

116TH CONGRESS
2D SESSION

H. R. 6794

To promote access to mortgage credit during the COVID–19 pandemic by preventing restrictions on providing Federal backing for single-family mortgage loans in forbearance, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 8, 2020

Mr. VARGAS (for himself and Ms. WATERS) introduced the following bill;
which was referred to the Committee on Financial Services

A BILL

To promote access to mortgage credit during the COVID–19 pandemic by preventing restrictions on providing Federal backing for single-family mortgage loans in forbearance, 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 “Promoting Access to
5 Credit for Homebuyers Act of 2020”.

6 **SEC. 2. FANNIE MAE AND FREDDIE MAC.**

7 (a) PURCHASE REQUIREMENTS.—During the period
8 that begins 5 days after the date of the enactment of this

1 Act and ends 60 days after the covered period with respect
2 to the mortgage, notwithstanding any other provision of
3 law, an enterprise may not refuse to purchase any single-
4 family mortgage originated on or after February 1, 2020,
5 that otherwise would have been eligible for purchase by
6 such enterprise, solely due to the fact that the borrower
7 has, for the borrower's previous mortgage or on the mort-
8 gage being purchased—

9 (1) entered into forbearance as a result of a fi-
10 nancial hardship due, directly or indirectly, to the
11 COVID-19 emergency;

12 (2) requested forbearance as a result of a finan-
13 cial hardship due, directly or indirectly, to the
14 COVID-19 emergency; or

15 (3) inquired as to options related to forbearance
16 as a result of a financial hardship due, directly or
17 indirectly, to the COVID-19 emergency.

18 (b) PROHIBITION ON RESTRICTIONS.—With respect
19 to purchase of single-family mortgages described in sub-
20 section (a) and specified in any of paragraphs (1) through
21 (3) of such subsection, an enterprise may not—

22 (1) establish additional restrictions that are not
23 applicable to similarly situated mortgages under
24 which the borrower is not in forbearance;

1 (2) charge a higher guarantee fee (within the
2 meaning provided such term in section 1327 of the
3 Housing and Community Development Act of 1992
4 (12 U.S.C. 4547)), or loan level pricing adjustment,
5 or otherwise alter pricing for such mortgages, rel-
6 ative to similarly situated mortgages under which
7 the borrower is not in forbearance;

8 (3) apply repurchase requirements to such
9 mortgages that are more restrictive than repurchase
10 requirements applicable to similarly situated mort-
11 gages under which the borrower is not in forbear-
12 ance; or

13 (4) require lender indemnification of such mort-
14 gages, solely due to the fact that the borrower is in
15 forbearance.

16 (c) FRAUD DETECTION.—This section may not be
17 construed to prevent an enterprise from conducting over-
18 sight and review of single-family mortgages purchased
19 when a borrower is in forbearance on the borrower's pre-
20 vious mortgage, or on the mortgage being purchased, for
21 purposes of detecting fraud. An enterprise shall report any
22 fraud detected to the Director.

23 (d) ENTERPRISE CAPITAL.—During the period that
24 begins 5 days after the date of the enactment of this Act
25 and ends 60 days after the covered period with respect

1 to a mortgage, notwithstanding any other provision of law,
2 a forbearance on such mortgage shall not be considered
3 to be a delinquency under such mortgage for purposes of
4 calculating capital of an enterprise for any purpose under
5 title XIII of the Housing and Community Development
6 Act of 1992 (12 U.S.C. 4501 et seq.).

7 (e) RULES OF CONSTRUCTION.—

8 (1) PURCHASE PARAMETERS.—This section
9 may not be construed to require an enterprise to
10 purchase single-family mortgages that do not meet
11 existing or amended purchase parameters, other
12 than parameters related to borrower forbearance, es-
13 tablished by such enterprise.

14 (2) EMPLOYMENT; INCOME.—This section may
15 not be construed to prevent an enterprise from es-
16 tablishing additional requirements to ensure that a
17 borrower has not lost their job or income prior to a
18 mortgage closing.

19 (f) IMPLEMENTATION.—The Director may issue any
20 guidance, orders, and regulations necessary to carry out
21 this section.

22 **SEC. 3. FHA.**

23 (a) PROHIBITION ON RESTRICTIONS.—During the
24 period that begins 5 days after the date of the enactment
25 of this Act and ends 60 days after the covered period with

1 respect to the mortgage, notwithstanding any other provi-
2 sion of law, the Secretary of Housing and Urban Develop-
3 ment may not deny the provision of mortgage insurance
4 for a single-family mortgage originated on or after Feb-
5 ruary 1, 2020, may not implement additional premiums
6 or otherwise alter pricing for such a mortgage, may not
7 require mortgagee indemnification, and may not establish
8 additional restrictions on such a mortgagor, solely due to
9 the fact that the borrower has—

10 (1) entered into forbearance as a result of a fi-
11 nancial hardship due, directly or indirectly, to the
12 COVID-19 emergency;

13 (2) requested forbearance as a result of a finan-
14 cial hardship due, directly or indirectly, to the
15 COVID-19 emergency; or

16 (3) inquired as to options related to forbearance
17 as a result of a financial hardship due, directly or
18 indirectly, to the COVID-19 emergency.

19 (b) RULES OF CONSTRUCTION.—

20 (1) INSURANCE.—This section may not be con-
21 strued to require the Secretary of Housing and
22 Urban Development to provide insurance on single-
23 family mortgages that do not meet existing or
24 amended insurance parameters, other than param-

1 eters related to borrower forbearance, established by
2 the Secretary.

3 (2) EMPLOYMENT; INCOME.—This section may
4 not be construed to prevent the Secretary of Hous-
5 ing and Urban Development from establishing addi-
6 tional requirements regarding insurance on single-
7 family mortgages to ensure that a borrower has not
8 lost their job or income prior to a mortgage closing.

9 **SEC. 4. REPORTING REQUIREMENTS.**

10 (a) FHFA ACTIONS.—During the COVID-19 emer-
11 gency, the Director may not increase guarantee fees, loan
12 level pricing adjustments, or any other fees or implement
13 any restrictions on access to credit unless the Director
14 provides 48-hour advance notice of such increase or re-
15 strictions to the Committee on Financial Services of the
16 House of Representatives and the Committee on Banking,
17 Housing, and Urban Affairs of the Senate together with
18 a detailed report of the policy rationale for the decision,
19 including any and all data considered in making such deci-
20 sion.

21 (b) QUARTERLY REPORTS BY ENTERPRISES AND
22 FHA.—

23 (1) REQUIREMENT.—Each enterprise and the
24 Secretary of Housing and Urban Development, with
25 respect to the FHA mortgage insurance programs,

1 shall provide reports to the Congress, and make
2 such reports publicly available, not less frequently
3 than quarterly regarding the impact of COVID-19
4 pandemic on the such enterprises' and program's
5 ability to meet their charter requirements, civil
6 rights responsibilities, mandates under the CARES
7 Act (Public Law 116–136), and other laws enacted
8 in response to the COVID-19 pandemic, and other
9 requirements under law. The first such report shall
10 be submitted not later than the expiration of the 3-
11 month period beginning upon the date of the enact-
12 ment of this Act and the requirement under this
13 paragraph to submit such reports shall terminate
14 upon the expiration of the 2-year period beginning
15 upon the termination of the COVID-19 emergency.

16 (2) CONTENT.—Each report required under
17 paragraph (1) shall include the following information
18 for the most recent quarter for which data is avail-
19 able:

20 (A) ENTERPRISES.—For each report re-
21 quired by an enterprise:

22 (i) The number of single-family and
23 multi-family residential mortgage loans
24 purchased by the enterprise and the un-

1 paid principal balance of such mortgage
2 loans purchased, disaggregated by—

3 (I) mortgage loans made to low-
4 and moderate-income borrowers;

5 (II) mortgage loans made for
6 properties in low- and moderate-in-
7 come census tracts; and

8 (III) mortgage loans made for
9 properties in central cities, rural
10 areas, and underserved areas.

11 (ii) In the single-family residential
12 mortgage market—

13 (I) the total number, unpaid
14 principal balance, and length of
15 forbearances provided to borrowers,
16 including whether or not the forbear-
17 ance was requested by the borrower;

18 (II) a detailed breakdown of the
19 loan modifications offered to bor-
20 rowers and whether the borrowers ac-
21 cepted the offer including the total
22 number and unpaid principal balance
23 of loan modifications ultimately made
24 to borrowers;

1 (III) a detailed breakdown of the
2 home retention options offered to bor-
3 rowers and whether the borrowers ac-
4 cepted the offer including the total
5 number and unpaid principal balance
6 of other home retention options ulti-
7 mately made to borrowers; and

8 (IV) the total number of out-
9 comes that included short-sales, deed-
10 in-lieu of foreclosure, and foreclosure
11 sales.

12 (iii) A description of any efforts by
13 the enterprise to provide assistance and
14 support to consumers who are not pro-
15 ficient in English.

16 (iv) A description of any other efforts
17 by the enterprise to provide assistance to
18 low- and moderate-income communities,
19 central cities, rural areas, and other under-
20 served areas, such as financial literacy and
21 education or support of fair housing and
22 housing counseling agencies.

23 (v) A description of any other assist-
24 ance provided by the enterprise to con-

1 sumers in response to the COVID-19 pan-
2 demic.

3 (B) FHA.—For each report required with
4 respect to the FHA mortgage insurance pro-
5 grams:

6 (i) The number and unpaid principal
7 balance for all residential mortgage loans,
8 disaggregated by type, insured under such
9 programs.

10 (ii) The total number, unpaid prin-
11 cipal balance, and length of forbearances
12 provided to borrowers, including whether
13 or not the forbearance was requested by
14 the borrower.

15 (iii) A detailed breakdown of the loan
16 modifications offered to borrowers and
17 whether the borrowers accepted the offer
18 including the total number and unpaid
19 principal balance of loan modifications ulti-
20 mately made to borrowers.

21 (iv) A detailed breakdown of the home
22 retention options offered to borrowers and
23 whether the borrowers accepted the offer
24 including the total number and unpaid

1 principal balance of other home retention
2 options ultimately made to borrowers.

3 (v) A description of any efforts under
4 such programs to provide assistance and
5 support to consumers who are not pro-
6 ficient in English.

7 (vi) A description of any other efforts
8 under such programs to provide assistance
9 to low- and moderate-income communities,
10 central cities, rural areas, and other under-
11 served areas, such as financial literacy and
12 education or support of fair housing and
13 housing counseling agencies.

14 (vii) A description of any other assist-
15 ance provided under such programs to con-
16 sumers in response to the COVID-19 pan-
17 demic.

18 (C) PROVISIONS TO BE INCLUDED IN ALL
19 REPORTS.—Each report required under para-
20 graph (1) shall include, to the degree reason-
21 ably possible, the following information:

22 (i) An analysis of all loan level data
23 required by subparagraphs (A) and (B)
24 disaggregated by race, national origin, gen-
25 der, disability status, whether or not the

1 borrower seeking or obtaining assistance
2 speaks English as a second language, the
3 preferred language of the borrower, debt-
4 to-income level of the borrower, loan-to-
5 value ratio of the loan, and credit score of
6 the borrower.

7 (ii) A geographical analysis at the
8 census tract level, but if information is not
9 available at the census tract level for any
10 of the items required by subparagraphs
11 (A) and (B), the geographical analysis
12 shall be provided at the zip code level for
13 the item for which a census tract analysis
14 was not possible.

15 (iii) A description of any policy
16 changes made by the enterprise or Sec-
17 retary of Housing and Urban Develop-
18 ment, as appropriate, in response to the
19 COVID-19 pandemic and analysis of ac-
20 tions taken to ensure that such policy
21 changes were in compliance with all rel-
22 evant civil rights responsibilities, including
23 the Fair Housing Act, including the Af-
24 firmatively Furthering Fair Housing provi-
25 sion, the Equal Credit Opportunity Act,

1 the Community Reinvestment Act of 1977,
2 the Federal Housing Enterprises Financial
3 Safety and Soundness Act of 1992, the
4 Housing and Economic Recovery Act of
5 2008, Federal Home Loan Bank Act, Ex-
6 ecutive Orders 11063 and 12892, the Fed-
7 eral National Mortgage Association Char-
8 ter Act, and the Federal Home Loan Mort-
9 gage Corporation Act.

10 (c) REPORT BY GAO.—Not later than the expiration
11 of the 120-day period that begins upon the termination
12 of the COVID-19 emergency, the Comptroller General of
13 the United States shall submit to the Congress and make
14 public available a report on—

15 (1) the extent to which the enterprises and the
16 FHA mortgage insurance programs provided loan
17 products, forbearances, loan modifications, and
18 COVID-19-related assistance to consumers;

19 (2) the availability and type of any such assist-
20 ance provided post-forbearance; and

21 (3) the overall ability of the enterprises and the
22 FHA mortgage insurance programs to successfully
23 meet their charter requirements, civil rights respon-
24 sibilities, and other requirements under law.

1 **SEC. 5. DEFINITIONS.**

2 For purposes of this Act, the following definitions
3 shall apply:

4 (1) COVERED PERIOD.—The term “covered pe-
5 riod” means, with respect to a federally backed
6 mortgage loan, the period of time during which the
7 borrower under such loan may request forbearance
8 on the loan under section 4022(b) of the CARES
9 Act (15 U.S.C. 9056; Public Law 116–136; 134
10 Stat. 490).

11 (2) COVID-19 EMERGENCY.—The term
12 “COVID-19 emergency” has the meaning given such
13 term in section 4022 of the CARES Act (15 U.S.C.
14 9056; Public Law 116–136; 134 Stat. 490).

15 (3) DIRECTOR.—The term “Director” means
16 the Director of the Federal Housing Finance Agen-
17 cy.

18 (4) ENTERPRISE.—The term “enterprise” has
19 the meaning given such term in section 1303 of the
20 Housing and Community Development Act of 1992
21 (12 U.S.C. 4502).

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