

112TH CONGRESS
2^D SESSION

H. R. 2446

IN THE SENATE OF THE UNITED STATES

AUGUST 2, 2012

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

To clarify the treatment of homeowner warranties under
current law, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “RESPA Home War-
3 ranty Clarification Act of 2012”.

4 **SEC. 2. TREATMENT OF HOMEOWNER WARRANTIES.**

5 Section 8 of the Real Estate Settlement Procedures
6 Act of 1974 (12 U.S.C. 2607) is amended by adding at
7 the end the following new subsection:

8 “(e) HOMEOWNER WARRANTIES.—

9 “(1) IN GENERAL.—Nothing in this section,
10 section 2, or section 3 shall be deemed to include,
11 or be deemed to have included, homeowner warran-
12 ties or similar residential service contracts for the
13 repair or replacement of home system components or
14 home appliances.

15 “(2) NOTICE BY HOME WARRANTY COMPANY.—
16 Any person that pays another person not employed
17 by the person for selling, advertising, marketing, or
18 processing, or performing an inspection in connec-
19 tion with, a homeowner warranty or similar residen-
20 tial service contract for the repair or replacement of
21 home system components or home appliances shall
22 include the following statement, in boldface type that
23 is 10-point or larger, in any such warranty or con-
24 tract offered or sold as an incident to or as part of
25 any transaction involving the origination of a feder-
26 ally related mortgage loan:

1 “NOTICE: THIS COMPANY MAY PAY
2 PERSONS NOT EMPLOYED BY THE COM-
3 PANY FOR SELLING, ADVERTISING,
4 MARKETING, OR PROCESSING, OR PER-
5 FORMING AN INSPECTION IN CONNEC-
6 TION WITH, A HOMEOWNER WARRANTY
7 OR SIMILAR RESIDENTIAL SERVICE
8 CONTRACT FOR REPAIRING OR RE-
9 PLACING HOME SYSTEM COMPONENTS
10 OR HOME APPLIANCES.’

11 “(3) NOTICE BY REAL ESTATE AGENT OR
12 BROKER.—Any person who has contracted to receive
13 payment from a provider of the services described in
14 paragraph (1) for recommending the purchase of a
15 home warranty or similar residential service con-
16 tract, and is not an employee of such provider, shall
17 provide the potential purchaser, upon first recom-
18 mending the purchase of a homeowner warranty or
19 similar residential service contract, a written notice
20 containing the following language in boldface type
21 that is 10-point or larger (with the bracketed matter
22 being replaced with the information described by
23 such bracketed matter):

24 “NOTICE: THIS IS TO GIVE YOU
25 NOTICE THAT [the provider of the notice]

1 HAS RECEIVED OR WILL RECEIVE COM-
2 PENSATION FROM [the home warranty com-
3 pany] FOR [the residential service for which
4 the notice provider is being compensated]. YOU
5 ARE NOT REQUIRED TO PURCHASE A
6 HOME WARRANTY OR A SIMILAR RESI-
7 DENTIAL SERVICE CONTRACT AND IF
8 YOU CHOOSE TO PURCHASE SUCH COV-
9 ERAGE YOU ARE FREE TO PURCHASE
10 IT FROM ANOTHER PROVIDER'.”.

Passed the House of Representatives August 1,
2012.

Attest:

KAREN L. HAAS,
Clerk.