

109TH CONGRESS
1ST SESSION

H. CON. RES. 257

Expressing the sense of the Congress with regard to a moratorium on the payment of principal or interest on certain mortgage loans, small business loans, and consumer loans for residents of a Federal disaster area.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 29, 2005

Mr. RENZI (for himself and Mr. MATHESON) submitted the following concurrent resolution; which was referred to the Committee on Financial Services

CONCURRENT RESOLUTION

Expressing the sense of the Congress with regard to a moratorium on the payment of principal or interest on certain mortgage loans, small business loans, and consumer loans for residents of a Federal disaster area.

Whereas every American heart goes out to the people hurt or displaced by Hurricane Katrina and Hurricane Rita and their aftermath—collectively one of the worst natural disasters ever experienced by the United States of America;

Whereas the suffering of the people caught by Hurricane Katrina or Hurricane Rita will continue, at the very least, for the next few months;

Whereas our financial institutions have done and are doing an excellent job of dealing with many of the dislocations caused by Hurricane Katrina and Hurricane Rita;

Whereas a suspension of mortgage loan, small business loan, and consumer loan payments in the affected areas, for those who are not in a position to pay, would be both a tremendous help and a humanitarian gesture to aid those afflicted; and

Whereas the Congress of the United States wants to do everything humanly possible to assist in aiding those in need and returning matters to normalcy: Now, therefore, be it

1 *Resolved by the House of Representatives (the Senate*
2 *concurring)*, That it is the sense of the Congress that—

3 (1) a voluntary moratorium on the payment of
4 both principal and interest, by those who are not in
5 a position to pay, on mortgage loans, small business
6 loans, and consumer loans should be recognized by
7 creditors, to the extent permitted by law including
8 regulations, for a 90-day period beginning on August
9 28, 2005, with respect to borrowers who as of such
10 date resided in, or whose businesses were located
11 within, an area in which the President, pursuant to
12 section 401 of the Robert T. Stafford Disaster Relief
13 and Emergency Assistance Act, determined, on or
14 after August 28, 2005, that a major disaster exists;

15 (2) creditors should take into account the effect
16 of this dislocation and, to the extent permitted by

1 law including regulations, provide flexibility to af-
2 fected consumers when considering applications for
3 new loans and credit accounts from consumers who
4 resided in the devastated communities on August 28,
5 2005;

6 (3) Federal financial institution regulatory
7 agencies should—

8 (A) provide written guidance for financial
9 institutions in implementing a voluntary mora-
10 torium described in paragraph (1), and any
11 other permissible forbearance, to ensure that
12 such financial institutions are not negatively
13 impacted by acting in accordance with the in-
14 tention of the Congress; and

15 (B) take this forbearance policy into con-
16 sideration as they examine or audit the finan-
17 cial status of regulated financial institutions;
18 and

19 (4) creditors should refrain from negative re-
20 porting with respect to any such loans to any con-
21 sumer reporting agency during this period.

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