S 3426

Homeowner Foreclosure Reduction Act of 2016

Congress: 114 (2015–2017, Ended)
Chamber: Senate
Policy Area: Housing and Community Development
Introduced: Sep 28, 2016
Current Status: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
Latest Action: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Sep 28, 2016)
Official Text: https://www.congress.gov/bill/114th-congress/senate-bill/3426

Sponsor

Name: Sen. Booker, Cory A. [D-NJ]
Party: Democratic • **State:** NJ • **Chamber:** Senate

Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Menendez, Robert [D-NJ]	D · NJ		Sep 28, 2016

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Sep 28, 2016

Subjects & Policy Tags

Policy Area:

Housing and Community Development

Related Bills

No related bills are listed.

Summary (as of Sep 28, 2016)

Homeowner Foreclosure Reduction Act of 2016

This bill requires the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), and the Federal Housing Administration to permit certain nonprofit organizations and local governments to match the highest bids during sales of pools of certain nonperforming loans.

An entity that purchases a pool of loans under this bill may not foreclose on any of the occupied properties that secure loans in the pool during the 12-month period following the purchase.

The entity must also ensure that, within four years of the settlement date, at least 50% of the loans in the pool result in:

- a modified loan that meets specified requirements regarding the loan-to-value ratio, performance over a six-month period, fees and prepayment requirements, and the interest rate;
- a short sale of the property that secures the loan to an owner-occupant;
- holding the property that secures the loan for rental for a period of not less than three years, where the rental is affordable to a household with an annual income at or below the area median income;
- gifting the property that secures the loan to a land bank, a nonprofit organization, or a state or local government, with additional funds provided for demolition and maintenance; or
- sale of the loan or the property that secures the loan to a nonprofit organization.

If the entity purchases a pool that contains a loan secured by a vacant property, the entity must ensure that the servicer of the loan: (1) does not release the lien on the property, and (2) maintains the property in accordance with generally acceptable maintenance standards.

Actions Timeline

- **Sep 28, 2016:** Introduced in Senate
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