

112TH CONGRESS  
1ST SESSION

# H. R. 2446

To clarify the treatment of homeowner warranties under current law, and  
for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

JULY 7, 2011

Mrs. BIGGERT (for herself and Mr. CLAY) introduced the following bill; which  
was referred to the Committee on Financial Services

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## A BILL

To clarify the treatment of homeowner warranties under  
current law, 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 “RESPA Home War-  
5       ranty Clarification Act of 2011”.

6       **SEC. 2. TREATMENT OF HOMEOWNER WARRANTIES.**

7       Section 8 of the Real Estate Settlement Procedures  
8       Act of 1974 (12 U.S.C. 2607) is amended by adding at  
9       the end the following new subsection:

10       “(e) HOMEOWNER WARRANTIES.—

1           “(1) IN GENERAL.—Nothing in this section,  
2 section 2, or section 3 shall be deemed to include,  
3 or be deemed to have included, homeowner warran-  
4 ties or similar residential service contracts for the  
5 repair or replacement of home system components or  
6 home appliances.

7           “(2) NOTICE.—Any person that pays another  
8 person not employed by the person for selling, adver-  
9 tising, marketing, or processing, or performing an  
10 inspection in connection with, a homeowner war-  
11 ranty or similar residential service contract for the  
12 repair or replacement of home system components or  
13 home appliances shall include the following state-  
14 ment, in boldface type that is 10-point or larger, in  
15 any such warranty or contract offered or sold as an  
16 incident to or as part of any transaction involving  
17 the origination of a federally related mortgage loan:

18           “NOTICE: THIS COMPANY MAY PAY  
19           PERSONS NOT EMPLOYED BY THE COM-  
20           PANY FOR SELLING, ADVERTISING,  
21           MARKETING, OR PROCESSING, OR PER-  
22           FORMING AN INSPECTION IN CONNEC-  
23           TION WITH, A HOMEOWNER WARRANTY  
24           OR SIMILAR RESIDENTIAL SERVICE  
25           CONTRACT FOR REPAIRING OR RE-

1 PLACING HOME SYSTEM COMPONENTS  
2 OR HOME APPLIANCES.”.

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