



Councilmember Kenyan R. McDuffie

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend, on an emergency basis, the COVID-19 Response Supplemental Emergency Amendment Act of 2020 to include mortgage lenders as covered entities, require notice of approved deferral applications, and to clarify the amount a landlord may require a tenant to repay following the deferral period.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Mortgage Relief Emergency Amendment Act of 2020”.

Sec. 2. Section 202 of the COVID-19 Response Supplemental Emergency Amendment Act of 2020, effective April 10, 2020 (D.C. Act 23-286; 66 DCR \_\_\_), is amended is amended as follows:

(a) Strike the term “mortgage servicer” everywhere it appears and insert the term “mortgage lender” in its place.

(b) Subsection (a) is amended as follows:

(1) The lead-in language is amended by striking the phrase “that holds mortgage servicing rights to” and inserting the phrase “that makes” in its place.

(2) Paragraph (1) is amended to read as follows:

“(1) Grants at least a 90-day deferment of the monthly payment of principal and interest on a mortgage for borrowers; and”.

34 (c) Subsection (d) is amended by adding a new paragraph (3) to read as follows:

35 “(3)(A) A mortgage lender who approves an application for deferment pursuant to  
36 this section shall, within 15 days after the effective date of this act, provide notice of all  
37 approved applications to the Commissioner on a form prescribed by the Commissioner and such  
38 notice shall include the percentage of mortgage deferment approved for and accepted by each  
39 borrower. After the initial submission prescribed herein, a mortgage lender who approved an  
40 application for deferment pursuant to this section shall provide the Commissioner with a list of  
41 all new approvals in 15-day intervals for the duration of the public health emergency and for 60  
42 days thereafter. The Commissioner may request information on the number and nature of  
43 approvals between 15-day intervals.

44 “(B) The Commissioner shall maintain a publicly available list of  
45 approved commercial mortgage loan deferral applications. The requirement of this subparagraph  
46 may be satisfied by posting to the Department of Insurance, Securities, and Banking website.”.

47 (d) Subsection (g) is amended as follows:

48 (1) The lead-in language is amended by striking the phrase “tenant:” and inserting  
49 the phrase and inserting the phrase “tenant shall, within 5 days of the approval, provide notice of  
50 the deferral to all tenants, and:” in its place.

51 (2) Paragraphs (1) and (2) are amended to read as follows:

52 “(1) Shall provide a reduction in the rent charged for the property to any qualified  
53 tenant during the period of time in which there is mortgage deferral in place. The amount of the  
54 reduction shall be proportional to the deferred mortgage amount paid by the borrower to the

55 mortgage lender as a percentage of total expenses reported in the borrower’s 2019 Income and  
56 Expense report provided to the Office of Tax and Revenue; and

57 “(2) May require the qualified tenant repay the difference in the amount of the  
58 rent as stated in the lease and the reduced rent, without interest or fees, within 18 months, or at  
59 the end of the lease term, whichever occurs first; and”.

60 (3) A new paragraph (3) is added to read as follows:

61 “(3) The borrower shall not report to a credit bureau any delinquency or other  
62 derogatory information that occurs as a result of a qualified tenant’s repayment pursuant to  
63 subsection (g)(2) of this section.”.

64 (e) Subsection (k) is amended as follows:

65 (1) The subsection is designated as subsection (l).

66 (2) Paragraph (3) of the newly designated subsection (l) is amended to read as  
67 follows:

68 “(3)“Mortgage lender” means any person makes a mortgage loan to any person or  
69 who engages in the business of servicing mortgage loans for others or collecting or otherwise  
70 receiving mortgage loan payments directly from borrowers for distribution to any other person.  
71 A mortgage lender does not include the Federal Home Loan Mortgage Corporation, the Federal  
72 National Mortgage Association, or the Government National Mortgage Association.”.

73 (3) Paragraph (4) is repealed.

74 (f) A new subsection (k) is added to read as follows:

75           “(k) A mortgage lender that violates the provisions of this section shall be subject to  
76 penalties prescribed in section 19 of the Mortgage Lender and Broker Act of 1996, effective  
77 September 9, 1996 (D.C. Law 11-155; D.C. Official Code § 26-1118).”.

78           Sec. 3. Fiscal impact statement.

79           The Council adopts the fiscal impact statement of the Budget Director as the fiscal impact  
80 statement required by section 4a of the General Legislative Procedures Act of 1975, approved  
81 October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

82           Sec. 4. Effective date.

83           This act shall take effect following approval by the Mayor (or in the event of veto by the  
84 Mayor, action by the Council to override the veto), and shall remain in effect for no longer than  
85 90 days, as provided for emergency acts of the Council of the District of Columbia in section  
86 412(a) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 788;  
87 D.C. Official Code § 1-204.12(a)).

88