

[DISCUSSION DRAFT]

116TH CONGRESS
1ST SESSION

H. R. _____

To authorize a pilot program under section 258 of the National Housing Act to establish a process for providing additional credit rating information for mortgagors and prospective mortgagors under certain mortgages, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. GREEN of Texas introduced the following bill; which was referred to the Committee on _____

A BILL

To authorize a pilot program under section 258 of the National Housing Act to establish a process for providing additional credit rating information for mortgagors and prospective mortgagors under certain mortgages, 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 “FHA Additional Credit
5 Pilot Program Reauthorization Act”.

1 **SEC. 2. PILOT PROGRAM FOR BORROWERS WITHOUT SUFFICIENT CREDIT HISTORY.**
2

3 Section 258 of the National Housing Act (12 U.S.C.
4 1715z-24) is amended—

5 (1) in subsection (a)—

6 (A) by striking “carry out” and inserting
7 “establish and carry out”;

8 (B) by striking “establish, and”; and

9 (C) by inserting after “their creditworthi-
10 ness” the following: “and have opted into the
11 use of alternative credit rating information”;

12 (2) by redesignating subsection (d) as sub-
13 section (g);

14 (3) by inserting after subsection (c), the fol-
15 lowing:

16 “(d) ALTERNATIVE CREDIT RATING INFORMA-
17 TION.—The Secretary shall, not later than one year after
18 the date of the enactment of this subsection, select 1 or
19 more commercially available alternative credit rating mod-
20 els to use, as the Secretary considers appropriate.

21 “(e) NOTIFICATION.—The Secretary shall notify
22 mortgagors and prospective mortgagors of—

23 “(1) the ability to opt into alternative credit
24 rating information;

1 “(2) information on what alternative data is in-
2 cluded in any alternative credit scoring model used
3 by the Secretary; and

4 “(3) the availability of housing counseling pro-
5 grams approved by the Secretary and contact infor-
6 mation for any local, approved housing counseling
7 programs.

8 “(f) REPORTING.—

9 “(1) IN GENERAL.—The Secretary shall submit
10 a report to the Congress that details—

11 “(B) the number of mortgagors who had
12 the option to opt into using alternative credit
13 rating information and the number of mortga-
14 gors who opted into using alternative credit rat-
15 ing information;

16 “(C) the number of mortgagors with no
17 credit files or thin credit files who did and did
18 not opt into using alternative credit rating in-
19 formation;

20 “(D) demographic information about mort-
21 gagors who opt into using alternative credit rat-
22 ing information, compared to demographic in-
23 formation about mortgagors generally;

24 “(E) any changes in premiums and inter-
25 est rates and whether the Secretary finds such

1 changes to be a result of the use of alternative
2 credit rating information as authorized by this
3 section; and

4 “(F) any other information the Secretary
5 determines relevant.

6 “(2) SUBMISSION.—The Secretary shall submit
7 the report described in paragraph (1)—

8 “(A) not later than 6 months after the
9 conclusion of the 2-year period beginning on the
10 date on which any mortgagor opts into the pilot
11 program established by the Secretary pursuant
12 to this section; and

13 “(D) not later than 1 year after the con-
14 clusion of the 5-year period beginning on the
15 date of the enactment of the FHA Additional
16 Credit Pilot Program Reauthorization Act.”;
17 and

18 (4) in subsection (g) as redesignated by para-
19 graph (2), by striking “5-year period beginning on
20 the date of the enactment of the Building American
21 Homeownership Act of 2008” and inserting “5-year
22 period beginning on the date of the enactment of the
23 FHA Additional Credit Pilot Program Reauthoriza-
24 tion Act”.