NOVEMBER 10, 2015

RULES COMMITTEE PRINT 114-34 TEXT OF H.R. 1210, PORTFOLIO LENDING AND MORTGAGE ACCESS ACT

[Showing the text of the bill as ordered reported by the Committee on Financial Services.]

1	SECTION 1. SHORT TITLE.
2	This Act may be cited as the "Portfolio Lending and
3	Mortgage Access Act''.
4	SEC. 2. SAFE HARBOR FOR CERTAIN LOANS HELD ON
5	PORTFOLIO.
6	(a) In General.—Section 129C of the Truth in
7	Lending Act (15 U.S.C. 1639c) is amended by adding at
8	the end the following:
9	"(j) Safe Harbor for Certain Loans Held on
10	Portfolio.—
11	"(1) Safe harbor for creditors that are
12	DEPOSITORY INSTITUTIONS.—
13	"(A) In general.—A creditor that is a
14	depository institution shall not be subject to
15	suit for failure to comply with subsection (a),
16	(c)(1), or $(f)(2)$ of this section or section 129H
17	with respect to a residential mortgage loan, and

1	the banking regulators shall treat such loan as
2	a qualified mortgage, if—
3	"(i) the creditor has, since the origi-
4	nation of the loan, held the loan on the
5	balance sheet of the creditor; and
6	"(ii) all prepayment penalties with re-
7	spect to the loan comply with the limita-
8	tions described under subsection $(c)(3)$.
9	"(B) Exception for certain trans-
10	FERS.—In the case of a depository institution
11	that transfers a loan originated by that institu-
12	tion to another depository institution by reason
13	of the bankruptcy or failure of the originating
14	depository institution or the purchase of the
15	originating depository institution, the depository
16	institution transferring such loan shall be
17	deemed to have complied with the requirement
18	under subparagraph (A)(i).
19	"(2) Safe harbor for mortgage origina-
20	TORS.—A mortgage originator shall not be subject
21	to suit for a violation of section $129B(c)(3)(B)$ for
22	steering a consumer to a residential mortgage loan
23	if—
24	"(A) the creditor of such loan is a deposi-
25	tory institution and has informed the mortgage

1	originator that the creditor intends to hold the
2	loan on the balance sheet of the creditor for the
3	life of the loan; and
4	"(B) the mortgage originator informs the
5	consumer that the creditor intends to hold the
6	loan on the balance sheet of the creditor for the
7	life of the loan.
8	"(3) Definitions.—For purposes of this sub-
9	section:
10	"(A) Banking regulators.—The term
11	'banking regulators' means the Federal banking
12	agencies, the Bureau, and the National Credit
13	Union Administration.
14	"(B) Depository institution.—The
15	term 'depository institution' has the meaning
16	given that term under section 19(b)(1) of the
17	Federal Reserve Act (12 U.S.C. $505(b)(1)$).
18	"(C) Federal banking agencies.—The
19	term 'Federal banking agencies' has the mean-
20	ing given that term under section 3 of the Fed-
21	eral Deposit Insurance Act.".
22	(b) Rule of Construction.—Nothing in the
23	amendment made by this Act may be construed as pre-
24	venting a balloon loan from qualifying for the safe harbor
25	provided under section 129C(j) of the Truth in Lending

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- 1 Act if the balloon loan otherwise meets all of the require-
- 2 ments under such subsection (j), regardless of whether the
- 3 balloon loan meets the requirements described under
- 4 clauses (i) through (iv) of section 129C(b)(2)(E) of such
- 5 Act.

