



H.R. 1153: Mortgage Choice Act of 2017 (Rep. Huizenga, R-MI)

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FLOOR SCHEDULE:

Expected to be considered February 7, 2018, under a [closed rule](#).

TOPLINE SUMMARY:

[H.R. 1153](#) would exclude insurance premiums held in escrow and certain fees from the fees and points calculation for the purpose of determining a Qualified Mortgage.

COST:

The [Congressional Budget Office](#) (CBO) estimates that enacting “enacting H.R. 1153 would increase direct spending by less than \$500,000 for the agency [the CFPB] to update its guidance documents. Because H.R. 1153 would affect direct spending, pay as-you-go procedures apply. Enacting the bill would not affect revenues.”

CONSERVATIVE CONCERNS:

- **Expand the Size and Scope of the Federal Government?** No.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

DETAILED SUMMARY AND ANALYSIS:

Under Consumer Financial Protection Board (CFPB) rules issued pursuant to Dodd-Frank, mortgages that fulfill certain criteria can be considered “Qualified Mortgages” (QM) and not “higher priced.” Under the CFPB definition, a QM cannot have total points and fees exceeding three percent of the total loan amount, and the definition specifies the types of mortgage costs and charges that are included under the three-percent cap. The current definition includes “charges paid to a third party, such appraisals for title insurance” if the third party is affiliated with the lender but not if the third-party is unaffiliated with the lender.

H.R. 1153 would clarify which points and fees are included in determining the three-percent cap, allow more loans to qualify as QM, and encourage the use of affiliated companies in the mortgage process. The bill would exclude certain affiliated title insurance charges and escrowed homeowners’ insurance premiums from the three-percent fee and point cap calculation. The bill would require the CFPB to issue regulations within 90 days.

COMMITTEE ACTION:

H.R. 1153 was introduced on February 16, 2017, and referred to the Committee on Financial Services. The Committee marked up and reported the bill on November 14, 2017, by a 46 – 13 vote.

ADMINISTRATION POSITION:

No Statement of Administration Policy is available at this time.

CONSTITUTIONAL AUTHORITY:

“Congress has the power to enact this legislation pursuant to the following: Article I, Section 8, Clause 3.”

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