

TITLE XIV: MORTGAGE REFORM AND ANTI-PREDATORY LENDING ACT

- Prohibits mortgage originators from basing compensation on the terms of a loan.
- Creditors must establish through documentation that a customer has the ability to repay a loan.
- Requires that home refinancing provide a “net tangible benefit” to consumers, a term to be defined by future regulations.
- For certain loans, prohibits prepayment penalties, mandatory arbitration clauses, balloon payments, flipping, and limits negative amortization.