

PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 1106)  
TO PREVENT MORTGAGE FORECLOSURES AND EN-  
HANCE MORTGAGE CREDIT AVAILABILITY

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FEBRUARY 25, 2009.—Referred to the House Calendar and ordered to be printed

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Mr. HASTINGS of Florida, from the Committee on Rules,  
submitted the following

R E P O R T

[To accompany H. Res. 190]

The Committee on Rules, having had under consideration House Resolution 190, by a nonrecord vote, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for consideration of H.R. 1106, the “Helping Families Save Their Homes Act of 2009,” under a structured rule. The resolution provides one hour of general debate equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services and the chair and ranking minority member of the Committee on the Judiciary.

The resolution waives all points of order against consideration of the bill except those arising under clause 9 of rule XXI and provides that the bill shall be considered as read. The resolution waives all points of order against provisions in the bill. This waiver does not affect the point of order available under clause 9 of rule XXI (regarding earmark disclosure).

The resolution makes in order only those amendments printed in this report. Each amendment may be offered only in the order printed, may be offered only by a Member designated, shall be considered as read, shall be debatable for the time specified equally divided and controlled by the proponent and an opponent, and shall not be subject to amendment or demand for division of the question. The resolution waives all points of order against such amendments except those arising under clause 9 or 10 of rule XXI. The resolution provides one motion to recommit with or without instructions.

## EXPLANATION OF WAIVERS

The waiver of all points of order against consideration of the bill (except those arising under clause 9 of rule XXI) includes a waiver of clause 10 of rule XXI (regarding paygo). The waiver is necessary because of a technical violation of clause 10 by section 204 of the bill. Because of the timing of cash flows of the Federal Deposit Insurance Corporation, the provision increases direct spending in the first five-year period but more than offsets that increase in the ten-year period.

Although the resolution waives all points of order against the bill, the Committee is not aware of any points of order. The waiver of all points of order against the bill is prophylactic.

## COMMITTEE VOTES

The results of each record vote on an amendment or motion to report, together with the names of those voting for and against, are printed below:

*Rules Committee record vote No. 35*

Date: February 25, 2009.

Measure: H.R. 1106.

Motion by: Mr. Dreier.

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Smith, Lamar (TX), #21, which would permit reduction of mortgage payments to between 31% and 38% of the debtor's monthly income through changes (in this order) in mortgage interest rates, loan periods, and reduction of the amount of the claim. Also, it would permit lenders to recoup reduced principal if a home is sold after loan modification.

Results: Defeated 2–8.

Vote by Members: McGovern—Nay; Hastings—Nay; Matsui—Nay; Cardoza—Nay; Arcuri—Nay; Perlmutter—Nay; Pingree—Nay; Polis—Nay; Dreier—Yea; Foxx—Yea.

*Rules Committee record vote No. 36*

Date: February 25, 2009.

Measure: H.R. 1106.

Motion by: Mr. Dreier.

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Dreier, David (CA), and Rep. Bilbray, Brian (CA), #17, which would provide a tax credit for borrowers who put at least 5% down for the purchase of a home in 2009 and 2010. Borrowers would receive a \$2,000 credit for 5% down, a \$5,000 credit for 10% down and a \$10,000 tax credit for 15% down. The credit would be available for the purchase of any type of property (i.e. primary residence, investment, vacation etc) and would not need to be repaid, unless the property is sold within 3 years of exercising the credit. It would expire after 2010.

Results: Defeated 3–8.

Vote by Members: McGovern—Nay; Hastings—Nay; Matsui—Nay; Cardoza—Nay; Arcuri—Nay; Perlmutter—Nay; Pingree—Nay; Polis—Nay; Dreier—Yea; Diaz-Balart—Yea; Foxx—Yea.

*Rules Committee record vote No. 37*

Date: February 25, 2009.

Measure: H.R. 1106.

Motion by: Mr. Dreier.

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Neugebauer, Randy (TX), #19, which would amend the servicer safe harbor provision to provide that unsuccessful plaintiffs must pay all attorneys' fees and any legal costs incurred by the defendant.

Results: Defeated 3–8.

Vote by Members: McGovern—Nay; Hastings—Nay; Matsui—Nay; Cardoza—Nay; Arcuri—Nay; Perlmutter—Nay; Pingree—Nay; Polis—Nay; Dreier—Yea; Diaz-Balart—Yea; Foxx—Yea.

*Rules Committee record vote No. 38*

Date: February 25, 2009.

Measure: H.R. 1106.

Motion by: Mr. Dreier.

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Neugebauer, Randy (TX), #39, which would prohibit the Treasury from using TARP funds to purchase common stock share and would prohibit the Treasury from converting existing preferred shares to common shares.

Results: Defeated 3–8.

Vote by Members: McGovern—Nay; Hastings—Nay; Matsui—Nay; Cardoza—Nay; Arcuri—Nay; Perlmutter—Nay; Pingree—Nay; Polis—Nay; Dreier—Yea; Diaz-Balart—Yea; Foxx—Yea.

*Rules Committee record vote No. 39*

Date: February 25, 2009.

Measure: H.R. 1106.

Motion by: Mr. Dreier.

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Capito, Shelley Moore (WV), #30, which would strike the Hope for Homeowners program and permit HUD to set up a new, 3-year program.

Results: Defeated 3–8.

Vote by Members: McGovern—Nay; Hastings—Nay; Matsui—Nay; Cardoza—Nay; Arcuri—Nay; Perlmutter—Nay; Pingree—Nay; Polis—Nay; Dreier—Yea; Diaz-Balart—Yea; Foxx—Yea.

*Rules Committee record vote No. 40*

Date: February 25, 2009.

Measure: H.R. 1106.

Motion by: Mr. Dreier.

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Capito, Shelley Moore (WV), #31, which would exempt the Federal Housing Administration, Veterans Administration Loan Guaranty Program, and the Guaranteed Rural Housing Loans from adjustments to the terms of the loan in bankruptcy.

Results: Defeated 3–8.

Vote by Members: McGovern—Nay; Hastings—Nay; Matsui—Nay; Cardoza—Nay; Arcuri—Nay; Perlmutter—Nay; Pingree—Nay; Polis—Nay; Dreier—Yea; Diaz-Balart—Yea; Foxx—Yea.

*Rules Committee record vote No. 41*

Date: February 25, 2009.

Measure: H.R. 1106.

Motion by: Mr. Diaz-Balart.

Summary of motion: To make in order en bloc and provide appropriate waivers for: an amendment by Biggert, Judy (IL), #37, which would, for homeowners receiving mortgage relief through any program, means, or federally insured institution mentioned in this bill, upon the sale of their home: (1) eliminate any applicable capital gains exclusions that may apply; and (2) require homeowners to pay double the amount of capital gains tax that would normally apply upon sale of the home; and an amendment by Rep. Biggert, Judy (IL), #38, which would, for homeowners receiving mortgage relief through programs or federally insured institutions mentioned in the bill, require that before an entity authorizes or provides any mortgage relief to a homeowner, that the entity certify that the homeowner: (1) stated accurate income on the homeowner's original loan application; (2) claims that home as his or her principal residence; (3) was not convicted of any financial fraud; and (4) is a U.S. citizen, national, or alien lawfully admitted for permanent residence.

Results: Defeated 3–8.

Vote by Members: McGovern—Nay; Hastings—Nay; Matsui—Nay; Cardoza—Nay; Arcuri—Nay; Perlmutter—Nay; Pingree—Nay; Polis—Nay; Dreier—Yea; Diaz-Balart—Yea; Foxx—Yea.

*Rules Committee record vote No. 42*

Date: February 25, 2009.

Measure: H.R. 1106.

Motion by: Mr. Diaz-Balart.

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Franks, Trent (AZ), #18, which would limit the scope of the judicial modification provisions to subprime and non-traditional loans and would impose a three year expiration date.

Results: Defeated 3–8.

Vote by Members: McGovern—Nay; Hastings—Nay; Matsui—Nay; Cardoza—Nay; Arcuri—Nay; Perlmutter—Nay; Pingree—Nay; Polis—Nay; Dreier—Yea; Diaz-Balart—Yea; Foxx—Yea.

*Rules Committee record vote No. 43*

Date: February 25, 2009.

Measure: H.R. 1106.

Motion by: Dr. Foxx.

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. King, Steve (IA), #6, which would preclude judicial modification if the debtor obtained the extension, renewal, or refinancing of credit that gives rise to a modified claim by the debtor's material misrepresentation, false pretenses, or actual fraud.

Results: Defeated 3–8.

Vote by Members: McGovern—Nay; Hastings—Nay; Matsui—Nay; Cardoza—Nay; Arcuri—Nay; Perlmutter—Nay; Pingree—Nay; Polis—Nay; Dreier—Yea; Diaz-Balart—Yea; Foxx—Yea.

*Rules Committee record vote No. 44*

Date: February 25, 2009.

Measure: H.R. 1106.

Motion by: Dr. Foxx.

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Price, Tom (GA), #8, which would prevent judges from modifying principal on a primary residence mortgage during a bankruptcy proceeding.

Results: Defeated 3–8.

Vote by Members: McGovern—Nay; Hastings—Nay; Matsui—Nay; Cardoza—Nay; Arcuri—Nay; Perlmutter—Nay; Pingree—Nay; Polis—Nay; Dreier—Yea; Diaz-Balart—Yea; Foxx—Yea.

*Rules Committee record vote No. 45*

Date: February 25, 2009.

Measure: H.R. 1106.

Motion by: Dr. Foxx.

Summary of motion: To make in order en bloc and provide appropriate waivers for: an amendment by Rep. Hensarling, Jeb (TX), #24, which would exclude from participation in the Hope for Homeowners program any borrower whose original loan was a zero down payment loan; an amendment by Rep. Hensarling, Jeb (TX), #25, which would exclude from participation in the Hope for Homeowners program any borrower whose original loan documentation did not include verification of the amount and source of income; and an amendment by Rep. Hensarling, Jeb (TX), #26, which would exclude from participation in the Hope for Homeowners program any borrower who has a family income that exceeds 125 percent of the area median income for where they live.

Results: Defeated 3–8.

Vote by Members: McGovern—Nay; Hastings—Nay; Matsui—Nay; Cardoza—Nay; Arcuri—Nay; Perlmutter—Nay; Pingree—Nay; Polis—Nay; Dreier—Yea; Diaz-Balart—Yea; Foxx—Yea.

*Rules Committee record vote No. 46*

Date: February 25, 2009.

Measure: H.R. 1106.

Motion by: Dr. Foxx.

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Turner, Mike (OH), which would require Congress to establish a bi-partisan commission entitled the “Commission on the Foreclosure and Mortgage Lending Crisis” to undertake a comprehensive analysis and review of the origins and causes of the current foreclosure and mortgage lending crisis and to issue a report of its findings and recommendations to Congress.

Results: Defeated 3–8.

Vote by Members: McGovern—Nay; Hastings—Nay; Matsui—Nay; Cardoza—Nay; Arcuri—Nay; Perlmutter—Nay; Pingree—Nay; Polis—Nay; Dreier—Yea; Diaz-Balart—Yea; Foxx—Yea.

## SUMMARY OF AMENDMENTS TO BE MADE IN ORDER UNDER THE RULE

1. Conyers, John (MI): The amendment would (1) require courts to use FHA appraisal guidelines where the fair market value of a

home is in dispute; (2) deny relief to individuals who can afford to repay their mortgages without judicial mortgage modification; and (3) extend the negotiation period from 15 to 30 days, requiring the debtor to certify that he or she contacted the lender, provided the lender with income, expense and debt statements, and that there was a process for the borrower and lender to seek to reach agreement on a qualified loan modification. It also would require a GAO study regarding the effectiveness of mortgage modifications outside of bankruptcy and judicial modifications, whether there should be a sunset, the impact of the amendment on bankruptcy courts, whether relief should be limited to certain types of homeowners. The GAO must analyze how bankruptcy judges restructure mortgages, including the number of judges disciplined as a result of actions taken to restore mortgages. The Amendment would clarify that loan modifications, workout plans or other loss mitigation plans are eligible for the servicer safe harbor. Requires HUD to receive public input before implementing certain FHA approval provisions. With respect to the HOPE for Homeowners Program: recasts the prohibition against having committed fraud over the last 10 years from a freestanding prohibition to a borrower certification. Would amend the National Housing Act to broaden eligibility for Home Equity Conversion Mortgage (HECM) or "reverse mortgage." Would provide that the GAO must submit to Congress a review of the effects of the judicial modification program. Would require the Comptroller of Currency, in coordination with the Director of Thrift Supervision, to submit reports to Congress on the volume of mortgage modifications and issue modification data collection and reporting requirements. Would express the Sense of Congress that the Treasury Secretary should use amounts made available under the Act to purchase mortgage revenue bonds for single-family housing. Would express the Sense of Congress that financial institutions should not foreclose on any principal homeowner until the loan modification programs included in H.R. 1106 and the President's foreclosure plan are implemented and deemed operational by the Treasury and HUD Secretaries. Would establish a Justice Department Nationwide Mortgage Fraud Task Force to coordinate anti-mortgage fraud efforts. Would provide that the Treasury Secretary shall provide that the limit on the maximum original principal obligation of a mortgage that may be modified using EESA funds shall not be less than the dollar limit on the maximum original principal obligation of a mortgage that may be purchased by the Federal Home Loan Mortgage Corporation that is in effect at the time the mortgage is modified. (30 minutes)

2. Price, Tom (GA): Would provide that if a homeowner who has had a mortgage modified in a bankruptcy proceeding sells the home at a profit, the lender can recapture the amount of principal lost in the modification. (10 minutes)

3. Peters, Gary (MI): Would provide that, in the case of a debtor whose home is in foreclosure, the debtor could meet the pre-filing credit counseling requirement by receiving counseling either before filing or up to 30 days after filing. (10 minutes)

4. Titus, Dina (NV): Would require a servicer that receives an incentive payment under the Hope for Homeowners program to notify all mortgagors under mortgages they service who are "at-risk homeowners" (as such term is defined by the Secretary), in a form

and manner as shall be prescribed by the Secretary, that they may be eligible for the HOPE for Homeowners Program and how to obtain information regarding the program. (10 minutes)

TEXT OF AMENDMENTS TO BE MADE IN ORDER UNDER THE RULE

1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE CONYERS OF MICHIGAN, OR HIS DESIGNEE, DEBATABLE FOR 30 MINUTES

In the table of contents of the bill, in the item relating to section 121, strike “department of veterans affairs” and insert “Department of Veterans Affairs”.

Beginning on page 8, strike line 17 and all that follows through line 7 on page 9, and insert the following (and make such technical and conforming changes as may be appropriate)

“(h) With respect to a claim of the kind described in subsection (b)(11), the plan may not contain a modification under the authority of subsection (b)(11)—

“(1) in a case commenced under this chapter after the expiration of the 30-day period beginning on the effective date of this subsection, unless—

“(A) the debtor certifies that the debtor—

“(i) not less than 30 days before the commencement of the case, contacted the holder of such claim (or the entity collecting payments on behalf of such holder) regarding modification of the loan that is the subject of such claim;

“(ii) provided the holder of the claim (or the entity collecting payments on behalf of such holder) a written statement of the debtor’s current income, expenses, and debt substantially conforming with the schedules required under section 521(a) or such other form as is promulgated by the Judicial Conference of the United States for such purpose; and

“(iii) considered any qualified loan modification offered to the debtor by the holder of the claim (or the entity collecting payments on behalf of such holder); or

“(B) a foreclosure sale is scheduled to occur on a date in the 30-day period beginning on the date of case is commenced;”.

Page 9, after line 19, insert the following:

“(3) As used in this subsection, the term ‘qualified loan modification’ means, with respect to an individual residential mortgage, a loan modification or refinancing under a loan modification program implemented by the Federal Deposit Insurance Corporation with respect to the IndyMac Federal Savings Bank, any loan modification program that conforms to the uniform guidance for loan modification developed by the Secretary of the Treasury under the Homeowner Affordability and Stability Plan, or any offer of a refinance under the HOPE for Homeowners program.”.

Page 9, line 24, insert “and, if the issue of value is contested, the court shall determine such value in accordance with the appraisal rules used by the Federal Housing Administration” after “determined”.

Page 11, strike lines 23 through 25, insert the following:

(1) in paragraph (5)—

(A) by inserting “except as otherwise provided in section 1322(b)(11),” after “(5),” and

(B) in subparagraph (B)(iii)(I) by inserting “(including payments of a claim modified under section 1322(b)(11))” after “payments” the 1st place it appears,

Page 12, line 20, insert the following after “faith”:

(Lack of good faith exists if the debtor has no need for relief under this paragraph because the debtor can pay all of his or her debts and any future payment increases on such debts without difficulty for the foreseeable future, including the positive amortization of mortgage debt.)

Page 15, after line 8, insert the following (and make such technical and conforming changes as may be appropriate):

**SEC. 109. GAO STUDY.**

The Comptroller General shall carry out a study, and submit to the Committee on the Judiciary of the House of Representatives and the Committee on the Judiciary of the Senate, not later than 2 years after the date of the enactment of this Act a report containing—

(1) the results of such study of—

(A) the number of debtors who filed, during the 1-year period beginning on the date of the enactment of this Act, cases under chapter 13 of title 11 of the United States Code for the purpose of restructuring their principal residence mortgages,

(B) the number of mortgages restructured under the amendments made by this subtitle that subsequently resulted in default and foreclosure,

(C) a comparison between the effectiveness of mortgages restructured under programs outside of bankruptcy, such as Hope Now and Help for Homeowners, and mortgages restructured under the amendments made by this subtitle,

(D) the number of cases presented to the bankruptcy courts where mortgages were restructured under the amendments made by this subtitle that were appealed,

(E) the number of cases presented to the bankruptcy courts where mortgages were restructured under the amendments made by the subtitle that were overturned on appeal, and

(F) the number of bankruptcy judges disciplined as a result of actions taken to restructure mortgages under the amendments made by this subtitle, and

(2) a recommendation as to whether such amendments should be amended to include a sunset clause.

**SEC. 110. REPORT TO CONGRESS.**

Not later than 18 months after the date of the enactment of this Act, the Comptroller General, in consultation with the Federal Housing Administration, shall submit to the Congress, a report containing —

(1) a comprehensive review of the effects of the amendments made by this subtitle on bankruptcy court,

(2) a survey of whether the program should limit the types of homeowners eligible for the program, and



(3) a recommendation on whether such amendments should remain in effect.

Page 15, line 15, strike “Subsection (a) of section” and insert “Section”.

Page 25, after line 9, insert the following (and make such technical and conforming changes as may be appropriate):

**SEC. 125. MORTGAGE MODIFICATION DATA COLLECTING AND REPORTING.**

(a) **REPORTING REQUIREMENTS.**—Not later than 120 days after the date of the enactment of this Act, and quarterly thereafter, the Comptroller of the Currency, in coordination with the Director of the Office of Thrift Supervision, shall submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate, the Committee on Financial Services of the House of Representatives, and the Joint Economic Committee on the volume of mortgage modifications reported to the Office of the Comptroller of the Currency and the Office of Thrift Supervision, under the mortgage metrics program of each such Office, during the previous quarter, including the following:

(1) A copy of the data collection instrument currently used by the Office of the Comptroller of the Currency and the Office of Thrift Supervision to collect data on loan modifications.

(2) The total number of mortgage modifications resulting in each of the following:

(A) Additions of delinquent payments and fees to loan balances.

(B) Interest rate reductions and freezes.

(C) Term extensions.

(D) Reductions of principal.

(E) Deferrals of principal.

(F) Combinations of modifications described in subparagraph (A), (B), (C), (D), or (E).

(3) The total number of mortgage modifications in which the total monthly principal and interest payment resulted in the following:

(A) An increase.

(B) Remained the same.

(C) Decreased less than 10 percent.

(D) Decreased between 10 percent and 20 percent.

(E) Decreased 20 percent or more.

(4) The total number of loans that have been modified and then entered into default, where the loan modification resulted in—

(A) higher monthly payments by the homeowner;

(B) equivalent monthly payments by the homeowner;

(C) lower monthly payments by the homeowner of up to 10 percent;

(D) lower monthly payments by the homeowner of between 10 percent to 20 percent; or

(E) lower monthly payments by the homeowner of more than 20 percent.

(b) **DATA COLLECTION.**—

(1) **REQUIRED.**—

(A) **IN GENERAL.**—Not later than 60 days after the date of the enactment of this Act, the Comptroller of the Cur-

rency and the Director of the Office of Thrift Supervision, shall issue mortgage modification data collection and reporting requirements to institutions covered under the reporting requirement of the mortgage metrics program of the Comptroller or the Director.

(B) INCLUSIVENESS OF COLLECTIONS.—The requirements under subparagraph (A) shall provide for the collection of all mortgage modification data needed by the Comptroller of the Currency and the Director of the Office of Thrift Supervision to fulfill the reporting requirements under subsection (a).

(2) REPORT.—The Comptroller of the Currency shall report all requirements established under paragraph (1) to each committee receiving the report required under subsection (a).

Page 25, line 24, after “disposition” insert the following: “, including any modification or refinancing undertaken pursuant to standard loan modification, sale, or disposition guidelines issued by the Secretary of the Treasury or his designee under the Emergency Economic Stabilization Act of 2008,”.

Page 28, strike lines 18 and 19 and insert the following:

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

(1) SECRETARY.—The term “Secretary” means the Secretary of the Treasury.

(2) SECURITIZATION VEHICLE.—The term “securitization vehicle”

Page 28, strike line 22 and insert the following:

(A) is the issuer, or is created by the issuer, of

Page 29, strike line 3 and insert the following:

(B) holds such mortgages.

Page 30, line 12, before the period insert the following: “and has not been convicted under Federal or State law for fraud during the 10-year period ending upon the insurance of the mortgage under this section”.

Page 30, after line 23, insert the following:

(B) in paragraph (4)(A), by striking “; subject to standards established by the Board under subparagraph (B),”;

Page 31, line 1, strike lines 1 through 3 and insert the following:

(C) in paragraph (7), by striking “and provided that” and all that follows through “new second lien” and inserting “and except that the Secretary may, under such terms and conditions as the Secretary may establish, permit the establishment of a second lien on a property under an eligible mortgage to be insured, for the purpose of facilitating payment of closing or refinancing costs by a State or locality using funds provided under the HOME Investment Partnerships program under title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721 et seq.) or the community development block grants program under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) or by a State or local housing finance agency”;

Page 31, line 4, strike “(C)” and insert “(D)”.

Page 31, line 15, strike “and”.

Page 31, after line 15, insert the following:

(E) by striking subparagraph (10);

(F) in paragraph (11), by inserting before the period at the end the following: “, except that the Secretary may provide exceptions to such latter requirement (relating to present ownership interest) for any mortgagor who has inherited a property or for any mortgagor who has relocated to a new jurisdiction, and is in the process of trying to sell such property or has been unable to sell such property due to adverse market conditions”;

(G) by redesignating paragraph (11) as paragraph (10); and

Page 31, line 16, strike “(D) by adding after paragraph (11)” and insert “(H) by adding at the end”.

Page 31, line 18, strike “(12)” and insert “(11)”.

Page 36, line 6, strike “or employee” and insert “manager, supervisor, loan processor, loan underwriter, or loan originator”.

Page 37, strike the quotation marks in line 19 and all that follows through the end of the line.

Page 37, after line 19, insert the following:

“(3) RULEMAKING AND IMPLEMENTATION.—The Secretary shall conduct a rulemaking to carry out this subsection. The Secretary shall implement this subsection not later than the expiration of the 60-day period beginning upon the date of the enactment of this subsection by notice, mortgagee letter, or interim final regulations, which shall take effect upon issuance.”; and

Page 47, after line 13, insert the following (and make such technical and conforming changes as may be appropriate):

**SEC. 205. APPLICATION OF GSE CONFORMING LOAN LIMIT TO MORTGAGES ASSISTED WITH TARP FUNDS.**

In making any assistance available to prevent and mitigate foreclosures on residential properties, including any assistance for mortgage modifications, using any amounts made available to the Secretary of the Treasury under title I of the Emergency Economic Stabilization Act of 2008, the Secretary shall provide that the limitation on the maximum original principal obligation of a mortgage that may be modified, refinanced, made, guaranteed, insured, or otherwise assisted, using such amounts shall not be less than the dollar amount limitation on the maximum original principal obligation of a mortgage that may be purchased by the Federal Home Loan Mortgage Corporation that is in effect, at the time that the mortgage is modified, refinanced, made, guaranteed, insured, or otherwise assisted using such amounts, for the area in which the property involved in the transaction is located.

**SEC. 206. MORTGAGES ON CERTAIN HOMES ON LEASED LAND.**

Section 255(b)(4) of the National Housing Act (12 U.S.C. 1715z–20(b)(4)) is amended by striking subparagraph (B) and inserting:

“(B) under a lease that has a term that ends no earlier than the minimum number of years, as specified by the Secretary, beyond the actuarial life expectancy of the mortgagor or co-mortgagor, whichever is the later date.”.

**SEC. 207. SENSE OF CONGRESS REGARDING MORTGAGE REVENUE BOND PURCHASES.**

It is the sense of the Congress that the Secretary of the Treasury should use amounts made available in this Act to purchase mort-

gage revenue bonds for single-family housing issued through State housing finance agencies and through units of local government and agencies thereof.

Page 47, at the end of title II, add the following (and conform the table of contents accordingly):

## **TITLE III—MORTGAGE FRAUD**

### **SEC. 301. SHORT TITLE.**

This title may be cited as the “Nationwide Mortgage Fraud Task Force Act of 2009”.

### **SEC. 302. NATIONWIDE MORTGAGE FRAUD TASK FORCE.**

(a) **ESTABLISHMENT.**—There is established in the Department of Justice the Nationwide Mortgage Fraud Task Force (hereinafter referred to in this section as the “Task Force”) to address mortgage fraud in the United States.

(b) **SUPPORT.**—The Attorney General shall provide the Task Force with the appropriate staff, administrative support, and other resources necessary to carry out the duties of the Task Force.

(c) **EXECUTIVE DIRECTOR.**—The Attorney General shall appoint one staff member provided to the Task Force to be the Executive Director of the Task Force and such Executive Director shall ensure that the duties of the Task Force are carried out.

(d) **BRANCHES.**—The Task Force shall establish, oversee, and direct branches in each of the 10 States determined by the Attorney General to have the highest concentration of mortgage fraud.

(e) **MANDATORY FUNCTIONS.**—The Task Force, including the branches of the Task Force established under subsection (d), shall—

(1) establish coordinating entities, and solicit the voluntary participation of Federal, State, and local law enforcement and prosecutorial agencies in such entities, to organize initiatives to address mortgage fraud, including initiatives to enforce State mortgage fraud laws and other related Federal and State laws;

(2) provide training to Federal, State, and local law enforcement and prosecutorial agencies with respect to mortgage fraud, including related Federal and State laws;

(3) collect and disseminate data with respect to mortgage fraud, including Federal, State, and local data relating to mortgage fraud investigations and prosecutions; and

(4) perform other functions determined by the Attorney General to enhance the detection of, prevention of, and response to mortgage fraud in the United States.

(f) **OPTIONAL FUNCTIONS.**—The Task Force, including the branches of the Task Force established under subsection (d), may—

(1) initiate and coordinate Federal mortgage fraud investigations and, through the coordinating entities established under subsection (e), State and local mortgage fraud investigations;

(2) establish a toll-free hotline for—

(A) reporting mortgage fraud;

(B) providing the public with access to information and resources with respect to mortgage fraud; and

- (C) directing reports of mortgage fraud to the appropriate Federal, State, and local law enforcement and prosecutorial agency, including to the appropriate branch of the Task Force established under subsection (d);
- (3) create a database with respect to suspensions and revocations of mortgage industry licenses and certifications to facilitate the sharing of such information by States;
- (4) make recommendations with respect to the need for and resources available to provide the equipment and training necessary for the Task Force to combat mortgage fraud; and
- (5) propose legislation to Federal, State, and local legislative bodies with respect to the elimination and prevention of mortgage fraud, including measures to address mortgage loan procedures and property appraiser practices that provide opportunities for mortgage fraud.
- (g) DEFINITION.—In this section, the term “mortgage fraud” means a material misstatement, misrepresentation, or omission relating to the property or potential mortgage relied on by an underwriter or lender to fund, purchase, or insure a loan.
- Page 47, at the end of the bill, add the following (and conform the table of contents accordingly):

## **TITLE IV—FORECLOSURE MORATORIUM PROVISIONS**

### **SEC. 401. SENSE OF THE CONGRESS ON FORECLOSURES.**

(a) IN GENERAL.—It is the sense of the Congress that mortgage holders, institutions, and mortgage servicers should not initiate a foreclosure proceeding or a foreclosure sale on any homeowner until the foreclosure mitigation provisions, like the Hope for Homeowners program, as required under title II, and the President’s “Homeowner Affordability and Stability Plan” have been implemented and determined to be operational by the Secretary of Housing and Urban Development and the Secretary of the Treasury.

(b) SCOPE OF MORATORIUM.—The foreclosure moratorium referred to in subsection (a) should apply only for first mortgages secured by the owner’s principal dwelling.

(c) FHA-REGULATED LOAN MODIFICATION AGREEMENTS.—If a mortgage holder, institution, or mortgage servicer to which subsection (a) applies reaches a loan modification agreement with a homeowner under the auspices of the Federal Housing Administration before any plan referred to in such subsection takes effect, subsection (a) shall cease to apply to such institution as of the effective date of the loan modification agreement.

(d) DUTY OF CONSUMER TO MAINTAIN PROPERTY.—Any homeowner for whose benefit any foreclosure proceeding or sale is barred under subsection (a) from being instituted, continued, or consummated with respect to any homeowner mortgage should not, with respect to any property securing such mortgage, destroy, damage, or impair such property, allow the property to deteriorate, or commit waste on the property.

(e) DUTY OF CONSUMER TO RESPOND TO REASONABLE INQUIRIES.—Any homeowner for whose benefit any foreclosure proceeding or sale is barred under subsection (a) from being instituted, contin-

ued, or consummated with respect to any homeowner mortgage should respond to reasonable inquiries from a creditor or servicer during the period during which such foreclosure proceeding or sale is barred.

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2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE PRICE OF GEORGIA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Beginning on page 7, strike line 5 and all that follows through line 16 on page 8, insert the following (and make such technical and conforming changes as may be appropriate):  
 days after receiving such proceeds, if such residence is sold after the effective date of the plan, the amount of the difference between the sales price and the amount of such claim as originally determined under subsection (b)(11) (plus costs of sale and improvements), but not to exceed the unpaid amount of the allowed secured claim determined as if such claim had not been reduced under such subsection.

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3. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE PETERS OF MICHIGAN, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Beginning on page 3, strike line 21 and all that follows through line 2 on page 4, insert the following:

“(5) Notwithstanding the 180-day period specified in paragraph (1), with respect to a debtor in a case under chapter 13 who submits to the court a certification that the debtor has received notice that the holder of a claim secured by the debtor’s principal residence may commence a foreclosure on the debtor’s principal residence, the requirements of paragraph (1) shall be considered to be satisfied if the debtor satisfies such requirements not later than the expiration of the 30-day period beginning on the date of the filing of the petition.”

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4. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE TITUS OF NEVADA, OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 34, strike line 13, and insert the following:

“(x) PAYMENT TO EXISTING LOAN SERVICERS.—

“(1) PAYMENT.—The”.

Page 34, after line 17, insert the following:

“(2) NOTIFICATION REQUIREMENT.—The Secretary shall require each servicer that receives a payment under this paragraph to notify all mortgagors under mortgages serviced by such servicer who are at-risk homeowners (as such term is defined by the Secretary), in a form and manner as shall be prescribed by the Secretary, that they may be eligible for the HOPE for Homeowners Program under this section and how to obtain information regarding the program.”