CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

June 26, 2014

H.R. 1779
Preserving Access to Manufactured Housing Act of 2013

As ordered reported by the House Committee on Financial Services on May 22, 2014

H.R. 1779 would amend the Truth in Lending Act (TILA) by adjusting the definitions of a mortgage originator and a high-cost mortgage. Under current law, the TILA excludes from the definition of a mortgage originator employees of retailers of manufactured homes who do not accept residential mortgage loan applications, offer or negotiate terms of loans, or advise consumers on loan terms. H.R. 1779 would broaden the exception to include retailers of manufactured homes as well as their employees, if neither receives compensation for selling a home with a mortgage greater than that for selling the same home for cash.

The TILA places restrictions on loans classified as high-cost mortgages. H.R. 1779 would narrow the definition of a high-cost mortgage by increasing the maximum rates and fees that an originator or creditor could charge for certain loans without a mortgage being considered high-cost.

Based on information from the Consumer Financial Protection Bureau (CFPB), CBO estimates that enacting H.R. 1779 would increase direct spending by less than $500,000 in 2015 to implement charges to the TILA. Because H.R. 1779 would affect direct spending, pay-as-you-go procedures apply. CBO estimates that the bill would not affect revenues. Implementing H.R. 1779 also would not affect spending subject to appropriation because the CFPB is permanently authorized to spend amounts transferred from the Federal Reserve.

H.R. 1779 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contacts for this estimate are Michael Hirsch and Susan Willie. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.