

S 61

Helping Families Save Their Homes in Bankruptcy Act of 2009

Congress: 111 (2009–2011, Ended)

Chamber: Senate

Policy Area: Finance and Financial Sector

Introduced: Jan 6, 2009

Current Status: Read twice and referred to the Committee on the Judiciary. (text of measure as introduced: CR S66)

Latest Action: Read twice and referred to the Committee on the Judiciary. (text of measure as introduced: CR S66) (Jan 6, 2009)

Official Text: <https://www.congress.gov/bill/111th-congress/senate-bill/61>

Sponsor

Name: Sen. Durbin, Richard J. [D-IL]

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

Cosponsors (10 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Boxer, Barbara [D-CA]	D · CA		Jan 6, 2009
Sen. Feinstein, Dianne [D-CA]	D · CA		Jan 6, 2009
Sen. Harkin, Tom [D-IA]	D · IA		Jan 6, 2009
Sen. Schumer, Charles E. [D-NY]	D · NY		Jan 6, 2009
Sen. Whitehouse, Sheldon [D-RI]	D · RI		Jan 6, 2009
Sen. Reed, Jack [D-RI]	D · RI		Jan 8, 2009
Sen. Feingold, Russell D. [D-WI]	D · WI		Jan 12, 2009
Sen. Merkley, Jeff [D-OR]	D · OR		Feb 12, 2009
Sen. Kerry, John F. [D-MA]	D · MA		Feb 24, 2009
Sen. Brown, Sherrod [D-OH]	D · OH		Mar 10, 2009

Committee Activity

Committee	Chamber	Activity	Date
Judiciary Committee	Senate	Referred To	Jan 6, 2009

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
111 HR 200	Identical bill	Feb 24, 2009: Placed on the Union Calendar, Calendar No. 7.
111 HR 225	Related bill	Jan 22, 2009: Committee Hearings Held.

Helping Families Save their Homes in Bankruptcy Act of 2009 - Amends federal bankruptcy law governing a Chapter 13 debtor (adjustment of debts of an individual with regular income). Excludes from computation of debts the secured or unsecured portions of: (1) debts secured by the debtor's principal residence if the current value of that residence is less than the secured debt limit; or (2) debts secured or formerly secured by debtor's principal residence that was either sold in foreclosure or surrendered to the creditor if the current value of such real property is less than the secured debt limit.

Declares the credit counseling requirement inapplicable to a Chapter 13 debtor who certifies that he or she has received notice that the holder of a claim secured by the debtor's principal residence may commence a foreclosure on the debtor's principal residence.

Requires the court to disallow a claim that is subject to any remedy for damages or rescission due to violations of state or federal consumer protection law, including the Truth in Lending Act, notwithstanding the prior entry of a foreclosure judgment.

Allows modification of the rights of claim holders, in the event of a foreclosure notice for a chapter 13 debtor, among other means by: (1) reducing a claim to equal the value of the debtor's interest in the residence securing such claim, and any adjustments to a related adjustable rate of interest; (2) waiving early repayment or prepayment penalties; and (3) extending the repayment period.

Denies 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.

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 such claim as reduced and modified or the discharge of a debtor from all debts; and (2) the plan modifies the claim in good faith.

Excludes from final discharge of a debtor from all debts: (1) any payments to claim holders whose rights are modified under this Act; and (2) any unpaid portion of a claim as reduced.

Actions Timeline

- **Jan 6, 2009:** Introduced in Senate
- **Jan 6, 2009:** Sponsor introductory remarks on measure. (CR S64-66)
- **Jan 6, 2009:** Read twice and referred to the Committee on the Judiciary. (text of measure as introduced: CR S66)