

**AMENDMENT IN THE NATURE OF A SUBSTITUTE**  
**TO H.R. \_\_\_\_\_**  
**OFFERED BY MR. PHILLIPS OF MINNESOTA**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “FHA Loan Afford-  
3 ability Act of 2019”.

**4 SEC. 2. ANNUAL PREMIUMS.**

5       (a) IN GENERAL.—Paragraph (2) of section 203(c)  
6 of the National Housing Act (12 U.S.C. 1709(c)(2)) is  
7 amended—

8           (1) in subparagraph (B)—

9                   (A) in clause (i), by striking “For any”  
10                   and inserting “Subject to subparagraph (D),  
11                   for any”; and

12                   (B) in clause (ii), by striking “For any”  
13                   and inserting “Subject to subparagraph (D),  
14                   for any”;

15           (2) in subparagraph (C)(i), by striking “In ad-  
16           dition” and inserting “Subject to subparagraph (D),  
17           in addition”; and

1           (3) by adding at the end the following new sub-  
2 paragraph:

3           “(D) The Secretary may not collect any  
4 annual premiums under this paragraph with re-  
5 spect to a mortgage at any time that the re-  
6 maining insured principal balance (excluding  
7 the portion of the remaining balance attrib-  
8 utable to the premium collected under subpara-  
9 graph (A)) is 78 percent or less than the lower  
10 of (i) the sales price of the dwelling at the sale  
11 in connection with which the mortgage was  
12 made, or (ii) the appraised value of the dwelling  
13 at the time of the origination of the mortgage.”.

14           (4) APPLICABILITY.—The amendments made  
15 by subsection (a) of this section shall apply with re-  
16 spect only to mortgages insured by the Secretary of  
17 Housing and Urban Development after the date of  
18 the enactment of this Act.

