

107TH CONGRESS
1ST SESSION

H. R. 163

To amend the Fair Debt Collection Practices Act to exempt mortgage servicers from certain requirements of the Act with respect to federally related mortgage loans secured by a first lien, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 2001

Mr. ROYCE (for himself, Mr. BENTSEN, Mr. MALONEY of Connecticut, Mr. JONES of North Carolina, Mr. SESSIONS, Mr. MEEKS of New York, Mr. SHERMAN, Mr. KANJORSKI, and Mrs. JONES of Ohio) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Fair Debt Collection Practices Act to exempt mortgage servicers from certain requirements of the Act with respect to federally related mortgage loans secured by a first lien, 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 “Mortgage Servicing
5 Clarification Act”.

1 **SEC. 2. MORTGAGE SERVICING CLARIFICATION.**

2 (a) IN GENERAL.—The Fair Debt Collection Prac-
3 tices Act (15 U.S.C. 1692 et seq.) is amended—

4 (1) by redesignating section 818 as section 819;

5 and

6 (2) by inserting after section 817 the following

7 new section:

8 **“§ 818. Mortgage servicer exemption**

9 “(a) EXEMPTION.—Any servicer of federally related
10 mortgage loans secured by first liens—

11 “(1) who is a debt collector; and

12 “(2) for whom the collection of delinquent debts
13 is incidental to the servicer’s primary function of
14 servicing current federally related mortgage loans,

15 shall be exempt from the requirements of section 807(11)
16 in connection with the collection of any debt which is a
17 federally related mortgage loan secured by a first lien.

18 “(b) DEFINITIONS.—For purposes of this section, the
19 following definitions shall apply:

20 “(1) FEDERALLY RELATED MORTGAGE LOAN.—

21 The term ‘federally related mortgage loan’ has the
22 meaning given to such term in section 3(1) of the
23 Real Estate Settlement Procedures Act of 1974.

24 “(2) SERVICER; SERVICING.—The terms
25 ‘servicer’ and ‘servicing’ have the meanings given to

1 such terms in section 6(i) of the Real Estate Settle-
2 ment Procedures Act of 1974.”.

3 (b) CLERICAL AMENDMENT.—The table of sections
4 for the Fair Debt Collection Practices Act (15 U.S.C.
5 1692 et seq.) is amended—

6 (1) by redesignating the item relating to section
7 818 as section 819; and

8 (2) by inserting after the item relating to sec-
9 tion 817 the following new item:

“818. Mortgage servicer exemption.”.

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