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BILL SUMMARY

S.F. No. 4168 – Residential Mortgage Loans (as amended by the A1)

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Senate File 4168 relates to residential mortgage loans where the property is for investment purposes and not to be occupied by the buyer or seller, and exempts them from statutory limitations on lender fees and allows prepayment penalties to be applied.

Section 1 (amends section 58.137) states that subdivisions 1 and 2 of section 58.137 does not apply to residential mortgage loans that are purchase money, first lien, or debt service coverage ratio loans made for investment purposes, where the property is not occupied by the borrower, guarantor, or cosigner, and the seller doesn't continue to occupy the property.

Section 2 (amends section 58.20) defines "debt service coverage ratio loan" to mean a mortgage not a qualified mortgage under federal law, secured by investment property, and where the loan is made based on the money the investment property will generate.

Effective date. This section is effective August 1, 2026, and applies to residential 1.21 mortgage loans executed on or after that date.

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