

112TH CONGRESS
1ST SESSION

H. R. 839

IN THE SENATE OF THE UNITED STATES

MARCH 30, 2011

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

To amend the Emergency Economic Stabilization Act of 2008 to terminate the authority of the Secretary of the Treasury to provide new assistance under the Home Affordable Modification Program, while preserving assistance to homeowners who were already extended an offer to participate in the Program, either on a trial or permanent basis.

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 “The HAMP Termi-
5 nation Act of 2011”.

6 **SEC. 2. CONGRESSIONAL FINDINGS.**

7 The Congress finds the following:

8 (1) According to the Department of the Treas-
9 ury—

10 (A) the Home Affordable Modification Pro-
11 gram (HAMP) is designed to “help as many as
12 3 to 4 million financially struggling homeowners
13 avoid foreclosure by modifying loans to a level
14 that is affordable for borrowers now and sus-
15 tainable over the long term”; and

16 (B) as of February 2011, only 607,600 ac-
17 tive permanent mortgage modifications were
18 made under HAMP.

19 (2) Many homeowners whose HAMP modifica-
20 tions were canceled suffered because they made fu-
21 tile payments and some of those homeowners were
22 even forced into foreclosure.

23 (3) The Special Inspector General for TARP
24 reported that HAMP “benefits only a small portion
25 of distressed homeowners, offers others little more

1 than false hope, and in certain cases causes more
2 harm than good”.

3 (4) Approximately \$30 billion was obligated by
4 the Department of the Treasury to HAMP, however,
5 approximately only \$840 million has been disbursed.

6 (5) Terminating HAMP would save American
7 taxpayers approximately \$1.4 billion, according to
8 the Congressional Budget Office.

9 **SEC. 3. TERMINATION OF AUTHORITY.**

10 Section 120 of the Emergency Economic Stabilization
11 Act of 2008 (12 U.S.C. 5230) is amended by adding at
12 the end the following new subsection:

13 “(c) TERMINATION OF AUTHORITY TO PROVIDE
14 NEW ASSISTANCE UNDER THE HOME AFFORDABLE
15 MODIFICATION PROGRAM.—

16 “(1) IN GENERAL.—Except as provided under
17 paragraph (2), after the date of the enactment of
18 this subsection the Secretary may not provide any
19 assistance under the Home Affordable Modification
20 Program under the Making Home Affordable initia-
21 tive of the Secretary, authorized under this Act, on
22 behalf of any homeowner.

23 “(2) PROTECTION OF EXISTING OBLIGATIONS
24 ON BEHALF OF HOMEOWNERS ALREADY EXTENDED
25 AN OFFER TO PARTICIPATE IN THE PROGRAM.—

1 Paragraph (1) shall not apply with respect to assist-
2 ance provided on behalf of a homeowner who, before
3 the date of the enactment of this subsection, was ex-
4 tended an offer to participate in the Home Afford-
5 able Modification Program on a trial or permanent
6 basis.

7 “(3) DEFICIT REDUCTION.—

8 “(A) USE OF UNOBLIGATED FUNDS.—Not-
9 withstanding any other provision of this title,
10 the amounts described in subparagraph (B)
11 shall not be available after the date of the en-
12 actment of this subsection for obligation or ex-
13 penditure under the Home Affordable Modifica-
14 tion Program of the Secretary, but should be
15 covered into the General Fund of the Treasury
16 and should be used only for reducing the budg-
17 et deficit of the Federal Government.

18 “(B) IDENTIFICATION OF UNOBLIGATED
19 FUNDS.—The amounts described in this sub-
20 paragraph are any amounts made available
21 under title I of the Emergency Economic Sta-
22 bilization Act of 2008 that—

23 “(i) have been allocated for use, but
24 not yet obligated as of the date of the en-
25 actment of this subsection, under the

1 Home Affordable Modification Program of
2 the Secretary; and

3 “(ii) are not necessary for providing
4 assistance under such Program on behalf
5 of homeowners who, pursuant to para-
6 graph (2), may be provided assistance
7 after the date of the enactment of this sub-
8 section.

9 “(4) STUDY OF USE OF PROGRAM BY MEMBERS
10 OF THE ARMED FORCES, VETERANS, AND GOLD
11 STAR RECIPIENTS.—

12 “(A) STUDY.—The Secretary shall conduct
13 a study to determine the extent of usage of the
14 Home Affordable Modification Program by, and
15 the impact of such Program on, covered home-
16 owners.

17 “(B) REPORT.—Not later than the expira-
18 tion of the 90-day period beginning on the date
19 of the enactment of this subsection, the Sec-
20 retary shall submit to the Congress a report
21 setting forth the results of the study under sub-
22 paragraph (A) and identifying best practices,
23 derived from studying the Home Affordable
24 Modification Program, that could be applied to

1 existing mortgage assistance programs available
2 to covered homeowners.

3 “(C) COVERED HOMEOWNER.—For pur-
4 poses of this subsection, the term ‘covered
5 homeowner’ means a homeowner who is—

6 “(i) a member of the Armed Forces of
7 the United States on active duty or the
8 spouse or parent of such a member;

9 “(ii) a veteran, as such term is de-
10 fined in section 101 of title 38, United
11 States Code; or

12 “(iii) eligible to receive a Gold Star
13 lapel pin under section 1126 of title 10,
14 United States Code, as a widow, parent, or
15 next of kin of a member of the Armed
16 Forces person who died in a manner de-
17 scribed in subsection (a) of such section.

18 “(5) PUBLICATION OF MEMBER AVAILABILITY
19 FOR ASSISTANCE.—Not later than 5 days after the
20 date of the enactment of this subsection, the Sec-
21 retary of the Treasury shall publish to its Website
22 on the World Wide Web in a prominent location,
23 large point font, and boldface type the following
24 statement: ‘The Home Affordable Modification Pro-
25 gram (HAMP) has been terminated. If you are hav-

1 ing trouble paying your mortgage and need help con-
2 tacting your lender or servicer for purposes of nego-
3 tiating or acquiring a loan modification, please con-
4 tact your Member of Congress to assist you in con-
5 tacting your lender or servicer for the purpose of ne-
6 gotiating or acquiring a loan modification.’.

7 “(6) NOTIFICATION TO HAMP APPLICANTS RE-
8 QUIRED.—

9 “(A) IN GENERAL.—Not later than 30
10 days after the date of the enactment of this
11 subsection, the Secretary of the Treasury shall
12 inform each individual who applied for the
13 Home Affordable Modification Program and
14 will not be considered for a modification under
15 such Program due to termination of such Pro-
16 gram under this subsection—

17 “(i) that such Program has been ter-
18 minated;

19 “(ii) that loan modifications under
20 such Program are no longer available;

21 “(iii) of the name and contact infor-
22 mation of such individual’s Member of
23 Congress; and

24 “(iv) that the individual should con-
25 tact his or her Member of Congress to as-

1 sist the individual in contacting the indi-
2 vidual's lender or servicer for the purpose
3 of negotiating or acquiring a loan modi-
4 fication.”.

5 **SEC. 4. SENSE OF CONGRESS.**

6 The Congress encourages banks to work with home-
7 owners to provide loan modifications to those that are eli-
8 gible. The Congress also encourages banks to work and
9 assist homeowners and prospective homeowners with fore-
10 closure prevention programs and information on loan
11 modifications.

 Passed the House of Representatives March 29,
2011.

Attest:

KAREN L. HAAS,

Clerk.