

112TH CONGRESS  
1ST SESSION

# H. R. 2979

To defer mortgage payment due dates and to prohibit creditors from imposing late fees, increasing interest rates, or submitting adverse credit information with regard to the account of a mortgage holder whose principal residence has been severely impacted by a natural disaster for up to a 90-day period following issuance of a disaster declared by the President for the area in which the mortgage holder's principal residence is located, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 20, 2011

Mr. SMITH of New Jersey (for himself and Mr. ROTHMAN of New Jersey) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To defer mortgage payment due dates and to prohibit creditors from imposing late fees, increasing interest rates, or submitting adverse credit information with regard to the account of a mortgage holder whose principal residence has been severely impacted by a natural disaster for up to a 90-day period following issuance of a disaster declared by the President for the area in which the mortgage holder's principal residence is located, 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 “Natural Disaster  
3 Emergency Mortgage Relief Act of 2011”.

4 **SEC. 2. TRUTH IN LENDING ACT AMENDMENTS.**

5 Chapter 2 of the Truth in Lending Act is amended—

6 (1) by inserting after section 129H the fol-  
7 lowing new section:

8 **“SEC. 129I. TEMPORARY MORTGAGE LOAN PAYMENT DE-  
9 FERRAL DURING A NATURAL DISASTER.**

10 “(a) IN GENERAL.—A consumer whose principal resi-  
11 dence is located in an area determined by the State or  
12 local municipality in which the residence is located as  
13 being severely impacted by a natural disaster and in an  
14 area for which the President has declared a major disaster  
15 under section 401 of the Robert T. Stafford Disaster Re-  
16 lief and Emergency Assistance Act (42 U.S.C. 5170) may  
17 defer payments on a mortgage loan secured by such resi-  
18 dence without penalty.

19 “(b) DEFERMENT OF PAYMENTS.—

20 “(1) REQUEST.—A consumer who wishes to  
21 defer payments on a mortgage loan under this sec-  
22 tion must notify the creditor of the mortgage loan  
23 during the 30-day period beginning on the date the  
24 President makes the declaration described under  
25 subsection (a) and must specify the deferment pe-  
26 riod selected by the consumer.

1           “(2) DEFERMENT PERIOD.—A deferment of  
2           payments under this section may only be for a 30-  
3           , 60-, or 90-day period, and the period shall begin  
4           on the date that the President makes the declaration  
5           described under subsection (a).

6           “(3) NO PAYMENT DURING DEFERMENT PE-  
7           RIOD.—No payment that would otherwise be due  
8           under the terms of the consumer’s mortgage loan  
9           shall be required to be paid during the deferment pe-  
10          riod.

11          “(c) NO ADVERSE TREATMENT OF CONSUMER.—  
12          With respect to a mortgage loan for which payments have  
13          been deferred under this section—

14                 “(1) a consumer may not be charged a late fee  
15                 with respect to payments on the mortgage loan made  
16                 during the 10-day period following the end of the  
17                 deferment period;

18                 “(2) no increase may be made in the annual  
19                 percentage rate applicable to any outstanding bal-  
20                 ance of the mortgage loan during the deferment pe-  
21                 riod, other than an increase in the annual percent-  
22                 age rate due to a change in an index or rate of in-  
23                 terest—

24                         “(A) on which such annual percentage rate  
25                         is based;

1                   “(B) which is publicly available; and

2                   “(C) which is not under the control of the  
3                   creditor of the mortgage loan; and

4                   “(3) the creditor of the mortgage loan may not  
5                   report any adverse information to a consumer re-  
6                   porting agency that occurred as a result of a defer-  
7                   ral of payment made under this section.

8                   “(d) CONSTRUCTION.—Nothing in this section shall  
9                   be construed as limiting creditors of mortgage loans from  
10                  permitting longer deferment periods than those specified  
11                  in this section or taking any other mortgage relief meas-  
12                  ures that such creditors feel are appropriate.”; and

13                  (2) by amending the table of contents for such  
14                  chapter by inserting after the item relating to sec-  
15                  tion 129H the following new item:

“129I. Temporary mortgage loan payment deferral during a natural disaster.”.

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