

111<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 6304

To establish in the Department of the Treasury the Office of the Homeowner Advocate to assist homeowners, housing counselors, and housing lawyers in resolving problems with the Home Affordable Modification Program.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 29, 2010

Mr. BACA (for himself, Mr. GUTIERREZ, Mr. MILLER of North Carolina, Mr. MEEKS of New York, and Mr. SIRES) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To establish in the Department of the Treasury the Office of the Homeowner Advocate to assist homeowners, housing counselors, and housing lawyers in resolving problems with the Home Affordable Modification Program.

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 “Office of the Home-

5       owner Advocate Act of 2010”.

6       **SEC. 2. OFFICE OF THE HOMEOWNER ADVOCATE.**

7       (a) **ESTABLISHMENT.**—There is established in the

8       Department of the Treasury an office to be known as the

1 “Office of the Homeowner Advocate” (in this Act referred  
2 to as the “Office”).

3 (b) DIRECTOR.—

4 (1) IN GENERAL.—The Director of the Office of  
5 the Homeowner Advocate (in this Act referred to as  
6 the “Director”) shall be appointed by the Secretary  
7 of the Treasury, after consultation with the Sec-  
8 retary of the Department of Housing and Urban De-  
9 velopment, and without regard to the provisions of  
10 title 5, United States Code, relating to appointments  
11 in the competitive service or the Senior Executive  
12 Service.

13 (2) SUPERVISOR; COMPENSATION.—The Direc-  
14 tor shall report directly to the Assistant Secretary of  
15 the Treasury for Financial Stability, and shall be en-  
16 titled to compensation at the same rate as the high-  
17 est rate of basic pay established for the Senior Exec-  
18 utive Service under section 5382 of title 5, United  
19 States Code.

20 (3) QUALIFICATIONS.—An individual appointed  
21 under paragraph (1) shall have—

22 (A) experience as an advocate for home-  
23 owners; and

24 (B) experience dealing with mortgage  
25 servicers.

1           (4) RESTRICTION ON EMPLOYMENT.—An indi-  
2           vidual may be appointed as Director only if such in-  
3           dividual was not an officer or employee of a mort-  
4           gage servicer or the Department of the Treasury  
5           during the 4-year period ending on the date of such  
6           appointment.

7           (5) HIRING AUTHORITY.—The Director shall  
8           have the authority to hire staff, obtain support by  
9           contract, and manage the budget of the Office of the  
10          Homeowner Advocate.

11 **SEC. 3. FUNCTIONS OF THE OFFICE.**

12          (a) IN GENERAL.—It shall be the function of the Of-  
13          fice—

14               (1) to assist homeowners, housing counselors,  
15               and housing lawyers in resolving problems with the  
16               Home Affordable Modification Program of the Mak-  
17               ing Home Affordable initiative of the Secretary of  
18               the Treasury, authorized under the Emergency Eco-  
19               nomic Stabilization Act of 2008 (in this title re-  
20               ferred to as the “Home Affordable Modification Pro-  
21               gram”);

22               (2) to identify areas, both individual and sys-  
23               tematic, in which homeowners, housing counselors,  
24               and housing lawyers have problems in dealings with  
25               the Home Affordable Modification Program;

1           (3) to the extent possible, to propose changes in  
2           the administrative practices of the Home Affordable  
3           Modification Program to mitigate problems identi-  
4           fied under paragraph (2);

5           (4) to identify potential legislative changes  
6           which may be appropriate to mitigate such problems;  
7           and

8           (5) to implement other programs and initiatives  
9           that the Director considers important in assisting  
10          homeowners, housing counselors, and housing law-  
11          yers to resolve problems with the Home Affordable  
12          Modification Program, which may include—

13                (A) running a triage hotline for home-  
14                owners at risk of foreclosure;

15                (B) providing homeowners with access to  
16                housing counseling programs of the Department  
17                of Housing and Urban Development at no cost  
18                to the homeowner;

19                (C) developing Internet tools related to the  
20                Home Affordable Modification Program; and

21                (D) developing training and educational  
22                materials.

23          (b) AUTHORITY.—

24                (1) IN GENERAL.—Staff designated by the Di-  
25                rector shall have the authority to implement mort-

1       gage servicer remedies, on a case-by-case basis, sub-  
2       ject to the approval of the Assistant Secretary of the  
3       Treasury for Financial Stability.

4               (2) LIMITATIONS ON FORECLOSURES.—A mort-  
5       gage servicer participating in the Home Affordable  
6       Modification Program may not initiate or continue a  
7       foreclosure proceeding until the earlier of the date  
8       on which the Office of the Homeowner Advocate  
9       case involving a homeowner who applied for a loan  
10      modification under such Program is closed, or 60  
11      days since the opening of the Office of the Home-  
12      owner Advocate case involving such homeowner has  
13      passed, except that nothing in this section may be  
14      construed to relieve any mortgage servicers from any  
15      otherwise applicable rules, directives, or similar guid-  
16      ance under the Program relating to the continuation  
17      or completion of foreclosure proceedings.

18              (3) RESOLUTION OF HOMEOWNER CON-  
19      CERNS.—The Director shall, to the extent possible,  
20      resolve all homeowner concerns not later than 30  
21      days after the opening of a case with such home-  
22      owner.

23              (c) COMMENCEMENT OF OPERATIONS.—The Director  
24      shall commence its operations, as required by this Act, not

1 later than 3 months after the date of enactment of this  
2 Act.

3 (d) SUNSET.—Effective on the date of the conclusion  
4 of the Home Affordable Modification Program, the Office  
5 of the Homeowner Advocate and the position of the Direc-  
6 tor of the Office of the Homeowner Advocate are hereby  
7 abolished.

8 **SEC. 4. RELATIONSHIP WITH EXISTING ENTITIES.**

9 (a) TRANSFER.—The Director shall coordinate and  
10 centralize all complaint escalations relating to the Home  
11 Affordable Modification Program.

12 (b) HOTLINE.—The HOPE hotline (or any successor  
13 triage hotline) shall reroute all complaints relating to the  
14 Home Affordable Modification Program to the Office.

15 (c) COORDINATION.—The Director shall coordinate  
16 with the compliance office of the Office of Financial Sta-  
17 bility of the Department of the Treasury and the Home-  
18 ownership Preservation Office of the Department of the  
19 Treasury.

20 **SEC. 5. REPORTS TO CONGRESS.**

21 (a) TESTIMONY.—The Director shall appear and tes-  
22 tify before the Committee on Banking, Housing, and  
23 Urban Affairs of the Senate and the Committee on Finan-  
24 cial Services of the House of Representatives not less than

1 4 times a year or at any time at the request of the Chairs  
2 of either committee.

3 (b) REPORTS.—The Director shall provide annually  
4 to Congress a detailed report on the Home Affordable  
5 Modification Program. Such report shall contain a full and  
6 substantive analysis of the Program, in addition to statis-  
7 tical information, including, at a minimum—

8 (1) data and analysis of the types and volume  
9 of complaints received from homeowners, housing  
10 counselors, and housing lawyers, disaggregated by  
11 category of mortgage servicer, except that mortgage  
12 servicers may not be identified by name in the re-  
13 port;

14 (2) a summary of not fewer than 20 of the  
15 most serious problems encountered by participants  
16 of the Home Affordable Modification Program, in-  
17 cluding a description of the nature of such problems;

18 (3) to the extent known, identification of the 10  
19 most litigated issues for participants of the Home  
20 Affordable Modification Program, including rec-  
21 ommendations for mitigating such disputes;

22 (4) data and analysis on the resolutions of the  
23 complaints received from homeowners, housing coun-  
24 selors, and housing lawyers;

1           (5) identification of any programs or initiatives  
2           that the Director has taken to improve the Home  
3           Affordable Modification Program;

4           (6) recommendations for such administrative  
5           and legislative action as may be appropriate to re-  
6           solve problems encountered by participants of the  
7           Home Affordable Modification Program; and

8           (7) such other information as the Director con-  
9           siders advisable.

10 **SEC. 6. FUNDING.**

11         Amounts made available for the costs of administra-  
12         tion of the Home Affordable Modification Program that  
13         are not otherwise obligated to such Program shall be avail-  
14         able to carry out the functions of the Office. Funding shall  
15         be maintained at levels adequate to reasonably carry out  
16         such functions.

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