

**AMENDMENT TO H.R. 1210**  
**OFFERED BY MS. Waters**

Strike section 2 and insert the following:

1 **SEC. 2. COMMUNITY BANK AND CREDIT UNION PORTFOLIO**  
2 **LENDING.**

3 Section 129C(b)(2) of the Truth in Lending Act (15  
4 U.S.C. 1639c(b)(2)) is amended by adding at the end the  
5 following:

6 “(F) SAFE HARBOR.—

7 “(i) IN GENERAL.—In this section—

8 “(I) the term ‘qualified mort-  
9 gage’, as defined in subparagraph (A),  
10 includes any residential mortgage  
11 loan—

12 “(aa) that is originated by a  
13 covered institution and continu-  
14 ously retained in portfolio by the  
15 covered institution;

16 “(bb) that, except as pro-  
17 vided in subparagraph (E), fully  
18 amortizes over a term of not  
19 longer than 30 years;

20 “(cc) that complies with—

1                   “(AA) the requirements  
2                   of clauses (i), (ii), (iii), (iv),  
3                   (v), and (vii) of subpara-  
4                   graph (A); and

5                   “(BB) any require-  
6                   ments consistent with the  
7                   purposes described in para-  
8                   graph (3)(B)(i);

9                   “(dd) for which the covered  
10                  institution, at or before con-  
11                  summation of the residential  
12                  mortgage loan, takes into ac-  
13                  count and verifies the monthly  
14                  debt and income of the consumer;  
15                  and

16                  “(ee) that is not considered  
17                  a high-cost mortgage; and

18                  “(II) a residential mortgage loan  
19                  that meets the requirements of sub-  
20                  clause (I) shall be deemed to meet the  
21                  requirements of subsection (a) until  
22                  the residential mortgage loan no  
23                  longer meets the requirements of sub-  
24                  clause (I).

1                   “(ii) DEFINITION.—In this subpara-  
2 graph, the term ‘covered institution’  
3 means—

4                   “(I) an insured depository insti-  
5 tution or insured credit union that—

6                   “(aa) at the time of origina-  
7 tion of the residential mortgage  
8 loan, together with its affiliates,  
9 has less than \$2,000,000,000 in  
10 total consolidated assets; and

11                   “(bb) during the calendar  
12 year preceding the time of origi-  
13 nation of the residential mort-  
14 gage loan, originated not more  
15 than 2,000 residential mortgage  
16 loans that were—

17                   “(AA) sold, assigned, or  
18 otherwise transferred to an-  
19 other person; or

20                   “(BB) subject to, at  
21 the time of consummation, a  
22 commitment to be acquired  
23 by another person; or

24                   “(II) an insured depository insti-  
25 tution or insured credit union that, at

1 the time of origination of the residen-  
2 tial mortgage loan—

3 “(aa) together with its affili-  
4 ates, has more than  
5 \$2,000,000,000 and less than  
6 \$10,000,000,000 in total consoli-  
7 dated assets;

8 “(bb) is not considered a  
9 specialty bank, such as a bank  
10 that offers only a narrow product  
11 line (including credit card or  
12 motor vehicle loans) to a regional  
13 or broader market;

14 “(cc) engages in the basic  
15 activities of lending and deposit  
16 taking as a significant percentage  
17 of total assets;

18 “(dd) has a limited geo-  
19 graphic scope; and

20 “(ee) meets any other cri-  
21 teria as determined by the Bu-  
22 reau, including restrictions on  
23 the volume of residential mort-  
24 gage loans—

1                   “(AA) sold, assigned, or  
2 otherwise transferred to an-  
3 other person; or

4                   “(BB) subject to, at  
5 the time of consummation, a  
6 commitment to be acquired  
7 by another person.”.

