

112TH CONGRESS
1ST SESSION

H. R. 2191

To require that any home inspection conducted in connection with a purchase of residential real property that involves a federally related mortgage loan be conducted by a State-licensed or State-certified home inspector to determine the existence of structural, mechanical, and electrical safety defects, and to require inclusion in the standard settlement statement of information regarding any home inspection conducted in connection with settlement.

IN THE HOUSE OF REPRESENTATIVES

JUNE 15, 2011

Mr. CLAY (for himself, Mr. LYNCH, Mr. CONNOLLY of Virginia, Mr. DAVIS of Illinois, Mr. BRALEY of Iowa, Mr. CLARKE of Michigan, Ms. JACKSON LEE of Texas, Mr. THOMPSON of Mississippi, Mr. RICHMOND, Mr. CARSON of Indiana, Ms. BASS of California, Mr. PAYNE, Mr. FATTAH, Mr. RUSH, Mr. HASTINGS of Florida, Mr. CLEAVER, Mr. BUTTERFIELD, Ms. LEE of California, and Ms. WILSON of Florida) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To require that any home inspection conducted in connection with a purchase of residential real property that involves a federally related mortgage loan be conducted by a State-licensed or State-certified home inspector to determine the existence of structural, mechanical, and electrical safety defects, and to require inclusion in the standard settlement statement of information regarding any home inspection conducted in connection with settlement.

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 “Home Inspection Act
5 of 2011”.

6 **SEC. 2. HOME INSPECTION REQUIREMENT.**

7 (a) **REQUIREMENT.**—The Bureau of Consumer Fi-
8 nancial Protection of the Federal Reserve System, shall
9 prescribe regulations to prohibit any lender from making
10 any federally related mortgage loan (as such term is de-
11 fined in section 3 of the Real Estate Settlement Proce-
12 dures Act of 1974 (12 U.S.C. 2602)) under which a home
13 inspection is conducted in connection with settlement of
14 the mortgage loan unless such inspection is conducted by
15 a home inspector who is licensed, certified, approved, or
16 otherwise regulated by the home State of the inspector or
17 the State in which the real property is located.

18 (b) **ENFORCEMENT.**—Compliance with the require-
19 ments imposed pursuant to subsection (a) of this section
20 shall be enforced in the same manner as provided under
21 section 108 of the Truth in Lending Act (15 U.S.C. 1607)
22 for enforcement of the requirements under such Act.

1 **SEC. 3. INCLUSION OF HOME INSPECTION INFORMATION IN**
2 **SETTLEMENT FORM.**

3 Effective on the designated transfer date under sec-
4 tion 1062 of the Dodd-Frank Wall Street Reform and
5 Consumer Protection Act (Public Law 111–203; 124 Stat.
6 2039), subsection (a) of section 4 of the Real Estate Set-
7 tlement Procedures Act of 1974 (12 U.S.C. 2603(a)), as
8 amended by section 1098(2) of the Dodd-Frank Wall
9 Street Reform and Consumer Protection Act (124 Stat.
10 2103), is further amended—

11 (1) by inserting “(1)” after “(a)”; and

12 (2) by adding at the end the following new
13 paragraph:

14 “(2) The Bureau shall include in the forms an item
15 for identifying any home inspection conducted in connec-
16 tion with the settlement, when such inspection was or is
17 to be completed, the cost of the inspection, whether the
18 charge for such inspection is imposed on the borrower or
19 the seller, and whether such charge has been paid before
20 settlement and a copy of the receipt of payment for the
21 inspection is included with the settlement documents.
22 Such item shall be included in the forms at the place
23 where items relating to additional settlement charges
24 (such as pest inspection charges) are located.”.