

HR 6431

Protecting Homeowners and Foreclosure Stabilization Act of 2010

Congress: 111 (2009–2011, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: Nov 18, 2010

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

Latest Action: Referred to the Subcommittee on Commercial and Administrative Law. (Dec 20, 2010)

Official Text: <https://www.congress.gov/bill/111th-congress/house-bill/6431>

Sponsor

Name: Rep. McDermott, Jim [D-WA-7]

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

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Judiciary Committee	House	Referred to	Dec 20, 2010

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

No related bills are listed.

Protecting Homeowners and Foreclosure Stabilization Act of 2010 - Amends the bankruptcy code to make an exception to the requirement that the bankruptcy court grant relief from a stay, on the request of a party in interest, by terminating, annulling, modifying, or conditioning the stay for cause, including the lack of adequate protection of an interest in property of that party in interest. Excludes from mandatory relief from a stay on these grounds any stay of the foreclosure of the debtor's principal residence.

Amends Chapter 13 (Adjustment of Debts of an Individual with Regular Income) of the bankruptcy code with respect to discretionary contents of the debtor's plan for adjustments of his or her debts. Allows the plan, subject to certain conditions, to modify the rights of the holder of a claim for a loan: (1) originated before the effective date of this Act, and (2) secured by a security interest (including a subordinate security interest) in the debtor's principal residence that is the subject of a notice that a foreclosure on the loan may be commenced.

Specifies as such conditions that the plan: (1) prohibits, reduces, or delays any otherwise permissible adjustments to the interest rate applicable on and after the date of the filing of the plan; (2) modifies the terms and conditions of the loan to provide for the payment of interest accruing after the date of the order for relief at a fixed annual rate equal to a specified rate, plus a reasonable premium for risk; and (3) provides for payments of the modified loan directly to the claim holder.

Allows a claim to be reduced under this Act only on the condition that, if the debtor sells the principal residence securing the claim before receiving a discharge from debt, and receives net proceeds from that sale, then the debtor agrees to pay the claim holder 30% of the capital gains if the residence is sold within 10 years after the plan's effective date.

Extends from 14 to 30 days the deadline, under the Federal Rules of Bankruptcy Procedure, for the filing of a debtor's plan after the filing of a Chapter 13 petition, if the debtor's plan would modify the rights of a claim holder pursuant to this Act.

Exempts from the credit counseling requirement any debtor whose principal residence is the subject of a notice of foreclosure (or similar notice under state law).

Makes it one of the duties of a debtor in a voluntary case under chapter 13, in which a debt is secured by a lien on the debtor's principal residence, to certify under penalty of perjury that, before the filing of the petition, the debtor requested the holder of the claim for such debt to modify the debt.

Actions Timeline

- **Dec 20, 2010:** Referred to the Subcommittee on Commercial and Administrative Law.
- **Nov 18, 2010:** Introduced in House
- **Nov 18, 2010:** Sponsor introductory remarks on measure. (CR E1979)
- **Nov 18, 2010:** Referred to the House Committee on the Judiciary.