

.....  
(Original Signature of Member)

117<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. ■ ■

To exempt small seller financers from certain licensing requirements.

---

## IN THE HOUSE OF REPRESENTATIVES

Mr. VICENTE GONZALEZ of Texas introduced the following bill; which was referred to the Committee on ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

---

# A BILL

To exempt small seller financers from certain licensing requirements.

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 “Seller Finance En-  
5 hancement Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

- 8 (1) Real-estate seller financing is a transaction  
9 in which the owner of a real estate property provides

1 financing for the buyer of that property and the  
2 buyer makes some form of a down payment to the  
3 seller and then makes installment payments to the  
4 seller over a defined period of time.

5 (2) Seller financiers provide financing in lieu of  
6 the buyer choosing to obtain a loan from a bank.

7 (3) The seller finance industry consists of small  
8 business owners who own real estate and provide fi-  
9 nancing on those properties to underserved bor-  
10 rowers who cannot or would prefer not to obtain tra-  
11 ditional financing.

12 **SEC. 3. EXCEPTION FOR SELLER FINANCERS WITH RE-**  
13 **SPECT TO LOAN ORIGINATOR LICENSE OR**  
14 **REGISTRATION REQUIREMENTS.**

15 Section 1504 of the S.A.F.E. Mortgage Licensing Act  
16 of 2008 (12 U.S.C. 5103) is amended by adding at the  
17 end the following:

18 “(c) EXCEPTION FOR SELLER FINANCERS.—The re-  
19 quirements of this title shall not apply to any person  
20 (other than a depository institution) who—

21 “(1) originates not more than 24 residential  
22 mortgage loans in a 12-month period; and

23 “(2) only originates residential mortgage loans  
24 that are with respect to property that is owned by  
25 such person.”.

1 **SEC. 4. REPORT ON SELLER FINANCING.**

2 (a) **STUDY.**—The Secretary of Housing and Urban  
3 Development and the Secretary of the Treasury shall  
4 jointly carry out a study on—

5 (1) the number of homes bought for under  
6 \$150,000 or 60 percent of the median home value  
7 in a given community, whichever is lower, in the  
8 United States by utilizing seller financing;

9 (2) the number of homes described under para-  
10 graph (1) sold by licensed mortgage brokers;

11 (3) the potential number of homes described  
12 under paragraph (1) which could be sold but aren't,  
13 because seller financiers are unwilling, or from a  
14 practical standpoint unable, to comply with mort-  
15 gage broker rules; and

16 (4) the potential benefit to home values and  
17 wealth creation if more homes are able to be sold  
18 utilizing seller finance.

19 (b) **REPORT.**—Not later than the end of the 1-year  
20 period beginning on the date of the enactment of this Act,  
21 the Secretary of Housing and Urban Development and the  
22 Secretary of the Treasury shall jointly issue a report to  
23 the Committee on Financial Services of the House of Rep-  
24 resentatives and the Committee on Banking, Housing, and  
25 Urban Affairs of the Senate containing—

- 1           (1) all findings and determinations made in car-
- 2           rying out the study required under subsection (a);
- 3           and
- 4           (2) data on the number of transactions utilizing
- 5           seller financing 20 years, 15 years, 10 years, and 5
- 6           years prior to the date of the enactment of this Act.