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(Original Signature of Member)

114TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To amend the Truth in Lending Act and the Real Estate Settlement Procedures Act of 1974 to modify the requirements for community financial institutions with respect to certain rules relating to mortgage loans, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

Mr. SHERMAN introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend the Truth in Lending Act and the Real Estate Settlement Procedures Act of 1974 to modify the requirements for community financial institutions with respect to certain rules relating to mortgage loans, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Community Institution  
5 Mortgage Relief Act of 2015”.

1 **SEC. 2. COMMUNITY FINANCIAL INSTITUTION MORTGAGE**

2 **RELIEF.**

3 (a) EXEMPTION FROM ESCROW REQUIREMENTS FOR  
4 LOANS HELD BY SMALLER CREDITORS.—Section 129D  
5 of the Truth in Lending Act (15 U.S.C. 1639d) is amend-  
6 ed—

7 (1) by adding at the end the following:

8 “(k) SAFE HARBOR FOR LOANS HELD BY SMALLER  
9 CREDITORS.—

10 “(1) IN GENERAL.—A creditor shall not be in  
11 violation of subsection (a) with respect to a loan if—

12 “(A) the creditor has consolidated assets of  
13 \$10,000,000,000 or less; and

14 “(B) the creditor holds the loan on the bal-  
15 ance sheet of the creditor for the 3-year period  
16 beginning on the date of the origination of the  
17 loan.

18 “(2) EXCEPTION FOR CERTAIN TRANSFERS.—

19 In the case of a creditor that transfers a loan to an-  
20 other person by reason of the bankruptcy or failure  
21 of the creditor, the purchase of the creditor, or a su-  
22 pervisory act or recommendation from a State or  
23 Federal regulator, the creditor shall be deemed to  
24 have complied with the requirement under para-  
25 graph (1)(B).”; and

1           (2) by striking the term “Board” each place  
2           such term appears and inserting “Bureau”.

3           (b) MODIFICATION TO EXEMPTION FOR SMALL  
4           SERVICERS OF MORTGAGE LOANS.—Section 6 of the Real  
5           Estate Settlement Procedures Act of 1974 (12 U.S.C.  
6           2605) is amended by adding at the end the following:

7           “(n) SMALL SERVICER EXEMPTION.—The Bureau  
8           shall, by regulation, provide exemptions to, or adjustments  
9           for, the provisions of this section for a servicer that annu-  
10          ally services 20,000 or fewer mortgage loans, in order to  
11          reduce regulatory burdens while appropriately balancing  
12          consumer protections.”.