HOUSE PROPOSED AMENDMENT TO TITLE XIV

Page 1782, line 23, strike “1 property in any 36-month period” and insert “3 properties in any 12-month period”.

Page 1812, strike line 7 and all that follows through page 1813, line 9, and insert the following:

“(ii) LOAN DEFINITION.—The following agencies shall, in consultation with the Board, prescribe rules defining the types of loans they insure, guarantee or administer, as the case may be, that are qualified mortgages for purposes of subsection (c)(2)(A), and such rules may revise, add to, or subtract from the criteria used to define a qualified mortgage under subsection (c)(2)(A), upon a finding that such rules are consistent with the purposes of this section and section 129B, to prevent circumvention or evasion thereof, or to facilitate compliance with such sections—
“(I) The Department of Housing and Urban Development, with regard to mortgages insured under the National Housing Act (12 U.S.C. 1707 et seq.);

“(II) The Secretary of Veterans Affairs, with regard to a loan made or guaranteed by the Secretary of Veterans Affairs;

“(III) The Secretary of Agriculture, with regard loans guaranteed by the Secretary of Agriculture pursuant to 42 U.S.C. 1472(h); and

“(IV) The Rural Housing Service, with regard to loans insured by the Rural Housing Service.”.

Page 1921, after line 11, insert the following new subsections (and redesignate subsequent subsections accordingly):

“(g) INTERIM FINAL REGULATIONS.—The Board shall, for purposes of this section, prescribe interim final regulations no later than 60 days after the date of enactment of this section defining with specificity acts or practices that violate appraisal independence in the provision of mortgage lending services for a consumer credit trans-
action secured by the principal dwelling of the consumer or mortgage brokerage services for such a transaction and defining any terms in this section or such regulations.

“(h) LIMITATIONS.—Nothing in this section shall prohibit mortgage lenders, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation from accepting any appraisal report completed by an appraiser selected, retained, or compensated by a mortgage loan originator licensed or registered in accordance with section 1501 et seq. of the SAFE Mortgage Licensing Act of 2008, so long as such mortgage loan originator certifies adherence to the appraisal independence requirements of subsection (b) and any regulations prescribed thereunder.

“(i) CUSTOMARY AND REASONABLE FEE.—

“(1) IN GENERAL.—Lenders and their agents shall compensate fee appraisers at a rate that is customary and reasonable for appraisal services performed in the market area of the property being appraised. Evidence for such fees may be established by objective third-party information, such as government agency fee schedules, academic studies, and independent private sector surveys. Fee studies shall exclude assignments ordered by known appraisal management companies.
“(2) Fee Appraiser Definition.—For purposes of this section, the term ‘fee appraiser’ means a person who is not an employee of the mortgage loan originator or appraisal management company engaging the appraiser and is—

“(A) a State licensed or certified appraiser who receives a fee for performing an appraisal and certifies that the appraisal has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice; or

“(B) a company not subject to the requirements of section 1124 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3331 et seq.) that utilizes the services of State licensed or certified appraisers and receives a fee for performing appraisals in accordance with the Uniform Standards of Professional Appraisal Practice.

“(3) Exception for Complex Assignments.—In the case of an appraisal involving a complex assignment, the customary and reasonable fee may reflect the increased time, difficulty, and scope of the work required for such an appraisal and include an amount over and above the customary and reasonable fee for non-complex assignments.
“(j) SUNSET.—Effective on the date the interim final regulations are promulgated pursuant to subsection (g), the Home Valuation Code of Conduct announced by the Federal Housing Finance Agency on December 23, 2008, shall have no force or effect.”.

Page 1922, line 8, strike “and (f)” and insert “(f), (h), and (i)”.

Page 1967, after line 2, insert the following new sections:

6 SEC. 1495. EMERGENCY MORTGAGE RELIEF.

(a) USE OF TARP FUNDS.—Using the authority available under sections 101(a) and 115(a) of division A of the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5211(a), 5225(a)), the Secretary of the Treasury shall transfer to the Secretary of Housing and Urban Development $3,000,000,000, and the Secretary of Housing and Urban Development shall credit such amount to the Emergency Homeowners’ Relief Fund, which such Secretary shall establish pursuant to section 107 of the Emergency Housing Act of 1975 (12 U.S.C. 2706), as such Act is amended by this section, for use for emergency mortgage assistance in accordance with title I of such Act.
(b) **Reauthorization of Emergency Mortgage Relief Program.**—Title I of the Emergency Housing Act of 1975 is amended—

(1) in section 103 (12 U.S.C. 2702)—

(A) in paragraph (2)—

(i) by striking “have indicated” and all that follows through “regulation of the holder” and insert “have certified”;

(ii) by striking “(such as the volume of delinquent loans in its portfolio)”; and

(iii) by striking “, except that such statement” and all that follows through “purposes of this title”; and

(B) in paragraph (4), by inserting “or medical conditions” after “adverse economic conditions”;

(2) in section 104 (12 U.S.C. 2703)—

(A) in subsection (b), by striking “, but such assistance” and all that follows through the period at the end and inserting the following: “. The amount of assistance provided to a homeowner under this title shall be an amount that the Secretary determines is reasonably necessary to supplement such amount as the homeowner is capable of contributing to—
ward such mortgage payment, except that the
aggregate amount of such assistance provided
for any homeowner shall not exceed $50,000.”;

(B) in subsection (d), by striking “interest
on a loan or advance” and all that follows
through the end of the subsection and inserting
the following: “(1) the rate of interest on any
loan or advance of credit insured under this
title shall be fixed for the life of the loan or ad-
vance of credit and shall not exceed the rate of
interest that is generally charged for mortgages
on single-family housing insured by the Sec-
retary of Housing and Urban Development
under title II of the National Housing Act at
the time such loan or advance of credit is made,
and (2) no interest shall be charged on interest
which is deferred on a loan or advance of credit
made under this title. In establishing rates,
terms and conditions for loans or advances of
credit made under this title, the Secretary shall
take into account a homeowner’s ability to
repay such loan or advance of credit.”; and

(C) in subsection (e), by inserting after the
period at the end of the first sentence the fol-
lowing: “Any eligible homeowner who receives a
grant or an advance of credit under this title
may repay the loan in full, without penalty, by
lump sum or by installment payments at any
time before the loan becomes due and pay-
able.”;

(3) in section 105 (12 U.S.C. 2704)—

(A) by striking subsection (b);

(B) in subsection (e)—

(i) by inserting “and emergency mort-
gage relief payments made under section
106” after “insured under this section”; and

(ii) by striking “$1,500,000,000 at
any one time” and inserting
“$3,000,000,000”;

(C) by redesignating subsections (e), (d),
and (e) as subsections (b), (c), and (d), respec-
tively; and

(D) by adding at the end the following new
subsection:

“(e) The Secretary shall establish underwriting
guidelines or procedures to allocate amounts made avail-
able for loans and advances insured under this section and
for emergency relief payments made under section 106
based on the likelihood that a mortgagor will be able to
resume mortgage payments, pursuant to the requirement under section 103(5).”;

(4) in section 107—

(A) by striking “(a)”; and

(B) by striking subsection (b);

(5) in section 108 (12 U.S.C. 2707), by adding at the end the following new subsection:

“(d) COVERAGE OF EXISTING PROGRAMS.—The Secretary shall allow funds to be administered by a State that has an existing program that is determined by the Secretary to provide substantially similar assistance to homeowners. After such determination is made such State shall not be required to modify such program to comply with the provisions of this title.”;

(6) in section 109 (12 U.S.C. 2708)—

(A) in the section heading, by striking “AUTHORIZATION AND”;

(B) by striking subsection (a);

(C) by striking “(b)”; and

(D) by striking “1977” and inserting “2011”;

(7) by striking sections 110, 111, and 113 (12 U.S.C. 2709, 2710, 2712); and

(8) by redesignating section 112 (12 U.S.C. 2711) as section 110.
SECTION 1496. ADDITIONAL ASSISTANCE FOR NEIGHBORHOOD STABILIZATION PROGRAM.

Using the authority made available under sections 101(a) and 115(a) of division A of the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5211(a), 5225(a)), the Secretary of the Treasury shall transfer to the Secretary of Housing and Urban Development $1,000,000,000, and the Secretary of Housing and Urban Development shall use such amounts for assistance to States and units of general local government for the redevelopment of abandoned and foreclosed homes, in accordance with the same provisions applicable under the second undesignated paragraph under the heading ‘‘Community Planning and Development—Community Development Fund’’ in title XII of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5; 123 Stat. 217) to amounts made available under such second undesignated paragraph, except as follows:

(1) Notwithstanding the matter of such second undesignated paragraph that precedes the first proviso, amounts made available by this section shall remain available until expended.

(2) The 3rd, 4th, 5th, 6th, 7th, and 15th provisos of such second undesignated paragraph shall not apply to amounts made available by this section.
(3) Amounts made available by this section shall be allocated based on a funding formula for such amounts established by the Secretary in accordance with section 2301(b) of the Housing and Economic Recovery Act of 2008 (42 U.S.C. 5301 note), except that—

(A) notwithstanding paragraph (2) of such section 2301(b), the formula shall be established not later than 30 days after the date of the enactment of this Act;

(B) the Secretary may not establish any minimum grant amount or size for grants to States;

(C) the Secretary may establish a minimum grant amount for direct allocations to units of general local government located within a State, which shall not exceed $1,000,000; and

(D) each State and local government receiving grant amounts shall establish procedures to create preferences for the development of affordable rental housing for properties assisted with amounts made available by this section.
(4) Paragraph (1) of section 2301(c) of the Housing and Economic Recovery Act of 2008 shall not apply to amounts made available by this section.

(5) Section 2302 of the Housing and Economic Recovery Act of 2008 shall not apply to amounts made available by this section.

(6) The fourth proviso from the end of such second undesignated paragraph shall be applied to amounts made available by this section by substituting “2013” for “2012”.

(7) Notwithstanding section 2301(a) of the Housing and Economic Recovery Act of 2008, the term “State” means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, and other territory or possession of the United States for purposes of this section and title III of division B of such Act, as applied to amounts made available by this section.

(8)(A) None of the amounts made available by this section shall be distributed to—

(i) any organization which has been convicted for a violation under Federal law relating to an election for Federal office; or
(ii) any organization which employs applicable individuals.

(B) In this paragraph, the term “applicable individual” means an individual who—

(i) is—

(I) employed by the organization in a permanent or temporary capacity;

(II) contracted or retained by the organization; or

(III) acting on behalf of, or with the express or apparent authority of, the organization; and

(ii) has been convicted for a violation under Federal law relating to an election for Federal office.

SEC. 1497. LEGAL ASSISTANCE FOR FORECLOSURE-RELATED ISSUES.

(a) ESTABLISHMENT.—The Secretary of Housing and Urban Development (hereafter in this section referred to as the “Secretary”) shall establish a program for making grants for providing a full range of foreclosure legal assistance to low- and moderate-income homeowners and tenants related to home ownership preservation, home foreclosure prevention, and tenancy associated with home foreclosure.
(b) **COMPETITIVE ALLOCATION.**—The Secretary shall allocate amounts made available for grants under this section to State and local legal organizations on the basis of a competitive process. For purposes of this subsection “State and local legal organizations” are those State and local organizations whose primary business or mission is to provide legal assistance.

(c) **PRIORITY TO CERTAIN AREAS.**—In allocating amounts in accordance with subsection (b), the Secretary shall give priority consideration to State and local legal organizations that are operating in the 100 metropolitan statistical areas (as that term is defined by the Director of the Office of Management and Budget) with the highest home foreclosure rates.

(d) **LEGAL ASSISTANCE.**—

(1) **IN GENERAL.**—Any State or local legal organization that receives financial assistance pursuant to this section may use such amounts only to assist—

(A) homeowners of owner-occupied homes with mortgages in default, in danger of default, or subject to or at risk of foreclosure; and

(B) tenants at risk of or subject to eviction as a result of foreclosure of the property in which such tenant resides.
(2) Commence use within 90 days.—Any State or local legal organization that receives financial assistance pursuant to this section shall begin using any financial assistance received under this section within 90 days after receipt of the assistance.

(3) Prohibition on class actions.—No funds provided to a State or local legal organization under this section may be used to support any class action litigation.

(4) Limitation on legal assistance.—Legal assistance funded with amounts provided under this section shall be limited to mortgage-related default, eviction, or foreclosure proceedings, without regard to whether such foreclosure is judicial or nonjudicial.

(5) Effective date.—Notwithstanding any other provision of this Act, this subsection shall take effect on the date of the enactment of this Act.

(e) Limitation on distribution of assistance.—

(1) In general.—None of the amounts made available under this section shall be distributed to—

(A) any organization which has been convicted for a violation under Federal law relating to an election for Federal office; or
(B) any organization which employs applicable individuals.

(2) Definition of applicable individuals.—In this subsection, the term “applicable individual” means an individual who—

(A) is—

(i) employed by the organization in a permanent or temporary capacity;

(ii) contracted or retained by the organization; or

(iii) acting on behalf of, or with the express or apparent authority of, the organization; and

(B) has been convicted for a violation under Federal law relating to an election for Federal office.

(f) Authorization of Appropriations.—There are authorized to be appropriated to the Secretary $35,000,000 for each of fiscal years 2011 through 2014 for grants under this section.