

111TH CONGRESS
1ST SESSION

S. 842

To repeal the sunset of certain enhancements of protections of servicemembers relating to mortgages and mortgage foreclosures, to amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to pay mortgage holders unpaid balances on housing loans guaranteed by Department of Veterans Affairs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 21, 2009

Mr. KERRY introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

A BILL

To repeal the sunset of certain enhancements of protections of servicemembers relating to mortgages and mortgage foreclosures, to amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to pay mortgage holders unpaid balances on housing loans guaranteed by Department of Veterans Affairs, 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,*

1 **SECTION 1. REPEAL OF SUNSET OF CERTAIN ENHANCE-**
2 **MENTS OF PROTECTIONS OF**
3 **SERVICEMEMBERS RELATING TO MORT-**
4 **GAGES AND MORTGAGE FORECLOSURES.**

5 Section 2203(c) of the Housing and Economic Re-
6 cover Act of 2008 (Public Law 110–289; 122 Stat. 2850;
7 50 U.S.C. App. 533 note) is amended by striking para-
8 graph (2).

9 **SEC. 2. PAYMENT OF UNPAID BALANCES OF DEPARTMENT**
10 **OF VETERANS AFFAIRS GUARANTEED LOANS.**

11 (a) IN GENERAL.—Paragraph (2) of section 3732(a)
12 of title 38, United States Code is amended—

13 (1) by striking “Before suit” and inserting “(A)
14 Before suit”; and

15 (2) by adding at the end the following new sub-
16 paragraph:

17 “(B) In the event that a housing loan guaranteed
18 under this chapter is modified under the authority pro-
19 vided under section 1322(b) of title 11, United States
20 Code, the Secretary may pay the holder of the obligation
21 the unpaid balance of the obligation due as of the date
22 of the filing of the petition under title 11, United States
23 Code, plus accrued interest, but only upon the assignment,
24 transfer, and delivery to the Secretary (in a form and
25 manner satisfactory to the Secretary) of all rights, inter-

1 est, claims, evidence, and records with respect to the hous-
2 ing loan.”.

3 (b) MATURITY OF HOUSING LOANS.—Paragraph (1)
4 of section 3703(d) of such title is amended by striking
5 “The maturity of” and inserting “At the time of the origi-
6 nation of a housing loan, the maturity of such loan”.

7 (c) IMPLEMENTATION THROUGH NOTICE.—The Sec-
8 retary of Veterans Affairs may implement the amend-
9 ments made by this section through notice, procedure no-
10 tice, or administrative notice.

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