H. R. 6729

To establish a Homeowner Assistance Fund to provide funds to State housing finance agencies for the purpose of preventing homeowner mortgage defaults, foreclosures, and displacements of individuals and families experiencing financial hardship, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 5, 2020

Mr. David Scott of Georgia (for himself and Ms. Waters) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

A BILL

To establish a Homeowner Assistance Fund to provide funds to State housing finance agencies for the purpose of preventing homeowner mortgage defaults, foreclosures, and displacements of individuals and families experiencing financial hardship, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “COVID-19 Homeowner Assistance Fund Act of 2020”.

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SEC. 2. HOMEOWNER ASSISTANCE FUND.

(a) DEFINITIONS.—In this section:

(1) FUND.—The term “Fund” means the Homeowner Assistance Fund established under subsection (b).

(2) SECRETARY.—The term “Secretary” means the Secretary of the Treasury.

(3) STATE.—The term “State” means any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Northern Mariana Islands.

(b) ESTABLISHMENT OF FUND.—There is established at the Department of the Treasury a Homeowner Assistance Fund to provide such funds as are made available under subsection (g) to State housing finance agencies for the purpose of preventing homeowner mortgage defaults, foreclosures, and displacements of individuals and families experiencing financial hardship after January 21, 2020.

(c) ALLOCATION OF FUNDS.—

(1) ADMINISTRATION.—Of any amounts made available for the Fund, the Secretary of the Treasury may allocate, in the aggregate, an amount not exceeding 5 percent—
(A) to the Office of Financial Stability established under section 101(a) of the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5211(a)) to administer and oversee the Fund, and to provide technical assistance to States for the creation and implementation of State programs to administer assistance from the Fund; and

(B) to the Inspector General of the Department of the Treasury for oversight of the program under this section.

(2) FOR STATES.—The Secretary shall establish such criteria as are necessary to allocate the funds available within the Fund for each State. The Secretary shall allocate such funds among all States taking into consideration the number of unemployment claims within a State relative to the nationwide number of unemployment claims.

(3) SMALL STATE MINIMUM.—The amount allocated for each State shall not be less than $250,000,000.

(4) SET-ASIDE FOR INSULAR AREAS.—Notwithstanding any other provision of this section, of the amounts appropriated under subsection (g), the Secretary shall reserve $200,000,000 to be disbursed to
Guam, American Samoa, the Virgin Islands, and the Northern Mariana Islands based on each such territory’s share of the combined total population of all such territories, as determined by the Secretary. For the purposes of this paragraph, population shall be determined based on the most recent year for which data are available from the United States Census Bureau.

(5) SET-ASIDE FOR INDIAN TRIBES AND NATIVE HAWAIIANS.—

(A) INDIAN TRIBES.—Notwithstanding any other provision of this section, of the amounts appropriated under subsection (g), the Secretary shall use 5 percent to make grants in accordance with subsection (f) to eligible recipients for the purposes described in subsection (e)(1).

(B) NATIVE HAWAIIANS.—Of the funds set aside under subparagraph (A), the Secretary shall use 0.3 percent to make grants to the Department of Hawaiian Home Lands in accordance with subsection (f) for the purposes described in subsection (e)(1).

(d) DISBURSEMENT OF FUNDS.—
(1) **ADMINISTRATION.**—Except for amounts made available for assistance under subsection (f), State housing finance agencies shall be primarily responsible for administering amounts disbursed from the Fund, but may delegate responsibilities and sub-allocate amounts to community development financial institutions and State agencies that administer Low-Income Home Energy Assistance Program of the Department of Health and Human Services.

(2) **NOTICE OF FUNDING.**—The Secretary shall provide public notice of the amounts that will be made available to each State and the method used for determining such amounts not later than the expiration of the 14-day period beginning on the date of the enactment of this Act of enactment.

(3) **SHFA PLANS.**—

(A) **ELIGIBILITY.**—To be eligible to receive funding allocated for a State under the section, a State housing finance agency for the State shall submit to the Secretary a plan for the implementation of State programs to administer, in part or in full, the amount of funding the State is eligible to receive, which shall provide for the commencement of receipt of applications by homeowners for assistance, and funding of
such applications, not later than the expiration of the 6-month period beginning upon the approval under this paragraph of such plan.

(B) MULTIPLE PLANS.—A State housing finance agency may submit multiple plans, each covering a separate portion of funding for which the State is eligible.

(C) TIMING.—The Secretary shall approve or disapprove a plan within 30 days after the plan’s submission and, if disapproved, explain why the plan could not be approved.

(D) DISBURSEMENT UPON APPROVAL.—The Secretary shall disburse to a State housing finance agency the appropriate amount of funding upon approval of the agency’s plan.

(E) AMENDMENTS.—A State housing finance agency may subsequently amend a plan that has previously been approved, provided that any plan amendment shall be subject to the approval of the Secretary. The Secretary shall approve any plan amendment or disapprove such amendment explain why the plan amendment could not be approved within 45 days after submission to the Secretary of such amendment.
(F) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance for any State housing finance agency that twice fails to have a submitted plan approved.

(e) PERMISSIBLE USES OF FUND.—

(1) IN GENERAL.—Funds made available to State housing finance agencies pursuant to this section may be used for the purposes established under subsection (b), which may include—

(A) mortgage payment assistance, including financial assistance to allow a borrower to reinstate their mortgage or to achieve a more affordable mortgage payment, which may include principal reduction or rate reduction, provided that any mortgage payment assistance is tailored to a borrower’s needs and their ability to repay, and takes into consideration the loss mitigation options available to the borrower;

(B) assistance with payment of taxes, hazard insurance, flood insurance, mortgage insurance, or homeowners’ association fees;

(C) utility payment assistance, including electric, gas, water, and internet service, including broadband internet access service (as such term is defined in section 8.1(b) of title 47,
Code of Federal Regulations (or any successor regulation));

(D) reimbursement of funds expended by a State or local government during the period beginning on January 21, 2020, and ending on the date that the first funds are disbursed by the State under the Fund, for the purpose of providing housing or utility assistance to individuals or otherwise providing funds to prevent foreclosure or eviction of a homeowner or prevent mortgage delinquency or loss of housing or critical utilities as a response to the coronavirus disease 2019 (COVID–19) pandemic; and

(E) any other assistance for homeowners to prevent eviction, mortgage delinquency or default, foreclosure, or the loss of essential utility services.

(2) TARGETING.—

(A) REQUIREMENT.—Not less than 60 percent of amounts made available for each State or other entity allocated amounts under subsection (c) shall be used for activities under paragraph (1) that assist homeowners having incomes equal to or less than 80 percent of the area median income.
(B) Determination of income.—In determining the income of a household for purposes of this paragraph, income shall be considered to include only income that the household is receiving at the time of application for assistance from the Fund and any income recently terminated shall not be included, except that for purposes of households receiving assistance for arrearages income shall include only the income that the household was receiving at the time such arrearages were incurred.

(C) Language assistance.—Each State housing finance agency or other entity allocated amounts under subsection (c) shall make available to each applicant for assistance from amounts from the Fund language assistance in any language that such language assistance is available in and shall provide notice to each such applicant that such language assistance is available.

(3) Administrative expenses.—Not more than 15 percent of the amount allocated to a State pursuant to subsection (c) may be used by a State housing financing agency for administrative expenses. Any amounts allocated to administrative ex-
penses that are no longer necessary for administra-

tive expenses may be used in accordance with para-

graph (1).

(f) TRIBAL AND NATIVE HAWAIIAN ASSISTANCE.—

(1) DEFINITIONS.—In this subsection:

(A) DEPARTMENT OF HAWAIIAN HOME

LANDS.—The term “Department of Hawaiian

Home Lands” has the meaning given the term

in section 801 of the Native American Housing

Assistance and Self-Determination Act of 1996

(42 U.S.C. 4221).

(B) ELIGIBLE RECIPIENT.—The term “eligi-

ble recipient” means any entity eligible to re-

ceive a grant under section 101 of the Native

American Housing Assistance and Self-Deter-


(2) REQUIREMENTS.—

(A) ALLOCATION.—Except for the funds

set aside under subsection (c)(5)(B), the Sec-

retary shall allocate the funds set aside under

subsection (c)(5)(A) using the allocation for-

mula described in subpart D of part 1000 of

title 24, Code of Federal Regulations (or any

successor regulations).
(B) NATIVE HAWAIIANS.—The Secretary shall use the funds made available under subsection (c)(5)(B) in accordance with part 1006 of title 24, Code of Federal Regulations (or successor regulations).

(3) TRANSFER.—The Secretary shall transfer any funds made available under subsection (c)(5) that have not been allocated by an eligible recipient or the Department of Hawaiian Home Lands, as applicable, to provide the assistance described in subsection (e)(1) by December 31, 2030, to the Secretary of Housing and Urban Development to carry out the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.).

(g) FUNDING.—

(1) APPROPRIATION.—There is appropriated, out of any funds in the Treasury not otherwise appropriated, to the Homeowner Assistance Fund established under subsection (b), $75,000,000,000, to remain available until expended or transferred or credited under subsection (i).

(2) EMERGENCY DESIGNATION.—Amounts specified under subsection (a) are designated by the Congress as being for an emergency requirement
pursuant to section 251(b)(2)(A)(i) of the Balanced

(h) USE OF HOUSING FINANCE AGENCY INNOVATION
FUND FOR THE HARDEST HIT HOUSING MARKETS

Funds.—A State housing finance agency may reallocate
any administrative or programmatic funds it has received
as an allocation from the Housing Finance Agency Inno-
vation Fund for the Hardest Hit Housing Markets created
pursuant to section 101(a) of the Emergency Economic
Stabilization Act of 2008 (12 U.S.C. 5211(a)) that have
not been otherwise allocated or disbursed as of the date
of enactment of this Act to supplement any administrative
or programmatic funds received from the Housing Assist-
ance Fund. Such reallocated funds shall not be considered
when allocating resources from the Housing Assistance
Fund using the process established under subsection (e)
and shall remain available for the uses permitted and
under the terms and conditions established by the contract
with Secretary created pursuant to subsection (d)(1) and
the terms of subsection (i).

(i) RESCISSION OF FUNDS.—Any funds that have not
been allocated by a State housing finance agency to pro-
vide assistance as described under subsection (e) by De-

cember 31, 2030, shall be reallocated by the Secretary in
the following manner:
(1) Sixty-five percent shall be transferred or credited to the Housing Trust Fund established under section 1338 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4568); and


(j) REPORTING REQUIREMENTS.—The Secretary shall provide public reports not less frequently than quarterly regarding the use of funds provided by the Homeowner Assistance Fund. Such reports shall include the following data by State and by program within each State, both for the past quarter and throughout the life of the program—

(1) the amount of funds allocated;

(2) the amount of funds disbursed;

(3) the number of households and individuals assisted;

(4) the acceptance rate of applicants;

(5) the type or types of assistance provided to each household;
(6) whether the household assisted had a federally backed loan and identification of the Federal entity backing such loan;

(7) the average amount of funding provided per household receiving assistance and per type of assistance provided;

(8) the average number of monthly payments that were covered by the funding amount that a household received, as applicable, disaggregated by type of assistance provided;

(9) the income level of each household receiving assistance; and

(10) the outcome 12 months after the household has received assistance.

Each report under this subsection shall disaggregate the information provided under paragraphs (3) through (10) by State, zip code, racial and ethnic composition of the household, and whether or not the person from the household applying for assistance speaks English as a second language.