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(Original Signature of Member)

117TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To require a review of the effects of FHA mortgage insurance policies, practices, and products on small-dollar mortgage lending, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

Ms. TLAIB introduced the following bill; which was referred to the Committee  
on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To require a review of the effects of FHA mortgage insurance policies, practices, and products on small-dollar mortgage lending, 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 “Improving FHA Sup-  
5 port for Small Dollar Mortgages Act of 2021”.

1 **SEC. 2. REVIEW OF FHA SMALL-DOLLAR MORTGAGE PRAC-**  
2 **TICES.**

3 (a) CONGRESSIONAL FINDINGS.—The Congress finds  
4 that—

5 (1) affordable homeownership opportunities are  
6 being hindered due to the lack of financing available  
7 for home purchases under \$70,000;

8 (2) according to the Urban Institute, small-dol-  
9 lar mortgage loan applications in 2017 were denied  
10 by lenders at double the rate of denial for large  
11 mortgage loans, and this difference in denial rates  
12 cannot be fully explained by differences in the appli-  
13 cants' credit profiles;

14 (3) according to data compiled by Attom Data  
15 solutions, small-dollar mortgage originations have  
16 decreased 38 percent since 2009, while there has  
17 been a 65 percent increase in origination of mort-  
18 gages for more than \$150,000;

19 (4) the FHA's mission is to serve creditworthy  
20 borrowers who are underserved and, according to the  
21 Urban Institute, the FHA serves 24 percent of the  
22 overall market, but only 19 percent of the small-dol-  
23 lar mortgage market; and

24 (5) the causes behind these variations are not  
25 fully understood, but merit study that could assist in  
26 furthering the Department of Housing and Urban

1       Development’s mission, including meeting the hous-  
2       ing needs of borrowers the program is designed to  
3       serve and reducing barriers to homeownership, while  
4       protecting the solvency of the Mutual Mortgage In-  
5       surance Fund.

6       (b) REVIEW.—The Secretary of Housing and Urban  
7       Development shall conduct a review of its FHA single-  
8       family mortgage insurance policies, practices, and prod-  
9       ucts to identify any barriers or impediments to supporting,  
10      facilitating, and making available mortgage insurance for  
11      mortgages having an original principal obligation of  
12      \$70,000 or less. Not later than the expiration of the 12-  
13      month period beginning on the date of the enactment of  
14      this Act, the Secretary shall submit a report to the Con-  
15      gress describing the findings of such review and the ac-  
16      tions that the Secretary will take, without adversely affect-  
17      ing the solvency of the Mutual Mortgage Insurance Fund,  
18      to remove such barriers and impediments to providing  
19      mortgage insurance for such mortgages.