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(Original Signature of Member)

118TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To cancel recent changes made by the Federal Housing Finance Agency to the up-front loan level pricing adjustments charged by Fannie Mae and Freddie Mac for guarantee of single-family mortgages, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

Mr. DAVIDSON introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To cancel recent changes made by the Federal Housing Finance Agency to the up-front loan level pricing adjustments charged by Fannie Mae and Freddie Mac for guarantee of single-family 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 “Middle Class Borrower  
5 Protection Act of 2023”.

1 **SEC. 2. REPEAL OF RECALIBRATED SINGLE-FAMILY PRIC-**  
2 **ING FRAMEWORK.**

3 Not later than the expiration of the 60-day period  
4 beginning on the date of the enactment of this Act, the  
5 Director of the Federal Housing Finance Agency shall re-  
6 vise the recalibrated single-family pricing framework  
7 charged by the enterprises for guarantee of mortgages on  
8 single-family housing so that such fees are identical to the  
9 fees of the standard single-family pricing framework in ef-  
10 fect immediately before May 1, 2023.

11 **SEC. 3. RESTRICTIONS ON FHFA ADJUSTMENTS TO SINGLE-**  
12 **FAMILY PRICING FRAMEWORK.**

13 (a) TEMPORARY PROHIBITION ON FURTHER AD-  
14 JUSTMENTS TO SINGLE-FAMILY PRICING FRAMEWORK.—  
15 During the period beginning upon the date of the revision  
16 of the recalibrated single-family pricing framework pursu-  
17 ant to section 2 and ending 90 days after the submission  
18 to the Congress of the report required under section 5,  
19 the Director may not further revise the single-family pric-  
20 ing framework from such framework in effect pursuant  
21 to the revision required by section 2.

22 (b) ADMINISTRATIVE PROCEDURES FOR ADOPTION  
23 OF ADJUSTMENTS TO THE SINGLE-FAMILY PRICING  
24 FRAMEWORK.—After expiration of the period referred to  
25 in subsection (a), when proposing adjustments to the sin-  
26 gle-family pricing framework, the Director shall follow

1 procedures that are as close as practicable to those re-  
2 quirements for a Federal agency issuing a rule under  
3 chapter 5 of title 5, United States Code (commonly re-  
4 ferred to as the “Administrative Procedure Act”).

5 (c) FHFA REQUIREMENT FOR THE USE OF RISK-  
6 BASED PRICING.—Section 1367(b)(2) of the Federal  
7 Housing Enterprises Financial Safety and Soundness Act  
8 of 1992 (12 U.S.C. 4617(b)(2)) is amended by adding at  
9 the end the following new subparagraph:

10 “(L) ADDITIONAL POWERS AS CONSER-  
11 VATOR.—The Agency shall, as conservator for  
12 an enterprise, to the greatest extent feasible re-  
13 quire that any modifications, including in-  
14 creases, decreases, or eliminations, approved to  
15 a loan-level pricing adjustment fee, as such  
16 term is defined in section 6 of the Middle Class  
17 Borrower Protection Act of 2023, charged by  
18 an enterprise shall be based on the risk posed  
19 by the mortgage loan to the enterprise.”.

20 **SEC. 4. PROHIBITION OF LOAN-LEVEL PRICE ADJUST-**  
21 **MENTS BASED ON DEBT-TO-INCOME RATIO.**

22 The Director and the enterprises shall not impose any  
23 loan-level pricing adjustment fee that is based on the ratio  
24 of the debt of the mortgagor to the income of the mort-  
25 gator.

1 **SEC. 5. GAO STUDY .**

2 (a) STUDY.—The Comptroller General of the United  
3 States shall conduct a study of the revisions made by the  
4 Federal Housing Finance Agency to the standard single-  
5 family pricing framework under the recalibrated single-  
6 family pricing framework to—

7 (1) analyze—

8 (A) the methodology, policy considerations,  
9 and any other objectives used by the Federal  
10 Housing Finance Agency as the basis for such  
11 revisions, including the authority cited by the  
12 Director under the Federal Housing Enter-  
13 prises Financial Safety and Soundness Act of  
14 1992 (12 U.S.C. 4501 et seq.) to require such  
15 revisions;

16 (B) the data, econometric modeling, and  
17 other inputs supplied by the enterprises during  
18 the revisions process;

19 (C) the extent to which such revisions com-  
20 ply with the objectives of the Enterprise Regu-  
21 latory Capital Framework; and

22 (D) the economic impact of such revisions  
23 on various classes of lenders and borrowers af-  
24 fected by such revisions; and

25 (2) determine the extent to which such revi-  
26 sions—

1 (A) were conducted on the basis of, and  
2 how they might deviate from, the principle of  
3 risk-based pricing;

4 (B) deviate from the data, econometric  
5 modeling, and other inputs supplied by the en-  
6 terprises during the revisions process;

7 (C) achieve the objectives of the Enterprise  
8 Regulatory Capital Framework, including if  
9 such revisions have resulted in either a nega-  
10 tivity profitability gap or negative rate of return  
11 on the targeted rate of return on capital for any  
12 business segment under the recalibrated single-  
13 family pricing framework; and

14 (D) represent any increased risks to the  
15 safety and soundness of the enterprises.

16 (b) REPORT.—The Comptroller General shall submit  
17 a report to the Congress setting forth the findings and  
18 conclusions of the study not later than the expiration of  
19 the 14-month period beginning on the date of the enact-  
20 ment of this Act.

21 **SEC. 6. DEFINITIONS.**

22 In this Act:

23 (1) DIRECTOR.—The term “Director” means  
24 the Director of the Federal Housing Finance Agen-  
25 cy.

1           (2) ENTERPRISE.—The term “enterprise” has  
2 the meaning given such term in section 1303 of the  
3 Federal Housing Enterprises Financial Safety and  
4 Soundness Act of 1992 (12 U.S.C. 4502).

5           (3) LOAN-LEVEL PRICING ADJUSTMENT FEE.—  
6 The term “loan-level pricing adjustment fee” means  
7 an up-front fee paid by lenders when a mortgage  
8 loan is acquired by an enterprise.

9           (4) RECALIBRATED SINGLE-FAMILY PRICING  
10 FRAMEWORK.—The term “recalibrated single-family  
11 pricing framework” means the loan-level pricing ad-  
12 justment fee structure as referred to in the an-  
13 nouncement of the Federal Housing Finance Agency  
14 on January 19, 2023, relating to “Updates to the  
15 Enterprises’ Single-Family Pricing Framework”,  
16 and set forth in Federal National Mortgage Associa-  
17 tion Lender Letter LL-2023-01 and Federal Home  
18 Loan Mortgage Corporation Bulletin 2023-1.

19           (5) STANDARD SINGLE-FAMILY PRICING FRAME-  
20 WORK.—The term “standard single-family pricing  
21 framework” means the loan-level pricing adjustment  
22 fee structure in effect on April 30, 2023.