H. R. 6794

To promote access to mortgage credit during the COVID–19 pandemic by preventing restrictions on providing Federal backing for single-family mortgage loans in forbearance, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 8, 2020

Mr. VARGAS (for himself and Ms. WATERS) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To promote access to mortgage credit during the COVID–19 pandemic by preventing restrictions on providing Federal backing for single-family mortgage loans in forbearance, and for other purposes.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Promoting Access to Credit for Homebuyers Act of 2020”.

SEC. 2. FANNIE MAE AND FREDDIE MAC.

(a) PURCHASE REQUIREMENTS.—During the period
Act and ends 60 days after the covered period with respect to the mortgage, notwithstanding any other provision of law, an enterprise may not refuse to purchase any single-family mortgage originated on or after February 1, 2020, that otherwise would have been eligible for purchase by such enterprise, solely due to the fact that the borrower has, for the borrower’s previous mortgage or on the mortgage being purchased—

(1) entered into forbearance as a result of a financial hardship due, directly or indirectly, to the COVID-19 emergency;

(2) requested forbearance as a result of a financial hardship due, directly or indirectly, to the COVID-19 emergency; or

(3) inquired as to options related to forbearance as a result of a financial hardship due, directly or indirectly, to the COVID-19 emergency.

(b) PROHIBITION ON RESTRICTIONS.—With respect to purchase of single-family mortgages described in subsection (a) and specified in any of paragraphs (1) through (3) of such subsection, an enterprise may not—

(1) establish additional restrictions that are not applicable to similarly situated mortgages under which the borrower is not in forbearance;
(2) charge a higher guarantee fee (within the meaning provided such term in section 1327 of the Housing and Community Development Act of 1992 (12 U.S.C. 4547)), or loan level pricing adjustment, or otherwise alter pricing for such mortgages, relative to similarly situated mortgages under which the borrower is not in forbearance;

(3) apply repurchase requirements to such mortgages that are more restrictive than repurchase requirements applicable to similarly situated mortgages under which the borrower is not in forbearance; or

(4) require lender indemnification of such mortgages, solely due to the fact that the borrower is in forbearance.

(e) FRAUD DETECTION.—This section may not be construed to prevent an enterprise from conducting oversight and review of single-family mortgages purchased when a borrower is in forbearance on the borrower’s previous mortgage, or on the mortgage being purchased, for purposes of detecting fraud. An enterprise shall report any fraud detected to the Director.

(d) ENTERPRISE CAPITAL.—During the period that begins 5 days after the date of the enactment of this Act and ends 60 days after the covered period with respect
to a mortgage, notwithstanding any other provision of law, a forbearance on such mortgage shall not be considered to be a delinquency under such mortgage for purposes of calculating capital of an enterprise for any purpose under title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4501 et seq.).

(e) Rules of Construction.—

(1) Purchase Parameters.—This section may not be construed to require an enterprise to purchase single-family mortgages that do not meet existing or amended purchase parameters, other than parameters related to borrower forbearance, established by such enterprise.

(2) Employment; Income.—This section may not be construed to prevent an enterprise from establishing additional requirements to ensure that a borrower has not lost their job or income prior to a mortgage closing.

(f) Implementation.—The Director may issue any guidance, orders, and regulations necessary to carry out this section.

SEC. 3. FHA.

(a) Prohibition on Restrictions.—During the period that begins 5 days after the date of the enactment of this Act and ends 60 days after the covered period with
respect to the mortgage, notwithstanding any other provision of law, the Secretary of Housing and Urban Development may not deny the provision of mortgage insurance for a single-family mortgage originated on or after February 1, 2020, may not implement additional premiums or otherwise alter pricing for such a mortgage, may not require mortgagee indemnification, and may not establish additional restrictions on such a mortgagor, solely due to the fact that the borrower has—

(1) entered into forbearance as a result of a financial hardship due, directly or indirectly, to the COVID-19 emergency;

(2) requested forbearance as a result of a financial hardship due, directly or indirectly, to the COVID-19 emergency; or

(3) inquired as to options related to forbearance as a result of a financial hardship due, directly or indirectly, to the COVID-19 emergency.

(b) RULES OF CONSTRUCTION.—

(1) INSURANCE.—This section may not be construed to require the Secretary of Housing and Urban Development to provide insurance on single-family mortgages that do not meet existing or amended insurance parameters, other than param-
eters related to borrower forbearance, established by
the Secretary.

(2) EMPLOYMENT; INCOME.—This section may
not be construed to prevent the Secretary of Hous-
ing and Urban Development from establishing addi-
tional requirements regarding insurance on single-
family mortgages to ensure that a borrower has not
lost their job or income prior to a mortgage closing.

SEC. 4. REPORTING REQUIREMENTS.

(a) FHFA ACTIONS.—During the COVID-19 emer-
gency, the Director may not increase guarantee fees, loan
level pricing adjustments, or any other fees or implement
any restrictions on access to credit unless the Director
provides 48-hour advance notice of such increase or re-
strictions to the Committee on Financial Services of the
House of Representatives and the Committee on Banking,
Housing, and Urban Affairs of the Senate together with
a detailed report of the policy rationale for the decision,
including any and all data considered in making such deci-
sion.

(b) QUARTERLY REPORTS BY ENTERPRISES AND
FHA.—

(1) REQUIREMENT.—Each enterprise and the
Secretary of Housing and Urban Development, with
respect to the FHA mortgage insurance programs,
shall provide reports to the Congress, and make such reports publicly available, not less frequently than quarterly regarding the impact of COVID-19 pandemic on the such enterprises’ and program’s ability to meet their charter requirements, civil rights responsibilities, mandates under the CARES Act (Public Law 116–136), and other laws enacted in response to the COVID-19 pandemic, and other requirements under law. The first such report shall be submitted not later than the expiration of the 3-month period beginning upon the date of the enactment of this Act and the requirement under this paragraph to submit such reports shall terminate upon the expiration of the 2-year period beginning upon the termination of the COVID-19 emergency.

(2) **CONTENT.**—Each report required under paragraph (1) shall include the following information for the most recent quarter for which data is available:

(A) **ENTERPRISES.**—For each report required by an enterprise:

(i) The number of single-family and multi-family residential mortgage loans purchased by the enterprise and the un-
paid principal balance of such mortgage
loans purchased, disaggregated by—

(I) mortgage loans made to low-
and moderate-income borrowers;

(II) mortgage loans made for
properties in low- and moderate-in-
come census tracts; and

(III) mortgage loans made for
properties in central cities, rural
areas, and underserved areas.

(ii) In the single-family residential
mortgage market—

(I) the total number, unpaid
principal balance, and length of
forbearances provided to borrowers,
including whether or not the forbear-
ance was requested by the borrower;

(II) a detailed breakdown of the
loan modifications offered to bor-
rowers and whether the borrowers ac-
cepted the offer including the total
number and unpaid principal balance
of loan modifications ultimately made
to borrowers;
(III) a detailed breakdown of the home retention options offered to borrowers and whether the borrowers accepted the offer including the total number and unpaid principal balance of other home retention options ultimately made to borrowers; and

(IV) the total number of outcomes that included short-sales, deed-in-lieu of foreclosure, and foreclosure sales.

(iii) A description of any efforts by the enterprise to provide assistance and support to consumers who are not proficient in English.

(iv) A description of any other efforts by the enterprise to provide assistance to low- and moderate-income communities, central cities, rural areas, and other underserved areas, such as financial literacy and education or support of fair housing and housing counseling agencies.

(v) A description of any other assistance provided by the enterprise to con-
sumers in response to the COVID-19 pandemic.

(B) FHA.—For each report required with respect to the FHA mortgage insurance programs:

(i) The number and unpaid principal balance for all residential mortgage loans, disaggregated by type, insured under such programs.

(ii) The total number, unpaid principal balance, and length of forbearances provided to borrowers, including whether or not the forbearance was requested by the borrower.

(iii) A detailed breakdown of the loan modifications offered to borrowers and whether the borrowers accepted the offer including the total number and unpaid principal balance of loan modifications ultimately made to borrowers.

(iv) A detailed breakdown of the home retention options offered to borrowers and whether the borrowers accepted the offer including the total number and unpaid
principal balance of other home retention
options ultimately made to borrowers.

(v) A description of any efforts under
such programs to provide assistance and
support to consumers who are not pro-
ficient in English.

(vi) A description of any other efforts
under such programs to provide assistance
to low- and moderate-income communities,
central cities, rural areas, and other under-
served areas, such as financial literacy and
education or support of fair housing and
housing counseling agencies.

(vii) A description of any other assist-
ance provided under such programs to con-
sumers in response to the COVID-19 pan-
demic.

(C) Provisions to be included in all
reports.—Each report required under para-
graph (1) shall include, to the degree reason-
ably possible, the following information:

(i) An analysis of all loan level data
required by subparagraphs (A) and (B)
disaggregated by race, national origin, gen-
der, disability status, whether or not the
borrower seeking or obtaining assistance speaks English as a second language, the preferred language of the borrower, debt-to-income level of the borrower, loan-to-value ratio of the loan, and credit score of the borrower.

(ii) A geographical analysis at the census tract level, but if information is not available at the census tract level for any of the items required by subparagraphs (A) and (B), the geographical analysis shall be provided at the zip code level for the item for which a census tract analysis was not possible.

(iii) A description of any policy changes made by the enterprise or Secretary of Housing and Urban Development, as appropriate, in response to the COVID-19 pandemic and analysis of actions taken to ensure that such policy changes were in compliance with all relevant civil rights responsibilities, including the Fair Housing Act, including the Affirmatively Furthering Fair Housing provision, the Equal Credit Opportunity Act,

(c) REPORT BY GAO.—Not later than the expiration of the 120-day period that begins upon the termination of the COVID-19 emergency, the Comptroller General of the United States shall submit to the Congress and make public available a report on—

(1) the extent to which the enterprises and the FHA mortgage insurance programs provided loan products, forbearances, loan modifications, and COVID-19-related assistance to consumers;

(2) the availability and type of any such assistance provided post-forbearance; and

(3) the overall ability of the enterprises and the FHA mortgage insurance programs to successfully meet their charter requirements, civil rights responsibilities, and other requirements under law.
SEC. 5. DEFINITIONS.

For purposes of this Act, the following definitions shall apply:

(1) COVERED PERIOD.—The term “covered period” means, with respect to a federally backed mortgage loan, the period of time during which the borrower under such loan may request forbearance on the loan under section 4022(b) of the CARES Act (15 U.S.C. 9056; Public Law 116–136; 134 Stat. 490).

(2) COVID-19 EMERGENCY.—The term “COVID-19 emergency” has the meaning given such term in section 4022 of the CARES Act (15 U.S.C. 9056; Public Law 116–136; 134 Stat. 490).

(3) DIRECTOR.—The term “Director” means the Director of the Federal Housing Finance Agency.

(4) ENTERPRISE.—The term “enterprise” has the meaning given such term in section 1303 of the Housing and Community Development Act of 1992 (12 U.S.C. 4502).