

**AMENDMENT TO H.R. \_\_\_\_\_**  
**[FHA REFORM ACT OF 2010]**  
**OFFERED BY MR. GARRETT OF NEW JERSEY**

Page 2, after line 12, insert the following new section (and redesignate succeeding sections accordingly):

**1 SEC. 3. DOWNPAYMENT REQUIREMENT OF 5 PERCENT AND**  
**2 PROHIBITION OF FINANCING OF CLOSING**  
**3 COSTS.**

4 Section 203 of the National Housing Act (12 U.S.C.  
5 1709) is amended—

6 (1) in subsection (b)(9)(A), by striking “3.5  
7 percent” and inserting “5.0 percent”; and

8 (2) in subsections (b)(2) and (k)(3)(A), by  
9 striking “(including such initial service charges, ap-  
10 praisal, inspection, and other fees as the Secretary  
11 shall approve)” each place such term appears and  
12 inserting “(which may not include any initial service  
13 charges, appraisal, inspection, or other fees or clos-  
14 ing costs as the Secretary shall prohibit)”.

