

113TH CONGRESS
1ST SESSION

H. R. 554

To provide relief to homeowners affected by Superstorm Sandy who have mortgages insured by the FHA, or owned or guaranteed by Fannie Mae or Freddie Mac, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 6, 2013

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

A BILL

To provide relief to homeowners affected by Superstorm Sandy who have mortgages insured by the FHA, or owned or guaranteed by Fannie Mae or Freddie Mac, 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 “Superstorm Sandy
5 Mortgage Relief Act of 2013”.

1 **SEC. 2. REQUIREMENT TO OFFER FORBEARANCE TO AF-**
2 **FECTED HOMEOWNERS.**

3 (a) REQUIREMENT.—The Secretary of Housing and
4 Urban Development and the Director of the Federal
5 Housing Finance Agency shall each carry out a program
6 under this section to notify mortgagors under covered
7 mortgages of the availability of forbearance under the pro-
8 gram and to offer and provide such relief upon a request
9 by an eligible homeowner.

10 (b) COVERED MORTGAGE.—For purposes of this sec-
11 tion, the term “covered mortgage” means a mortgage—

12 (1) that is secured by a one- to four-family
13 dwelling that—

14 (A) is the principal residence of the mort-
15 gator; and

16 (B) is located within an area for which a
17 major disaster was declared pursuant to section
18 401 of the Robert T. Stafford Disaster Relief
19 and Emergency Assistance Act (42 U.S.C.
20 5170) as a result of Hurricane Sandy; and

21 (2) that is—

22 (A) insured under title II of the National
23 Housing Act (12 U.S.C. 1707 et seq.); or

24 (B) owned or guaranteed by the Federal
25 National Mortgage Association or the Federal
26 Home Loan Mortgage Corporation.

1 (c) ELIGIBLE HOMEOWNER.—For purposes of this
2 section, the term “eligible homeowner” means a mort-
3 gator under a covered mortgage whose—

4 (1) household experienced a disruption in in-
5 come as a result of Hurricane Sandy, as determined
6 in accordance with guidelines issued pursuant to
7 subsection (k); or

8 (2) residence that secures the mortgage was
9 damaged as a result of Hurricane Sandy, as deter-
10 mined in accordance with guidelines issued pursuant
11 to subsection (k).

12 (d) NOTIFICATION.—Under the program under this
13 section, the applicable agency heads shall require each
14 mortgagee of a covered mortgage to notify the mortgagor
15 under the mortgage in writing, not later than the expira-
16 tion of the 60-day period beginning on the date of the en-
17 actment of this Act and in such form as the applicable
18 agency heads shall require pursuant to guidelines issued
19 under subsection (k)—

20 (1) that the mortgage is a covered mortgage
21 that may be eligible for forbearance relief under the
22 program under this section;

23 (2) of the requirements for eligible homeowners
24 to qualify for such relief;

25 (3) of the terms of such relief; and

1 (4) how to request such relief.

2 (e) REQUEST FOR RELIEF.—The applicable agency
3 heads shall, by guidelines issued under subsection (k), pro-
4 vide for mortgagors under covered mortgages to submit
5 requests, during the 6-month period beginning on the date
6 of the enactment of this Act, to the mortgagees of such
7 mortgages for forbearance relief under the program under
8 this section.

9 (f) DETERMINATION.—Upon receipt of a request
10 made by a mortgagor under a covered mortgage for for-
11 bearance relief under the program under this section that
12 is submitted during the period referred to in subsection
13 (e), the mortgagee shall promptly determine whether the
14 mortgagor is an eligible homeowner and immediately no-
15 tify the mortgagor in writing of such determination.

16 (g) REQUIREMENT TO OFFER FORBEARANCE.—If,
17 pursuant to a request for relief submitted pursuant to sub-
18 section (e) with respect to a covered mortgage, the mort-
19 gagee for the mortgage determines that the mortgagor
20 under the mortgage is an eligible homeowner, the mort-
21 gagee shall, together with the notification required under
22 subsection (f) submit to the eligible homeowner a written
23 offer for forbearance that meets the requirements of sub-
24 section (h).

25 (h) TERMS OF FORBEARANCE.—

1 (1) IN GENERAL.—An offer for forbearance
2 with respect to a covered mortgage meets the terms
3 of this subsection only if—

4 (A) the forbearance provides for the sus-
5 pension of payments due under the mortgage
6 for a period having a duration that is not short-
7 er than 4 months nor longer than 12 months;
8 and

9 (B) the offer provides for forbearance and
10 terms, requirements, and procedures for such
11 forbearance that otherwise comply with guide-
12 lines issued by the Secretary and the Director
13 pursuant to paragraph (2) of this subsection.

14 (2) ESTABLISHMENT OF TERMS.—The applica-
15 ble agency heads shall, by guidelines issued pursuant
16 to subsection (k), provide for the terms, require-
17 ments, and procedures for forbearance offered under
18 the program under this section. Such guidelines
19 shall provide that—

20 (A) such forbearance shall be in manner
21 provided under, and subject to the terms of, the
22 provisions of Mortgagee Letter 2002–17 of the
23 Secretary (regarding “Special Forbearance:
24 Program Changes and Updates”) relating to
25 Type I Special Forbearance, except that—

1 (i) an offer of forbearance under the
2 program under this section shall only pro-
3 vide relief described in paragraph (1)(A) of
4 this subsection;

5 (ii) any requirement under such Mort-
6 gagee Letter relating to delinquency of the
7 mortgage or payments due and unpaid
8 shall not apply to the program under this
9 section; and

10 (iii) the terms of such Mortgagee Let-
11 ter shall apply with respect to mortgages
12 described in subsection (b)(2)(B) and to
13 the Director in the same manner and to
14 the same extent that such Mortgagee Let-
15 ter applies to mortgages described in sub-
16 section (b)(2)(A) and the Secretary; and

17 (B) the period referred to in paragraph
18 (1)(A) of this subsection may cover periods for
19 which payments due under the mortgage were
20 not paid that occurred before the request for re-
21 lief under the program was submitted, including
22 periods occurring before the date of the enact-
23 ment of this Act.

24 (i) OTHER FORBEARANCE.—This section may not be
25 construed to prevent an eligible homeowner and the mort-

1 gagee for the covered mortgage of such eligible homeowner
2 from agreeing to any other terms of forbearance, regard-
3 less of whether such eligible homeowner made a request
4 under subsection (e) or received an offer of forbearance
5 pursuant to subsection (g).

6 (j) OTHER DEFINITIONS.—For purposes of this sec-
7 tion, the following definitions shall apply:

8 (1) APPLICABLE AGENCY HEAD.—The term
9 “applicable agency head” means—

10 (A) the Secretary, with respect to a cov-
11 ered mortgage described in subsection
12 (b)(2)(A); and

13 (B) the Director, with respect to a covered
14 mortgage described in subsection (b)(2)(B).

15 (2) DIRECTOR.—The term “Director” means
16 the Director of the Federal Housing Finance Agen-
17 cy.

18 (3) MORTGAGEE.—The term “mortgagee”
19 means, with respect to a covered mortgage, the
20 original lender under the mortgage and any affili-
21 ates, agents, subsidiaries, successors, or assignees of
22 such lender, any subsequent purchaser, trustee, or
23 transferee of the mortgage or credit instrument
24 issued by such lender.

1 (4) SECRETARY.—The term “Secretary” means
2 the Secretary of Housing and Urban Development.

3 (k) GUIDELINES.—Not later than the expiration of
4 the 30-day period beginning on the date of the enactment
5 of this Act, the Secretary and the Director shall jointly
6 issue guidelines to carry out the program under this sec-
7 tion.

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