

AMENDMENT TO RULES COMMITTEE PRINT 117-

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OFFERED BY MS. TLAIB OF MICHIGAN

Page 1262, after line 23, insert the following:

1 **SEC. 5403. REVIEW OF FHA SMALL-DOLLAR MORTGAGE**
2 **PRACTICES.**

3 (a) CONGRESSIONAL FINDINGS.—The Congress finds
4 that—

5 (1) affordable homeownership opportunities are
6 being hindered due to the lack of financing available
7 for home purchases under \$100,000;

8 (2) according to the Urban Institute, small-dol-
9 lar mortgage loan applications in 2017 were denied
10 by lenders at double the rate of denial for large
11 mortgage loans, and this difference in denial rates
12 cannot be fully explained by differences in the appli-
13 cants' credit profiles;

14 (3) according to data compiled by Attom Data
15 solutions, small-dollar mortgage originations have
16 decreased 38 percent since 2009, while there has
17 been a 65-percent increase in origination of mort-
18 gages for more than \$150,000;

1 (4) the FHA’s mission is to serve creditworthy
2 borrowers who are underserved and, according to the
3 Urban Institute, the FHA serves 24 percent of the
4 overall market, but only 19 percent of the small-dol-
5 lar mortgage market; and

6 (5) the causes behind these variations are not
7 fully understood, but merit study that could assist in
8 furthering the Department of Housing and Urban
9 Development’s mission, including meeting the hous-
10 ing needs of borrowers the program is designed to
11 serve and reducing barriers to homeownership, while
12 protecting the solvency of the Mutual Mortgage In-
13 surance Fund.

14 (b) REVIEW.—The Secretary of Housing and Urban
15 Development shall conduct a review of its FHA single-
16 family mortgage insurance policies, practices, and prod-
17 ucts to identify any barriers or impediments to supporting,
18 facilitating, and making available mortgage insurance for
19 small dollar mortgages, as defined by the Secretary. Not
20 later than the expiration of the 12-month period beginning
21 on the date of the enactment of this Act, the Secretary
22 shall submit a report to the Congress describing the find-
23 ings of such review and the actions that the Secretary will
24 take, without adversely affecting the solvency of the Mu-
25 tual Mortgage Insurance Fund, to remove such barriers

1 and impediments to providing mortgage insurance for
2 such mortgages.

