

## HR 703

To promote bank liquidity and lending through deposit insurance, the HOPE for Homeowners Program, and other enhancements.

**Congress:** 111 (2009–2011, Ended)

**Chamber:** House

**Policy Area:** Finance and Financial Sector

**Introduced:** Jan 27, 2009

**Current Status:** Referred to the House Committee on Financial Services.

**Latest Action:** Referred to the House Committee on Financial Services. (Jan 27, 2009)

**Official Text:** <https://www.congress.gov/bill/111th-congress/house-bill/703>

### Sponsor

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

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

### Cosponsors

No cosponsors are listed for this bill.

### Committee Activity

Committee	Chamber	Activity	Date
Financial Services Committee	House	Referred To	Jan 27, 2009

### Subjects & Policy Tags

#### Policy Area:

Finance and Financial Sector

### Related Bills

No related bills are listed.

Amends the Federal Deposit Insurance Act and the Emergency Economic Stabilization Act of 2008 (EESA) to make permanent the increase in the standard maximum deposit insurance amount from \$100,000 to \$250,000.

Extends from five years to eight years after implementation of a Deposit Insurance Fund (DIF) restoration plan the deadline by which the DIF reserve ratio must meet or exceed the required minimum of 1.15% of estimated insured deposits.

Increases the borrowing authority of the Federal Deposit Insurance Corporation (FDIC) from a maximum \$30 billion to \$100 billion.

Extends to depository institution holding companies liability for special assessments to recover loss to the DIF arising from certain actions taken or assistance provided to avoid serious adverse effects on economic conditions or financial stability.

Amends the National Housing Act to revise certain requirements for the HOPE for Homeowners Program.

Repeals the requirement that the current borrower have, or is likely to have, a mortgage debt-to-income ratio greater than 31% (or any higher amount the Federal Home Loan Bank Board determines appropriate).

Increases from 90% to 93% of a property's appraised value the cap on the principal obligation amount of a refinanced eligible insured mortgage.

Repeals the prohibitions on: (1) second liens; and (2) payment of insurance benefits to a mortgagee in any case in which a mortgagor fails to make the first payment on a refinanced eligible mortgage.

Reduces the annual premium for a refinanced eligible insured mortgage, and allows its further reduction or termination during the mortgage term.

Repeals the entitlement of the Secretary of Housing and Urban Development and the mortgagor of an eligible insured mortgage, upon any sale or disposition of the subject property, to 50% of any appreciation in the property's appraised value since the date that the mortgage was insured.

Authorizes the Federal Home Loan Bank Board to establish a payment to the servicer of the existing senior mortgage for every loan insured under the HOPE for Homeowners Program.

Prescribes requirements (safe harbor) that will render a mortgage servicer not liable for entering into a loan modification or workout plan with respect to any mortgage on which: (1) default has occurred or is reasonably foreseeable; (2) the property securing it is occupied by the mortgagor; and (3) the servicer reasonably and in good faith believes that the anticipated recovery on the mortgage's principal outstanding obligation under a particular mortgage modification, workout plan, or other loss mitigation action will exceed, on a net present value basis, the anticipated recovery on the principal outstanding obligation to be realized through foreclosure.

Requires the Secretary of the Treasury to take prompt action to provide EESA Troubled Asset Relief Program (TARP) assistance to smaller community financial institutions, including privately held institutions.

## **Actions Timeline**

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- **Jan 27, 2009:** introduced in House

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