against Americans having the right to choose for themselves and make the decisions for themselves, so Members of Congress should sit high on their horse, know nothing about the industry, nothing about how this is going to impact not the people at the top, Mr. Speaker.

If my colleagues are so opposed to making an income and making wealth and growing our businesses and making a profit—this doesn't hurt Warren Buffett. It hurts the people in Frog Jump and Dyersburg and Knoxville, all around this country. We somehow must get back to working for the people back home and not listening to the special interest groups.

They have been citing a story in a newspaper somewhere—I don't know where—that put all of these accusations out. We are not lessening the role of Dodd-Frank when it comes to consumer protections with this bill. All we are doing is making sure that Americans, Mr. Speaker, can have access to credit and they can own a home for themselves and not be told what to do by Washington politicians.

I urge my colleagues on both sides of the aisle—this is a bipartisan bill—please, please don't be scared by the President's veto threat yesterday and try to vote for the constituents back home in our districts that desperately need this legislation to pass.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. DUNCAN of Tennessee). All time for debate has expired.

Pursuant to House Resolution 189, the previous question is ordered on the bill.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. Pursuant to clause 1(c) of rule XIX, further consideration of H.R. 685 is postponed.

#### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Brian Pate, one of his secretaries.

#### MORTGAGE CHOICE ACT OF 2015

Mr. HUIZENGA of Michigan. Mr. Speaker, pursuant to House Resolution 189, I call up the bill (H.R. 685) to amend the Truth in Lending Act to improve upon the definitions provided for points and fees in connection with a mortgage transaction, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 685

*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 "Mortgage Choice Act of 2015".

#### SEC. 2. DEFINITION OF POINTS AND FEES.

(a) AMENDMENT TO SECTION 103 OF TILA.—Section 103(bb)(4) of the Truth in Lending Act (15 U.S.C. 1602(bb)(4)) is amended—

(1) by striking "paragraph (1)(B)" and inserting "paragraph (1)(A) and section 129C";

(2) in subparagraph (C)—

(A) by inserting "and insurance" after "taxes";

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

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

"(iii) the charge is—

"(I) a bona fide third-party charge not retained by the mortgage originator, creditor, or an affiliate of the creditor or mortgage originator; or

"(II) a charge set forth in section 106(e)(1);"; and

(3) in subparagraph (D)—

(A) by striking "accident,"; and

(B) by striking "or any payments" and inserting "and any payments".

(b) AMENDMENT TO SECTION 129C OF TILA.—Section 129C of the Truth in Lending Act (15 U.S.C. 1639c) is amended—

(1) in subsection (a)(5)(C), by striking "103" and all that follows through "or mortgage originator" and inserting "103(bb)(4)"; and

(2) in subsection (b)(2)(C)(i), by striking "103" and all that follows through "or mortgage originator" and inserting "103(bb)(4)".

#### SEC. 3. RULEMAKING.

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

The SPEAKER pro tempore. Pursuant to House Resolution 189, the gentleman from Michigan (Mr. HUIZENGA) and the gentlewoman from California (Ms. MAXINE WATERS) each will control 30 minutes.

The Chair recognizes the gentleman from Michigan.

#### GENERAL LEAVE

Mr. HUIZENGA of Michigan. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and submit extraneous materials on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HUIZENGA of Michigan. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of my bill, H.R. 685, the Mortgage Choice Act.

As someone who has worked in the housing industry, this is a very important issue to me and, more importantly, to all of our constituents across the country.

Last year, the qualified mortgage—or QM—ability to repay rule as mandated by the Dodd-Frank Wall Street Reform Act went into effect. Nobody has a problem with that, but the QM rule is the primary means for mortgage lenders to satisfy its "ability to repay" requirements.

Additionally, Dodd-Frank provides that a QM, or qualified mortgage, may not have points and fees in excess of 3 percent of the total loan amount.

As it is ambiguously defined currently, "points and fees" include, among other charges, fees paid to affiliated, but not unaffiliated, title companies, and amounts of insurance and taxes held in escrow.

As a result of this confusing and problematic definition, many affiliated loans, particularly those made to low- and moderate-income borrowers would not qualify as QMs and would be unlikely to be made or would only be available at higher rates due to heightened liability risks. Consumers would lose the ability to take advantage of the convenience and market efficiencies and choice offered by one-stop shopping.

I, along with my good friend Representative GREGORY MEEKS from New York, reintroduced H.R. 685, a strong, bipartisan bill that would modify and

clarify the way that these points and fees are calculated. This legislation is very narrowly focused to promote access to affordable mortgage credit without overturning the important consumer protections and sound underwriting required under Dodd-Frank's "ability to repay" provisions.

Having been a licensed Realtor and coming out of that industry, it didn't take those of us who had been in the industry long to see that there was significant problems with the structure of what had led to the housing crisis in the last number of years.

I tell the story oftentimes of the first closing that I did, where a check was slid across the desk the table to the seller and then a check was slid across the table to the buyer. The closing agent really didn't even know what to say.

It was the first time that they were starting to get into these zero down or even 120 percent loan to values, is what was happening.

□ 1615

I thought to myself, this is not going to end well, and that is the case. We need to have that tightened-up system.

But I think it is important to know that we have some issues with that Dodd-Frank provision. This is one of those.

I do also believe, Mr. Speaker, that it is important to note that when we first introduced this bill in 2012, in the last Congress, it looked substantially different. However, working with my colleagues on the other side of the aisle, I made the decision to make the changes necessary to gain their support of the legislation. As a result, it has been a truly bipartisan effort at every step of the way in the legislative process.

That is why this very legislation unanimously passed both the House Financial Services Committee and the House of Representatives last Congress. In fact, as we dealt with this bill again, the new bill, H.R. 685, it passed out of committee 43–12, after, I think, some had decided that they were going to be against it after they were for it.

It seems that the White House and others on Capitol Hill have decided that, rather than taking care of consumers, and rather than trying to make the bill work, they have decided that it is a citadel that cannot be breached, and not a jot or a tittle of Dodd-Frank can be changed. Otherwise, they label it as bailouts and helping out Wall Street and all these other things.

The real truth of the matter is, Mr. Speaker, we are trying to make sure that real Americans can obtain the American Dream and buy and own their own home.

Specifically, our bill, H.R. 685, would provide equal treatment for affiliated title fees and title companies and clarify the treatment of insurance held in escrow.

When things are held in escrow, they don't belong to the owner, they don't