

House Subcommittee Passes RESPA Home Warranty Clarification Act

On Thursday December 8, 2011, the House Financial Services Subcommittee on Insurance, Housing, and Community Opportunity passed H.R. 2446, the "RESPA Home Warranty Clarification Act of 2011" by voice vote. The legislation received bipartisan support with Chair Biggert (R-IL), and Representatives Stivers (R-OH), Waters (D-CA), and Clay (D-MO) speaking to the bill. The legislation would reverse erroneous Department of Housing and Urban Development guidance that has led to numerous lawsuits by clarifying that if the home warranty is not required by the lender, it is not a settlement service for RESPA purposes. The next step is for the legislation, which currently has 33 Co-sponsors, to go before the full committee before it can be considered by the full U.S. House of Representatives.