To amend the Emergency Economic Stabilization Act of 2008 to allow amounts under the Troubled Assets Relief Program to be used to provide legal assistance to homeowners to avoid foreclosure.

IN THE HOUSE OF REPRESENTATIVES

MARCH 29, 2011

Ms. KAPTUR (for herself, Mr. LaTourette, and Mr. Turner) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Emergency Economic Stabilization Act of 2008 to allow amounts under the Troubled Assets Relief Program to be used to provide legal assistance to homeowners to avoid foreclosure.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
3
4 SECTION 1. SHORT TITLE.
5 This Act may be cited as the “Aiding Those Facing
6 Foreclosure Act of 2011”. 
SEC. 2. FORECLOSURE AVOIDANCE ASSISTANCE.

Section 109 of the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5219) is amended by adding at the end the following new subsection:

“(d) LEGAL ASSISTANCE.—

“(1) USE OF FUNDS.—The Secretary may use any amounts made available under this title that are not otherwise obligated to provide assistance to nonprofit counseling intermediaries and nonprofit legal organizations to provide legal assistance to homeowners of owner-occupied homes consisting of from one to four dwelling units who have mortgages on such homes that are in default or delinquency, in danger of default or delinquency, or subject to or at risk of foreclosure, to assist such homeowners with legal issues directly related to such default, delinquency, foreclosure, or any deed in lieu of foreclosure or short sale.

“(2) PROHIBITION ON LITIGATION.—Paragraph (1) may not be construed to authorize the use of any amounts made available under this title to provide, obtain, or arrange on behalf of a homeowner, legal representation involving or for the purposes of civil litigation that is not directly related to any such default, delinquency, foreclosure, or any deed in lieu of foreclosure or short sale.
“(3) AUTHORIZATION.—Amounts used as described under paragraph (1) shall be deemed to be for actions authorized under this title.”.