

112TH CONGRESS
1ST SESSION

S. 488

To require the FHA to equitably treat homebuyers who have repaid in full their FHA-insured mortgages, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 3, 2011

Mr. CARDIN introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To require the FHA to equitably treat homebuyers who have repaid in full their FHA-insured mortgages, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Reduce Excessive In-
5 terest Payments Act” or the “REIP Act”.

6 **SEC. 2. PROHIBITION ON INTEREST CHARGES FOR ON-TIME**
7 **PRINCIPAL PAYMENTS.**

8 Section 203 of the National Housing Act (12 U.S.C.
9 1709) is amended by adding at the end the following:

1 “(z) PROHIBITION ON INTEREST CHARGES FOR ON-
2 TIME PRINCIPAL PAYMENTS.—Each mortgagee (or
3 servicer) with respect to a mortgage under this section
4 may not impose, nor may the Secretary require the imposi-
5 tion of, any interest charge on such a mortgage as a result
6 of the loss of any time period provided by the mortgagee
7 (or servicer) within which the mortgagor may fully repay
8 the principal balance amount of the mortgage, with re-
9 spect to—

10 “(1) any days in the billing cycle that precedes
11 the most recent billing cycle in which such amounts
12 were repaid; or

13 “(2) any amounts repaid in the current billing
14 cycle that were repaid within such time period.”.

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