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## [H.R. 3192, Homebuyers Assistance Act](#)

### FLOOR SITUATION

On Wednesday, October 7, 2015, the House will consider [H.R. 3192](#), *the Homebuyers Assistance Act*, under a [closed rule](#). H.R. 3192 was introduced on July 23, 2015 by Rep. French Hill (R-AR) and was referred to the Committee on Financial Services, which ordered the bill reported by a vote of 45 to 13 on July 29, 2015.

### SUMMARY

H.R. 3192 provides a temporary legal safe harbor, until February 1, 2016, from enforcement of a Consumer Financial Protection Bureau (CFPB) rule requiring integrated disclosure requirements for mortgage loan transactions under the Truth in Lending Act (TILA) and Real Estate Settlement Procedures Act (RESPA). The bill precludes lawsuits from being filed against any person for a violation of such requirements occurring before that date, as long as such person has made a good faith effort to comply with the requirements.

### BACKGROUND

On November 20, 2013, the CFPB finalized the TILA-RESPA Integrated Disclosure Rule (TRID). The rule combined certain disclosures that consumers receive in applying for and closing on a residential mortgage loan, including disclosures required under TILA and RESPA. The new disclosures are generally referred to as the 'combined' or 'integrated' disclosures.<sup>1</sup>

The TRID requires loan originators who receive an application to provide consumers a loan estimate form that provides the initial TILA disclosure and the Good Faith Estimate required under RESPA. "The rule also requires loan originators to provide consumers a Closing Disclosure form, which combines the final TILA disclosure and the HUD-1 Settlement Statement, at least three business days prior to consummation of the mortgage. The TRID also imposes record retention requirements and restricts mortgage originators from imposing certain fees, providing estimates, or requiring consumers to verify information before providing consumers with a Loan Estimate form."<sup>2</sup>

<sup>1</sup> See [House Report 114-278](#) at 1 and 2.

<sup>2</sup> Id. at 2.

On January 20, 2015, the CFPB promulgated a series of amendments to the TRID, including “an extension of the time frame to issue a revised Loan Estimate when an interest rate moves from floating to locked from one to three business days, and a provision allowing for the disclosure that a creditor has reserved its right to issue a revised Loan Estimate for loans funding new construction.”<sup>3</sup>

Although designed to streamline the current duplicative disclosure regime under TILA and RESPA, the TRID, according to the Committee, “poses significant implementation and compliance challenges because it increases the number of disclosures mortgage lenders must provide.”<sup>4</sup> The rule also “makes significant changes to the origination, processing, and closing of mortgage loans; requires business decisions at all stages of the transaction; and includes difficult-to-understand timing and delivery requirements and other practical implementation issues that go beyond the form content requirements.”<sup>5</sup>

According to the bill’s sponsor, “a formal hold-harmless period is necessary to hold them [CFPB] to their word and guarantee no punishment for good-faith compliance efforts. Any substantial change presents compliance challenges, and there will not be an opportunity to test new systems and forms necessary to implement this very complex rule. This temporary grace period will allow the industry to work with the CFPB to help ensure a smooth transition and prevent costly market disruptions and delays from consumers.”<sup>6</sup>

## **COST**

The Congressional Budget Office (CBO) [estimates](#) that enacting H.R. 3192 would affect direct spending; therefore, pay-as-you-go procedures apply. However, CBO expects that those effects would be negligible because the CFPB has completed the required rulemaking and the delay would have a minor effect on its workload.

## **STAFF CONTACT**

For questions or further information please contact [Jerry White](#) with the House Republican Policy Committee by email or at 5-0190.

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<sup>3</sup> Id.

<sup>4</sup> Id.

<sup>5</sup> Id.

<sup>6</sup> See Press Release—“[Financial Services Committee Passes Hill's Homebuyers Assistance Act](#),” July 29, 2015.