

116TH CONGRESS  
1ST SESSION

# H. R. 2295

To provide additional funding for the public housing Capital Fund for large public housing agencies, for mortgage foreclosure mitigation assistance, and for incremental rental assistance vouchers, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 12, 2019

Ms. CLARKE of New York (for herself, Mr. ESPAILLAT, Ms. MENG, and Ms. OCASIO-CORTEZ) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To provide additional funding for the public housing Capital Fund for large public housing agencies, for mortgage foreclosure mitigation assistance, and for incremental rental assistance vouchers, 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 “Hardest Hit Housing  
5 Act of 2019”.

1 **SEC. 2. CAPITAL FUND AMOUNTS FOR LARGE PUBLIC**  
2 **HOUSING AGENCIES.**

3 (a) **AUTHORIZATION OF APPROPRIATIONS.**—In addi-  
4 tion to any amounts authorized to be appropriated for for-  
5 mula grants to public housing agencies from the Capital  
6 Fund pursuant to section 9(d)(2) of the United States  
7 Housing Act of 1937 (42 U.S.C. 1437g(d)(2)), there is  
8 authorized to be appropriated \$4,000,000,000 for each of  
9 fiscal years 2019 through 2023 for the Public Housing  
10 Capital Fund Program under section 9(d) of the United  
11 States Housing Act of 1937 (42 U.S.C. 1437g(b)).

12 (b) **ELIGIBLE PUBLIC HOUSING AGENCIES.**—Any  
13 amounts appropriated pursuant to this section shall be  
14 used by the Secretary of Housing and Urban Development  
15 only for grants to public housing agencies that own or ad-  
16 minister more than 10,000 public housing dwelling units.

17 (c) **ELIGIBLE USES.**—Funds from grants made with  
18 amounts appropriated pursuant to this section may be  
19 used only for eligible capital activities under section  
20 9(d)(1) of the United States Housing Act of 1937 (42  
21 U.S.C. 1437g(d)(1)). Section 9(g)(3) of such Act shall not  
22 apply to any such grant funds.

23 **SEC. 3. ASSISTANCE TO NEIGHBORWORKS FOR MORTGAGE**  
24 **FORECLOSURE MITIGATION ACTIVITIES.**

25 There is authorized to be appropriated \$5,000,000,  
26 for each of fiscal years 2019 through 2023 for assistance

1 to the Neighborhood Reinvestment Corporation for mort-  
2 gage foreclosure mitigation activities, under the following  
3 terms and conditions:

4 (1) MORTGAGE FORECLOSURE MITIGATION  
5 COUNSELING.—

6 (A) The Neighborhood Reinvestment Cor-  
7 poration (in this section referred to as the  
8 “NRC”) may make grants under this para-  
9 graph to counseling intermediaries approved by  
10 the Department of Housing and Urban Devel-  
11 opment (in this section referred to as “HUD”)  
12 (with match to be determined by NRC based on  
13 affordability and the economic conditions of an  
14 area; a match also may be waived by NRC  
15 based on the aforementioned conditions) to pro-  
16 vide mortgage foreclosure mitigation assistance  
17 to the 15 States with highest rates of home  
18 mortgage defaults and foreclosures, as of Janu-  
19 ary 1, 2019, to help eliminate the default and  
20 foreclosure of mortgages of owner-occupied sin-  
21 gle-family homes that are at risk of such fore-  
22 closure and located in metropolitan statistical  
23 areas having the greatest such need. Other than  
24 areas with high rates of defaults and fore-  
25 closures, grants may also be provided to ap-

1           proved counseling intermediaries based on a ge-  
2           ographic analysis of the Nation by NRC which  
3           determines where there is a prevalence of mort-  
4           gages that are risky and likely to fail, including  
5           any trends for mortgages that are likely to de-  
6           fault and face foreclosure. A State Housing Fi-  
7           nance Agency may also be eligible where the  
8           State Housing Finance Agency meets all the re-  
9           quirements under this paragraph. A HUD-ap-  
10          proved counseling intermediary shall meet cer-  
11          tain mortgage foreclosure mitigation assistance  
12          counseling requirements, as determined by  
13          NRC, and shall be approved by HUD or NRC  
14          as meeting these requirements.

15                (B) Mortgage foreclosure mitigation assist-  
16          ance shall only be made available to home-  
17          owners of owner-occupied homes with mort-  
18          gages in default or in danger of default. These  
19          mortgages shall likely be subject to a fore-  
20          closure action and homeowners will be provided  
21          such assistance that shall consist of activities  
22          that are likely to prevent foreclosures and result  
23          in the long-term affordability of the mortgage  
24          retained pursuant to such activity or another  
25          positive outcome for the homeowner. No funds

1 made available pursuant to this paragraph may  
2 be provided directly to lenders or homeowners  
3 to discharge outstanding mortgage balances or  
4 for any other direct debt reduction payments.

5 (C) The use of mortgage foreclosure miti-  
6 gation assistance by approved counseling inter-  
7 mediaries and State Housing Finance Agencies  
8 shall involve a reasonable analysis of the bor-  
9 rower's financial situation, an evaluation of the  
10 current value of the property that is subject to  
11 the mortgage, counseling regarding the assump-  
12 tion of the mortgage by another non-Federal  
13 party, counseling regarding the possible pur-  
14 chase of the mortgage by a non-Federal third  
15 party, counseling and advice of all likely re-  
16 structuring and refinancing strategies or the  
17 approval of a work-out strategy by all interested  
18 parties.

19 (D) NRC may provide up to 15 percent of  
20 the total funds made available pursuant to this  
21 paragraph to its own charter members with ex-  
22 pertise in foreclosure prevention counseling,  
23 subject to a certification by NRC that the pro-  
24 cedures for selection do not consist of any pro-  
25 cedures or activities that could be construed as

1 a conflict of interest or have the appearance of  
2 impropriety.

3 (E) HUD-approved counseling entities and  
4 State Housing Finance Agencies receiving  
5 funds made available pursuant to this para-  
6 graph shall have demonstrated experience in  
7 successfully working with financial institutions  
8 as well as borrowers facing default, delinquency,  
9 and foreclosure as well as documented coun-  
10 seling capacity, outreach capacity, past success-  
11 ful performance and positive outcomes with doc-  
12 umented counseling plans (including post-mort-  
13 gage foreclosure mitigation counseling), loan  
14 workout agreements, and loan modification  
15 agreements. NRC may use other criteria to  
16 demonstrate capacity in underserved areas.

17 (F) Of the total amount made available  
18 pursuant to this paragraph, up to \$250,000  
19 may be made available to build the mortgage  
20 foreclosure and default mitigation counseling  
21 capacity of counseling intermediaries through  
22 NRC training courses with HUD-approved  
23 counseling intermediaries and their partners,  
24 except that private financial institutions that

1 participate in NRC training shall pay market  
2 rates for such training.

3 (G) Of the total amount made available  
4 pursuant to this paragraph, up to 5 percent  
5 may be used for associated administrative ex-  
6 penses for NRC to carry out activities provided  
7 under this paragraph.

8 (H) Mortgage foreclosure mitigation assist-  
9 ance grants may include a budget for outreach  
10 and advertising, and training, as determined by  
11 NRC.

12 (I) NRC shall report bi-annually to the  
13 House and Senate Committees on Appropria-  
14 tions as well as the Senate Committee on Bank-  
15 ing, Housing, and Urban Affairs and the House  
16 Committee on Financial Services on its efforts  
17 to mitigate mortgage default.

18 (2) LEGAL ASSISTANCE.—

19 (A) The Neighborhood Reinvestment Cor-  
20 poration may make grants to counseling inter-  
21 mediaries approved by HUD or the NRC to  
22 hire attorneys to assist homeowners who have  
23 legal issues directly related to the homeowner's  
24 foreclosure, delinquency, or short sale.

1 (B) Such attorneys shall be capable of as-  
2 sisting homeowners of owner-occupied homes  
3 with mortgages in default, in danger of default,  
4 or subject to or at risk of foreclosure and who  
5 have legal issues that cannot be handled by  
6 counselors already employed by such inter-  
7 mediaries.

8 (C) Grants under this paragraph may only  
9 be made to counseling intermediaries and legal  
10 organizations that (i) provide legal assistance in  
11 the 15 States with the highest rates of home  
12 mortgage defaults and foreclosures, as of Janu-  
13 ary 1, 2019, and (ii) have the capacity to begin  
14 using the financial assistance within 90 days  
15 after receipt of the assistance.

16 (D) No funds made available pursuant to  
17 this paragraph shall be used to provide, obtain,  
18 or arrange on behalf of a homeowner, legal rep-  
19 resentation involving or for the purposes of civil  
20 litigation.

21 **SEC. 4. INCREMENTAL HOUSING CHOICE VOUCHER ASSIST-**  
22 **ANCE.**

23 (a) **AUTHORIZATION OF APPROPRIATIONS.**—There is  
24 authorized to be appropriated for each of fiscal years 2019  
25 through 2023 such sums as may be necessary to provide



1 in each such fiscal year 20,000 incremental vouchers for  
2 rental assistance under section 8(o) of the United States  
3 Housing Act of 1937 (42 U.S.C. 1437f(o)).

4 (b) ELIGIBLE PUBLIC HOUSING AGENCIES.—Any  
5 amounts appropriated pursuant to this section shall be  
6 used by the Secretary of Housing and Urban Development  
7 only to provide additional amounts for rental assistance  
8 vouchers for public housing agencies that administer  
9 10,000 or more vouchers for rental assistance under such  
10 section 8(o).

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