

112TH CONGRESS
1ST SESSION

H. R. 1238

To amend the Emergency Economic Stabilization Act of 2008 to allow amounts under the Troubled Assets Relief Program to be used to provide legal assistance to homeowners to avoid foreclosure.

IN THE HOUSE OF REPRESENTATIVES

MARCH 29, 2011

Ms. KAPTUR (for herself, Mr. LATOURETTE, and Mr. TURNER) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Emergency Economic Stabilization Act of 2008 to allow amounts under the Troubled Assets Relief Program to be used to provide legal assistance to homeowners to avoid foreclosure.

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 “Aiding Those Facing
5 Foreclosure Act of 2011”.

1 **SEC. 2. FORECLOSURE AVOIDANCE ASSISTANCE.**

2 Section 109 of the Emergency Economic Stabilization
3 Act of 2008 (12 U.S.C. 5219) is amended by adding at
4 the end the following new subsection:

5 “(d) **LEGAL ASSISTANCE.**—

6 “(1) **USE OF FUNDS.**—The Secretary may use
7 any amounts made available under this title that are
8 not otherwise obligated to provide assistance to non-
9 profit counseling intermediaries and nonprofit legal
10 organizations to provide legal assistance to home-
11 owners of owner-occupied homes consisting of from
12 one to four dwelling units who have mortgages on
13 such homes that are in default or delinquency, in
14 danger of default or delinquency, or subject to or at
15 risk of foreclosure, to assist such homeowners with
16 legal issues directly related to such default, delin-
17 quency, foreclosure, or any deed in lieu of fore-
18 closure or short sale.

19 “(2) **PROHIBITION ON LITIGATION.**—Paragraph
20 (1) may not be construed to authorize the use of any
21 amounts made available under this title to provide,
22 obtain, or arrange on behalf of a homeowner, legal
23 representation involving or for the purposes of civil
24 litigation that is not directly related to any such de-
25 fault, delinquency, foreclosure, or any deed in lieu of
26 foreclosure or short sale.

1 “(3) AUTHORIZATION.—Amounts used as de-
2 scribed under paragraph (1) shall be deemed to be
3 for actions authorized under this title.”.

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