

111TH CONGRESS  
2D SESSION

# S. 2969

To provide additional emergency mortgage assistance to struggling homeowners, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JANUARY 28, 2010

Mr. CASEY introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To provide additional emergency mortgage assistance to struggling homeowners, 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 “Homeowners’ Relief  
5       and Neighborhood Stabilization Act of 2010”.

6       **SEC. 2. EMERGENCY MORTGAGE RELIEF.**

7       (a) USE OF TARP FUNDS.—Using the authority  
8       available under sections 101(a) and 115(a) of division A  
9       of the Emergency Economic Stabilization Act of 2008 (12  
10      U.S.C. 5211(a), 5225(a)), the Secretary of the Treasury

1 shall transfer to the Secretary of Housing and Urban De-  
 2 velopment \$3,000,000,000, and the Secretary of Housing  
 3 and Urban Development shall credit such amount to the  
 4 Emergency Homeowners' Relief Fund, which such Sec-  
 5 retary shall establish pursuant to section 107 of the Emer-  
 6 gency Housing Act of 1975 (12 U.S.C. 2706), as such  
 7 Act is amended by this section, for use for emergency  
 8 mortgage assistance in accordance with title I of such Act.

9 (b) REAUTHORIZATION OF EMERGENCY MORTGAGE  
 10 RELIEF PROGRAM.—Title I of the Emergency Housing  
 11 Act of 1975 is amended—

12 (1) in section 103 (12 U.S.C. 2702)—

13 (A) in paragraph (2)—

14 (i) by striking “have indicated” and  
 15 all that follows through “regulation of the  
 16 holder” and inserting “have certified”;

17 (ii) by striking “(such as the volume  
 18 of delinquent loans in its portfolio)”; and

19 (iii) by striking “, except that such  
 20 statement” and all that follows through  
 21 “purposes of this title”; and

22 (B) in paragraph (4), by inserting “or  
 23 medical conditions” after “adverse economic  
 24 conditions”;

25 (2) in section 104 (12 U.S.C. 2703)—

1           (A) in subsection (b), by striking “, but  
2           such assistance” and all that follows through  
3           the period at the end and inserting the fol-  
4           lowing: “. The amount of assistance provided to  
5           a homeowner under this title shall be an  
6           amount that the Secretary determines is rea-  
7           sonably necessary to supplement such amount  
8           as the homeowner is capable of contributing to-  
9           ward such mortgage payment, except that the  
10          aggregate amount of such assistance provided  
11          for any homeowner shall not exceed \$50,000.”;

12          (B) in subsection (d), by striking “interest  
13          on a loan or advance” and all that follows  
14          through the end of the subsection and inserting  
15          the following: “(1) the rate of interest on any  
16          loan or advance of credit insured under this  
17          title shall be fixed for the life of the loan or ad-  
18          vance of credit and shall not exceed the rate of  
19          interest that is generally charged for mortgages  
20          on single-family housing insured by the Sec-  
21          retary of Housing and Urban Development  
22          under title II of the National Housing Act at  
23          the time such loan or advance of credit is made,  
24          and (2) no interest shall be charged on interest  
25          which is deferred on a loan or advance of credit

made under this title. In establishing rates, terms and conditions for loans or advances of credit made under this title, the Secretary shall take into account a homeowner's ability to repay such loan or advance of credit.”; and

(C) in subsection (e), by inserting after the period at the end of the first sentence the following: “Any eligible homeowner who receives a grant or an advance of credit under this title may repay the loan in full, without penalty, by lump sum or by installment payments at any time before the loan becomes due and payable.”;

(3) in section 105 (12 U.S.C. 2704)—

(A) by striking subsection (b);

(B) in subsection (e)—

(i) by inserting “and emergency mortgage relief payments made under section 106” after “insured under this section”; and

(ii) by striking “\$1,500,000,000 at any one time” and inserting “\$3,000,000,000”;

1 (C) by redesignating subsections (c), (d),  
2 and (e) as subsections (b), (c), and (d), respec-  
3 tively; and

4 (D) by adding at the end the following new  
5 subsection:

6 “(e) The Secretary shall establish underwriting  
7 guidelines or procedures to allocate amounts made avail-  
8 able for loans and advances insured under this section and  
9 for emergency relief payments made under section 106  
10 based on the likelihood that a mortgagor will be able to  
11 resume mortgage payments, pursuant to the requirement  
12 under section 103(5).”;

13 (4) in section 107—

14 (A) by striking “(a)”; and

15 (B) by striking subsection (b);

16 (5) in section 108 (12 U.S.C. 2707), by adding  
17 at the end the following new subsection:

18 “(d) COVERAGE OF EXISTING PROGRAMS.—The Sec-  
19 retary shall allow funds to be administered by a State that  
20 has an existing program that is determined by the Sec-  
21 retary to provide substantially similar assistance to home-  
22 owners. After such determination is made such State shall  
23 not be required to modify such program to comply with  
24 the provisions of this title.”;

25 (6) in section 109 (12 U.S.C. 2708)—

1 (A) in the section heading, by striking  
 2 “AUTHORIZATION AND”;

3 (B) by striking subsection (a);

4 (C) by striking “(b)”;

5 (D) by striking “1977” and inserting  
 6 “2011”;

7 (7) by striking sections 110, 111, and 113 (12  
 8 U.S.C. 2709, 2710, 2712); and

9 (8) by redesignating section 112 (12 U.S.C.  
 10 2711) as section 110.

11 **SEC. 3. ADDITIONAL ASSISTANCE FOR NEIGHBORHOOD**  
 12 **STABILIZATION PROGRAM.**

13 Using the authority made available under sections  
 14 101(a) and 115(a) of division A of the Emergency Eco-  
 15 nomic Stabilization Act of 2008 (12 U.S.C. 5211(a),  
 16 5225(a)), the Secretary of the Treasury shall transfer to  
 17 the Secretary of Housing and Urban Development  
 18 \$1,000,000,000, and the Secretary of Housing and Urban  
 19 Development shall use such amounts for assistance to  
 20 States and units of general local government for the rede-  
 21 velopment of abandoned and foreclosed homes, in accord-  
 22 ance with the same provisions applicable under the second  
 23 undesignated paragraph under the heading “Community  
 24 Planning and Development—Community Development  
 25 Fund” in title XII of division A of the American Recovery

1 and Reinvestment Act of 2009 (Public Law 111–5; 123  
2 Stat. 217) to amounts made available under such second  
3 undesignated paragraph, except as follows:

4 (1) Notwithstanding the matter of such second  
5 undesignated paragraph that precedes the first pro-  
6 viso, amounts made available by this section shall re-  
7 main available until expended.

8 (2) The 3rd, 4th, 5th, 6th, 7th, and 15th pro-  
9 visos of such second undesignated paragraph shall  
10 not apply to amounts made available by this section.

11 (3) Amounts made available by this section  
12 shall be allocated based on a funding formula for  
13 such amounts established by the Secretary in ac-  
14 cordance with section 2301(b) of the Housing and  
15 Economic Recovery Act of 2008 (42 U.S.C. 5301  
16 note), except that—

17 (A) notwithstanding paragraph (2) of such  
18 section 2301(b), the formula shall be estab-  
19 lished not later than 30 days after the date of  
20 the enactment of this Act;

21 (B) the Secretary may not establish any  
22 minimum grant amount or size for grants to  
23 States;

24 (C) the Secretary may establish a min-  
25 imum grant amount for direct allocations to

1 units of general local government located within  
2 a State, which shall not exceed \$1,000,000; and

3 (D) each State and local government re-  
4 ceiving grant amounts shall establish proce-  
5 dures to create preferences for the development  
6 of affordable rental housing for properties as-  
7 sisted with amounts made available by this sec-  
8 tion.

9 (4) Paragraph (1) of section 2301(c) of the  
10 Housing and Economic Recovery Act of 2008 shall  
11 not apply to amounts made available by this section.

12 (5) Section 2302 of the Housing and Economic  
13 Recovery Act of 2008 shall not apply to amounts  
14 made available by this section.

15 (6) The fourth proviso from the end of such  
16 second undesignated paragraph shall be applied to  
17 amounts made available by this section by sub-  
18 stituting “2013” for “2012”.

19 (7) Notwithstanding section 2301(a) of the  
20 Housing and Economic Recovery Act of 2008, the  
21 term “State” means any State of the United States,  
22 the District of Columbia, the Commonwealth of  
23 Puerto Rico, the Commonwealth of the Northern  
24 Mariana Islands, Guam, the Virgin Islands, Amer-  
25 ican Samoa, and other territory or possession of the



1 United States for purposes of this section and title  
 2 III of division B of such Act, as applied to amounts  
 3 made available by this section.

4 (8)(A) None of the amounts made available by  
 5 this section shall be distributed to—

6 (i) any organization which has been con-  
 7 victed for a violation under Federal law relating  
 8 to an election for Federal office; or

9 (ii) any organization which employs appli-  
 10 cable individuals.

11 (B) In this paragraph, the term “applicable in-  
 12 dividual” means an individual who—

13 (i) is—

14 (I) employed by the organization in a  
 15 permanent or temporary capacity;

16 (II) contracted or retained by the or-  
 17 ganization; or

18 (III) acting on behalf of, or with the  
 19 express or apparent authority of, the orga-  
 20 nization; and

21 (ii) has been convicted for a violation  
 22 under Federal law relating to an election for  
 23 Federal office.

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