

114TH CONGRESS
1ST SESSION

H. R. 1297

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to provide assistance for housing cooperatives damaged by a major disaster, to provide relief to homeowners affected by major disasters who have mortgages insured by the FHA or owned or guaranteed by Fannie Mae or Freddie Mac, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 4, 2015

Mr. JEFFRIES introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Transportation and Infrastructure, 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 amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to provide assistance for housing cooperatives damaged by a major disaster, to provide relief to homeowners affected by major disasters who have mortgages insured by the FHA or owned or guaranteed by Fannie Mae or Freddie Mac, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Disaster Response Re-
3 form Act of 2015”.

4 **TITLE I—FEMA DISASTER AS-**
5 **SISTANCE TO INDIVIDUALS**
6 **AND HOUSEHOLDS**

7 **SEC. 101. HOUSING UNITS IN HOUSING COOPERATIVES.**

8 (a) HOUSING COOPERATIVE DEFINED.—Section 102
9 of the Robert T. Stafford Disaster Relief and Emergency
10 Assistance Act (42 U.S.C. 5122) is amended by adding
11 at the end the following:

12 “(13) HOUSING COOPERATIVE.—The term
13 ‘housing cooperative’ means a multi-unit housing
14 project in which each dwelling unit is subject to sep-
15 arate use and possession by one or more cooperative
16 members whose interest in such unit, and in any un-
17 divided assets of the cooperative association that are
18 appurtenant to such unit, is evidenced by a member-
19 ship or share interest in a cooperative association
20 and a lease or other document of title or possession
21 granted by such cooperative as the owner of all coop-
22 erative property.”.

23 (b) MAJOR DISASTER ASSISTANCE TO INDIVIDUALS
24 AND HOUSEHOLDS.—Section 408(c) of the Robert T.
25 Stafford Disaster Relief and Emergency Assistance Act

1 (42 U.S.C. 5174(c)) is amended by adding at the end the
2 following:

3 “(5) HOUSING COOPERATIVES.—

4 “(A) DAMAGED HOUSING UNITS.—In car-
5 rying out paragraphs (2) and (3), the President
6 shall—

7 “(i) treat an owner-occupied housing
8 unit of a housing cooperative in the same
9 manner as an owner-occupied private resi-
10 dence; and

11 “(ii) provide financial assistance for
12 owner-occupied housing units of housing
13 cooperatives on a unit-by-unit basis.

14 “(B) ESSENTIAL LIVING ITEMS.—

15 “(i) ELIGIBILITY FOR FINANCIAL AS-
16 SISTANCE.—The President may provide fi-
17 nancial assistance under paragraphs (2)
18 and (3) in connection with essential living
19 items that are owned by the association for
20 a housing cooperative and located in an
21 owner-occupied housing unit of the housing
22 cooperative.

23 “(ii) PROCEDURES.—

24 “(I) IN GENERAL.—The Presi-
25 dent shall establish procedures for

1 providing assistance under clause (i).
2 The procedures shall ensure that es-
3 sential services in individual housing
4 units of housing cooperatives are
5 promptly restored following a major
6 disaster and such units are returned
7 to a safe and sanitary living or func-
8 tioning condition.

9 “(II) RECIPIENTS OF ASSIST-
10 ANCE.—Under such procedures, the
11 President may provide financial as-
12 sistance directly to residents of owner-
13 occupied housing units of a housing
14 cooperative or to the association for
15 the housing cooperative.

16 “(C) ESSENTIAL LIVING ITEM DEFINED.—
17 In this paragraph, the term ‘essential living
18 item’ means those items necessary to return a
19 residence to a safe and sanitary living or func-
20 tioning condition.”.

21 (c) APPLICABILITY.—The amendment made by sub-
22 section (b) shall apply to a major disaster declared by the
23 President under section 401 of the Robert T. Stafford
24 Disaster Relief and Emergency Assistance Act (42 U.S.C.
25 5170) after the date of enactment of this Act.

1 **SEC. 102. PERSONAL PROPERTY IN BASEMENTS.**

2 (a) IN GENERAL.—Section 408(c) of the Robert T.
3 Stafford Disaster Relief and Emergency Assistance Act
4 (42 U.S.C. 5174(c)) is further amended by adding at the
5 end the following:

6 “(6) PERSONAL PROPERTY IN BASEMENTS.—

7 “(A) FINANCIAL ASSISTANCE FOR DAM-
8 AGED PERSONAL PROPERTY.—In carrying out
9 paragraphs (2) and (3), the President shall pro-
10 vide financial assistance in connection with per-
11 sonal property that is damaged in a major dis-
12 aster and is located in the basement of an
13 owner-occupied private residence in the same
14 manner and to the same extent as personal
15 property that is damaged in a major disaster
16 and is located in any other portion of the resi-
17 dence.

18 “(B) BASEMENT DEFINED.—In this para-
19 graph, the term ‘basement’ means an enclosed
20 area of a dwelling where any portion of the ex-
21 terior wall or concrete floor is below grade.”.

22 (b) APPLICABILITY.—The amendment made by sub-
23 section (a) shall apply to a major disaster declared by the
24 President under section 401 of the Robert T. Stafford
25 Disaster Relief and Emergency Assistance Act (42 U.S.C.
26 5170) after the date of enactment of this Act.

1 **TITLE II—MORTGAGE RELIEF**
2 **FOR HOMEOWNERS IN DIS-**
3 **ASTER AREAS**

4 **SEC. 201. 90-DAY MORATORIUM ON FORECLOSURES.**

5 (a) **MINIMUM REQUIREMENT.**—Each applicable
6 agency head (as such term is defined in section 204) shall
7 prohibit mortgagees and servicers under covered mort-
8 gages from initiating any foreclosure, whether judicial or
9 nonjudicial, or taking any action in furtherance of a fore-
10 closure already commenced, including conducting any
11 foreclosure sale, with respect to the covered mortgage dur-
12 ing the 90-day period that begins upon the Presidential
13 declaration of the disaster referred to in section
14 204(2)(A)(ii) with respect to such mortgage.

15 (b) **ADDITIONAL RELIEF.**—Subsection (a) may not
16 be construed to prevent or prohibit an applicable agency
17 head from extending the period specified in such sub-
18 section or taking any other relief or forbearance action
19 with respect to covered mortgages.

20 **SEC. 202. REQUIREMENT TO OFFER FORBEARANCE TO AF-**
21 **FECTED HOMEOWNERS.**

22 (a) **NOTIFICATION.**—Each applicable agency head
23 shall require each mortgagee of a covered mortgage to no-
24 tify the mortgagor under the mortgage, in writing, not
25 later than the expiration of the 45-day period that begins

1 upon the Presidential declaration of the disaster referred
2 to in section 204(2)(A)(ii) with respect to such mortgage,
3 and in such form as the applicable agency heads shall re-
4 quire pursuant to guidelines issued under section 205—

5 (1) that the mortgage is a covered mortgage
6 that may be eligible for forbearance relief under this
7 section;

8 (2) of the requirements for eligible homeowners
9 to qualify for such relief;

10 (3) of the terms of such relief;

11 (4) of what action the mortgagor must take to
12 request such relief;

13 (5) that the mortgagor and the mortgagee can
14 agree to terms of forbearance in lieu of or in addi-
15 tion to forbearance relief that may be required under
16 this section to be offered to the mortgagor; and

17 (6) how to contact the mortgagee regarding
18 such additional or alternative relief.

19 (b) REQUEST FOR RELIEF.—The applicable agency
20 heads shall, by guidelines issued under section 205, pro-
21 vide for mortgagors under covered mortgages to submit
22 requests, during the 90-day period beginning upon the ex-
23 piration of the notification period under subsection (a), to
24 the mortgagees of such mortgages for forbearance relief
25 under this section.

1 (c) DETERMINATION.—Upon receipt of a request
2 made by a mortgagor under a covered mortgage for for-
3 bearance relief under this section that is submitted during
4 the period referred to in subsection (b), the mortgagee
5 shall promptly determine whether the mortgagor is an eli-
6 gible homeowner and immediately notify the mortgagor in
7 writing of such determination.

8 (d) REQUIREMENT TO OFFER FORBEARANCE.—If,
9 pursuant to a request for relief submitted pursuant to sub-
10 section (b) with respect to a covered mortgage, the mort-
11 gagee for the mortgage determines that the mortgagor
12 under the mortgage is an eligible homeowner, the mort-
13 gagee shall, together with the notification required under
14 subsection (c) submit to the eligible homeowner—

15 (1) a written offer for forbearance that meets
16 the requirements of subsection (c);

17 (2) an explanation of the terms of such offer
18 and when such offer will expire;

19 (3) an explanation of what action the mort-
20 gagor must take to accept such offer;

21 (4) notification that the mortgagor and the
22 mortgagee can agree to terms of forbearance in lieu
23 of or in addition to forbearance relief required under
24 this section to be offered to the mortgagor; and

1 (5) how to contact the mortgagee regarding
2 such additional or alternative relief.

3 (e) TERMS OF FORBEARANCE.—

4 (1) IN GENERAL.—An offer for forbearance
5 with respect to a covered mortgage meets the terms
6 of this subsection only if—

7 (A) the forbearance provides—

8 (i) for the suspension of payments due
9 under the mortgage for a period that—

10 (I) has a duration that is not
11 shorter than 6 months; and

12 (II) begins after the declaration
13 of the major disaster referred to in
14 section 204(2)(A)(ii) but not later
15 than 120 days after such declaration,
16 and may cover periods for which pay-
17 ments due under the mortgage were
18 not paid that occurred before the offer
19 for relief under this section was ac-
20 cepted; and

21 (ii) for recoupment of any arrearage
22 of amounts due under the mortgage result-
23 ing from forbearance to by increasing the
24 monthly payments due under the mortgage
25 after the expiration of the forbearance pe-

1 riod by an amount not exceeding 5 percent
2 of the monthly amount that would other-
3 wise be due for such month under the
4 original terms of the mortgage; and

5 (B) the offer provides for forbearance and
6 terms, requirements, and procedures for such
7 forbearance that otherwise comply with guide-
8 lines issued by the Secretary and the Director
9 pursuant to paragraph (2) of this subsection.

10 (2) ESTABLISHMENT OF TERMS.—The applica-
11 ble agency heads shall, by guidelines issued pursuant
12 to section 205, provide for the terms, requirements,
13 and procedures for forbearance offered under this
14 section.

15 (f) OTHER FORBEARANCE.—

16 (1) AGREEMENTS BETWEEN MORTGAGOR AND
17 MORTGAGEE.—This section may not be construed to
18 prevent an eligible homeowner and the mortgagee
19 for the covered mortgage of such eligible homeowner
20 from agreeing to any other forms or terms of for-
21 bearance, regardless of whether such eligible home-
22 owner makes a request under subsection (b) or re-
23 ceives an offer of forbearance pursuant to subsection
24 (d).

1 (2) LIMITATIONS ON AGENCIES.—An applicable
2 agency head may not establish—

3 (A) any limitations or restrictions on the
4 forms or terms of forbearance relief that a
5 mortgagee may offer or agree to with respect to
6 a covered mortgage, including the duration of
7 the forbearance period, the duration of the pe-
8 riod for recoupment of arrearages resulting
9 from forbearance, and the amount of principal
10 forgiven; or

11 (B) any requirement that a mortgagee ob-
12 tain approval of the agency head before the
13 mortgagee may offer or agree to any particular
14 forms or terms of forbearance relief with re-
15 spect to a covered mortgage.

16 **SEC. 203. ENFORCEMENT.**

17 (a) FHA.—The Secretary and the Mortgage Review
18 Board shall enforce compliance by mortgagees with this
19 title and the guidelines issued to carry out this title under
20 section 202(c) of the National Housing Act (12 U.S.C.
21 1708(c)).

22 (b) FANNIE MAE AND FREDDIE MAC.—If the Direc-
23 tor determines, on the record after an opportunity for an
24 agency hearing, that a mortgagee has violated this title
25 or the guidelines issued to carry out this title, the Director

1 shall prohibit the Federal National Mortgage Association
2 and the Federal Home Loan Mortgage Corporation from
3 purchasing, acquiring, newly lending on the security of,
4 newly investing in securities consisting of, or otherwise
5 newly dealing in any mortgage of or originated by such
6 mortgagee for a period of 12 months.

7 **SEC. 204. DEFINITIONS.**

8 For purposes of this title, the following definitions
9 shall apply:

10 (1) **APPLICABLE AGENCY HEAD.**—The term
11 “applicable agency head” means—

12 (A) the Secretary, with respect to a cov-
13 ered mortgage described in paragraph (2)(B)(i);
14 and

15 (B) the Director, with respect to a covered
16 mortgage described in paragraph (2)(B)(ii).

17 (2) **COVERED MORTGAGE.**—The term “covered
18 mortgage” means a mortgage—

19 (A) that is secured by a one- to four-family
20 dwelling that—

21 (i) is the principal residence of the
22 mortgagor; and

23 (ii) is located within an area for which
24 a major disaster was declared pursuant to
25 section 401 of the Robert T. Stafford Dis-

1 aster Relief and Emergency Assistance Act
2 (42 U.S.C. 5170); and

3 (B) that is—

4 (i) insured under title II of the Na-
5 tional Housing Act (12 U.S.C. 1707 et
6 seq.); or

7 (ii) owned or guaranteed by the Fed-
8 eral National Mortgage Association or the
9 Federal Home Loan Mortgage Corpora-
10 tion.

11 (3) DIRECTOR.—The term “Director” means
12 the Director of the Federal Housing Finance Agen-
13 cy.

14 (4) ELIGIBLE HOMEOWNER.—The term “eligi-
15 ble homeowner” means a mortgagor under a covered
16 mortgage whose—

17 (A) household experienced a disruption in
18 income as a result of the major disaster re-
19 ferred to in paragraph (2)(A)(ii), as determined
20 in accordance with guidelines issued pursuant
21 to section 205; or

22 (B) residence that secures the mortgage
23 was damaged as a result of the major disaster
24 referred to in paragraph (2)(A)(ii), as deter-

1 mined in accordance with guidelines issued pur-
2 suant to section 205.

3 (5) MORTGAGEE.—The term “mortgagee”
4 means, with respect to a covered mortgage, the
5 original lender under the mortgage and any affili-
6 ates, agents, subsidiaries, successors, or assignees of
7 such lender, any subsequent purchaser, trustee, or
8 transferee of the mortgage or credit instrument
9 issued by such lender.

10 (6) SECRETARY.—The term “Secretary” means
11 the Secretary of Housing and Urban Development.

12 **SEC. 205. GUIDELINES.**

13 Not later than the expiration of the 30-day period
14 beginning on the date of the enactment of this Act, the
15 Secretary and the Director shall jointly issue regulations
16 to carry out this title.

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