

111TH CONGRESS
2D SESSION

H. R. 6069

To ensure adequate funding for foreclosure mitigation counseling activities of the Neighborhood Reinvestment Corporation in connection with the Home Affordable Modification Program of the Secretary of the Treasury.

IN THE HOUSE OF REPRESENTATIVES

JULY 30, 2010

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

A BILL

To ensure adequate funding for foreclosure mitigation counseling activities of the Neighborhood Reinvestment Corporation in connection with the Home Affordable Modification Program of the Secretary of the Treasury.

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 “Making Home Afford-
5 able Improvements Act”.

1 **SEC. 2. ALLOCATION OF MAKING HOME AFFORDABLE**
2 **FUNDING FOR FORECLOSURE MITIGATION**
3 **COUNSELING IN CONNECTION WITH HOME**
4 **AFFORDABLE MODIFICATION PROGRAM AND**
5 **HOME AFFORDABLE FORECLOSURE ALTER-**
6 **NATIVES PROGRAM.**

7 (a) FUNDING FOR FORECLOSURE MITIGATION COUN-
8 SELING.—From any amounts made available for carrying
9 out the Making Home Affordable initiative of the Sec-
10 retary of the Treasury pursuant to title I of the Emer-
11 gency Economic Stabilization Act of 2008 (12 U.S.C.
12 5211 et seq.), the Secretary shall provide assistance, in
13 the amounts provided under subsection (c), to the Na-
14 tional Foreclosure Mitigation Counseling Program for
15 foreclosure mitigation counseling activities in connection
16 with the Home Affordable Modification Program (HAMP)
17 of such initiative.

18 (b) DISTRIBUTION OF ASSISTANCE.—

19 (1) IN GENERAL.—The National Foreclosure
20 Mitigation Counseling Program shall distribute
21 amounts received pursuant to subsection (a) to
22 grantees in good standing in accordance with guide-
23 lines, policies, and procedures of the Program.

24 (2) HOUSING COUNSELING AGENCY ELIGI-
25 BILITY.—For a housing counseling agency to be eli-
26 gible to receive assistance from amounts received

1 pursuant to subsection (a), the agency must be a re-
2 cipient of funding from the National Foreclosure
3 Mitigation Counseling Program.

4 (c) FORMULA FOR FUNDING.—The amount provided
5 under this subsection shall be an amount, for each mort-
6 gage modified under the Home Affordable Modification
7 Program, as follows:

8 (1) TRIAL MODIFICATIONS.—For each mort-
9 gage for which a servicer or lender has entered into
10 a trial modification under the Program with the bor-
11 rower, \$500.

12 (2) PERMANENT MODIFICATIONS.—For each
13 mortgage for which a servicer or lender has entered
14 into a permanent modification under the Program
15 with the borrower, \$750.

16 (3) HOME AFFORDABLE FORECLOSURE ALTER-
17 NATIVES PROGRAM.—For each mortgage for which
18 the servicer or lender has agreed to an alternative to
19 foreclosure under the Home Affordable Foreclosure
20 Alternatives (HAFA) Program, \$300.

21 (d) ADMINISTRATIVE FEES.—The Neighborhood Re-
22 investment Corporation may use up to 15 percent of the
23 amount allocated under subsection (a) for administrative
24 expenses.

1 (e) USE OF FORECLOSURE MITIGATION COUNSELING
2 FUNDS.—Not later than the expiration of the 180-day pe-
3 riod beginning on the date of the enactment of this Act,
4 the Neighborhood Reinvestment Corporation shall estab-
5 lish a procedure by which the National Foreclosure Mit-
6 gation Counseling Program shall direct the amounts pro-
7 vided to such Program pursuant to this section to partici-
8 pating housing counseling agencies.

9 (f) NATIONAL FORECLOSURE MITIGATION COUN-
10 SELING PROGRAM.—For purposes of this section, the term
11 “National Foreclosure Mitigation Counseling Program”
12 means the program of the Neighborhood Reinvestment
13 Corporation for mortgage foreclosure mitigation activities
14 carried out pursuant to—

15 (1) title III of division K of the Consolidated
16 Appropriations Act, 2008 (Public Law 110–161;
17 121 Stat. 2441);

18 (2) section 2305 of the Housing and Economic
19 Recovery Act of 2008 (42 U.S.C. 5301 note);

20 (3) title III of division I of the Omnibus Appro-
21 priations Act, 2009 (Public Law 111–8; 123 Stat.
22 9821); and

23 (4) any other provision of law providing
24 amounts to the Neighborhood Reinvestment Cor-
25 poration for such activities.

1 (g) GUIDELINES.—The Secretary of the Treasury
2 shall revise the guidelines of the Making Home Affordable
3 initiative and the Home Affordable Modification Program
4 as necessary to carry out this section.

5 **SEC. 3. COLLECTION OF PROGRAM DATA AND DISCLOSURE**
6 **TO SECRETARY OF HOUSING AND URBAN DE-**
7 **VELOPMENT.**

8 (a) COLLECTION OF PROGRAM DATA.—The Sec-
9 retary of the Treasury shall revise the guidelines of the
10 Home Affordable Modification Program (HAMP) of the
11 Making Home Affordable initiative of the Secretary, au-
12 thorized under title I of the Emergency Economic Sta-
13 bilization Act of 2008 (12 U.S.C. 5211 et seq.), to provide
14 for the collection, by the Secretary on a monthly basis
15 from each mortgage servicer and lender participating in
16 the Program, of comprehensive data on the activities of
17 the servicer or lender under the Home Affordable Modi-
18 fication Program. Such comprehensive data shall identify
19 the participating housing counseling agency, when applica-
20 ble, and shall include the following information:

21 (1) The number of requests for mortgage modi-
22 fications under the Program that the servicer or
23 lender has received.

24 (2) The number of requests for mortgage modi-
25 fications under the Program that the servicer or

1 lender has received for mortgages for borrowers hav-
2 ing back-end debt-to-income ratios equal to or great-
3 er than 55 percent.

4 (3) The number of requests for mortgage modi-
5 fications under the Program that the servicer or
6 lender has processed.

7 (4) The number of requests for mortgage modi-
8 fications under the Program that the servicer or
9 lender has processed for mortgages for borrowers
10 having back-end debt-to-income ratios equal to or
11 greater than 55 percent.

12 (5) The number of requests for mortgage modi-
13 fications under the Program for which the servicer
14 or lender has entered into a trial modification with
15 the borrower.

16 (6) The number of requests for mortgage modi-
17 fications under the Program for which—

18 (A) the servicer or lender has entered into
19 a trial modification with the borrower; and

20 (B) the borrower has a back-end debt-to-
21 income ratio equal to or greater than 55 per-
22 cent.

23 (7) The number of requests for mortgage modi-
24 fications under the Program for which the servicer

1 or lender has entered into a permanent modification
2 with the borrower.

3 (8) The number of requests for mortgage modi-
4 fications under the Program for which—

5 (A) the servicer or lender has entered into
6 a permanent modification with the borrower;
7 and

8 (B) the borrower has a back-end debt-to-
9 income ratio equal to or greater than 55 per-
10 cent.

11 (9) The number of requests for mortgage modi-
12 fications under the Program that the servicer or
13 lender has denied.

14 (10) The number of requests for mortgage
15 modifications under the Program that the servicer or
16 lender has denied for mortgages for borrowers hav-
17 ing back-end debt-to-income ratios equal to or great-
18 er than 55 percent.

19 (b) DISCLOSURE TO SECRETARY OF HUD.—Not
20 later than 14 days after each monthly deadline for submis-
21 sion of data by mortgage servicers and lenders partici-
22 pating in the Home Affordable Modification Program, the
23 Secretary shall provide a report to the Secretary of Hous-
24 ing and Urban Development containing such monthly data
25 collected by the Secretary of the Treasury from mortgage

1 servicers and lenders participating in the Program, includ-
2 ing the information specified in subsection (a).

3 (c) PUBLIC AVAILABILITY.—Not later than 30 days
4 after receipt by the Secretary of Housing and Urban De-
5 velopment of each monthly report pursuant to subsection
6 (b), the Secretary of the Treasury shall make such report
7 publicly available by means of a World Wide Web site of
8 the Secretary and by submitting a report to the Congress.

9 **SEC. 4. DEFINITIONS.**

10 For purposes of this Act, the following definitions
11 shall apply:

12 (1) BACK-END DEBT-TO-INCOME RATIO.—The
13 term “back-end debt-to-income ratio” means, with
14 respect to the borrower under a mortgage for which
15 a request for modification under the Home Afford-
16 able Modification Program or a modification under
17 such Program has been made, the ratio of monthly
18 payments due on all debts of the borrower (including
19 mortgage principal, interest, taxes, and insurance,
20 and all other recurring debt) to the gross monthly
21 income of the borrower before any such modification
22 under such Program, as further defined by the Sec-
23 retary in guidelines for the Home Affordable Modi-
24 fication Program.

1 (2) SECRETARY.—Except where specifically
2 provided otherwise, the term “Secretary” means the
3 Secretary of the Treasury.

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