

114TH CONGRESS  
1ST SESSION

# H. R. 1879

To allow homeowners facing foreclosure to avoid deficiency judgments, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 16, 2015

Ms. MICHELLE LUJAN GRISHAM of New Mexico (for herself and Mr. CARTWRIGHT) introduced the following bill; which was referred to the Committee on the Judiciary

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## A BILL

To allow homeowners facing foreclosure to avoid deficiency judgments, 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 “Foreclosure Fairness  
5 Act of 2015”.

6 **SEC. 2. DEFICIENCY JUDGMENTS.**

7 (a) IN GENERAL.—Beginning on the date of enact-  
8 ment of this Act, in the case of any federally related mort-  
9 gage loan made after that date, a court may not enter

1 a deficiency judgment pertaining to that loan after the  
2 date of any foreclosure sale of the mortgaged property.

3 (b) RULE OF CONSTRUCTION.—Nothing in this Act  
4 shall be construed to preempt any more restrictive State  
5 or local law pertaining to deficiency judgments.

6 **SEC. 3. DEFINITIONS.**

7 In this Act:

8 (1) DEFICIENCY JUDGMENT.—The term “defi-  
9 ciency judgment” means any order by a court en-  
10 tered after a sale of a property subject to a federally  
11 related mortgage that has been foreclosed on, requir-  
12 ing the payment by the mortgagor of an amount  
13 equal to any balance remaining on the mortgage  
14 loan after the foreclosure sale.

15 (2) FEDERALLY RELATED MORTGAGE LOAN.—  
16 The term “federally related mortgage loan” has the  
17 meaning given such term under section 3 of the Real  
18 Estate Settlement Procedures Act of 1974 (12  
19 U.S.C. 2602).

20 (3) MORTGAGED PROPERTY.—The term “mort-  
21 gaged property” means, with respect to a federally  
22 related mortgage loan, the residential real property  
23 that is subject to the lien securing such mortgage  
24 loan.

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