

Wednesday, May 6, 2009

House Meets At...	Votes Predicted At...
10:00 a.m. For Legislative Business Fifteen "One-minutes" Per Side	Last vote: 4:00 – 5:00 p.m.

**ANY ANTICIPATED MEMBER ABSENCES FOR VOTES TODAY SHOULD BE REPORTED IMMEDIATELY TO THE OFFICE OF THE MAJORITY WHIP AT 226-3210.**

### Floor Schedule and Procedure

- **H. Res. 400 – Rule to provide for consideration of H.R. 1728 – Mortgage Reform and Anti-Predatory Lending Act (Rep. Pingree – Rules):** The general debate rule provides for one hour of general debate equally divided and controlled by the Chairman and Ranking Minority Member of the Committee on Financial Services. The rule further provides that Provides that no further consideration of the bill shall be in order except pursuant to a subsequent order of the House. Debate on the rule will be managed by Rep. Pingree, and consideration will proceed as follows:
  - One hour of debate on the rule.
  - Possible vote on a Democratic Motion ordering the previous question. **Democrats are urged to VOTE YES.**
  - Vote on adoption of the rule. **Democrats are urged to VOTE YES.**
- **Begin consideration of H.R. 1728 – Mortgage Reform and Anti-Predatory Lending Act (Rep. Miller (NC) – Financial Services):** Pursuant to the rule, general debate on the bill will be managed by Financial Services Committee Chairman Rep. Barney Frank. Debate on the bill will proceed as follows:
  - One hour of general debate on the bill.
- **Suspension Bills:** Today, the House will consider several bills on the Suspension calendar. Bills considered on the Suspension calendar are debatable for 40 minutes; may not be amended; and require a two-thirds vote for passage. If a recorded vote is requested, it will be postponed.

1. **H.Res. 391** - Recognizing May as "National Foster Care Month" and acknowledging that the House of Representatives should continue to work to improve the Nation's foster care system (Rep. McDermott – Ways and Means)
2. **H.Res. 401** – Honoring the life and recognizing the far-reaching accomplishments of the Honorable Jack Kemp Jr. (Rep. Boehner – House Administration)
3. **H.Con.Res. 80** - Authorizing the use of Emancipation Hall in the Capitol Visitor Center for an event to celebrate the birthday of King Kamehameha (Rep. Hirono – House Administration)
4. **H.R. 1107** - To enact certain laws relating to public contracts as title 41, United States Code, "Public Contracts" (Rep. Conyers – Judiciary)
5. **H.Res. 14** - Recognizing the importance of the Border Patrol in combating human smuggling and commending the Department of Justice for increasing the rate of human smuggler prosecutions (Rep. Issa – Judiciary)
6. **S. 386** - Fraud Enforcement and Recovery Act of 2009, as amended (Sen. Leahy/Rep. Conyers – Judiciary)

- **Postponed Suspension Votes:**

1. **H.Res. 348** – Congratulating the University of North Carolina men's basketball team for winning the 2009 NCAA Division I Men's Basketball National Championship (Rep. Price (NC) – Education and Labor)
2. **H.Res. 367** - Supporting the goals and ideals of National Train Day (Rep. Brown (FL) – Transportation and Infrastructure)

## **Bill Summary & Key Issues**

### **H.R. 1728, THE MORTGAGE REFORM AND ANTI-PREDATORY LENDING ACT OF 2009**

H.R. 1728, the Mortgage Reform and Anti-Predatory Lending Act of 2009 is aimed at curbing abusive and predatory lending – a major factor in the nation's highest home foreclosure rate in 25 years. The bill would outlaw many of the egregious industry practices that marked the subprime lending boom, and it would prevent borrowers from deliberately misstating their income to qualify for a loan.

The legislation, sponsored by Reps. Brad Miller (D-NC), Mel Watt (D-NC), and Barney Frank (D-MA), was approved in the Financial Services Committee by a vote of 49- 21.

The bill would ensure that mortgage lenders make loans that benefit the consumer and prohibit them from steering borrowers into higher cost loans. It would establish

a simple standard for all home loans: institutions must ensure that borrowers can repay the loans they are sold. For mortgage refinancing, the bill requires that all loans provide a net tangible benefit to the consumer. Also, for the first time ever, it would make the secondary mortgage market responsible for complying with these standards when they buy loans and turn them into securities.

Under the measure, lenders and the secondary mortgage market who don't comply with these standards would be held accountable by consumers for rescission of the loan and the consumer's costs for rescission, including attorney's fees. They would also have the option to rework a loan to conform to the bill's standards within 90 days of receiving notice from the consumer.

In addition, the bill encourages the market to move back toward making fixed rate, fully documented loans. During the housing boom, mortgage lenders moved away from commonsense underwriting practices, giving rise to risky, exotic mortgages and practices such as "no doc" lending and allowing loans with "negative amortization" features.

The legislation would also:

- **Prevent Predatory and Abusive Lending Practices:** Statistics show that many homeowners in the current mortgage crisis received more expensive loans than they qualified for. This is often the result of a predatory practice known as "steering," in which a broker or bank loan officer is compensated for directing applicants toward more costly mortgages. H.R. 1728 would ban yield spread premiums and other abusive compensation structures that create conflicts of interest or reward originators that "steer" borrowers. The bill would also require originators to disclose to consumers the compensation they receive from the transaction.
- **Hold Creditors Responsible for the Loans they Originate:** The bill would require new federal rules to be written to require creditors to retain an economic interest in a material portion (at least 5 percent) of the credit risk of each loan that the creditor transfers, sells, or conveys to a third party. Federal banking agencies would have the authority to make exceptions to the bill's risk retention provisions, including form and amount.
- **Protect Tenants who Rent Homes that go into Foreclosure:** Renters can also be affected if the homes that they rent go into foreclosure. This legislation will provide protections for renters so that they receive proper notification and are given time to relocate before the home they rent is foreclosed.

### **Quote of the Day**

"Loneliness is the most terrible poverty."

— Mother Teresa