To ensure that homeowners who have mortgages insured by the FHA, or owned or guaranteed by Fannie Mae or Freddie Mac, and whose homes are located in major disaster areas are notified of any forbearance relief in connection with such disaster that is offered or recommended by the FHA, the Federal Housing Finance Agency, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 11, 2013

Mr. JEFFRIES (for himself, Mr. GRIMM, and Mr. CROWLEY) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To ensure that homeowners who have mortgages insured by the FHA, or owned or guaranteed by Fannie Mae or Freddie Mac, and whose homes are located in major disaster areas are notified of any forbearance relief in connection with such disaster that is offered or recommended by the FHA, the Federal Housing Finance Agency, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation, and for other purposes.

Be it enacted by the Senate and House of Representa-

ives of the United States of America in Congress assembled,
SECTION 1. SHORT TITLE.
This Act may be cited as the “Disaster-Affected Homeowners Notification Act of 2013”.

SEC. 2. REQUIREMENT TO NOTIFY AFFECTED HOMEOWNERS OF MORTGAGE RELIEF.

(a) REQUIREMENT.—If, in connection with any major disaster declared pursuant to section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170), the Secretary of Housing and Urban Development, the Director of the Federal Housing Finance Agency, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation makes available forbearance relief with respect to any covered mortgage, or any such agency head or enterprise issues any notice or guidelines to mortgagees or servicers recommending or requiring such relief, the applicable agency head shall—

(1) provide, to each mortgagor under a covered mortgage, direct notification in accordance with subsection (b) of such relief made available, required, or recommended; and

(2) provide, for areas subject to such disaster declaration, community-wide notification in accordance with the guidelines issued under subsection (e) of such relief made available, required, or recommended.
(b) Direct Notification.—Direct notification in accordance with this subsection is notification to the mortgagor under a covered mortgage—

(1) (A) made by a telephone call to the mortgagor or by mail to the residence subject to the mortgage; and
(B) by such other method of direct contact as may be provided in the guidelines issued pursuant to subsection (e); and

(2) that clearly informs the mortgagor—
(A) that the mortgage is a covered mortgage;
(B) of the forbearance relief made available, required, or recommended;
(C) of any moratorium on foreclosure with respect to covered mortgages; and
(D) of how to obtain more information regarding such relief.

(c) Community-Wide Notification and Awareness Measures.—The applicable agency heads shall, pursuant to subsection (e), issue guidelines regarding measures designed to provide notice and awareness of any forbearance relief made available, required, or recommended in connection with a major disaster throughout the areas subject to such disaster declaration. Such guide-
lines may include requirements regarding the types of no-
tification measures, such as town hall meetings, public
service announcements, public advertisements and the
types of media used to convey such advertisements, and
flyers and other community notices.

(d) DEFINITIONS.—For purposes of this section, the
following definitions shall apply:

(1) APPLICABLE AGENCY HEAD.—The term
“applicable agency head” means—

(A) the Secretary, with respect to a cov-
ered mortgage described in paragraph (2)(B)(i); and

(B) the Director, with respect to a covered
mortgage described in paragraph (2)(B)(ii).

(2) COVERED MORTGAGE.—The term “covered
mortgage” means, with respect to any major dis-
aster declared pursuant to section 401 of the Robert
T. Stafford Disaster Relief and Emergency Assist-
ance Act (42 U.S.C. 5170), a mortgage—

(A) that is secured by a one- to four-family
dwelling that—

(i) is the principal residence of the
mortgagor; and

(ii) is located within an area for which
such major disaster was declared; and
(B) that is—

(i) insured under title II of the National Housing Act (12 U.S.C. 1707 et seq.); or

(ii) owned or guaranteed by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation.

Any delinquency or default under a mortgage shall not affect the status of such mortgage as a covered mortgage.

(3) DIRECTOR.—The term “Director” means the Director of the Federal Housing Finance Agency.

(4) FORBEARANCE RELIEF.—The term “forbearance relief” means, with respect to a mortgage, any suspension or reduction of payments due under the mortgage, in any form and to any extent.

(5) MORTGAGEE.—The term “mortgagee” means, with respect to a covered mortgage, the original lender under the mortgage and any affiliates, agents, subsidiaries, successors, or assignees of such lender, any subsequent purchaser, trustee, or transferee of the mortgage or credit instrument issued by such lender.
(6) **SECRETARY.**—The term “Secretary” means the Secretary of Housing and Urban Development.

(c) **GUIDELINES.**—Not later than the expiration of the 30-day period beginning on the date of the enactment of this Act, the Secretary and the Director shall jointly issue guidelines to carry out this section.

(f) **APPLICABILITY.**—This Act shall apply with respect to any major disaster declared pursuant to section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act in connection with Hurricane Sandy and any major disaster declared thereafter.