AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. ______
OFFERED BY MR. PHILLIPS OF MINNESOTA

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

This Act may be cited as the “FHA Loan Affordability Act of 2019”.

2 SEC. 2. ANNUAL PREMIUMS.

(a) In General.—Paragraph (2) of section 203(c) of the National Housing Act (12 U.S.C. 1709(c)(2)) is amended—

(1) in subparagraph (B)—

(A) in clause (i), by striking “For any” and inserting “Subject to subparagraph (D), for any”; and

(B) in clause (ii), by striking “For any” and inserting “Subject to subparagraph (D), for any”;

(2) in subparagraph (C)(i), by striking “In addition” and inserting “Subject to subparagraph (D), in addition”; and
(3) by adding at the end the following new sub-paragraph:

“(D) The Secretary may not collect any annual premiums under this paragraph with respect to a mortgage at any time that the remaining insured principal balance (excluding the portion of the remaining balance attributable to the premium collected under subparagraph (A)) is 78 percent or less than the lower of (i) the sales price of the dwelling at the sale in connection with which the mortgage was made, or (ii) the appraised value of the dwelling at the time of the origination of the mortgage.”.

(4) APPLICABILITY.—The amendments made by subsection (a) of this section shall apply with respect only to mortgages insured by the Secretary of Housing and Urban Development after the date of the enactment of this Act.