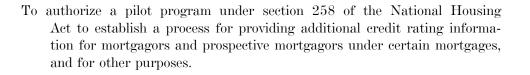
[DISCUSSION DRAFT]

H.R.

116TH CONGRESS 1ST SESSION



IN THE HOUSE OF REPRESENTATIVES

Mr. GREEN of Texas introduced the following bill; which was referred to the Committee on _____

A BILL

- To authorize a pilot program under section 258 of the National Housing Act to establish a process for providing additional credit rating information for mortgagors and prospective mortgagors under certain mortgages, 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 "FHA Additional Credit
- 5 Pilot Program Reauthorization Act".

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1	SEC. 2. PILOT PROGRAM FOR BORROWERS WITHOUT SUF-
2	FICIENT CREDIT HISTORY.
3	Section 258 of the National Housing Act (12 U.S.C.
4	1715z–24) is amended—
5	(1) in subsection (a)—
6	(A) by striking "carry out" and inserting
7	"establish and carry out";
8	(B) by striking "establish, and"; and
9	(C) by inserting after "their creditworthi-
10	ness" the following: "and have opted into the
11	use of alternative credit rating information";
12	(2) by redesignating subsection (d) as sub-
13	section (g);
14	(3) by inserting after subsection (c), the fol-
15	lowing:
16	"(d) Alternative Credit Rating Informa-
17	TION.—The Secretary shall, not later than one year after
18	the date of the enactment of this subsection, select 1 or
19	more commercially available alternative credit rating mod-
20	els to use, as the Secretary considers appropriate.
21	"(e) NOTIFICATION.—The Secretary shall notify
22	mortgagors and prospective mortgagors of—
23	"(1) the ability to opt into alternative credit
24	rating information;

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1	((2)) information on what alternative data is in-
2	cluded in any alternative credit scoring model used
3	by the Secretary; and
4	"(3) the availability of housing counseling pro-
5	grams approved by the Secretary and contact infor-
6	mation for any local, approved housing counseling
7	programs.
8	"(f) Reporting.—
9	"(1) IN GENERAL.—The Secretary shall submit
10	a report to the Congress that details—
11	"(B) the number of mortgagors who had
12	the option to opt into using alternative credit
13	rating information and the number of mortga-
14	gors who opted into using alternative credit rat-
15	ing information;
16	"(C) the number of mortgagors with no
17	credit files or thin credit files who did and did
18	not opt into using alternative credit rating in-
19	formation;
20	"(D) demographic information about mort-
21	gagors who opt into using alternative credit rat-
22	ing information, compared to demographic in-
23	formation about mortgagors generally;
24	"(E) any changes in premiums and inter-
25	est rates and whether the Secretary finds such

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1	changes to be a result of the use of alternative
2	credit rating information as authorized by this
3	section; and
4	"(F) any other information the Secretary
5	determines relevant.
6	"(2) SUBMISSION.—The Secretary shall submit
7	the report described in paragraph (1)—
8	"(A) not later than 6 months after the
9	conclusion of the 2-year period beginning on the
10	date on which any mortgagor opts into the pilot
11	program established by the Secretary pursuant
12	to this section; and
13	"(D) not later than 1 year after the con-
14	clusion of the 5-year period beginning on the
15	date of the enactment of the FHA Additional
16	Credit Pilot Program Reauthorization Act.";
17	and
18	(4) in subsection (g) as redesignated by para-
19	graph (2), by striking "5-year period beginning on
20	the date of the enactment of the Building American
21	Homeownership Act of 2008" and inserting "5-year
22	period beginning on the date of the enactment of the
23	FHA Additional Credit Pilot Program Reauthoriza-
24	tion Act".