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 Representatives of the United States of America in Congress assembled,

2 SECTION 1. SHORT TITLE.

3 This Act may be cited as the “FHA Additional Credit Pilot Program Reauthorization Act”.

4

5
SEC. 2. PILOT PROGRAM FOR BORROWERS WITHOUT SUFFICIENT CREDIT HISTORY.

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

(1) in subsection (a)—

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

(B) by striking “establish, and”; and

(C) by inserting after “their creditworthiness” the following: “and have opted into the use of alternative credit rating information”;

(2) by redesignating subsection (d) as subsection (g);

(3) by inserting after subsection (e), the following:

“(d) ALTERNATIVE CREDIT RATING INFORMATION.—The Secretary shall, not later than one year after the date of the enactment of this subsection, select 1 or more commercially available alternative credit rating models to use, as the Secretary considers appropriate.

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

“(1) the ability to opt into alternative credit rating information;
“(2) information on what alternative data is included in any alternative credit scoring model used by the Secretary; and

“(3) the availability of housing counseling programs approved by the Secretary and contact information for any local, approved housing counseling programs.

“(f) REPORTING.—

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

“(B) the number of mortgagors who had the option to opt into using alternative credit rating information and the number of mortgagors who opted into using alternative credit rating information;

“(C) the number of mortgagors with no credit files or thin credit files who did and did not opt into using alternative credit rating information;

“(D) demographic information about mortgagors who opt into using alternative credit rating information, compared to demographic information about mortgagors generally;

“(E) any changes in premiums and interest rates and whether the Secretary finds such
changes to be a result of the use of alternative
credit rating information as authorized by this
section; and

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

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

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

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

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