To terminate the Home Affordable Modification Program of the Department of the Treasury.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 25, 2011

Mr. JORDAN (for himself, Mr. ISSA, and Mr. McHENRY) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To terminate the Home Affordable Modification Program of the Department of the Treasury.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “HAMP Repeal and Deficit Reduction Act of 2011”.

SEC. 2. CONGRESSIONAL FINDINGS.

The Congress finds that—

(1) the Department of the Treasury designed the Home Affordable Modification Program (HAMP) to “help as many as 3 to 4 million finan-
cially struggling homeowners avoid foreclosure by
modifying loans to a level that is affordable for bor-
rowers now and sustainable over the long term”;

(2) only 504,648 active permanent mortgage
modifications were made under HAMP as of Decem-
ber 2010, according to Treasury statistics;

(3) at that time, the number of mortgage modi-
fications canceled under HAMP (774,081) exceeded
the number of modifications made permanent by a
3:2 ratio;

(4) many homeowners whose modifications were
canceled suffered because they made futile pay-
ments—some were even forced into foreclosure as a
result;

(5) approximately $30 billion was allocated by
Treasury to HAMP as of September 2010; and

(6) the HAMP is a failure.

SEC. 3. TERMINATION.

(a) TERMINATION OF AUTHORITY TO PROVIDE NEW
ASSISTANCE.—Notwithstanding any other provision of
law, after the date of the enactment of this Act the Sec-
retary of the Treasury (in this Act referred to as the “Sec-
retary”) may not provide any assistance under the Home
Affordable Modification Program under the Making Home
Affordable initiative of the Secretary, authorized under the
Emergency Economic Stabilization Act of 2008 (Public Law 110–343), on behalf of any homeowner, unless before such date of enactment such homeowner was extended an offer to participate in such Program on a trial or permanent basis.

(b) Termination of Servicer Contracts.—Notwithstanding any other provision of law, effective upon the date of the enactment of this Act, all contracts entered into between the Secretary of the Treasury and mortgage servicers for carrying out the Home Affordable Modification Program under the Making Home Affordable Initiative of the Secretary shall be null and void, except to the extent necessary to carry out the provision of assistance under such Program on behalf of homeowners who, pursuant to subsection (a), may be provided assistance after the date of the enactment of this Act.

SEC. 4. DEBT REDUCTION.

(a) Use of Unobligated Funds.—Notwithstanding any other provision of law, the amounts described in subsection (b) shall not be available after the date of the enactment of this Act for obligation or expenditure under the Home Affordable Modification Program under the Making Home Affordable Initiative of the Secretary, but shall be covered into the General Fund of the Treas-
(b) **Identification of Unobligated Funds.**—

The amounts described in this subsection are any amounts made available under title I of the Emergency Economic Stabilization Act or pursuant to the amendments made by section 1117 of the Housing and Economic Recovery Act of 2008 (Public Law 110–289; 122 Stat. 2683), that—

1. have been allocated for use, but not yet obligated as of the date of the enactment of this Act, under the Home Affordable Modification Program under the Making Home Affordable initiative of the Secretary; and
2. are not necessary for providing assistance under such Program on behalf of homeowners who, pursuant to section 3(a), may be provided assistance after the date of the enactment of this Act.