

S 2801

Mortgage Enhancement and Modification Act of 2008

**Congress:** 110 (2007–2009, Ended)

**Chamber:** Senate

**Policy Area:** Housing and Community Development

**Introduced:** Apr 2, 2008

**Current Status:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

**Latest Action:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Apr 2, 2008)

**Official Text:** <https://www.congress.gov/bill/110th-congress/senate-bill/2801>

Sponsor

**Name:** Sen. Clinton, Hillary Rodham [D-NY]

**Party:** Democratic • **State:** NY • **Chamber:** Senate

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Apr 2, 2008

Subjects & Policy Tags

**Policy Area:**

Housing and Community Development

Related Bills

Bill	Relationship	Last Action
110 HR 5579	Related bill	May 1, 2008: Placed on the Union Calendar, Calendar No. 382.

Mortgage Enhancement and Modification Act of 2008 - Establishes a standard for loan modifications or workout plans for pools of certain residential mortgage loans.

States that a servicer of such pooled loans owes a duty to the securitization vehicle to maximize, or not negatively affect, the recovery of total proceeds from such loans for the benefit of all investors and holders of beneficial interests in the pooled loans, in the aggregate, and not to any individual party or group of parties.

Deems the loan servicer to be acting on behalf of the securitization vehicle in the best interest of all such investors and holders if the servicer: (1) makes reasonable, documented efforts to implement a modification or workout plan for a loan in or facing payment default; or (2) engages in other loss mitigation efforts, if the former efforts fail or the plan would be infeasible, in the reasonable belief that such efforts will maximize the net present value to be realized over that which would be realized through foreclosure.

Declares, furthermore, that a servicer shall be deemed to be acting on behalf of the securitization vehicle in the best interest of all investors and beneficial interest holders if the servicer makes efforts to: (1) contact proactively borrowers approaching a calendar date in which a predetermined or contractually established rate of interest shall increase or fluctuate in accordance with specified indicators or within a predetermined range; and (2) determine the borrower's ability to make payments following a reset of interest rates, whether the borrower is in danger of default or disclosure, and whether a loan modification or other mitigation effort is appropriate.

Declares that, absent specific contractual provisions to the contrary, a servicer acting in a manner consistent with such duty shall not be liable to specified persons for entering into a qualified loan modification or workout plan for loss mitigation purposes.

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### **Actions Timeline**

- **Apr 2, 2008:** Introduced in Senate
- **Apr 2, 2008:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.