

111<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4635

To require lenders of loans with Federal guarantees or Federal insurance to consent to mandatory mediation.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 22, 2010

Ms. FUDGE (for herself, Ms. WATERS, Mr. MEEK of Florida, Ms. SUTTON, and Ms. KILROY) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Veterans' Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To require lenders of loans with Federal guarantees or Federal insurance to consent to mandatory mediation.

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 “Foreclosure Mandatory  
5 Mediation Act of 2010”.

1 **SEC. 2. MANDATORY MEDIATION.**

2 Title I of the Helping Families Save Their Homes  
3 Act of 2009 (Public Law 111–22; 12 U.S.C. 5201 note)  
4 is amended by adding at the end the following:

5 **“SEC. 106. MANDATORY MEDIATION.**

6 “(a) IN GENERAL.—Notwithstanding any other pro-  
7 vision of law, before a qualified mortgagee may initiate  
8 a foreclosure proceeding or a sheriff sale, the qualified  
9 mortgagee shall conduct, consistent with any applicable  
10 State or local requirements, a one-time mediation with the  
11 affected mortgagor and a housing counseling agency, at  
12 the expense of the qualified mortgagee.

13 “(b) DEFINITIONS.—For purposes of this section—

14 “(1) the term ‘housing counseling agency’  
15 means—

16 “(A) a housing counseling agency certified  
17 by the Secretary under section 106(e) of the  
18 Housing and Urban Development Act of 1968  
19 (12 U.S.C. 1701x(e)); or

20 “(B) a neighborhood housing services pro-  
21 gram established by the Neighborhood Rein-  
22 vestment Corporation under section 606 of the  
23 Housing and Community Development Amend-  
24 ments of 1978 (42 U.S.C. 8105); and

25 “(2) the term ‘qualified mortgagee’ means an  
26 entity—

1           “(A) that makes a mortgage loan for, or  
2 holds a note secured by, a one- to four-family  
3 residence that is—

4           “(i) insured under title II of the Na-  
5 tional Housing Act (12 U.S.C. 1707 et  
6 seq.);

7           “(ii) guaranteed, insured, or made  
8 under chapter 37 of title 38, United States  
9 Code;

10          “(iii) made, guaranteed, or insured  
11 under title V of the Housing Act of 1949  
12 (42 U.S.C. 1471 et seq.); or

13          “(iv) eligible for purchase by the Fed-  
14 eral National Mortgage Association or the  
15 Federal Home Loan Mortgage Corpora-  
16 tion; or

17          “(B) that is acting, or otherwise author-  
18 ized to act, as the mortgagee of record for a  
19 lender, including any entity, such as the Mort-  
20 gage Electronic Registration Systems or  
21 MERS, acting as a nominee for a lender in any  
22 suit brought against a mortgagor.”.

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