

112<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 839

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IN THE SENATE OF THE UNITED STATES

MARCH 30, 2011

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

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## 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.*