

116TH CONGRESS
2D SESSION

H. R. 5931

IN THE SENATE OF THE UNITED STATES

MARCH 3, 2020

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

AN ACT

To require a review of the effects of FHA mortgage insurance policies, practices, and products on small-dollar mortgage lending, 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 “Improving FHA Sup-
3 port for Small Dollar Mortgages Act of 2020”.

4 **SEC. 2. REVIEW OF FHA SMALL-DOLLAR MORTGAGE PRAC-**
5 **TICES.**

6 (a) CONGRESSIONAL FINDINGS.—The Congress finds
7 that—

8 (1) affordable homeownership opportunities are
9 being hindered due to the lack of financing available
10 for home purchases under \$70,000;

11 (2) according to the Urban Institute, small-dol-
12 lar mortgage loan applications in 2017 were denied
13 by lenders at double the rate of denial for large
14 mortgage loans, and this difference in denial rates
15 cannot be fully explained by differences in the appli-
16 cants’ credit profiles;

17 (3) according to data compiled by Attom Data
18 solutions, small-dollar mortgage originations have
19 decreased 38 percent since 2009, while there has
20 been a 65 percent increase in origination of mort-
21 gages for more than \$150,000;

22 (4) the FHA’s mission is to serve creditworthy
23 borrowers who are underserved and, according to the
24 Urban Institute, the FHA serves 24 percent of the
25 overall market, but only 19 percent of the small-dol-
26 lar mortgage market; and

1 (5) the causes behind these variations are not
2 fully understood, but merit study that could assist in
3 furthering the Department of Housing and Urban
4 Development's mission, including meeting the hous-
5 ing needs of borrowers the program is designed to
6 serve and reducing barriers to homeownership, while
7 protecting the solvency of the Mutual Mortgage In-
8 surance Fund.

9 (b) REVIEW.—The Secretary of Housing and Urban
10 Development shall conduct a review of its FHA single-
11 family mortgage insurance policies, practices, and prod-
12 ucts to identify any barriers or impediments to supporting,
13 facilitating, and making available mortgage insurance for
14 mortgages having an original principal obligation of
15 \$70,000 or less. Not later than the expiration of the 12-
16 month period beginning on the date of the enactment of
17 this Act, the Secretary shall submit a report to the Con-
18 gress describing the findings of such review and the ac-
19 tions that the Secretary will take, without adversely affect-
20 ing the solvency of the Mutual Mortgage Insurance Fund,

1 to remove such barriers and impediments to providing
2 mortgage insurance for such mortgages.

Passed the House of Representatives March 2,
2020.

Attest: CHERYL L. JOHNSON,
Clerk.