

115TH CONGRESS
1ST SESSION

H. R. 3538

To amend the Truth in Lending Act to create additional requirements for original and new creditors of mortgage loans in the case of a sale, transfer, or assignment of a mortgage loan, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 28, 2017

Mr. RUSH introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Truth in Lending Act to create additional requirements for original and new creditors of mortgage loans in the case of a sale, transfer, or assignment of a mortgage loan, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Mortgage Sale Trans-
5 parency Act of 2017”.

1 **SEC. 2. ADDITIONAL REQUIREMENTS FOR ORIGINAL AND**
2 **NEW CREDITORS OF MORTGAGE LOANS IN**
3 **THE CASE OF A SALE, TRANSFER, OR ASSIGN-**
4 **MENT OF A MORTGAGE LOAN.**

5 Section 131(g) of the Truth in Lending Act (15
6 U.S.C. 1641(g)) is amended—

7 (1) by redesignating paragraph (2) as para-
8 graph (3); and

9 (2) by inserting after paragraph (1) the fol-
10 lowing new paragraph:

11 “(2) ADDITIONAL REQUIREMENTS.—

12 “(A) NOTICE FROM ORIGINAL CRED-
13 ITOR.—In addition to other disclosures required
14 by this subchapter, not later than 90 days be-
15 fore the date on which a creditor sells, trans-
16 fers, or assigns a mortgage loan to another
17 creditor, the original creditor shall notify the
18 borrower in writing of such sale, transfer, or as-
19 signment.

20 “(B) NO BORROWER LIABILITY IN CASE OF
21 ERROR IN TRANSFER.—With respect to a mort-
22 gage loan described in paragraph (1), the bor-
23 rower of such mortgage loan may not be subject
24 to a financial penalty from the original creditor
25 or the creditor that is the new owner or as-
26 signee of such mortgage loan if either creditor

1 makes an error, as determined by the Bureau,
2 in the sale, transfer, or assignment of such
3 mortgage loan.

4 “(C) MISDIRECTED MORTGAGE LOAN PAY-
5 MENTS.—During the 90-day period beginning
6 on the date on which a mortgage loan is sold,
7 transferred, or assigned to another creditor, a
8 borrower of the mortgage loan that submits a
9 payment on such mortgage loan to the original
10 creditor on or before the due date for such pay-
11 ment may not be subject to a financial penalty
12 for a late payment from the creditor that is the
13 new owner or assignee of the mortgage loan.”.

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