

114TH CONGRESS
2D SESSION

H. R. 5108

To authorize the Director of the Bureau of Consumer Financial Protection to penalize persons who fail to maintain nuisance properties.

IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 2016

Mr. GRAYSON (for himself and Mr. CONYERS) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To authorize the Director of the Bureau of Consumer Financial Protection to penalize persons who fail to maintain nuisance properties.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Zombie Property Relief
5 Act of 2016”.

6 **SEC. 2. FINES FOR FAILURE TO MAINTAIN NUISANCE PROP-**
7 **ERTIES.**

8 In the case of a nuisance property subject to a Feder-
9 ally-related mortgage, the Director of the Bureau of Con-
10 sumer Financial Protection may assess a fine equal to 3

1 times the costs that would be incurred as a result of main-
2 taining the property against the mortgagee of such prop-
3 erty if the mortgagee fails to maintain such property until
4 such time as ownership has been transferred to a new
5 owner, and the deed for such property transfer has been
6 duly recorded.

7 **SEC. 3. REPORTING SYSTEM.**

8 Not later than 6 months after the date of enactment
9 of this Act, the Director of the Bureau of Consumer Fi-
10 nancial Protection shall establish a system under which
11 a person may report to the Director on the existence of
12 a nuisance property.

13 **SEC. 4. DEFINITIONS.**

14 In this Act:

15 (1) The term “nuisance property” means resi-
16 dential real property subject to a Federally-related
17 mortgage in foreclosure, in foreclosure proceeding,
18 or if—

19 (A) at least three monthly payments are
20 past due on the mortgage loan or the mort-
21 gator has informed the mortgagee or loan serv-
22 icing company in writing that the mortgagor
23 does not intend to occupy the property in the
24 future; and

25 (B) either—

1 (i) there is a reasonable basis to be-
2 lieve that the property is not occupied for
3 three months; or

4 (ii) such residential real property is a
5 risk to the health, safety or welfare of the
6 public or any adjoining or adjacent prop-
7 erty owners, due to acts of vandalism, loi-
8 tering, criminal conduct, or physical de-
9 struction or deterioration of the property,
10 or the relevant governmental authority has
11 declared the property unfit for occupancy
12 and to remain vacant and unoccupied or to
13 be demolished.

14 (2) The term “Federally-related mortgage”
15 means a Federally related mortgage loan, as such
16 term is defined in section 3 of the Real Estate Set-
17 tlement Procedures Act of 1974 (12 U.S.C. 2602).

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