



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

June 5, 2014

**H.R. 3211
Mortgage Choice Act of 2013**

As ordered reported by the House Committee on Financial Services on May 5, 2014

CBO estimates that enacting H.R. 3211 would affect direct spending; therefore, pay-as-you-go procedures apply. However, we expect those effects would be insignificant. Enacting H.R. 3211 would not affect revenues or discretionary spending.

Under new rules issued by the Consumer Financial Protection Bureau (CFPB) for qualified mortgages, certain costs that are incidental to the loan amount and paid by the borrower—for example, title insurance fees, guarantee fees, and service charges—are limited to no more than 3 percent of the total loan amount. (A qualified mortgage must meet certain requirements with regard to the borrower’s ability to repay the loan and the loan terms.) H.R. 3211 would exclude insurance held in escrow and, under certain circumstances, fees paid to companies affiliated with the creditor from the costs that would be considered in calculating the 3 percent limitation. H.R. 3211 would direct the CFPB to amend its regulations related to qualified mortgages to reflect the new exclusions. Based on information from the agency, CBO does not expect that meeting the new requirement would have a significant effect on the agency’s workload.

H.R. 3211 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

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