

107TH CONGRESS  
1ST SESSION

# S. 1848

To provide mortgage payment assistance for employees who are separated from employment.

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## IN THE SENATE OF THE UNITED STATES

DECEMBER 19 (legislative day, DECEMBER 18), 2001

Mr. ALLEN introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To provide mortgage payment assistance for employees who are separated from employment.

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 “Homestead Preserva-  
5       tion Act”.

6       **SEC. 2. MORTGAGE PAYMENT ASSISTANCE.**

7       (a) ESTABLISHMENT OF PROGRAM.—The Secretary  
8       of Labor (referred to in this section as the “Secretary”)  
9       shall establish a program under which the Secretary shall  
10      award low-interest loans to eligible individuals to enable

1 such individuals to continue to make mortgage payments  
 2 with respect to the primary residences of such individuals.

3 (b) ELIGIBILITY.—To be eligible to receive a loan  
 4 under the program established under subsection (a), an  
 5 individual shall—

6 (1) be—

7 (A) an adversely affected worker with re-  
 8 spect to whom a certification of eligibility has  
 9 been issued by the Secretary of Labor under  
 10 chapter 2 of title II of the Trade Act of 1974  
 11 (19 U.S.C. 2271 et seq.); or

12 (B) an individual who would be an indi-  
 13 vidual described in subparagraph (A) but who  
 14 resides in a State that has not entered into an  
 15 agreement under section 239 of such Act (19  
 16 U.S.C. 2311);

17 (2) be a borrower under a loan which requires  
 18 the individual to make monthly mortgage payments  
 19 with respect to the primary place of residence of the  
 20 individual; and

21 (3) be enrolled in a job training or job assist-  
 22 ance program.

23 (c) LOAN REQUIREMENTS.—

24 (1) IN GENERAL.—A loan provided to an eligi-  
 25 ble individual under this section shall—

1 (A) be for a period of not to exceed 12  
2 months;

3 (B) be for an amount that does not exceed  
4 the sum of—

5 (i) the amount of the monthly mort-  
6 gage payment owed by the individual; and

7 (ii) the number of months for which  
8 the loan is provided;

9 (C) have an applicable rate of interest that  
10 equals 4 percent;

11 (D) require repayment as provided for in  
12 subsection (d); and

13 (E) be subject to such other terms and  
14 conditions as the Secretary determines appro-  
15 priate.

16 (2) ACCOUNT.—A loan awarded to an indi-  
17 vidual under this section shall be deposited into an  
18 account from which a monthly mortgage payment  
19 will be made in accordance with the terms and con-  
20 ditions of such loan.

21 (d) REPAYMENT.—

22 (1) IN GENERAL.—An individual to which a  
23 loan has been awarded under this section shall be re-  
24 quired to begin making repayments on the loan on  
25 the earlier of—

1 (A) the date on which the individual has  
2 been employed on a full-time basis for 6 con-  
3 secutive months; or

4 (B) the date that is 1 year after the date  
5 on which the loan has been approved under this  
6 section.

7 (2) REPAYMENT PERIOD AND AMOUNT.—

8 (A) REPAYMENT PERIOD.—A loan awarded  
9 under this section shall be repaid on a monthly  
10 basis over the 5-year period beginning on the  
11 date determined under paragraph (1).

12 (B) AMOUNT.—The amount of the month-  
13 ly payment described in subparagraph (A) shall  
14 be determined by dividing the total amount pro-  
15 vided under the loan (plus interest) by 60.

16 (C) RULE OF CONSTRUCTION.—Nothing in  
17 this paragraph shall be construed to prohibit an  
18 individual from—

19 (i) paying off a loan awarded under  
20 this section in less than 5 years; or

21 (ii) from paying a monthly amount  
22 under such loan in excess of the monthly  
23 amount determined under subparagraph  
24 (B) with respect to the loan.

1       (e) REGULATIONS.—Not later than 6 weeks after the  
2 date of enactment of this Act, the Secretary shall promul-  
3 gate regulations necessary to carry out this section, in-  
4 cluding regulations that permit an individual to certify  
5 that the individual is an eligible individual under sub-  
6 section (b).

7       (f) AUTHORIZATION OF APPROPRIATIONS.—There is  
8 authorized to be appropriated to carry out this section,  
9 \$10,000,000 for each of fiscal years 2003 through 2007.

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