

112TH CONGRESS  
1ST SESSION

# H. R. 830

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IN THE SENATE OF THE UNITED STATES

MARCH 14, 2011

Received; read twice and referred to the Committee on Banking, Housing, and  
Urban Affairs

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## AN ACT

To rescind the unobligated funding for the FHA Refinance  
Program and to terminate the program.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “FHA Refinance Pro-  
3 gram Termination Act”.

4 **SEC. 2. RESCISSION OF FUNDING FOR FHA REFINANCE**  
5 **PROGRAM.**

6 Effective on the date of the enactment of this Act,  
7 there are rescinded and permanently canceled all unex-  
8 pended balances remaining available as of such date of en-  
9 actment of the amounts made available under title I of  
10 the Emergency Economic Stabilization Act (Public Law  
11 110–343; 12 U.S.C. 5211 et seq.) that have been allocated  
12 for use under the FHA Refinance Program (pursuant to  
13 Mortgagee Letter 2010–23 of the Secretary of Housing  
14 and Urban Development) of the Making Home Affordable  
15 initiative of the Secretary of the Treasury. All such unex-  
16 pended balances so rescinded and permanently canceled  
17 shall be retained in the general fund of the Treasury for  
18 reducing the debt of the Federal Government.

19 **SEC. 3. TERMINATION OF FHA REFINANCE PROGRAM.**

20 (a) **TERMINATION OF MORTGAGEE LETTER.**—The  
21 Mortgagee Letter referred to in section 2 shall be void and  
22 have no effect and the Secretary of Housing and Urban  
23 Development may not issue any regulation, order, notice,  
24 or mortgagee letter based on or substantially similar to  
25 such Mortgagee Letter.

1           (b) TREATMENT OF REMAINING FUNDS.—Notwith-  
2 standing subsection (a) of this section, any amounts made  
3 available for use under the Program referred to in section  
4 2 of this Act and expended before the date of the enact-  
5 ment of this Act shall continue to be governed by the  
6 Mortgagee Letter specified in subsection (a) of this sec-  
7 tion, and any other provisions of law, regulations, orders,  
8 and notices, applicable to such amounts, as in effect imme-  
9 diately before such date of enactment.

10           (c) TERMINATION.—After the enactment of this Act,  
11 the Secretary of Housing and Urban Development may  
12 not newly insure any mortgage under the FHA Refinance  
13 Program referred to in section 2 of this Act except pursu-  
14 ant to a commitment to insure made before such enact-  
15 ment, and upon the completion of all activities with re-  
16 spect to such commitments under the provisions of law,  
17 regulations, orders, notices, and mortgagee letters referred  
18 to in subsection (b) of this section, the Secretary of Hous-  
19 ing and Urban Development shall terminate the FHA Re-  
20 finance Program referred to in section 2.

21           (d) STUDY OF USE OF PROGRAM BY MEMBERS OF  
22 THE ARMED FORCES, VETERANS, GOLD STAR RECIPI-  
23 ENTS, AND MEMBERS AND VETERANS WITH SERVICE-  
24 CONNECTED DISABILITIES AND THEIR FAMILIES.—

1           (1) STUDY.—The Secretary of Housing and  
2 Urban Development shall conduct a study to deter-  
3 mine the extent of usage of the FHA Refinance Pro-  
4 gram referred to in section 2 by, and the impact of  
5 such program on, covered homeowners.

6           (2) REPORT.—Not later than the expiration of  
7 the 90-day period beginning on the date of the en-  
8 actment of this Act, the Secretary shall submit to  
9 the Congress a report setting forth the results of the  
10 study under paragraph (1) and identifying best  
11 practices, with respect to covered homeowners, that  
12 could be applied to the FHA Refinance Program.

13           (3) COVERED HOMEOWNER.—For purposes of  
14 this subsection, the term “covered homeowner”  
15 means a homeowner who is—

16                   (A) a member of the Armed Forces of the  
17 United States on active duty or the spouse or  
18 parent of such a member;

19                   (B) a veteran, as such term is defined in  
20 section 101 of title 38, United States Code;

21                   (C) eligible to receive a Gold Star lapel pin  
22 under section 1126 of title 10, United States  
23 Code, as a widow, parent, or next of kin of a  
24 member of the Armed Forces person who died

1 in a manner described in subsection (a) of such  
2 section; and

3 (D) such members and veterans of the  
4 Armed Forces who have service-connected inju-  
5 ries, and survivors and dependents of such  
6 members and veterans of the Armed Forces  
7 with such injuries.

8 **SEC. 4. PUBLICATION OF MEMBER AVAILABILITY FOR AS-**  
9 **SISTANCE.**

10 Not later than 5 days after the date of the enactment  
11 of this Act, the Secretary of Housing and Urban Develop-  
12 ment shall publish to its Website on the World Wide Web  
13 in a prominent location, large point font, and boldface type  
14 the following statement: “The FHA Short Refinance Pro-  
15 gram, which was intended to provide borrowers with refi-  
16 nance opportunities, has been terminated. If you are hav-  
17 ing trouble paying your mortgage and need help con-  
18 tacting your lender or servicer for purposes of negotiating  
19 or acquiring a loan modification, please contact your Mem-  
20 ber of Congress to assist you in contacting your lender

1 or servicer for the purpose of negotiating or acquiring a  
2 loan modification.”.

Passed the House of Representatives March 10,  
2011.

Attest:

KAREN L. HAAS,

*Clerk.*