

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. 650 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

belong to the bank or the title company that is holding it. All they are doing is holding them to then pay for that insurance bill that is going to be coming due. They pay for the insurance or the property taxes that may be coming up.

What happens, when someone writes that check every month, they are putting a twelfth of that total payment every month into that escrow. And it just begs to be clarified.

These commonsense changes will promote access to affordable mortgage credit for low- and moderate-income families and first-time homeowners by ensuring that safer, properly underwritten mortgages pass the QM test.

Whether or not you support Dodd-Frank overall, or specifically within this area, it is clear the law is going to require some tweaks to ensure qualified borrowers aren't locked out of homeownership and the beneficial features of a qualified mortgage.

The QM represents the safest, best underwritten mortgage availability on the market. It is the gold standard, Mr. Speaker. We should want more people getting QMs, not fewer.

Quite frankly, this is something that we should all agree on and, as I pointed out, we did last term. Our bill doesn't touch any of the CFPB's strict underwriting criteria. It doesn't in any way suspend a lender's legal requirement to determine that a borrower has the ability to repay that loan.

Mr. Speaker, this body has the opportunity to help more Americans realize a portion of that American Dream, as we talked about.

You know what the best part of it is, Mr. Speaker? We don't need to pass a grandiose law or decree. All we need to do is work in a bipartisan manner. I think the American people are begging for that, and here is an opportunity to do that. We have done it, and to reform a burdensome regulation that is negatively impacting our constituents is something that we should all strive for.

So I would like to thank my colleague, Representative MEEKS, along with many of the others on both my side of the aisle and the other side of the aisle who have worked tirelessly to help fix this flawed provision currently being implemented in Dodd-Frank.

I urge my colleagues to vote in support of H.R. 658 and help make the dreams of their constituents come true and a reality by ensuring that all consumers have greater access to mortgage credit and more choices and credit providers.

Mr. Speaker, I reserve the balance of my time.

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

Mr. Speaker, I rise today in opposition to H.R. 685, the so-called Mortgage Choice Act, which would roll back protections for home buyers, make mortgages more expensive, undermine Dodd-Frank, and undo the important work of the Consumer Financial Protection Bureau.

As its title indicates, the Mortgage Choice Act would affect choice, but in the wrong way. It would invite a return to a recent time when hard-working Americans were choosing whether to pay for medication or their mortgage, a time when they were faced with choosing between sleeping at a homeless shelter or spending one more night in the car.

These choices were and still are being made by many of those who suffered as a result of the financial crisis, a crisis that was caused in large part by predatory mortgages.

During this time, lenders often piled on excessive upfront fees by exploiting the opaque pricing and sales system for settlement services, like title insurance, which too often left borrowers without the information necessary to shop around or negotiate for lower prices.

They cared little about whether the borrower had the ability to repay the loan over the life of the mortgage because they raked in upfront fees at the point of origination.

Just to make it clear, anyone who has bought a home, who has got involved with negotiating for a mortgage would understand very clearly what we are talking about. We are going to focus on title fees, but there are a lot of fees up front that would-be homeowners are asked to pay for, including appraisal fees and inspection fees.

So during the subprime meltdown and the crisis that we had, we determined that there were many of the mortgage lenders, the originators, who were just piling on these fees. This is in addition to the downpayments they were making, and so they were making more money.

Because they were making more money, this is what caused many of our homeowners to lose these homes, because they were paying too much up front and they were being gouged with these predatory loans.

In response, the Dodd-Frank Act entrusted the CFPB with the responsibility of ensuring that lenders and their affiliated companies were restrained from charging excessive fees.

What are we talking about?

We are simply talking about mortgage lenders and originators who owned other companies like title companies, or who were affiliated with other companies like title companies. And why were they affiliated?

They were affiliated, or they owned these companies, so that they could make more money, because these affiliated companies would mark up the price of these fees and, basically, kick back to the originator some money.

One way the CFPB achieved this was through a standard known as a qualified mortgage, which, among other things, placed a 3 percent cap on upfront fees. What they simply said was, You can't just keep charging any old thing that you want to. It doesn't make good sense that people are ending up paying 5 percent, 6 percent and on

and on in these upfront fees. So we are going to put a cap on for 3 percent of upfront fees.

These 3 percent fee caps include those paid to affiliates. Don't forget, these are these companies that are owned by the originator, or affiliated with them. This 3 percent fee cap includes, again, those paid to affiliates of the lender for services such as, again, property appraisals, settlement services, and title insurance.

It is these fees that pose the greatest risks to consumers since they invite lenders to steer borrowers directly to their affiliates without open competition and with higher prices.

So, simply, what the originators were doing was saying, okay, this is who we are going to get you to pay money to for these services that you need in order to get this loan. They didn't ask you if you knew a title company. They didn't invite the independent companies in to compete. They just simply steered the borrowers into these affiliated companies.

In the past, creditors have offered incentives like reduced office rent, bonuses, commissions, or other financial perks in exchange for business referrals.

Though Dodd-Frank banned these type of kickbacks, some creditors are circumventing them by buying or creating businesses so they can profit by referring their customers to their affiliated service providers. It is worse than referral. They just write it up, and the borrower doesn't even know that they had an opportunity to shop around.

Others, like J.P. Morgan and Wells Fargo, recently settled cases of wrongdoing within the past year for engaging in a kickback scheme with an affiliated title company.

But instead of strengthening this ban on kickbacks, today, this House considers legislation that would actually incentivize these cozy relationships which increase creditors' profits at the expense of consumers. In some cases, these referral financial incentives are as much as half of the premiums home buyers pay.

Buying a home is a complex venture. How many among us who own homes have really ever shopped around for title insurance? I imagine very few.

Consumers should not have to be worried that their service providers are colluding to scam borrowers. Instead, they should be competing to provide them the best prices.

H.R. 685 would undermine the CFPB's definition of affiliated services by removing title insurance fees charged by affiliates of the lender from the 3 percent cap. As a result, creditors will actually be encouraged to direct borrowers to expensive affiliates, codifying a system of kickbacks in our laws. This is not only detrimental to consumers but to small businesses that provide unaffiliated title insurance.

So what they are basically saying is, We don't like it that you have had reform in the law. We don't like it that

you have discovered that these kick-back schemes go on. We don't like it that you now know that some of these originators, these lenders, own some of these businesses.

We want them to be able to charge as much in fees as they can get. Let them gouge, or let them simply write in companies that they know will pay them more money for getting this business.

So we have said, in the Consumer Financial Protection Bureau, that this should be limited to 3 percent. That is enough. You don't need to take more from the consumers.

Title insurance is already an uncompetitive market, and State protections are often weak and, at times, non-existent. This measure will, ironically, ensure even fewer choices for consumers because consumers rarely know that other options exist.

As a result, they will often simply rely on what they are kind of forced to do or made to do, or the recommendations of their lender, who, under H.R. 685, can simply refer them to affiliated entities who can then charge excessive fees without regard for the 3 percent cap.

Mr. Speaker, a diverse coalition, ranging from the NAACP and the National Council of La Raza to the Center for American Progress and the Center for Responsible Lending, have all voiced their opposition to this so-called Mortgage Choice Act.

The Obama administration has pledged to veto the measure because it "risks eroding consumer protections and returning the mortgage market to the days of careless lending."

We need only reflect on the 2008 mortgage crisis to understand that lenders too often focused on profiting from upfront payments through points and fees, rather than taking care to originate loans whose value derives from long-term performance.

I am alarmed at how short our memories have become. It has barely been 5 years since the worst of the crisis subsided, and we are already welcoming a return to the abusive practices that contributed to the subprime meltdown.

□ 1630

This measure will drive up the cost of mortgages, limit competition, and ultimately hurt consumers, so I sincerely urge my colleagues to oppose it.

Mr. Speaker and Members, I have spent hours with consumers begging for loan modifications, trying to save their homes. They didn't know what they were signing up for when they signed on the dotted line, for many of these mortgages were simply gouging them, simply telling them that they could get refis anytime they wanted. They didn't know that when they were told: Don't worry about how much money you make, we can fix that; don't worry about whether or not we are going to be able to not only refinance, but we can give you this for in-

terest only; and on and on and on, with all of these exotic products. And they certainly didn't know about all of the fees that they were paying up front. They didn't understand that they should have had some options. They should have had some choices, but they didn't have; they didn't have because these lenders were just putting them into paying companies that they were affiliated with, that they were going to make more money off of.

This is shameful. I don't know why we are spending our time in the Congress of the United States trying to gouge consumers and trying to put us back where we were with the subprime meltdown and the crisis that was created.

We have a lot of things we should be attending to. There are a lot of concerns that our consumers have out there. Our consumers are concerned about jobs and job creation. They are concerned about pay equity. They are concerned about homelessness. They are concerned that we have the housing, to attend to those who have jobs that cannot afford to pay the price of rental housing. They are concerned that if they want to buy a home that they will be treated fairly, that they will not be gouged, that they will not be taken advantage of.

We know that when you buy a home, you have a stack of papers this high to sign. We also know that if you are well off, you can get your lawyer, you can get your representatives to read through these papers and help you get the best mortgage. We know that Members of Congress know how to negotiate, know how to bargain, know how to get the best loans, know how to shop around; but not all of our consumers are that fortunate, not all of them are prepared, and they listen to what they are told by their lenders.

I want to tell you, the business that we are involved in here with this bill where we are trying to say forget about that 3 percent cap, let these lenders charge as much as they can get, let them gouge the consumers—this is wrong. This should not be done by Members who are sent here to represent all of our constituents, all of our consumers, and more than that, the more vulnerable of them, those who don't have high-priced lobbyists in the Halls of Congress, those who can't even get their Members of Congress to return their telephone calls if they have a complaint. We should be here dealing with the real issues of the day, not using our influence and our time to simply fatten the pockets of those who would gouge our constituents.

Mr. Speaker, I reserve the balance of my time.

Mr. HUIZENGA of Michigan. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. MCCARTHY).

Mr. MCCARTHY. I thank the gentleman for yielding.

Mr. Speaker, first off, I will not be long. I know you have a number of

Members who want to speak for this bill.

Before I begin, I want to thank Financial Services Committee Chairman HENSARLING for all the good work he and his committee have been doing not only on this bill, but on numerous bills this week. This whole week, the House will be voting on bills to promote a healthier economy, preserve consumer choice, and help people become financially independent.

You know, Mr. Speaker, it is an ironic thing here in Washington when some laws that are passed hurt more than they actually help. I truly think everyone in this body wants to do what is best for the American people, but that is not how things always turn out.

There are some in this body who, whenever a problem comes around, their gut reaction is to add more regulations, costs, and red tape. For some reason, they think paperwork can solve all of our problems, and that is exactly what happened with Dodd-Frank. Washington tried to solve a problem by regulating the big guys, but all they succeeded in doing is hurting the little guys.

When you look around, who is getting hurt most by Dodd-Frank? It is credit unions and community banks. More importantly, it is lower income families who can't get the loans they need because one-size-fits-all regulations are blocking them.

We need to give people in this country and the institutions that serve them space to live and space to grow. The Mortgage Choice Act and so many of the bills that we will see on the floor this week help open up that space.

I want to thank the gentleman from Michigan, Representative HUIZENGA, for being a champion of this legislation to give the American people the room they need to achieve their dreams.

So let's get behind the American people and help them reach financial independence by supporting this bill.

Ms. MAXINE WATERS of California. Mr. Speaker, I have no further requests for time.

I reserve the balance of my time.

Mr. HUIZENGA of Michigan. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. MCHENRY), the vice chairman of our committee.

Mr. MCHENRY. Mr. Speaker, I want to thank my colleague from Michigan (Mr. HUIZENGA) for his hard work on this piece of legislation. It is well crafted and is a very important reform that the American people need to understand and appreciate.

What the American people understand is that Washington regulations are preventing them, Americans, from realizing the dream of homeownership. These arbitrary, Washington-created barriers are keeping young people, recently married couples, and low- and middle-income Americans from accessing mortgages they need to own a home. That is wrong.

Right now, consumers are bearing the brunt of regulatory overreach

under Dodd-Frank. According to the most recent housing data, the U.S. homeownership rate is now the lowest that it has been in 20 years. Young homeowners are being hit particularly hard. For example, in my district, in Buncombe County, in Asheville, the number of young homeowners fell to a level not seen since the year 2000. That is unacceptable.

Combine these figures with recent reports indicating serious distress in the credit markets, and it becomes clear that young, lower-, and middle-income Americans are being squeezed out of the dream of homeownership.

It is important to note that this bill will not do a number of things. Nothing in this bill undoes the Dodd-Frank requirement that lenders ascertain a borrower's ability to pay, nor does the bill in any way change the strict underwriting standards that the CFPB has set for qualified mortgages. Instead, this bill simply allows more loans to fit under the current limitation on points and fees, thereby expanding access to credit at a time when credit is still very tight. It also provides clarity to the calculation of points and fees which allow more loans to meet the requirement of qualified mortgages.

These are very important reforms, very necessary reforms, and are good for American homeownership. I congratulate my colleague for crafting this fine piece of legislation.

I urge my colleagues to support the bill.

Ms. MAXINE WATERS of California. Mr. Speaker, I will continue to reserve the balance of my time.

Mr. HUIZENGA of Michigan. Mr. Speaker, I would like to inquire as to the amount of time on both sides.

The SPEAKER pro tempore. The gentleman from Michigan has 20 minutes remaining. The gentlewoman from California has 16½ minutes remaining.

Mr. HUIZENGA of Michigan. Mr. Speaker, with that, I yield 2 minutes to the gentleman from Michigan (Mr. TROTT), a new colleague of ours.

Mr. TROTT. Mr. Speaker, I want to thank the gentleman from Michigan for the opportunity to cosponsor and to speak in favor of H.R. 685.

There is no question that Dodd-Frank is making the dream of homeownership more difficult for many Americans. There are a myriad of unintended consequences that were created by this regulation, and the problems are largely the result of an overreach by the Federal Government and poorly thought-out rules, rules which, in many cases, were written by people that may or may not know the difference between mortgagee and mortgagor.

The Mortgage Choice Act addresses a problem created by the qualified mortgage rule. The qualified mortgage rule treats the cost of title insurance differently depending on whether the title insurance agency is affiliated with the lender. The distinction is nonsensical. In many States like Michigan, the title

insurance cost is regulated by an insurance commissioner or through a filed rate; consequently, the cost of insurance in most States is typically the same regardless of whether the title agency is an affiliate or not.

The current definition of points and fees is not only illogical, but it also increases the cost of mortgage credit by making lending less efficient and less profitable. It also reduces the mortgage options that are available to consumers; and it generally makes credit less available, which, in turn, stifles the ability of hard-working Americans to buy a home.

The one thing that the current definition of points and fees does do, however, is it gives the Consumer Financial Protection Bureau a reason to hire more staff to run around the country and audit and impose sanctions on lenders, sanctions which ultimately hurt consumers and the lending industry.

I ask my colleagues to support the Mortgage Choice Act, as it truly will afford consumers more choices as they pursue their dream of homeownership.

Ms. MAXINE WATERS of California. Mr. Speaker, I will continue to reserve the balance of my time.

Mr. HUIZENGA of Michigan. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. HENSARLING), the chairman of our committee.

Mr. HENSARLING. Mr. Speaker, I thank the gentleman from Michigan for his leadership on our committee and for his leadership in bringing this bill through our committee on a strong bipartisan vote.

I have got to tell you, Mr. Speaker, it is with great pride that the House Financial Services Committee just a couple of weeks ago voted out 11 different bills to help American families achieve that coveted goal of financial independence, and part and parcel of that quest, that dream, is the dream of homeownership.

Regrettably, there are some people within this body who believe in bipartisanship more in theory than they do in practice. I regret those who supported a bill before they were against it, but that is where we are here today, Mr. Speaker.

What we are really about here is trying to ensure that low- and moderate-income people do not have their Federal Government protect them out of their homes, and what we have seen is bad and dumb regulation out of Washington do just that.

The goal of consumer protection ought to be to help empower consumers to buy homes they can afford to keep, that we have competitive, transparent, innovative markets that are vigorously policed for forced and fraudulent advertising. That is the vision we have on this side of the aisle, and, frankly, it is at least a vision that some Members on that side of the aisle have as well.

So, Mr. Speaker, this is an incredibly modest—it is still important, but an

incredibly modest bill. By definition, if it is bipartisan, it is going to be modest.

I am somewhat shocked that under our rules and procedures that this wouldn't be on the suspension calendar. And in fact, in the last Congress, there wasn't one single vote cast to object to this bill from the gentleman from Michigan (Mr. HUIZENGA), the chairman of our Monetary Policy and Trade Subcommittee, a real leader on our committee on housing opportunity for low- and moderate-income Americans—not a single dissenting vote. But I guess that was before, again, the left hand knew what the far left hand was doing. And now, all of a sudden, we have entered yet another fact-free zone and we are having all this incredible verbiage about Wall Street, when all this bill is doing is leveling the playing field between those firms that would be affiliated and those that would not so that consumers can have a few more choices and benefit from lower cost as they try to get their American Dream.

If we followed the logic of the far left, McDonald's could serve you a burger, but they could no longer serve you fries. You would have to go across the street to Burger King for your fries there. I guess National Tire and Battery would have to be "National Tire." They couldn't sell you a battery anymore. Consumers would be protected and not have their choices recognized. I guess the phone company could no longer offer you a discount on Internet and cable and phone put together because, my lord, those are affiliations, Mr. Speaker; and apparently the far left wants to ensure that American consumers are stripped of their economic liberty to make choices for themselves, to be able to get discounts when products are put together. I don't understand it.

□ 1645

We are trying to ensure that low- and moderate-income Americans have convenience, that they have choice, and that they have lower prices. The Truth in Lending Act will apply and should apply. We have to protect consumers against force, fraud, and deception, but we have got to quit protecting consumers right out of their homes.

So again, I want to thank the gentleman from Michigan (Mr. HUIZENGA) for doing everything he can to help this segment of our American population. So often we hear the left and far left talk about affordable housing. Once again, it is something they recognize in theory; it is just not anything they want to support in practice.

This is an affordable housing bill. This is an affordable housing bill. Consumers will have choice under this bill, thus, the name. So we know that talk is cheap, but, unfortunately, votes tend to be expensive. This started out as such a bipartisan piece of legislation, but then somebody said: Oh, my Lord, this is a clarification or modification

of Dodd-Frank, and Dodd-Frank is something that came down from Mount Sinai. It was chiseled into stone tablets.

Former Chairman Frank, who chaired our committee, doesn't seem to believe that. He came before our committee and testified at least a half a dozen different ideas he had for amending his own signature legislation. Yet there are those on the far left who would hurt the most vulnerable in our society, who would deny them fundamental economic liberties to choose the mortgages they want to allow them their American Dream of homeownership. That is not right. That is not fair. That is not economic justice.

That is why, Mr. Speaker, it is so critical—so critical today—that we support H.R. 685. It was designed to be a bipartisan bill. It should be a bipartisan bill, and I urge every single Member to adopt it.

I thank the gentleman from Michigan for his leadership.

Ms. MAXINE WATERS of California. Mr. Speaker, with all due respect to my chairman, Mr. HENSARLING, this debate is not about McDonald's, it is not about Burger King, and it is not about the National Tire and Battery Company. This is about our constituents who want to be homeowners, who are gouged, who are misled, and who are steered into companies that are going to provide kickbacks for their loan originators.

We need to get rid of some of these myths. The myth that we have heard today is we need H.R. 685 to ensure access to credit for low-income households. Well, let's talk about the facts.

The cost of title insurance is opaque. Borrowers are responsible for paying for title insurance, but title insurance pricing is basically negotiated between the lender and the title insurance company. The pricing and sales system is completely nontransparent, making it impossible for borrowers to shop for better prices on title insurance. In addition, when borrowers spend money on inflated title insurance premiums, it makes homeownership less sustainable. High title insurance prices mean borrowers have less money to put toward a down payment or to put toward improvements to their home.

Even The Wall Street Journal agrees. Here is a quote from an article from March 28, 2014: "Title insurance can cost hundreds of dollars for modest houses and thousands for multimillion-dollar properties. Yet many home buyers don't focus on the product, or the price, until they sit down at the closing."

The article went on to describe that "upstart insurers and agencies are challenging the status quo." Two insurers are "marketing directly to consumers on the Internet, offering online quotes to home buyers who plug in basic information about the property, such as location, purchase price and loan amount. And they are offering savings of up to 35 percent off what established firms charge."

But these upstart companies have had a hard time in securing market share because they don't have the profits to afford to offer kickback-like arrangements.

The CFPB has taken reasonable steps on the affiliated title insurance issue, carefully considering the industry comments in their proposed rule and deciding that the harm to consumers was too great to exclude affiliated title. The inclusion of title insurance, qualified mortgage points, and fee caps serves to limit title insurance pricing from even greater excesses.

As Professor Adam Levitin of Georgetown University, a Democratic witness at the hearing on H.R. 685, concluded: "To the extent that we are concerned about ensuring greater availability of credit to consumers, exempting title insurance from the HOEPA and QM point and fee caps is a terrible idea as it virtually guarantees that consumers will be gouged with increased title insurance costs which make homeownership more expensive."

Make no mistake; Wall Street always argues that consumer protection will hurt access to credit when they want to stop those efforts dead in their tracks. In fact, we heard these same arguments in the early 2000s as the industry lobbied against consumer protection. In 2007, Representatives Brad Miller and Mel Watt introduced, or reintroduced from 2004, a bill supported by consumer groups to curb predatory lending practices which also would have held financial companies that securitize mortgages liable for certain violations. That bill eventually was included in Dodd-Frank as title XIV of the bill. But remember that Bear Stearns spent \$500,000 lobbying against Miller's bill and another piece of proposed mortgage legislation right up until the investment bank cratered in March of 2008.

Simply, in wrapping up this debate, it is clear that there should be a cap on fees. It is clear that when consumers try and sit down at a closing and try to do the best job that they can to protect their dollars so that they can have money left to fix up the house that they are trying to buy or they can have enough money to ensure that they are able to make the mortgages, they don't want to be steered in ways that some of these loan originators have done and continue to do. They don't want to be steered to affiliated businesses who will simply kick back some of those profits to the lender who sent them to them in the first place.

So, Mr. Speaker, I would ask my colleagues on the opposite side of the aisle to just consider what you are spending your time on. Consider whom you are advocating for. Consider that you are advocating for people who are making lots of money. They don't really need your advocacy. They do very well because they have got high-paid lobbyists walking the halls of Washington, D.C., following us around from our offices to the toilets. Consider that if this time

were better spent really supporting the reforms in Dodd-Frank and supporting the Consumer Financial Protection Bureau, we would be doing a better job for our constituents than coming in here trying to protect the biggest and the richest firms who are doing very well out there.

Don't forget, prior to Dodd-Frank, there was no real protection for consumers. That is why we have the Consumer Financial Protection Bureau. They are doing a great job; and they are providing us with the research, they are providing us with the investigations, and they are providing us with the information that we should be using to protect consumers rather than coming on this floor and in our committees trying to denounce them, trying to make sure that they are not able to do business, trying to defund them, trying to discredit them, and trying to do everything that they can to keep them from being effective. The Consumer Financial Protection Bureau is just about that: protecting our consumers in ways that they were not protected before we had the great subprime meltdown and the great crisis that was created in this country.

We should all be trying to do our very best not to return to 2008, not to return to a time where we were destroying communities, where boarded-up homes for blocks and blocks and blocks in communities were driving down the value of other homes in those communities. We should be trying to do everything that we can to make sure that we care about homeownership.

I hear from the other side of the aisle that somehow we don't care about people owning homes. But what I really hear when I listen to that is that they don't care what price they have to pay in order to get in a home; they don't care if they are gouged with high fees; they don't care if they are extended credit that they can't afford; they don't care that they are going to lose these homes; and finally, they don't really care whether or not they are going to get modifications so that they can stay in the homes.

As a matter of fact, many of our consumers who have tried their very best to save their homes have been turned down by the very financial institutions that put them in the position that they happen to be in. Many of those financial institutions we bailed out, and we have gotten nothing in return for much of those bailouts that we have done.

So we have an opportunity to respect not only our constituents and our consumers, but to respect the fact that we have finally evolved to the point where we have reforms.

I know and I hear from time to time that somehow we on this side of the aisle believe that the Dodd-Frank reforms are cast in concrete, that there can be no modifications, no changes. Well, you heard the chairman say that we passed out 11 bills. We passed out, in a bipartisan way, bills that some of

us kind of held our nose and passed out because we wanted to show that maybe these particular bills were not that harmful and maybe weren't harmful and that we could work in a bipartisan way even though some of them questioned some of the work that had been done in Dodd-Frank.

I have said and many other members of the committee on my side of the aisle have said that we are willing to make technical corrections; we are willing to make some modifications that make good sense, but we are not willing to destroy the reform that we did, that we worked so hard for. Dodd-Frank is extremely important, and we should be about this business of implementing these reforms so that we can protect our consumers.

I am taken aback and I am surprised that many of our Members who are here advocating for the rich lenders, for the people who caused the problem in the first place, can go back home and look their consumers in the eye and tell them they are really working for them, they are really working to make sure that they can own a home. They don't really know, and I don't think that many of those are going back and saying: Well, let me tell you what I did today. I made sure that there was no cap on fees and that the lenders can charge whatever they want working with the affiliated companies; and this cap at 3 percent that they have come up with in Dodd-Frank reforms doesn't make good sense, and they should be able to charge you whatever they want to charge you.

I don't think that we have Members who are here on this floor today that are advocating that we get rid of these caps and that we allow these lenders to have these relationships with the affiliated companies where they keep steering the business into them, steering the business into them.

How many of those who are advocating have asked the lenders: How much money are you making back on these loans, on these fees that you are allowing the affiliates to charge them? Do you really get a share in those profits? Do you really get a kickback? If so, let's have some transparency. Let's shine some light on how much money you are making. I bet you one thing. I bet you none of them will tell you: We are not making any money. We are just doing this because, well, we are just doing it because, oh, we think that this is a better way to do it.

So I am asking my colleagues in this House to reject this legislation. We have been on this floor today on two important bills, one on manufactured housing where, again, we have advocates on the opposite side of the aisle who would like to see the manufactured housing industry make more money on the poorest of people, on the most vulnerable in our society. They would like to charge interest rates above prime interest, 10 percent above prime interest. As we have stated,

when the interest rates begin to rise, this means that it can go beyond 14 percent to 15, 16, 17, and 18 percent.

□ 1700

We don't know how high it could go; yet the time that we have spent advocating for the richest of the rich who are in this business to be able to gouge these poor people and the time that we are spending again on another bill that would allow the richest of the rich to gouge poor homeowners who don't know and don't understand all these fees that they are being charged and the fact that we have a cap that they want to remove, why are they spending their time representing those who really don't need their representation?

I would ask my colleagues to reject both of these bills. I would ask my colleagues to stand up for the least of these. I would ask my colleagues to make sure they remember the lessons of 2008, and they are reminded of the fact that not only are families destroyed, but whole communities have been destroyed by what took place with this subprime meltdown and this crisis that took us into a recession, almost a depression.

We can't forget these lessons; we can't afford to forget these lessons. We are Representatives of the people. Representatives of the people don't act that way. Representatives of the people don't forget. They do everything in their power to make sure that they provide a safety net, that they provide some protection, that they look out for them, that they are their voice inside this place where we are making public policy, that the public policy includes them, that the public policy does not forget them, that the public policy is not the public policy that is designed and supported by the richest 1 percent in this country, but really, the public policy comes out of the voices of all of those who have been sent here from all over this Nation from some of the richest communities to some of the poorest communities.

We talk about jobs and the need for the creation of jobs, but I don't hear the opposite side of the aisle talking about that. I don't hear them talking about how we can create really more housing opportunities for those who want to buy and for those who have to rent.

I don't hear any talk about what we can do to provide economic development in this country, how we can repair the infrastructure, make sure that our bridges are working, that our water systems are working, that our roads are in good shape. I don't hear that. I hear time being spent on how we can help the richest of those who don't need our voice, who don't need our help.

It is time to stop this madness. It is time to call it what it is. It is time to ask: Why is it that the richest of the folks in the businesses in this country who have so many paid lobbyists, who are up and down these halls every day,

get so much representation? Why is it they have so much influence? Why is it they have been able to direct the public policy in ways that the average citizen cannot do?

I want to tell you—you talk about the middle class. Yes, there is an erosion of the middle class because of the way that the middle class is not really represented. We allude to the representation, but it is really not here.

I ask my colleagues to reject this legislation, to not allow anybody on this floor to tell them that this is in the best interest of consumers because it is not.

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

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

I appreciate the opportunity to come and to try to clarify some of the assertions and confused claims that have been thrown out here.

My family has been involved in construction since the 1930s—the 1930s. I will never forget the day—it was a Thursday—when I pulled up right down the street from my home and I saw my cousin's business that they now own that my dad and uncle and grandfather had started.

It is a ready-mix concrete company. Literally, all the guys' trucks were there, all their pickups. It is a small company. It is about 12 or 15 people that work there. Every single one of those cement trucks were parked in the yard, the exact place that they should not be.

I found out later that we had trucks on the way to construction sites that were turned around and came back. That is seared into my memory. I have no interest in going back to where we had been. In fact, I was one of those warning about the practices before serving in this body.

Frankly, if those who were serving in this body who wrote Dodd-Frank had actually talked to a few of the people involved in the industry, they might have understood what the interaction is between the buyer, the seller, the construction agent, the closer, the people that are providing title insurance.

The simple fact is that there is not an understanding of how this system works. We may have a common goal of serving consumers. We have very different visions about how that needs to be done.

As I said, there has been lots of assertions and sort of confused claims thrown around. Many of them, frankly, are problems completely unrelated to what this is, and I am not sure how the activity of the Transportation Committee relates exactly to what our work is on the Financial Services Committee, but I think it is an old adage: when you are losing, you keep talking. That is what has been happening here on the floor for those that have been watching.

The assertion that weak and non-existent State regulations are out

there is just amazing to me, especially in California. I am betting the insurance commissioner in California would be surprised at this assertion, since California is one of the 47 States that regulates title insurance. RESPA laws, disclosure requirements written into law, transparency is a key element in this.

I was a licensed Realtor when agency disclosure first came in. This was in the midnineties. You had to declare whether you were a buyer's agent, a seller's agent, a transactional coordinator. There have been real changes, positive changes, that have happened for the consumer in that industry over the last 20 to 25 years.

The irony in this particular situation is that affiliated companies, those companies that may have been started by the same people—that is the definition, by the way. I might be a small-business owner who owns a real estate company, and I start another company dealing with title insurance. That now, because that is on my personal tax form, is an affiliated company. I can't do or charge what an unaffiliated company could do.

Now, I might buy the argument that was made earlier that these companies can just charge whatever they want to charge, but I could only buy that if my friends on the other side of the aisle would be willing to apply equally the law. The law does not apply equally here. It does not do what they claim that they are trying to do.

The other element that has been talked about a little bit—this is so ridiculous; it strikes me. It is like saying I can't shop at Walmart or at a Meijer store in our area or other places because they sell fresh produce and electronics and hardware. I need to go to a hardware store to go pick up my nails; I need to go to the corner grocer to go pick up my lettuce, and, by the way, if I want to get a flat screen TV, I have got to go somewhere else.

This is about consumers having choices and abilities to utilize a streamline. Those costs need to be disclosed, first of all. Those costs oftentimes are regulated, the vast majority of the times are regulated by the States; yet it just is a clunky system that does not work in the design of Dodd-Frank.

The assertion that any change of Dodd-Frank somehow benefits or is anticonsumer or benefits somebody on Wall Street, go and talk to those owners of those small companies in all of our States, go and talk to them about what their Wall Street affiliation is.

This bill is, frankly, widely viewed as unrealistic and unworkable. It is time that we face that reality and we change some of the elements of this. This is a modest, modest change.

In fact, it is so modest, frankly, Mr. Speaker, that our previous speaker had supported the bill, had supported it when it was in committee, had supported it when it was on the House floor, certainly did not object to it, and

I guess maybe I could say supported it because, on August 1 of 2014, she, along with 12 of her colleagues—including one who has gone on to the Senate—12 Democrats signed a letter to Senator HARRY REID requesting him to take my bill up.

Mr. Speaker, I insert for the RECORD the letter.

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, DC, August 1, 2014.

DEAR MAJORITY LEADER REID, CHAIRMAN JOHNSON AND MEMBERS OF THE SENATE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS: On June 9, the House passed the Mortgage Choice Act (H.R. 3211), on the suspension calendar without objection. Senators Manchin and Johanns introduced a companion bill, S. 1577 in October, but it has not yet been considered. We support the Mortgage Choice Act because of our concern about lower-income consumers' access to credit and their ability to select the mortgage and title insurance providers of their choice.

Passage of H.R. 3211 represents the fourth time that the House has approved virtually identical legislation without objection. In 2007 and 2009, a Democratic House majority passed essentially the same provision in the Miller-Watt-Frank anti-predatory lending legislation, and then a third time as part of the House's version of the Dodd-Frank Wall Street Reform and Consumer Protection Act in 2010.

The Mortgage Choice Act simply excludes the cost of title insurance from the definition of points and fees under the Truth in Lending Act regardless of whether a title insurance agent is affiliated with a mortgage lender or not. It also clarifies that funds held in escrow for the payment of property insurance do not count as "points and fees." The legislation is needed to ensure that smaller loans to creditworthy low and moderate-income consumers can select the mortgage lender and title insurance provider of their choice and obtain a "qualified mortgage," the gold standard for all mortgages.

The bill authorizes the Consumer Financial Protection Bureau to implement rules governing the exclusion of reasonable title insurance charges from "points and fees." It preserves the Bureau's strong enforcement authority to require transparency and disclosure of affiliations and charges under the Real Estate Settlement Procedures Act (RESPA). In fact, the CFPB has been vigorous in its pursuit of RESPA violations, ranging from minor disclosure errors to kick-backs for referrals by an unaffiliated title company.

We urge you and the entire Senate to quickly adopt the Mortgage Choice Act to improve access to credit, enhance competition among title insurance providers, and reinforce the CFPB's authority to define what title insurance costs qualify as excludable "points and fees."

Sincerely,

David Scott, Maxine Waters, Emanuel Cleaver, Henry Cuellar, Daniel T. Klaid, Jim McDermott, Patrick Murphy, Gerald E. Connolly, Michael F. Doyle, Betty McCollum, Gregory W. Meeks, Gary C. Peters, Members of Congress.

Mr. HUIZENGA of Michigan. My bill and Congressman Meek's bill was a good bill last Congress, and it is a good bill this Congress because it has not changed at all. It has not changed at all.

To quote it, she urged the Senate to "quickly adopt the Mortgage Choice

Act," a bill that would "improve access to credit" and "enhance competition among title insurance providers."

Frankly, Mr. Speaker, my colleague was right last time, and she should be right in this Congress. Unfortunately, we are seeing that—I am afraid politics may have leaked in. The administration has issued a veto threat, and I think we may have seen why some of this change of heart has happened.

I am, frankly, disheartened for the American people that Presidential politics have already leaked into what this body should be doing, which is representing people, which is making sure that they are getting the best end of the stick, not the sharp end of the stick.

Frankly, Dodd-Frank has delivered the sharp end of the stick, intentionally or unintentionally, way too many times. It is our job to go and fix it and to make sure that the consumers, that our constituents, are getting the best service that they possibly can.

With that, Mr. Speaker, I would like to urge all of my colleagues to join so many of us in a bipartisan fashion who support this bill, who believe that this is the right time and the right bill to rectify this problem, and to get on with it. I request all of my colleagues to support H.R. 685.

I yield back the balance of my time. The SPEAKER pro tempore. 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. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. MAXINE WATERS of California. 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.

#### PRESERVING ACCESS TO MANUFACTURED HOUSING ACT OF 2015

The SPEAKER pro tempore. Pursuant to clause 1(c) of rule XIX, further consideration of 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, will now resume.

The Clerk read the title of the bill.

MOTION TO RECOMMIT

Ms. MAXINE WATERS of California. Mr. Speaker, I have a motion to recommit at the desk.

The SPEAKER pro tempore. Is the gentlewoman opposed to the bill?

Ms. MAXINE WATERS of California. Yes, I am opposed to the bill in its current form.