

109TH CONGRESS
1ST SESSION

H. R. 4027

To establish a short-term moratorium on the payment of principal or interest on certain mortgage loans secured by residential or commercial real estate located in any area declared to be a Federal disaster area due to Hurricane Katrina or Hurricane Rita, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 7, 2005

Mr. CUMMINGS introduced the following bill; which was referred to the
Committee on Financial Services

A BILL

To establish a short-term moratorium on the payment of principal or interest on certain mortgage loans secured by residential or commercial real estate located in any area declared to be a Federal disaster area due to Hurricane Katrina or Hurricane Rita, and for other purposes.

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 “Hurricane Disaster
5 Mortgage Moratorium Act of 2005”.

1 **SEC. 2. MORTGAGE MORATORIUM IN DISASTER AREAS AF-**
2 **FECTED BY HURRICANE KATRINA OR HURRI-**
3 **CANE RITA .**

4 (a) IN GENERAL.—There is established a moratorium
5 on the payment of both principal and interest, by those
6 who are not in a position to pay, for a 6-month period
7 beginning on August 28, 2005, on any loan or other exten-
8 sion of credit that is secured by residential or commercial
9 real estate, including real estate held by any nonprofit or-
10 ganization, located within an area in which the President,
11 pursuant to section 401 of the Robert T. Stafford Disaster
12 Relief and Emergency Assistance Act, determined, on or
13 after August 28, 2005, that a major disaster exists due
14 to Hurricane Katrina or Hurricane Rita.

15 (b) TREATMENT DURING MORATORIUM.—No loan or
16 extension of credit to which subsection (a) applies may be
17 found or declared to be delinquent or in default during
18 the moratorium period described in such subsection or be
19 the subject of any negative reporting to any consumer re-
20 porting agency during this period.

21 (c) TOLLING OF ANY FORECLOSURE PERIOD.—Not-
22 withstanding any other provision of law, the 6-month pe-
23 riod described in subsection (a) may not be taken into ac-
24 count after the expiration of such period in determining
25 the length of time any loan or extension of credit to which
26 such subsection applies was in default or the subject of

1 any late payment, for purposes of applying any provision
2 of the loan agreement relating to any payment delinquency
3 or default, determining any applicable time for foreclosure,
4 or making any negative report to any consumer reporting
5 agency with respect to such loan or other credit.

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