

117TH CONGRESS
1ST SESSION

H. R. 3861

To amend the National Housing Act to revise the treatment of student loan debt in the underwriting of FHA loans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 14, 2021

Mr. MEEKS (for himself and Ms. WILLIAMS of Georgia) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the National Housing Act to revise the treatment of student loan debt in the underwriting of FHA loans, 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 “Making FHA Work
5 for Borrowers with Student Debt Act of 2021”.

6 **SEC. 2. TREATMENT OF STUDENT LOAN DEBT BEING RE-**
7 **PAID.**

8 Section 203 of the National Housing Act (12 U.S.C.
9 1709) is amended by inserting after subsection (r) the fol-
10 lowing new subsection:

1 “(s) TREATMENT OF STUDENT LOAN DEBT BEING
2 REPAID.—

3 “(1) IN GENERAL.—In determining eligibility of
4 single-family mortgages, and mortgagors under such
5 mortgages, for insurance under this title, for pur-
6 poses of any calculation of the amount of liabilities
7 of a mortgagor, or comparison of the amount of
8 such liabilities to the income of the mortgagor, the
9 Secretary shall consider a covered educational liabil-
10 ity to be—

11 “(A) except as provided in subparagraph
12 (B), in the same monthly amount as the
13 amount that the mortgagor is actually required
14 to pay on a monthly basis in connection with
15 such liability; or

16 “(B) in the case of a mortgagor whose re-
17 quired monthly payment under such liability is
18 \$0, the amount equal to 0.5 percent of the out-
19 standing balance of the loan in connection with
20 such liability.

21 “(2) COVERED EDUCATIONAL LIABILITY.—For
22 purposes of this subsection, the term ‘covered edu-
23 cational liability’ means a liability—

24 “(A) that is a student loan incurred for
25 educational purposes;

1 “(B) that is required to be repaid through
2 payments made on a regular basis; and

3 “(C) for which documentation has been
4 provided that is sufficient, in the determination
5 of the Secretary, to demonstrate that the liabil-
6 ity complies with the requirements under sub-
7 paragraphs (A) and (B).”.

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