

116TH CONGRESS  
2D SESSION

# 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.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “COVID-19 Home-  
5 owner Assistance Fund Act of 2020”.

1 **SEC. 2. HOMEOWNER ASSISTANCE FUND.**

2 (a) DEFINITIONS.—In this section:

3 (1) FUND.—The term “Fund” means the  
4 Homeowner Assistance Fund established under sub-  
5 section (b).

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

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

13 (b) ESTABLISHMENT OF FUND.—There is estab-  
14 lished at the Department of the Treasury a Homeowner  
15 Assistance Fund to provide such funds as are made avail-  
16 able under subsection (g) to State housing finance agen-  
17 cies for the purpose of preventing homeowner mortgage  
18 defaults, foreclosures, and displacements of individuals  
19 and families experiencing financial hardship after January  
20 21, 2020.

21 (c) ALLOCATION OF FUNDS.—

22 (1) ADMINISTRATION.—Of any amounts made  
23 available for the Fund, the Secretary of the Treas-  
24 ury may allocate, in the aggregate, an amount not  
25 exceeding 5 percent—

1 (A) to the Office of Financial Stability es-  
2 tablished under section 101(a) of the Emer-  
3 gency Economic Stabilization Act of 2008 (12  
4 U.S.C. 5211(a)) to administer and oversee the  
5 Fund, and to provide technical assistance to  
6 States for the creation and implementation of  
7 State programs to administer assistance from  
8 the Fund; and

9 (B) to the Inspector General of the De-  
10 partment of the Treasury for oversight of the  
11 program under this section.

12 (2) FOR STATES.—The Secretary shall establish  
13 such criteria as are necessary to allocate the funds  
14 available within the Fund for each State. The Sec-  
15 retary shall allocate such funds among all States  
16 taking into consideration the number of unemploy-  
17 ment claims within a State relative to the nationwide  
18 number of unemployment claims.

19 (3) SMALL STATE MINIMUM.—The amount allo-  
20 cated for each State shall not be less than  
21 \$250,000,000.

22 (4) SET-ASIDE FOR INSULAR AREAS.—Notwith-  
23 standing any other provision of this section, of the  
24 amounts appropriated under subsection (g), the Sec-  
25 retary shall reserve \$200,000,000 to be disbursed to

1 Guam, American Samoa, the Virgin Islands, and the  
2 Northern Mariana Islands based on each such terri-  
3 tory's share of the combined total population of all  
4 such territories, as determined by the Secretary. For  
5 the purposes of this paragraph, population shall be  
6 determined based on the most recent year for which  
7 data are available from the United States Census  
8 Bureau.

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

11 (A) INDIAN TRIBES.—Notwithstanding any  
12 other provision of this section, of the amounts  
13 appropriated under subsection (g), the Sec-  
14 retary shall use 5 percent to make grants in ac-  
15 cordance with subsection (f) to eligible recipi-  
16 ents for the purposes described in subsection  
17 (e)(1).

18 (B) NATIVE HAWAIIANS.—Of the funds set  
19 aside under subparagraph (A), the Secretary  
20 shall use 0.3 percent to make grants to the De-  
21 partment of Hawaiian Home Lands in accord-  
22 ance with subsection (f) for the purposes de-  
23 scribed in subsection (e)(1).

24 (d) DISBURSEMENT OF FUNDS.—

1           (1) ADMINISTRATION.—Except for amounts  
2           made available for assistance under subsection (f),  
3           State housing finance agencies shall be primarily re-  
4           sponsible for administering amounts disbursed from  
5           the Fund, but may delegate responsibilities and sub-  
6           allocate amounts to community development finan-  
7           cial institutions and State agencies that administer  
8           Low-Income Home Energy Assistance Program of  
9           the Department of Health and Human Services.

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

16          (3) SHFA PLANS.—

17                (A) ELIGIBILITY.—To be eligible to receive  
18                funding allocated for a State under the section,  
19                a State housing finance agency for the State  
20                shall submit to the Secretary a plan for the im-  
21                plementation of State programs to administer,  
22                in part or in full, the amount of funding the  
23                State is eligible to receive, which shall provide  
24                for the commencement of receipt of applications  
25                by homeowners for assistance, and funding of

1 such applications, not later than the expiration  
2 of the 6-month period beginning upon the ap-  
3 proval under this paragraph of such plan.

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

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

12 (D) DISBURSEMENT UPON APPROVAL.—  
13 The Secretary shall disburse to a State housing  
14 finance agency the appropriate amount of fund-  
15 ing upon approval of the agency’s plan.

16 (E) AMENDMENTS.—A State housing fi-  
17 nance agency may subsequently amend a plan  
18 that has previously been approved, provided  
19 that any plan amendment shall be subject to  
20 the approval of the Secretary. The Secretary  
21 shall approve any plan amendment or dis-  
22 approve such amendment explain why the plan  
23 amendment could not be approved within 45  
24 days after submission to the Secretary of such  
25 amendment.

1 (F) TECHNICAL ASSISTANCE.—The Sec-  
2 retary shall provide technical assistance for any  
3 State housing finance agency that twice fails to  
4 have a submitted plan approved.

5 (e) PERMISSIBLE USES OF FUND.—

6 (1) IN GENERAL.—Funds made available to  
7 State housing finance agencies pursuant to this sec-  
8 tion may be used for the purposes established under  
9 subsection (b), which may include—

10 (A) mortgage payment assistance, includ-  
11 ing financial assistance to allow a borrower to  
12 reinstate their mortgage or to achieve a more  
13 affordable mortgage payment, which may in-  
14 clude principal reduction or rate reduction, pro-  
15 vided that any mortgage payment assistance is  
16 tailored to a borrower's needs and their ability  
17 to repay, and takes into consideration the loss  
18 mitigation options available to the borrower;

19 (B) assistance with payment of taxes, haz-  
20 ard insurance, flood insurance, mortgage insur-  
21 ance, or homeowners' association fees;

22 (C) utility payment assistance, including  
23 electric, gas, water, and internet service, includ-  
24 ing broadband internet access service (as such  
25 term is defined in section 8.1(b) of title 47,

1 Code of Federal Regulations (or any successor  
2 regulation));

3 (D) reimbursement of funds expended by a  
4 State or local government during the period be-  
5 ginning on January 21, 2020, and ending on  
6 the date that the first funds are disbursed by  
7 the State under the Fund, for the purpose of  
8 providing housing or utility assistance to indi-  
9 viduals or otherwise providing funds to prevent  
10 foreclosure or eviction of a homeowner or pre-  
11 vent mortgage delinquency or loss of housing or  
12 critical utilities as a response to the coronavirus  
13 disease 2019 (COVID–19) pandemic; and

14 (E) any other assistance for homeowners  
15 to prevent eviction, mortgage delinquency or de-  
16 fault, foreclosure, or the loss of essential utility  
17 services.

18 (2) TARGETING.—

19 (A) REQUIREMENT.—Not less than 60 per-  
20 cent of amounts made available for each State  
21 or other entity allocated amounts under sub-  
22 section (c) shall be used for activities under  
23 paragraph (1) that assist homeowners having  
24 incomes equal to or less than 80 percent of the  
25 area median income.

1           (B) DETERMINATION OF INCOME.—In de-  
2           termining the income of a household for pur-  
3           poses of this paragraph, income shall be consid-  
4           ered to include only income that the household  
5           is receiving at the time of application for assist-  
6           ance from the Fund and any income recently  
7           terminated shall not be included, except that for  
8           purposes of households receiving assistance for  
9           arrearages income shall include only the income  
10          that the household was receiving at the time  
11          such arrearages were incurred.

12          (C) LANGUAGE ASSISTANCE.—Each State  
13          housing finance agency or other entity allocated  
14          amounts under subsection (c) shall make avail-  
15          able to each applicant for assistance from  
16          amounts from the Fund language assistance in  
17          any language that such language assistance is  
18          available in and shall provide notice to each  
19          such applicant that such language assistance is  
20          available.

21          (3) ADMINISTRATIVE EXPENSES.—Not more  
22          than 15 percent of the amount allocated to a State  
23          pursuant to subsection (c) may be used by a State  
24          housing financing agency for administrative ex-  
25          penses. Any amounts allocated to administrative ex-

1       penses that are no longer necessary for administra-  
2       tive expenses may be used in accordance with para-  
3       graph (1).

4       (f) TRIBAL AND NATIVE HAWAIIAN ASSISTANCE.—

5           (1) DEFINITIONS.—In this subsection:

6               (A) DEPARTMENT OF HAWAIIAN HOME  
7               LANDS.—The term “Department of Hawaiian  
8               Home Lands” has the meaning given the term  
9               in section 801 of the Native American Housing  
10              Assistance and Self-Determination Act of 1996  
11              (42 U.S.C. 4221).

12              (B) ELIGIBLE RECIPIENT.—The term “eli-  
13              gible recipient” means any entity eligible to re-  
14              ceive a grant under section 101 of the Native  
15              American Housing Assistance and Self-Deter-  
16              mination Act of 1996 (25 U.S.C. 4111).

17           (2) REQUIREMENTS.—

18               (A) ALLOCATION.—Except for the funds  
19               set aside under subsection (c)(5)(B), the Sec-  
20               retary shall allocate the funds set aside under  
21               subsection (c)(5)(A) using the allocation for-  
22               mula described in subpart D of part 1000 of  
23               title 24, Code of Federal Regulations (or any  
24               successor regulations).

1 (B) NATIVE HAWAIIANS.—The Secretary  
2 shall use the funds made available under sub-  
3 section (c)(5)(B) in accordance with part 1006  
4 of title 24, Code of Federal Regulations (or suc-  
5 cessor regulations).

6 (3) TRANSFER.—The Secretary shall transfer  
7 any funds made available under subsection (c)(5)  
8 that have not been allocated by an eligible recipient  
9 or the Department of Hawaiian Home Lands, as ap-  
10 plicable, to provide the assistance described in sub-  
11 section (e)(1) by December 31, 2030, to the Sec-  
12 retary of Housing and Urban Development to carry  
13 out the Native American Housing Assistance and  
14 Self-Determination Act of 1996 (25 U.S.C. 4101 et  
15 seq.).

16 (g) FUNDING.—

17 (1) APPROPRIATION.—There is appropriated,  
18 out of any funds in the Treasury not otherwise ap-  
19 propriated, to the Homeowner Assistance Fund es-  
20 tablished under subsection (b), \$75,000,000,000, to  
21 remain available until expended or transferred or  
22 credited under subsection (i).

23 (2) EMERGENCY DESIGNATION.—Amounts  
24 specified under subsection (a) are designated by the  
25 Congress as being for an emergency requirement

1       pursuant to section 251(b)(2)(A)(i) of the Balanced  
2       Budget and Emergency Deficit Control Act of 1985.

3       (h) USE OF HOUSING FINANCE AGENCY INNOVATION  
4       FUND FOR THE HARDEST HIT HOUSING MARKETS  
5       FUNDS.—A State housing finance agency may reallocate  
6       any administrative or programmatic funds it has received  
7       as an allocation from the Housing Finance Agency Inno-  
8       vation Fund for the Hardest Hit Housing Markets created  
9       pursuant to section 101(a) of the Emergency Economic  
10      Stabilization Act of 2008 (12 U.S.C. 5211(a)) that have  
11      not been otherwise allocated or disbursed as of the date  
12      of enactment of this Act to supplement any administrative  
13      or programmatic funds received from the Housing Assist-  
14      ance Fund. Such reallocated funds shall not be considered  
15      when allocating resources from the Housing Assistance  
16      Fund using the process established under subsection (c)  
17      and shall remain available for the uses permitted and  
18      under the terms and conditions established by the contract  
19      with Secretary created pursuant to subsection (d)(1) and  
20      the terms of subsection (i).

21      (i) RESCISSION OF FUNDS.—Any funds that have not  
22      been allocated by a State housing finance agency to pro-  
23      vide assistance as described under subsection (e) by De-  
24      cember 31, 2030, shall be reallocated by the Secretary in  
25      the following manner:

1           (1) Sixty-five percent shall be transferred or  
2           credited to the Housing Trust Fund established  
3           under section 1338 of the Federal Housing Enter-  
4           prises Financial Safety and Soundness Act of 1992  
5           (12 U.S.C. 4568); and

6           (2) thirty-five percent shall be transferred or  
7           credited to the Capital Magnet Fund under section  
8           1339 of the Federal Housing Enterprises Financial  
9           Safety and Soundness Act of 1992 (12 U.S.C.  
10          4569).

11          (j) REPORTING REQUIREMENTS.—The Secretary  
12          shall provide public reports not less frequently than quar-  
13          terly regarding the use of funds provided by the Home-  
14          owner Assistance Fund. Such reports shall include the fol-  
15          lowing data by State and by program within each State,  
16          both for the past quarter and throughout the life of the  
17          program—

18                 (1) the amount of funds allocated;

19                 (2) the amount of funds disbursed;

20                 (3) the number of households and individuals  
21          assisted;

22                 (4) the acceptance rate of applicants;

23                 (5) the type or types of assistance provided to  
24          each household;

1           (6) whether the household assisted had a feder-  
2 ally backed loan and identification of the Federal en-  
3 tity backing such loan;

4           (7) the average amount of funding provided per  
5 household receiving assistance and per type of as-  
6 sistance provided;

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

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

13           (10) the outcome 12 months after the house-  
14 hold has received assistance.

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

○