

111TH CONGRESS  
1ST SESSION

# H. R. 787

To make improvements in the Hope for Homeowners Program, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 2, 2009

Mr. FRANK of Massachusetts introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To make improvements in the Hope for Homeowners Program, 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. CHANGES TO HOPE FOR HOMEOWNERS PRO-**

4 **GRAM.**

5 Section 257 of the National Housing Act (12 U.S.C.  
6 1715z-23) is amended—

7 (1) in subsection (e)—

8 (A) in paragraph (1), by striking subpara-  
9 graph (B);

1 (B) in paragraph (2)(B), by striking “90  
2 percent” and inserting “93 percent”;

3 (C) by striking paragraph (7); and

4 (D) by redesignating paragraphs (8), (9),  
5 (10), and (11) as paragraphs (7), (8), (9), and  
6 (10), respectively;

7 (2) in subsection (h)(2), by striking “, or in any  
8 case in which a mortgagor fails to make the first  
9 payment on a refinanced eligible mortgage”;

10 (3) by striking subsection (i) and inserting the  
11 following new subsection:

12 “(i) ANNUAL PREMIUMS.—

13 “(1) IN GENERAL.—For each refinanced eligible  
14 mortgage insured under this section, the Secretary  
15 shall establish and collect an annual premium in an  
16 amount equal to not less than 0.55 percent of the  
17 amount of the remaining insured principal balance  
18 of the mortgage and not more than 0.75 percent of  
19 such remaining insured principal balance, as deter-  
20 mined according to a schedule established by the  
21 Board that assigns such annual premiums based  
22 upon the credit risk of the mortgage.

23 “(2) REDUCTION OR TERMINATION DURING  
24 MORTGAGE TERM.—Notwithstanding paragraph (1),  
25 the Secretary may provide that the annual premiums

1 charged for refinanced eligible mortgages insured  
2 under this section are reduced over the term of the  
3 mortgage or that the collection of such premiums is  
4 discontinued at some time during the term of the  
5 mortgage, in a manner that is consistent with poli-  
6 cies for such reduction or discontinuation of annual  
7 premiums charged for mortgages in accordance with  
8 section 203(e).”;

9 (4) in subsection (k)—

10 (A) by striking the subsection heading and  
11 inserting “Exit Fee”;

12 (B) in paragraph (1), in the matter pre-  
13 ceding subparagraph (A), by striking “such sale  
14 or refinancing” and inserting “the mortgage  
15 being insured under this section”; and

16 (C) by striking paragraph (2);

17 (5) in subsection (s)(3)(A)(ii), by striking “sub-  
18 section (e)(1)(B) and such other” and inserting  
19 “such”;

20 (6) in subsection (v), by inserting after the pe-  
21 riod at the end the following: “The Board shall con-  
22 form documents, forms, and procedures for mort-  
23 gages insured under this section to those in place for  
24 mortgages insured under section 203(b) to the max-

1       imum extent possible consistent with the require-  
2       ments of this section.”;

3           (7) in subsection (w)(1)(C), by striking  
4       “(e)(4)(A)” and inserting “(e)(3)(A)”; and

5           (8) by adding at the end the following new sub-  
6       section:

7       “(x) PAYMENT TO EXISTING LOAN SERVICER.—The  
8       Board may establish a payment to the servicer of the exist-  
9       ing senior mortgage for every loan insured under the  
10      HOPE for Homeowners Program.”.

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