

HR 5579

Emergency Mortgage Loan Modification Act of 2008

Congress: 110 (2007–2009, Ended)

Chamber: House

Policy Area: Housing and Community Development

Introduced: Mar 11, 2008

Current Status: Placed on the Union Calendar, Calendar No. 382.

Latest Action: Placed on the Union Calendar, Calendar No. 382. (May 1, 2008)

Official Text: <https://www.congress.gov/bill/110th-congress/house-bill/5579>

Sponsor

Name: Rep. Castle, Michael N. [R-DE-At Large]

Party: Republican • State: DE • Chamber: House

Cosponsors (2 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Kanjorski, Paul E. [D-PA-11]	D · PA		Mar 11, 2008
Rep. Sherman, Brad [D-CA-27]	D · CA		Apr 23, 2008

Committee Activity

Committee	Chamber	Activity	Date
Financial Services Committee	House	Hearings By (subcommittee)	Apr 15, 2008

Subjects & Policy Tags

Policy Area:

Housing and Community Development

Related Bills

Bill	Relationship	Last Action
110 S 2801	Related bill	Apr 2, 2008: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

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

States that the servicer of such pooled loans owes a duty to the securitization vehicle to maximize recovery of proceeds 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 makes certain loss mitigation efforts for a loan in or facing payment default in the reasonable belief that the particular modification, workout plan, or other mitigation actions will maximize the net present value to be realized over that which would be realized through foreclosure.

Declares that, absent contractual provisions to the contrary, a servicer acting in a manner consistent with such duty shall not be liable to specified persons (including any person obligated pursuant to a derivatives instrument to make specified payments) for entering into a qualified loan modification or workout plan for loss mitigation purposes.

Defines "qualified loan modification or workout plan" as one that: (1) is scheduled to remain in place until the borrower sells or refinances the property, or for at least five years from the date of adoption of the plan, whichever is sooner; (2) does not provide for a repayment schedule that results in negative amortization at any time; and (3) does not require the borrower to pay additional points and fees.

States that, for purposes of a qualified loan modification or workout plan, negative amortization does not include capitalization of delinquent interest and arrearages.

Defines "securitization vehicle" as a trust, corporation, partnership, limited liability entity, special purpose entity, or other structure that: (1) is the issuer, or is created by the issuer, of mortgage pass-through certificates, participation certificates, mortgage-backed securities, or other similar securities backed by a pool of assets that includes residential mortgage loans; and (2) holds such loans.

Actions Timeline

- **May 1, 2008:** Reported (Amended) by the Committee on Financial Services. H. Rept. 110-615.
- **May 1, 2008:** Placed on the Union Calendar, Calendar No. 382.
- **Apr 23, 2008:** Committee Consideration and Mark-up Session Held.
- **Apr 23, 2008:** Ordered to be Reported (Amended) by Voice Vote.
- **Apr 15, 2008:** Referred to the Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises.
- **Apr 15, 2008:** Subcommittee Hearings Held.
- **Mar 11, 2008:** Introduced in House
- **Mar 11, 2008:** Referred to the House Committee on Financial Services.