

## HR 5830

FHA Housing Stabilization and Homeownership Retention Act of 2008

**Congress:** 110 (2007–2009, Ended)

**Chamber:** House

**Policy Area:** Housing and Community Development

**Introduced:** Apr 17, 2008

**Current Status:** Placed on the Union Calendar, Calendar No. 386.

**Latest Action:** Placed on the Union Calendar, Calendar No. 386. (May 5, 2008)

**Official Text:** <https://www.congress.gov/bill/110th-congress/house-bill/5830>

### Sponsor

---

**Name:** Rep. Frank, Barney [D-MA-4]

**Party:** Democratic • **State:** MA • **Chamber:** House

**Cosponsors** (43 total)

Cosponsor	Party / State	Role	Date Joined
Del. Christensen, Donna M. [D-VI-At Large]	D · VI		Apr 17, 2008
Rep. Ackerman, Gary L. [D-NY-5]	D · NY		Apr 17, 2008
Rep. Brown-Waite, Ginny [R-FL-5]	R · FL		Apr 17, 2008
Rep. Butterfield, G. K. [D-NC-1]	D · NC		Apr 17, 2008
Rep. Clay, Wm. Lacy [D-MO-1]	D · MO		Apr 17, 2008
Rep. Courtney, Joe [D-CT-2]	D · CT		Apr 17, 2008
Rep. Davis, Lincoln [D-TN-4]	D · TN		Apr 17, 2008
Rep. Dingell, John D. [D-MI-15]	D · MI		Apr 17, 2008
Rep. Donnelly, Joe [D-IN-2]	D · IN		Apr 17, 2008
Rep. Fattah, Chaka [D-PA-2]	D · PA		Apr 17, 2008
Rep. Green, Al [D-TX-9]	D · TX		Apr 17, 2008
Rep. Hinchey, Maurice D. [D-NY-22]	D · NY		Apr 17, 2008
Rep. Hodes, Paul W. [D-NH-2]	D · NH		Apr 17, 2008
Rep. Jackson, Jesse L., Jr. [D-IL-2]	D · IL		Apr 17, 2008
Rep. Lee, Barbara [D-CA-9]	D · CA		Apr 17, 2008
Rep. Levin, Sander M. [D-MI-12]	D · MI		Apr 17, 2008
Rep. Lynch, Stephen F. [D-MA-9]	D · MA		Apr 17, 2008
Rep. Maloney, Carolyn B. [D-NY-14]	D · NY		Apr 17, 2008
Rep. McCollum, Betty [D-MN-4]	D · MN		Apr 17, 2008
Rep. Meeks, Gregory W. [D-NY-6]	D · NY		Apr 17, 2008
Rep. Moore, Gwen [D-WI-4]	D · WI		Apr 17, 2008
Rep. Murphy, Christopher [D-CT-5]	D · CT		Apr 17, 2008
Rep. Perlmutter, Ed [D-CO-7]	D · CO		Apr 17, 2008
Rep. Schakowsky, Janice D. [D-IL-9]	D · IL		Apr 17, 2008
Rep. Sestak, Joe [D-PA-7]	D · PA		Apr 17, 2008
Rep. Shays, Christopher [R-CT-4]	R · CT		Apr 17, 2008
Rep. Sires, Albio [D-NJ-13]	D · NJ		Apr 17, 2008
Rep. Tsongas, Niki [D-MA-5]	D · MA		Apr 17, 2008
Rep. Van Hollen, Chris [D-MD-8]	D · MD		Apr 17, 2008
Rep. Waters, Maxine [D-CA-35]	D · CA		Apr 17, 2008
Rep. Watt, Melvin L. [D-NC-12]	D · NC		Apr 17, 2008
Rep. Wexler, Robert [D-FL-19]	D · FL		Apr 17, 2008
Rep. Wilson, Charles A. [D-OH-6]	D · OH		Apr 17, 2008
Rep. Wu, David [D-OR-1]	D · OR		Apr 17, 2008
Rep. Carson, Andre [D-IN-7]	D · IN		Apr 22, 2008
Rep. Crowley, Joseph [D-NY-7]	D · NY		Apr 22, 2008
Rep. Mahoney, Tim [D-FL-16]	D · FL		Apr 22, 2008
Rep. Hinojosa, Ruben [D-TX-15]	D · TX		Apr 24, 2008
Rep. Langevin, James R. [D-RI-2]	D · RI		Apr 24, 2008
Rep. Capuano, Michael E. [D-MA-8]	D · MA		Apr 29, 2008
Rep. Cummings, Elijah E. [D-MD-7]	D · MD		Apr 29, 2008

Cosponsor	Party / State	Role	Date Joined
Rep. Baca, Joe [D-CA-43]	D · CA		May 1, 2008
Rep. Sherman, Brad [D-CA-27]	D · CA		May 1, 2008

Committee Activity

Committee	Chamber	Activity	Date
Financial Services Committee	House	Reported By	May 6, 2008

Subjects & Policy Tags

Policy Area:

Housing and Community Development

Related Bills

No related bills are listed.

FHA Housing Stabilization and Homeownership Retention Act of 2008 - **Title I: Homeownership Retention** - (Sec. 102) Amends the National Housing Act (NHA) to create the Refinance Program Oversight Board, which shall establish and oversee a program for insuring homeownership retention mortgages.

Instructs the Secretary of Housing and Urban Development (HUD) to insure any homeownership retention mortgage covering a one- to four-family residence made to pay or prepay outstanding obligations under an existing mortgage on the residence.

Sets forth mortgagor eligibility criteria, including mortgagor certification that: (1) the residence is the only residence in which the mortgagor has any present ownership interest; (2) the mortgagor has not intentionally defaulted on the existing mortgage, nor knowingly, willfully, and with actual knowledge furnished material information known to be false for the purpose of obtaining the existing mortgage.

Requires waiver or forgiveness of all: (1) prepayment penalties; and (2) fees and penalties related to default or delinquency on existing mortgages.

Sets forth terms for required: (1) reduction of indebtedness under an existing senior mortgage; (2) extinguishment of debt by refinancing; and (3) treatment of multiple mortgage liens.

Requires debt service payments due under a mortgage insured under this Act to be substantially reduced from the debt service payments due under the existing mortgage or mortgages.

Requires the mortgage to provide that the HUD Secretary retain a lien on the residence which shall: (1) be subordinate to the mortgage insured under this Act, but senior to all other existing mortgages on it; and (2) secure the repayment.

Instructs the Oversight Board to prohibit borrowers from granting a new second lien on the mortgaged property during the first five years the mortgage is insured under this Act.

Requires the mortgagee to document and verify mortgagor income.

Requires a mortgage insured under this Act to: (1) bear interest at a single fixed rate for the entire mortgage term; and (2) involve a principal obligation that does not exceed the limitation that would be allowable for a mortgage insured pursuant to the Economic Stimulus Act of 2008.

Requires the Oversight Board to establish specified underwriting standards for mortgages insured under this Act, including a limitation on origination fees.

Sets forth criteria for appraisal independence. Subjects violations of such criteria to civil monetary penalties.

Prohibits the aggregate original principal obligation of all mortgages insured under this Act from exceeding \$300 billion.

Directs: (1) the Oversight Board and the HUD Secretary to monitor independent quality reviews of designated underwriters; and (2) the Inspector General of HUD to conduct an annual compliance audit of the mortgage insurance program under this Act.

Requires the HUD Secretary to ensure that securities based on and backed by a pool or trust composed of mortgages insured under this Act are available to be guaranteed by the Government National Mortgage Association (GNMA) for

timely payment of principal and interest.

Makes the insurance of each mortgage under this Act the obligation of the Special Risk Insurance Fund established by this Act.

Sets forth a sunset date of two years after enactment of this Act for commitments to insure under it.

Authorizes appropriations for FY2008-FY2009, including specified funds earmarked for: (1) counseling for veterans recently returning from active duty in the Armed Forces; and (2) the Neighborhood Reinvestment Corporation (NRC).

Repeals the limitation on the aggregate number of home equity conversion mortgages for elderly homeowners insured under this Act.

(Sec. 103) Directs the Board of Governors of the Federal Reserve System to study and report to specified congressional committees on the need for an auction or bulk refinancing mechanism to facilitate refinancing of existing residential mortgages that are at risk for foreclosure into mortgages insured under the NHA.

(Sec. 104) Establishes a temporary increase in the maximum loan guaranty amount for certain housing loans guaranteed by the Secretary of Veterans Affairs.

(Sec. 105) Requires the Securities and Exchange Commission (SEC) to study and report to Congress on: (1) mark-to-market accounting standards applicable to depository institutions with respect to residential mortgages at risk of foreclosure; (2) the effects of such accounting standards upon such institutions' capacity to provide refinancing to residential mortgagors at risk of foreclosure, including residential mortgagors during periods of market value declines and increased foreclosures; and (3) the feasibility of modifications of such standards, requirements, and regulatory actions during periods of market fluctuation in order to maintain the institution's ability to continue to carry mortgages on residential property at risk of foreclosure and assure the availability of credit to refinance such mortgages.

(Sec. 106) Instructs the Comptroller General of the United States to study and report to Congress on the effects of tightening credit markets upon prospective first-time homebuyers in selected communities that have been most detrimentally affected by subprime mortgage foreclosure crises and predatory mortgage lending.

**Title II: Office of Housing Counseling** - Expand and Preserve Home Ownership Through Counseling Act - (Sec. 202) Amends the Department of Housing and Urban Development Act to establish the Office of Housing Counseling.

(Sec. 203) Amends the Housing and Urban Development Act of 1968 to: (1) prescribe homeownership and rental counseling procedures and requirements; (2) direct the Secretary to make grants to qualified organizations for homeownership or rental counseling assistance; and (3) require such organizations to use only HUD-certified counselors.

(Sec. 206) Directs the HUD Secretary to study and report to Congress on the root causes of home loan defaults and foreclosures, including the role of escrow accounts in helping prime and nonprime borrowers avoid defaults and foreclosures.

(Sec. 208) Amends the Real Estate Settlement Procedures Act of 1974 to require a revamping of a public information booklet regarding federally related mortgage loans, with specified contents.

**Title III: Combating Mortgage Fraud** - (Sec. 301) Authorizes appropriations for FY2008-FY2012 for federal prosecution of mortgage fraud.

## Actions Timeline

---

- **May 5, 2008:** Reported (Amended) by the Committee on Financial Services. H. Rept. 110-619.
- **May 5, 2008:** Placed on the Union Calendar, Calendar No. 386.
- **May 1, 2008:** Committee Consideration and Mark-up Session Held.
- **May 1, 2008:** Ordered to be Reported (Amended) by the Yeas and Nays: 46 - 21.
- **Apr 30, 2008:** Committee Consideration and Mark-up Session Held.
- **Apr 24, 2008:** Committee Consideration and Mark-up Session Held.
- **Apr 17, 2008:** Introduced in House
- **Apr 17, 2008:** Referred to the House Committee on Financial Services.