

AMENDMENT TO H.R. 5830

OFFERED BY MR. MILLER OF NORTH CAROLINA

At the end of the bill, add the following new section:

1 **SEC. 5. MORTGAGE SERVICER REPORTING AND DISCLO-**
2 **SURE REQUIREMENTS.**

3 (a) GENERAL DISCLOSURE AND REPORTING RE-
4 QUIREMENTS FOR SERVICERS OF SUBPRIME AND NON-
5 TRADITIONAL MORTGAGES.—

6 (1) INITIAL REPORTING REQUIREMENT.—Not
7 more than 90 days after the date of the enactment
8 of this Act, the Secretary of Housing and Urban De-
9 velopment shall provide to the Congress a report
10 that includes the following information:

11 (A) A list of all entities engaged in serv-
12 icing 500 or more mortgages that are either
13 subprime or non-traditional mortgages, as such
14 terms are defined in subsection (b).

15 (B) For each entity covered under sub-
16 paragraph (A), the following information:

17 (i) The total number of first-lien and
18 subordinate lien mortgages serviced.

19 (ii) Of the total number of mortgages
20 serviced, as identified pursuant to clause

1 (i), the number that are subprime or non-
2 traditional mortgages.

3 (iii) For subprime and non-traditional
4 mortgages:

5 (I) The number of mortgages
6 scheduled to experience a change in
7 payment amount in the next 90 days,
8 in the next 180 days, in the next 365
9 days, and in the next 1095 days.

10 (II) The number of mortgages
11 more than 30 days delinquent.

12 (III) The number of mortgages
13 modified, segmented into those that
14 have had a write-down of the mort-
15 gage's principal, a reduction in or pre-
16 vention of potential increases in inter-
17 est rate, or have been otherwise modi-
18 fied.

19 (2) QUARTERLY REPORTING REQUIREMENT.—
20 Beginning 60 days after the submission of the initial
21 report pursuant to paragraph (1), and at regular in-
22 tervals of 90 days thereafter until the expiration of
23 the FHA program established under section 257 of
24 the National Housing Act (as added by the amend-
25 ment made by section 3(a) of this Act), the Sec-

1 retary shall submit to the Congress a quarterly re-
2 port on mortgages detailing the status of individual
3 servicers meeting the criteria set forth in paragraph
4 (1)(A) of this subsection as they relate to mortgages
5 described in paragraph (1)(B)(ii). This report shall
6 be summarized at the State and zip code levels seg-
7 mented by lien status, whether or not the mortgages
8 were originated with a fixed interest rate, and
9 whether or not the mortgage was originated to an
10 owner-occupant, and shall include the following in-
11 formation as it pertains to annual cohorts of mort-
12 gages starting with those originated in the year
13 2004:

14 (A) OUTSTANDING SUBPRIME AND NON-
15 TRADITIONAL MORTGAGES NOT MODIFIED.—In-
16 formation on outstanding subprime and non-
17 traditional mortgages that have not been modi-
18 fied since origination, including—

19 (i) number and total dollar amount of
20 such mortgages;

21 (ii) average ratio of total owed divided
22 by the most recent valuation of the collat-
23 eral securing the mortgage;

24 (iii) the number of mortgages the col-
25 lateral of which is known to the servicer to

1 also secure a loan with a subordinate posi-
2 tion;

3 (iv) maximum number of mortgages
4 potentially eligible to participate in the
5 FHA program under section 257 of the
6 National Housing Act;

7 (v) as segmented by mortgages for
8 which the borrower is known or not known
9 to the servicer to have filed for relief under
10 title 11, United States Code, in a pending
11 case—

12 (I) number of mortgages delin-
13 quent by 30, 60, 90 or more days;

14 (II) number of mortgages in fore-
15 closure and for which the borrower re-
16 tains the title for the collateral;

17 (III) number of mortgages with
18 collateral for which the title has been
19 acquired;

20 (IV) number of mortgages sched-
21 uled to experience a change in pay-
22 ment amount in the next 90 days, the
23 next 180 days, the next 365 days, and
24 the next 1095 days; and

1 (V) such other information as the
2 Secretary may require.

3 (B) OUTSTANDING SUBPRIME AND NON-
4 TRADITIONAL MORTGAGES THAT HAVE BEEN
5 MODIFIED.—Information on modified subprime
6 and non-traditional mortgages, segmented into
7 mortgages under which the principal has been
8 reduced, mortgages under which the interest
9 rate has been lowered or prevented from in-
10 creasing, and mortgages under which other
11 modifications have been made, including all of
12 the information required with respect to out-
13 standing mortgages pursuant to subparagraph
14 (A).

15 (C) TERMINATED SUBPRIME AND NON-
16 TRADITIONAL MORTGAGES NOT MODIFIED.—In-
17 formation on terminated subprime and non-tra-
18 ditional mortgages that were not modified, in-
19 cluding—

20 (i) for mortgages that were refinanced
21 into a mortgage insured under the FHA
22 program established by under section 257
23 of the National Housing Act, the number
24 and total unpaid principal balances at
25 charge off of those resulting in a loss and

1 the average loss severity experienced on
2 mortgages with losses;

3 (ii) for mortgages that were charged
4 off in other circumstances, the number and
5 unpaid principal balance of such mortgages
6 at charge off, and the average loss severity
7 experienced;

8 (iii) number of mortgages paid in full
9 without charge-off in any other cir-
10 cumstance;

11 (iv) number of mortgages described in
12 each of clauses (i), (ii), and (iii) the collat-
13 eral for which is known to the servicer to
14 also have secured a loan with a subordi-
15 nate lien position;

16 (v) number of mortgages for which
17 servicing rights were transferred; and

18 (vi) such other information as the
19 Secretary may require.

20 (D) TERMINATED SUBPRIME AND NON-
21 TRADITIONAL MORTGAGES.—Information on
22 modified subprime and non-traditional mort-
23 gages that were terminated, segmented into
24 mortgages under which the principal has been
25 reduced, mortgages under which the interest

1 rate has been lowered or prevented from in-
2 creasing, mortgages which have terminated pur-
3 suant to a short sale or deed in lieu of fore-
4 closure, and mortgages under which other modi-
5 fications have been made, including all of the
6 information required pursuant to subparagraph
7 (C) with respect to terminated mortgages that
8 were not modified.

9 (E) FHA-REFINANCED MORTGAGES.—In-
10 formation on mortgages originated under the
11 FHA program established under section 257 of
12 the National Housing Act, including all infor-
13 mation required pursuant to subparagraphs
14 (A), (B), (C), and (D) with respect to subprime
15 and non-traditional mortgages.

16 (3) COOPERATION.—Any servicer covered by
17 this subsection shall fully cooperate by providing
18 such data as the Secretary requests.

19 (4) MORTGAGES ELIGIBLE FOR PARTICIPATION
20 IN FHA REFINANCE PROGRAM.—The Secretary shall
21 establish specific criteria to define, for purposes of
22 this subsection, mortgages that could potentially be
23 eligible to participate in the FHA program estab-
24 lished under section 257 of the National Housing
25 Act.

1 (5) SUBPRIME MORTGAGES.—The Secretary
2 shall establish specific criteria to define, for the pur-
3 poses of this subsection, subprime mortgages.

4 (6) PROTECTION OF INFORMATION.—The Sec-
5 retary shall implement appropriate safeguards to
6 protect the proprietary and personal nature of the
7 information collected pursuant to this section, in ac-
8 cordance with laws, standards, and regulations re-
9 garding government data security.

10 (b) DEFINITIONS.—For purposes of this section, the
11 following definitions shall apply:

12 (1) NONTRADITIONAL MORTGAGE.—The term
13 “nontraditional mortgage” means a loan other than
14 a subprime mortgage that is secured by a first-lien
15 interest in the debtor’s principal residence that se-
16 cures a debt for a loan that at any period during the
17 term of the loan provides for the deferral of the pay-
18 ment of principal or interest by permitting periodic
19 payments that do not cover the full amount of inter-
20 est due or that cover only the interest due. Such
21 term does not include a reverse or home equity con-
22 version mortgage.

23 (2) SECRETARY.—The term “Secretary” means
24 the Secretary of Housing and Urban Development.

