

115TH CONGRESS  
1ST SESSION

# H. R. 3971

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IN THE SENATE OF THE UNITED STATES

DECEMBER 13, 2017

Received; read twice and referred to the Committee on Banking, Housing, and  
Urban Affairs

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## AN ACT

To amend the Truth in Lending Act and the Real Estate Settlement Procedures Act of 1974 to modify the requirements for community financial institutions with respect to certain rules relating to mortgage loans, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Community Institution  
3 Mortgage Relief Act of 2017”.

4 **SEC. 2. COMMUNITY FINANCIAL INSTITUTION MORTGAGE**  
5 **RELIEF.**

6 (a) EXEMPTION FROM ESCROW REQUIREMENTS FOR  
7 LOANS HELD BY SMALLER CREDITORS.—Section 129D  
8 of the Truth in Lending Act (15 U.S.C. 1639d) is amend-  
9 ed—

10 (1) by adding at the end the following:

11 “(k) SAFE HARBOR FOR LOANS HELD BY SMALLER  
12 CREDITORS.—

13 “(1) IN GENERAL.—A creditor shall not be in  
14 violation of subsection (a) with respect to a loan if—

15 “(A) the creditor has consolidated assets of  
16 \$10,000,000,000 or less; and

17 “(B) the creditor holds the loan on the bal-  
18 ance sheet of the creditor for the 3-year period  
19 beginning on the date of the origination of the  
20 loan.

21 “(2) EXCEPTION FOR CERTAIN TRANSFERS.—

22 In the case of a creditor that transfers a loan to an-  
23 other person by reason of the bankruptcy or failure  
24 of the creditor, the purchase of the creditor, or a su-  
25 pervisory act or recommendation from a State or  
26 Federal regulator, the creditor shall be deemed to

1       have complied with the requirement under para-  
2       graph (1)(B).”; and

3               (2) by striking the term “Board” each place  
4       such term appears and inserting “Bureau”.

5       (b) MODIFICATION TO EXEMPTION FOR SMALL  
6       SERVICERS OF MORTGAGE LOANS.—Section 6 of the Real  
7       Estate Settlement Procedures Act of 1974 (12 U.S.C.  
8       2605) is amended by adding at the end the following:

9       “(n) SMALL SERVICER EXEMPTION.—The Bureau  
10      shall, by regulation, provide exemptions to, or adjustments  
11      for, the provisions of this section for a servicer that annu-  
12      ally services 20,000 or fewer mortgage loans, in order to  
13      reduce regulatory burdens while appropriately balancing  
14      consumer protections.”.

        Passed the House of Representatives December 12,  
2017.

Attest:

KAREN L. HAAS,  
*Clerk.*