

105TH CONGRESS  
2D SESSION

# S. 2280

To provide for fairness in the home foreclosure process.

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IN THE SENATE OF THE UNITED STATES

JULY 9, 1998

Mr. FAIRCLOTH introduced the following bill; which was read twice and referred to the Committee on Banking, Housing and Urban Affairs

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## A BILL

To provide for fairness in the home foreclosure process.

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       The Act may be cited as the “Foreclosure Sale Fair-  
5       ness Act of 1998”.

6       **SEC. 2. DEFINITIONS.**

7       As used in this Act—

8               (1) the term “Commission” means the Federal  
9       Trade Commission; and

10              (2) the term “appropriate Federal banking  
11       agency” has the meaning given by section 3 of the  
12       Federal Deposit Insurance Act.

1 **SEC. 3. FORECLOSURE SALE PROCESS.**

2 Notwithstanding any other provision of law, in the  
3 case of a judicial or non-judicial foreclosure for a single  
4 family home, upon written request by a mortgagor, the  
5 sale of the property shall—

6 (1) occur at a public sale by auction;

7 (2) at a time and place convenient to the gen-  
8 eral public; and

9 (3) be conducted in a manner to maximize com-  
10 petitive bidding and to obtain the highest possible  
11 sale price.

12 **SEC. 4. EFFECTIVE DATE.**

13 This Act shall take effect 180 days after the date of  
14 enactment.

15 **SEC. 5. REGULATIONS.**

16 (a) The Federal Trade Commission shall promulgate  
17 regulations to carry out the provisions of section 3 not  
18 later than 180 days after date of enactment.

19 (b) In the case of federally insured institutions, the  
20 appropriate Federal banking agency shall promulgate reg-  
21 ulations within 180 days of enactment.

22 **SEC. 6. EXEMPTION.**

23 The Commission or the appropriate Federal banking  
24 agency shall by regulation exempt from this Act any class  
25 of foreclosures covered by this Act within any State if the  
26 Commission determines or the appropriate Federal bank-

1 ing agency determines that the laws of that State are sub-  
2 stantially similar to those imposed by this Act.

3 **SEC. 7. RELATION TO STATE LAW.**

4 This Act does not annul, alter or affect any other as-  
5 pect of real estate foreclosures except to the extent that  
6 State laws are inconsistent with the provisions in section  
7 3.

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