AN ACT

To amend the Emergency Economic Stabilization Act of 2008 to terminate the authority of the Secretary of the Treasury to provide new assistance under the Home Affordable Modification Program, while preserving assistance to homeowners who were already extended an offer to participate in the Program, either on a trial or permanent basis.
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 “The HAMP Termin-
ation Act of 2011”.

SEC. 2. CONGRESSIONAL FINDINGS.

The Congress finds the following:

(1) According to the Department of the Treas-
ury—

(A) the Home Affordable Modification Pro-
gram (HAMP) is designed to “help as many as
3 to 4 million financially struggling homeowners
avoid foreclosure by modifying loans to a level
that is affordable for borrowers now and sus-
tainable over the long term”; and

(B) as of February 2011, only 607,600 ac-
tive permanent mortgage modifications were
made under HAMP.

(2) Many homeowners whose HAMP modifica-
tions were canceled suffered because they made fu-
tile payments and some of those homeowners were
even forced into foreclosure.

(3) The Special Inspector General for TARP
reported that HAMP “benefits only a small portion
of distressed homeowners, offers others little more
than false hope, and in certain cases causes more harm than good”.

(4) Approximately $30 billion was obligated by the Department of the Treasury to HAMP, however, approximately only $840 million has been disbursed.

(5) Terminating HAMP would save American taxpayers approximately $1.4 billion, according to the Congressional Budget Office.

SEC. 3. TERMINATION OF AUTHORITY.

Section 120 of the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5230) is amended by adding at the end the following new subsection:

“(c) TERMINATION OF AUTHORITY TO PROVIDE NEW ASSISTANCE UNDER THE HOME AFFORDABLE MODIFICATION PROGRAM.—

“(1) IN GENERAL.—Except as provided under paragraph (2), after the date of the enactment of this subsection the Secretary may not provide any assistance under the Home Affordable Modification Program under the Making Home Affordable initiative of the Secretary, authorized under this Act, on behalf of any homeowner.

“(2) PROTECTION OF EXISTING OBLIGATIONS ON BEHALF OF HOMEOWNERS ALREADY EXTENDED AN OFFER TO PARTICIPATE IN THE PROGRAM.—
Paragraph (1) shall not apply with respect to assistance provided on behalf of a homeowner who, before the date of the enactment of this subsection, was extended an offer to participate in the Home Affordable Modification Program on a trial or permanent basis.

“(3) DEFICIT REDUCTION.—

“(A) USE OF UNOBLIGATED FUNDS.—Notwithstanding any other provision of this title, the amounts described in subparagraph (B) shall not be available after the date of the enactment of this subsection for obligation or expenditure under the Home Affordable Modification Program of the Secretary, but should be covered into the General Fund of the Treasury and should be used only for reducing the budget deficit of the Federal Government.

“(B) IDENTIFICATION OF UNOBLIGATED FUNDS.—The amounts described in this subparagraph are any amounts made available under title I of the Emergency Economic Stabilization Act of 2008 that—

“(i) have been allocated for use, but not yet obligated as of the date of the enactment of this subsection, under the
Home Affordable Modification Program of
the Secretary; and

“(ii) are not necessary for providing
assistance under such Program on behalf
of homeowners who, pursuant to para-
graph (2), may be provided assistance
after the date of the enactment of this sub-
section.

“(4) STUDY OF USE OF PROGRAM BY MEMBERS
OF THE ARMED FORCES, VETERANS, AND GOLD
STAR RECIPIENTS.—

“(A) Study.—The Secretary shall conduct
a study to determine the extent of usage of the
Home Affordable Modification Program by, and
the impact of such Program on, covered home-
owners.

“(B) Report.—Not later than the expira-
tion of the 90-day period beginning on the date
of the enactment of this subsection, the Sec-
retary shall submit to the Congress a report
setting forth the results of the study under sub-
paragraph (A) and identifying best practices,
derived from studying the Home Affordable
Modification Program, that could be applied to
existing mortgage assistance programs available
to covered homeowners.

“(C) COVERED HOMEOWNER.—For pur-
poses of this subsection, the term ‘covered
homeowner’ means a homeowner who is—

“(i) a member of the Armed Forces of
the United States on active duty or the
spouse or parent of such a member;

“(ii) a veteran, as such term is de-
fined in section 101 of title 38, United
States Code; or

“(iii) eligible to receive a Gold Star
lapel pin under section 1126 of title 10,
United States Code, as a widow, parent, or
next of kin of a member of the Armed
Forces person who died in a manner de-
scribed in subsection (a) of such section.

“(5) PUBLICATION OF MEMBER AVAILABILITY
FOR ASSISTANCE.—Not later than 5 days after the
date of the enactment of this subsection, the Sec-
retary of the Treasury shall publish to its Website
on the World Wide Web in a prominent location,
large point font, and boldface type the following
statement: ‘The Home Affordable Modification Pro-
gram (HAMP) has been terminated. If you are hav-
ing trouble paying your mortgage and need help contact-
tacting your lender or servicer for purposes of negoti-
tiating or acquiring a loan modification, please con-
tact your Member of Congress to assist you in contact-
tacting your lender or servicer for the purpose of ne-
gotiating or acquiring a loan modification.’.

“(6) Notification to HAMP applicants required.—

“(A) In general.—Not later than 30 days after the date of the enactment of this subsection, the Secretary of the Treasury shall inform each individual who applied for the Home Affordable Modification Program and will not be considered for a modification under such Program due to termination of such Pro-
gram under this subsection—

“(i) that such Program has been termi-

“(ii) that loan modifications under such Program are no longer available;

“(iii) of the name and contact infor-
mation of such individual’s Member of Congress; and

“(iv) that the individual should con-
tact his or her Member of Congress to as-
assist the individual in contacting the individual’s lender or servicer for the purpose of negotiating or acquiring a loan modification.”.

SEC. 4. SENSE OF CONGRESS.

The Congress encourages banks to work with homeowners to provide loan modifications to those that are eligible. The Congress also encourages banks to work and assist homeowners and prospective homeowners with foreclosure prevention programs and information on loan modifications.

Passed the House of Representatives March 29, 2011.

Attest: KAREN L. HAAS, Clerk.