

110TH CONGRESS  
2D SESSION

# H. R. 6254

To authorize the temporary participation of mortgage brokers and lenders under the FHA single-family housing mortgage insurance program.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 12, 2008

Mr. GARY G. MILLER of California (for himself, Mr. SHERMAN, and Mr. BACA) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To authorize the temporary participation of mortgage brokers and lenders under the FHA single-family housing mortgage insurance program.

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 “Temporary FHA Di-  
5 rect Endorsement Lender Participation Act of 2008”.

1 **SEC. 2. TEMPORARY AUTHORITY FOR MORTGAGE BROKERS**  
2 **AND LENDERS TO PARTICIPATE IN FHA SIN-**  
3 **GLE FAMILY MORTGAGE INSURANCE PRO-**  
4 **GRAM THROUGH DIRECT ENDORSEMENT**  
5 **LENDERS.**

6 Section 202 of the Economic Stimulus Act of 2008  
7 (Public Law 110–185; 122 Stat. 620) is amended by add-  
8 ing at the end the following new subsection:

9 “(d) TEMPORARY MORTGAGE BROKER AND LENDER  
10 PARTICIPATION THROUGH DIRECT ENDORSEMENT LEND-  
11 ERS.—

12 “(1) AUTHORITY.—The Secretary of Housing  
13 and Urban Development shall provide for mortgage  
14 brokers who close mortgages in their own names or  
15 in the names of other lenders, but who do not under-  
16 write or service the mortgage, and other lenders not  
17 otherwise authorized to participate as mortgagees  
18 under title II of the National Housing Act (12  
19 U.S.C. 1707 et seq.), to participate as mortgagees in  
20 the single family housing mortgage insurance pro-  
21 grams under such title II, but only to the extent  
22 that—

23 “(A) the insurance of a mortgage under  
24 such title II made by any such broker or lender  
25 is performed by a lender—

1           “(i) who is authorized by the Sec-  
2           retary of Housing and Urban Development  
3           to process mortgages as a direct endorse-  
4           ment mortgagee; and

5           “(ii) who has a compare ratio, as such  
6           term is defined for purposes of the Neigh-  
7           borhood Watch system for monitoring  
8           lender and appraiser performance under  
9           programs of the Department of Housing  
10          and Urban Development, that is less than  
11          or equal to the national average; and

12          “(B) the mortgage broker or lender—

13                 “(i)(I) is licensed, under the laws of  
14                 the State in which the property that is  
15                 subject to the mortgage is located, to act  
16                 as a mortgage broker or lender in such  
17                 State; or

18                 “(II) is an insured depository institu-  
19                 tion, as such term defined in section 3 of  
20                 the Federal Deposit Insurance Act (12  
21                 U.S.C. 1813), or an insured credit union,  
22                 as such term is defined in section 101 of  
23                 the Federal Credit Union Act (12 U.S.C.  
24                 1752); and

1           “(ii) certifies to the direct endorse-  
2           ment mortgagee insuring mortgages for  
3           such broker or lender that the broker or  
4           lender has submitted an application for  
5           participation as a mortgagee in such single  
6           family housing insurance programs, except  
7           that the broker or lender shall not be re-  
8           quired to have complied with the require-  
9           ments for such applications regarding sub-  
10          mission of an audited financial statement.

11          “(2) SUNSET.—

12                 “(A) IN GENERAL.—Except as provided in  
13                 subparagraph (B), this subsection shall not  
14                 apply to any mortgage for which credit approval  
15                 for the borrower is issued after December 31,  
16                 2008.

17                 “(B) EXTENSION.—The Secretary of  
18                 Housing and Urban Development may extend  
19                 the authority under this subsection for a period  
20                 not longer than 6 months by causing notice of  
21                 such extension to be published in the Federal  
22                 Register before December 31, 2008.”.

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