

AMENDMENT TO H.R. 7141
OFFERED BY MR. PAPPAS

Page 2, line 4, insert “(a) IN GENERAL.—” before “Section”.

Page 2, line 10, insert “who is an access borrower (as such term is defined in subparagraph (C))” after “a veteran”.

Page 2, line 13, strike “of the loan” and insert “of a loan described in subparagraph (C)(iii)”.

Page 2, line 15, insert “, or in the case of a loan other than a loan described in subparagraph (C)(iii)” after “item (aa)”.

At the end of the bill, add the following new subsection:

1 (b) LIMITATION.—Section 3703(a)(1)(C) of such title
2 is amended—

3 (1) in clause (iii), by adding at the end the fol-
4 lowing new subclauses:

5 “(III) The term ‘access borrower’ means a vet-
6 eran—

1 “(aa) who the lender certifies to the Sec-
2 retary, at the time of underwriting, has a credit
3 score below 660;

4 “(bb) who the lender certifies to the Sec-
5 retary, at the time of underwriting, has a debt-
6 to-income ratio equal to or greater than 41 per-
7 cent; or

8 “(cc) with regards to whom the lender cer-
9 tifies to the Secretary that the lender did not
10 consider a credit score based on alternative or
11 manual underwriting standards consistent with
12 guidelines prescribed by the Secretary.

13 “(IV) The term ‘access lender’ means a lender
14 that—

15 “(aa) has made loans described in sub-
16 clause (IV) of subparagraph (A)(i) during the
17 then-current fiscal year; and

18 “(bb) certifies to the Secretary that the
19 lender made at least 10 percent of such loans
20 to access borrowers.”;

21 (2) by redesignating clause (iii), as amended by
22 paragraph (1), as clause (v); and

23 (3) by inserting after clause (ii) the following
24 new clauses:

25 “(iii) A loan described in this clause is a loan—

1 “(I) made by lender who, during the fiscal year
2 in which such loan is made, is an access lender; and

3 “(II) that complies with the ability-to-repay re-
4 quirements applicable to residential mortgage loans.

5 “(iv) With respect to loans guaranteed pursuant to
6 item (aa) of subparagraph (A)(i)(V), the Secretary shall
7 ensure that at least 50 percent of such loans in a fiscal
8 year are guaranteed for veterans whose credit scores are
9 below 620.”.

