CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

April 3, 2015

H.R. 650
Preserving Access to Manufactured Housing Act of 2015

As ordered reported by the House Committee on Financial Services on March 26, 2015

H.R. 650 would amend the Truth in Lending Act (TILA) by adjusting the definitions of a mortgage originator and a high-cost mortgage. Under current law, 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 are excluded from the definition of mortgage originator. H.R. 650 would broaden the exception to include retailers of manufactured homes as well as their employees, as long as they do not receive more compensation for selling a home with a mortgage than they would for selling the same home for cash.

The TILA also provides special protections for consumers who are offered high-cost mortgages. H.R. 650 would amend the definition of a high-cost mortgage by increasing the maximum rates and fees that an originator or creditor could charge on loans for manufactured housing without a mortgage being considered a high-cost mortgage.

Based on information from the Consumer Financial Protection Bureau (CFPB), CBO estimates that enacting H.R. 650 would increase direct spending by less than $500,000 for that agency to implement changes to the TILA. Because H.R. 650 would affect direct spending, pay-as-you-go procedures apply. CBO estimates that the bill would not affect revenues. Implementing H.R. 650 would not affect spending subject to appropriation because the CFPB is permanently authorized to spend amounts transferred from the Federal Reserve System.

H.R. 650 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Susan Willie. The estimate was approved by Theresa Gullo, Assistant Director for Budget Analysis.