

HR 1106

Helping Families Save Their Homes Act of 2009

Congress: 111 (2009–2011, Ended)

Chamber: House

Policy Area: Housing and Community Development

Introduced: Feb 23, 2009

Current Status: Referred to the Subcommittee on Commercial and Administrative Law.

Latest Action: Referred to the Subcommittee on Commercial and Administrative Law. (Jul 23, 2009)

Official Text: <https://www.congress.gov/bill/111th-congress/house-bill/1106>

Sponsor

Name: Rep. Conyers, John, Jr. [D-MI-14]

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

Cosponsors (24 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Berman, Howard L. [D-CA-28]	D · CA		Feb 23, 2009
Rep. Blumenauer, Earl [D-OR-3]	D · OR		Feb 23, 2009
Rep. Cohen, Steve [D-TN-9]	D · TN		Feb 23, 2009
Rep. Delahunt, Bill [D-MA-10]	D · MA		Feb 23, 2009
Rep. Edwards, Donna F. [D-MD-4]	D · MD		Feb 23, 2009
Rep. Ellison, Keith [D-MN-5]	D · MN		Feb 23, 2009
Rep. Frank, Barney [D-MA-4]	D · MA		Feb 23, 2009
Rep. Gonzalez, Charles A. [D-TX-20]	D · TX		Feb 23, 2009
Rep. Gutierrez, Luis V. [D-IL-4]	D · IL		Feb 23, 2009
Rep. Jackson-Lee, Sheila [D-TX-18]	D · TX		Feb 23, 2009
Rep. Johnson, Henry C. "Hank," Jr. [D-GA-4]	D · GA		Feb 23, 2009
Rep. Lewis, John [D-GA-5]	D · GA		Feb 23, 2009
Rep. Lofgren, Zoe [D-CA-16]	D · CA		Feb 23, 2009
Rep. Marshall, Jim [D-GA-8]	D · GA		Feb 23, 2009
Rep. Miller, Brad [D-NC-13]	D · NC		Feb 23, 2009
Rep. Nadler, Jerrold [D-NY-8]	D · NY		Feb 23, 2009
Rep. Sánchez, Linda T. [D-CA-39]	D · CA		Feb 23, 2009
Rep. Wasserman Schultz, Debbie [D-FL-20]	D · FL		Feb 23, 2009
Rep. Waters, Maxine [D-CA-35]	D · CA		Feb 23, 2009
Rep. Baca, Joe [D-CA-43]	D · CA		Feb 24, 2009
Rep. Capps, Lois [D-CA-23]	D · CA		Feb 24, 2009
Rep. Scott, Robert C. "Bobby" [D-VA-3]	D · VA		Feb 24, 2009
Rep. Turner, Michael R. [R-OH-3]	R · OH		Feb 24, 2009
Rep. Levin, Sander M. [D-MI-12]	D · MI		Feb 25, 2009

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Mar 11, 2009
Financial Services Committee	House	Referred To	Feb 23, 2009
Judiciary Committee	House	Referred to	Jul 23, 2009
Veterans' Affairs Committee	House	Referred To	Feb 23, 2009

Subjects & Policy Tags

Policy Area:

Housing and Community Development

Related Bills

Bill	Relationship	Last Action
111 S 896	Related bill	May 20, 2009: Became Public Law No: 111-22.
111 S 895	Related bill	Apr 27, 2009: Read the second time. Placed on Senate Legislative Calendar under General Orders. Calendar No. 51.
111 HRES 205	Procedurally related	Mar 5, 2009: Motion to reconsider laid on the table Agreed to without objection.
111 HRES 190	Procedurally related	Feb 26, 2009: Motion to reconsider laid on the table Agreed to without objection.

Helping Families Save Their Homes Act of 2009 - **Title I: Prevention of Mortgage Foreclosures - Subtitle A: Modification of Residential Mortgages** - (Sec. 101) Amends federal bankruptcy law governing a Chapter 13 debtor (adjustment of debts of an individual with regular income) to exclude from the computation of debts the secured or unsecured portions of: (1) debts secured by the debtor's principal residence if the value of the residence is less than the applicable maximum amount of noncontingent, liquidated, secured debts; or (2) debts secured or formerly secured by the debtor's principal residence that was either sold in foreclosure or surrendered to the creditor if the property's value was less than the applicable maximum amount of noncontingent, liquidated, secured debts.

Applies the credit counseling requirement to a Chapter 13 debtor who certifies receipt of notice that the holder of a claim secured by the debtor's principal residence may commence a foreclosure on it. Allows such a debtor to satisfy the requirement within 30 days after filing a petition for relief from debt. (Currently the requirement must be satisfied within 180 days before the filing of a petition.)

(Sec. 102) Requires the court to disallow a claim that is subject to any remedy for rescission under the Truth in Lending Act, notwithstanding the prior entry of a foreclosure judgment.

(Sec. 103) Permits a Chapter 13 bankruptcy plan to modify the rights of claim holders with respect to a claim for a loan originated before the effective date of this Act and secured by a security interest in the debtor's principal residence that is the subject of a foreclosure notice.

Authorizes reduction of a claim secured by the debtor's principal residence, but only in specified circumstances, particularly if the debtor sells the residence.

(Sec. 104) Permits a Chapter 13 bankruptcy plan to deny debtor liability for certain fees and charges incurred while the bankruptcy case is pending and arising from a debt secured by the debtor's principal residence, unless the claim holder observes specified requirements.

(Sec. 105) Adds to conditions for court confirmation of a plan in bankruptcy that: (1) the holder of a claim secured by the debtor's principal residence retain the lien securing the claim until the later of the payment of the claim as reduced and modified, completion of all payments under the plan, or the discharge of a debtor from all debts; and (2) the plan modifies the claim in good faith and the court does not find that the debtor has been convicted of obtaining by actual fraud the extension, renewal, or refinancing of credit that gives rise to a modified claim.

Authorizes the court, upon request, to confirm a plan proposing a reduction in the interest rate on the loan secured by such security interest and that does not reduce the principal, provided the total monthly mortgage payment is reduced to a percentage of the debtor's income in accordance with the guidelines of the Obama Administration's Homeowner Affordability and Stability Plan, and the debtor, thereafter, would be able to prevent foreclosure and pay a fully amortizing 30-year loan at such reduced interest rate without such reduction in principal.

(Sec. 106) Excludes from the final discharge of a debtor from all debts any unpaid portion of such a claim as reduced.

(Sec. 107) Amends the federal judicial code to prescribe standing trustee fees regarding certain payments received under a Chapter 13 bankruptcy plan.

(Sec. 109) Instructs the Comptroller General to study and report to certain congressional committees on: (1) the number

of Chapter 13 debtors who filed, during the year following enactment of this Act, for the purpose of restructuring their principal residence mortgages; (2) the number of mortgages restructured under this Act that subsequently resulted in default and foreclosure; (3) a comparison between the effectiveness of mortgages restructured under programs outside of bankruptcy and mortgages restructured under this Act; (4) the number of cases presented to the bankruptcy courts where mortgages were restructured under this Act that were appealed; (5) the number of bankruptcy cases where mortgages were restructured under this Act that were overturned on appeal; (6) the number of bankruptcy judges disciplined as a result of actions taken to restructure mortgages under this Act; and (7) whether the amendments made by this Act should be amended to include a sunset clause.

(Sec. 110) Directs the Comptroller General to report to Congress on: (1) a comprehensive review of the effects of the amendments made by this subtitle on the bankruptcy court; (2) a survey of whether the program should limit the types of homeowners eligible for the program, and (3) whether such amendments should remain in effect.

Subtitle B: Related Mortgage Modification Provisions - (Sec. 121) Expands federal procedures governing default on veterans' housing loans. Authorizes the Secretary of Veterans Affairs, in the event of a modification in bankruptcy, to pay the holder of the obligation the unpaid balance due as of the date of the filing of the bankruptcy petition, plus accrued interest, but only upon assignment, transfer, and delivery of all rights, interest, claims, evidence, and records regarding the loan.

(Sec. 122) Amends the National Housing Act to authorize the Secretary of Housing and Urban Development (HUD) to: (1) pay Federal Housing Administration (FHA) mortgage insurance benefits for a mortgage modified under federal bankruptcy law; and (2) implement a program solely to encourage loan modifications for eligible delinquent mortgages through the payment of insurance benefits and assignment of the mortgage to the Secretary and the subsequent modification of the terms of the mortgage according to a loan modification approved by the mortgagee.

(Sec. 123) Amends the Housing Act of 1949 to authorize the Secretary of Agriculture to pay: (1) the guaranteed portion of any losses incurred by the holder of a note or the loan servicer resulting from a modification in a bankruptcy proceeding; and (2) for losses incurred by holders or servicers in the event of a modification pursuant to a bankruptcy proceeding.

(Sec. 124) Declares unenforceable as contrary to public policy certain investment contracts between servicers and securitization vehicles or investors that require excess bankruptcy losses that exceed a certain dollar amount on residential mortgages.

(Sec. 125) Requires the Comptroller General to report to certain congressional committees on the volume of mortgage modifications reported to the Office of the Comptroller of the Currency and the Office of Thrift Supervision (OTS), under the mortgage metrics program of each such Office, during the previous quarter.

Title II: Foreclosure Mitigation and Credit Availability - (Sec. 201) Shields servicers from liability for implementing mortgage loan modifications or loss mitigation plans if they are in compliance with fiduciary duties required by the Truth in Lending Act (including any refinancing undertaken pursuant to standard loan modification, sale, or disposition guidelines issued by the Secretary of the Treasury).

(Sec. 202) Amends the National Housing Act to modify the HOPE for Homeowners Program (HOPE).

Requires mortgagor certification to HUD that the mortgagor has neither intentionally defaulted on an existing mortgage, nor provided false information, nor (as under existing law) been convicted for fraud during the 10-year period ending upon the insurance of the mortgage under this Act.

Authorizes the Secretary of Housing and Urban Development (HUD) to permit the establishment of a second lien on a property under an eligible mortgage to be insured, for the purpose of facilitating payment of closing or refinancing costs by a state or locality using funds provided: (1) under the HOME Investment Partnerships program; (2) under the community development block grants program under the Housing and Community Development Act of 1974; or (3) by a state or local housing finance agency.

Authorizes HUD to provide exceptions to primary residence and exclusive present ownership interest requirements for any mortgagor who has inherited a property or has relocated to a new jurisdiction, and is in the process of trying to sell such property or has been unable to sell it due to adverse market conditions.

Bans from the HOPE program mortgagors whose net worth exceeds \$1 million.

Authorizes the Secretary to establish a payment of up to \$1,000 per insured loan to the loan servicer of the existing senior mortgage for every loan insured under HOPE.

Directs the Secretary to establish, if feasible, an auction to refinance eligible mortgages on a wholesale or bulk basis.

Reduces by \$2.316 billion the \$700 billion limit on the Secretary of the Treasury's authority to purchase troubled assets under the Troubled Asset Relief Program (TARP) (in order to offset the costs of program changes).

(Sec. 203) Limits participation in the origination of an FHA-insured loan to a person or entity approved by the Secretary as a mortgagee, unless the Secretary otherwise authorizes such participation.

Prohibits approval as a mortgagee of any applicant any of whose officers, partners, directors, principals, managers, supervisors, loan processors, loan underwriters, or loan originators is currently suspended, debarred, otherwise restricted, indicted or convicted of certain offenses, engaged in nonconforming business practices, or subject to unresolved findings of a HUD audit, investigation, or review.

Requires an approved mortgagee to notify the Secretary immediately of any such sanctions applied to it or any of its personnel, including revocation of a state-issued mortgage loan originator license or similar declaration of ineligibility under state law.

Directs the Secretary to: (1) expand the existing process for reviewing new applicants for participation in FHA-insured mortgages on one- to four-family residences in order to identify applicants who represent a high risk to the Mutual Mortgage Insurance Fund (MMIF); and (2) implement procedures that, for mortgagees approved during the 12 months before enactment of this Act, expand the number of mortgages originated by such mortgagees reviewed for compliance with laws, regulations, and policies, including a process for random reviews and one for reviews based on volume of such mortgages.

(Sec. 204) Amends the Federal Deposit Insurance Act (FDIA) and the Federal Credit Union Act (FCUA) to: (1) increase deposit insurance coverage permanently to \$250,000; and (2) increase the borrowing authority of the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Administration (NCUA).

Amends the FDIA to: (1) extend to eight years the time period applicable to a Deposit Insurance Fund (DIF) restoration plan; and (2) revise requirements for special assessments to recover the loss to the DIF arising from actions taken to contain systemic risk with respect to certain insured depository institutions.

Amends the FCUA to direct the NCUA Board to establish a National Credit Union Share Insurance Fund Restoration Plan

whenever the Board projects that the equity ratio of the National Credit Union Share Insurance Fund will fall below a minimum designated equity ratio.

(Sec. 205) Requires the Secretary of the Treasury, when using certain funds under the Emergency Economic Stabilization Act of 2008 (EESA) to prevent and mitigate foreclosures on residential properties (including mortgage modifications), to provide that the limitation on the maximum original principal obligation of a mortgage that may be assisted shall not be less than the dollar amount limitation on the maximum original principal obligation of a mortgage that may be purchased by the Federal Home Loan Mortgage Corporation (Freddie Mac) for the area in which the property involved in the transaction is located.

(Sec. 206) Amends the National Housing Act with respect to insurance of home equity conversion mortgages for the elderly. Redefines a mortgage on the alternative kind of leasehold under such insurance program as one that has a term that ends no earlier than the minimum number of years, as specified by HUD, beyond the actuarial life expectancy of the mortgagor or comortgagor, whichever is the later date. (Currently, a lease having a period of not less than 10 years to run beyond the mortgage maturity date.)

(Sec. 207) Expresses the sense of Congress that the Secretary of the Treasury should use amounts made available in this Act to purchase mortgage revenue bonds for single-family housing issued through state housing finance agencies and through local governments and their agencies.

Title III: Mortgage Fraud - Nationwide Mortgage Fraud Task Force Act of 2009 - (Sec. 302) Establishes in the Department of Justice the Nationwide Mortgage Fraud Task Force to address mortgage fraud in the United States.

Requires the Task Force to: (1) establish federal, state, and local coordinating entities to organize initiatives to address mortgage fraud; (2) provide training to federal, state, and local law enforcement and prosecutorial agencies with respect to mortgage fraud; (3) collect and disseminate data with respect to mortgage fraud; and (4) perform other functions determined by the Attorney General to enhance the detection of, prevention of, and response to mortgage fraud in the United States.

Authorizes the Task Force to: (1) initiate and coordinate federal mortgage fraud investigations and, through the coordinating entities, state and local investigations; (2) establish a toll-free hotline for reporting mortgage fraud and providing the public with access to related information and resources; (3) create a database about suspensions and revocations of mortgage industry licenses and certifications to facilitate the sharing of such information by states; and (4) make recommendations and propose federal, state, and local government legislation.

Title IV: Foreclosure Moratorium Provisions - (Sec. 401) Expresses the sense of Congress that mortgage holders, institutions, and mortgage servicers should not initiate a foreclosure proceeding or a foreclosure sale on any homeowner until foreclosure mitigation provisions of title II of this Act, and the President's "Homeowner Affordability and Stability Plan," have been implemented and determined to be operational.

States that the foreclosure moratorium should apply only for first mortgages secured by the owner's principal dwelling. Sets forth duties of the consumer to maintain property and to respond to reasonable inquiries.

Actions Timeline

- **Jul 23, 2009:** Referred to the Subcommittee on Commercial and Administrative Law.
- **Mar 11, 2009:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
- **Mar 9, 2009:** Received in the Senate.
- **Mar 5, 2009:** Rule H. Res. 205 passed House.
- **Mar 5, 2009:** Considered as unfinished business. (consideration: CR H2997-3018; text as reported in House: CR H2997-3001)
- **Mar 5, 2009:** DEBATE - Pursuant to the provisions of H. Res. 190, the Committee of the Whole proceeded with thirty minutes of debate on the Lofgren amendment as modified. The modification would (1) allow a court to consider, in lieu of reducing mortgage principal, lowering the interest rate to reduce the debtor's mortgage payments according to the Administration's Homeowner Affordability and Stability Plan as implemented on March 4, 2009; (2) give the mortgage holder a greater proportion of the appreciation in a home on a graduated basis if it is sold during the 5-year period that the case is pending; and (3) provide that when a debtor seeks to reduce a mortgage's principal, the court must determine whether such relief is in good faith based on whether debtor was offered a mortgage modification under the Administration's plan and the debtor was able to afford payments under such plan.
- **Mar 5, 2009:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Lofgren amendment, the Chair put the question on adoption of the amendment and by voice vote, announced the ayes had prevailed. Mr. Goodlatte demanded a recorded vote and the Chair postponed further proceedings on the question of adoption of the amendment until later in the legislative day.
- **Mar 5, 2009:** DEBATE - Pursuant to the provisions of H.Res. 190, the Committee of the Whole proceeded with 10 minutes of debate on the Price (GA) amendment.
- **Mar 5, 2009:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Price (GA) amendment, the Chair put the question on adoption of the amendment and by voice vote, announced the noes had prevailed. Mr. Price (GA) demanded a recorded vote and the Chair postponed further proceedings on the question of adoption of the amendment until later in the legislative day.
- **Mar 5, 2009:** DEBATE - Pursuant to the provisions of H.Res. 190, the Committee of the Whole proceed with 10 minutes of debate on the Peters amendment.
- **Mar 5, 2009:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Peters amendment the Chair put the question on adoption of the amendment and by voice vote, announced that the ayes had prevailed. Mr. Goodlatte demanded a recorded vote and the Chair postponed further proceedings on the question of adoption of the amendment until later in the legislative day.
- **Mar 5, 2009:** DEBATE - Pursuant to the provisions of H. Res. 190, the Committee of Whole proceeded with 10 minutes of debate on the Titus amendment.
- **Mar 5, 2009:** Ms. Lofgren, Zoe moved that the Committee rise.
- **Mar 5, 2009:** On motion that the Committee rise Agreed to without objection.
- **Mar 5, 2009:** Committee of the Whole House on the state of the Union rises leaving H.R. 1106 as unfinished business.
- **Mar 5, 2009:** Considered as unfinished business. (consideration: CR H3018-3024)
- **Mar 5, 2009:** The House resolved into Committee of the Whole House on the state of the Union for further consideration.
- **Mar 5, 2009:** The House rose from the Committee of the Whole House on the state of the Union to report H.R. 1106.
- **Mar 5, 2009:** The previous question was ordered pursuant to the rule. (consideration: CR H3023)
- **Mar 5, 2009:** The House adopted the amendments en gross as agreed to by the Committee of the Whole House on the state of the Union.
- **Mar 5, 2009:** Mr. Price (GA) moved to recommit with instructions to Judiciary and Financial Services. (consideration: CR H3021-3023; text: CR H3021)
- **Mar 5, 2009:** Floor summary: DEBATE - The House proceeded with 10 minutes of debate on the Price (GA) motion to recommit with instructions. The instructions contained in the motion seek to require the bill to be reported back to the House with an amendment adding a new title pertaining to limitations on use of funds for prevention and mitigation or mortgage foreclosures.
- **Mar 5, 2009:** The previous question on the motion to recommit with instructions was ordered without objection. (consideration: CR H3023)
- **Mar 5, 2009:** On motion to recommit with instructions Failed by recorded vote: 182 - 242 (Roll no. 103).
- **Mar 5, 2009:** Passed/agreed to in House: On passage Passed by the Yeas and Nays: 234 - 191 (Roll no. 104).

- Mar 5, 2009:** On passage Passed by the Yeas and Nays: 234 - 191 (Roll no. 104).
- **Mar 5, 2009:** Motion to reconsider laid on the table Agreed to without objection.
 - **Mar 4, 2009:** Rules Committee Resolution H. Res. 205 Reported to House. The resolution provides that amendment number 1 printed in House Report 111-21 to be offered by Rep. John Conyers or his designee shall be perfected by the modification printed in the report to accompany this resolution.
 - **Feb 26, 2009:** Rule H. Res. 190 passed House.
 - **Feb 26, 2009:** Considered under the provisions of rule H. Res. 190. (consideration: CR H2848-2862)
 - **Feb 26, 2009:** Rule provides for consideration of H.R. 1106 with 1 hour of general debate. Previous question shall be considered as ordered without intervening motions except motion to recommit with or without instructions. Measure will be considered read. Specified amendments are in order. The resolution waives all points of order against the bill except those arising under clause 9 of rule XXI.
 - **Feb 26, 2009:** House resolved itself into the Committee of the Whole House on the state of the Union pursuant to H. Res. 190 and Rule XVIII.
 - **Feb 26, 2009:** The Speaker designated the Honorable Jose E. Serrano to act as Chairman of the Committee.
 - **Feb 26, 2009:** GENERAL DEBATE - The Committee of the Whole proceeded with one hour of general debate on H.R. 1106.
 - **Feb 26, 2009:** Mr. Frank (MA) moved that the Committee rise.
 - **Feb 26, 2009:** On motion to rise Agreed to by voice vote.
 - **Feb 26, 2009:** Committee of the Whole House on the state of the Union rises leaving H.R. 1106 as unfinished business.
 - **Feb 25, 2009:** Rules Committee Resolution H. Res. 190 Reported to House. Rule provides for consideration of H.R. 1106 with 1 hour of general debate. Previous question shall be considered as ordered without intervening motions except motion to recommit with or without instructions. Measure will be considered read. Specified amendments are in order. The resolution waives all points of order against the bill except those arising under clause 9 of rule XXI.
 - **Feb 23, 2009:** Introduced in House
 - **Feb 23, 2009:** Referred to House Financial Services
 - **Feb 23, 2009:** Referred to the Committee on Financial Services, and in addition to the Committees on the Judiciary, and Veterans' Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.
 - **Feb 23, 2009:** Referred to House Judiciary
 - **Feb 23, 2009:** Referred to House Veterans' Affairs