

116TH CONGRESS
1ST SESSION

H. R. 699

To amend the National Housing Act to require the Secretary of Housing and Urban Development to issue guidance to reduce up-front premiums for FHA-insured mortgages if the capital ratio of the Mutual Mortgage Insurance Fund exceeds the statutory limit, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 22, 2019

Mr. BROWN of Maryland introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the National Housing Act to require the Secretary of Housing and Urban Development to issue guidance to reduce up-front premiums for FHA-insured mortgages if the capital ratio of the Mutual Mortgage Insurance Fund exceeds the statutory limit, 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. REDUCTION OF UP-FRONT PREMIUMS FOR**
4 **FHA-INSURED MORTGAGES.**

5 (a) IN GENERAL.—Section 205(f) of the National
6 Housing Act (12 U.S.C. 1711(f)) is amended—

1 (1) by redesignating paragraph (4) as para-
2 graph (5); and

3 (2) by inserting after paragraph (3) the fol-
4 lowing new paragraph:

5 “(4) REDUCTION IN UP-FRONT PREMIUMS.—

6 “(A) REVIEW.—The Secretary shall review the
7 capital ratio of the Mutual Mortgage Insurance
8 Fund on a monthly basis.

9 “(B) DETERMINATION.—Beginning on the date
10 of the enactment of this paragraph and every 6
11 months thereafter, the Secretary shall determine
12 whether the amount of capital in the Mutual Mort-
13 gage Insurance Fund has resulted in a capital ratio
14 that has exceeded the requirement in paragraph (2)
15 during the 6-month period immediately preceding
16 the date on which the determination is made. Upon
17 making the determination, the Secretary shall—

18 “(i) issue guidance to reduce the up-front
19 premium collected pursuant to section
20 203(c)(2)(A); or

21 “(ii) submit a report to Congress explain-
22 ing why the Secretary has made a determina-
23 tion not to reduce such premium.”.

24 (b) APPLICATION.—With respect to the first such de-
25 termination made about the capital ratio of the Mutual

1 Mortgage Insurance Fund as required under paragraph
2 (4) of section 205(f) of the National Housing Act, as
3 added by paragraph (1), the Secretary shall include the
4 6-month period occurring prior to the date of the enact-
5 ment of this Act for purposes of determining the 6-month
6 period described in such section 205(f)(4) of the National
7 Housing Act.

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