

110TH CONGRESS  
2D SESSION

# H. R. 5855

To establish a program to provide grants to help homeowners who are facing foreclosure to receive professional counseling.

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IN THE HOUSE OF REPRESENTATIVES

APRIL 17, 2008

Ms. VELÁZQUEZ introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To establish a program to provide grants to help homeowners who are facing foreclosure to receive professional counseling.

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 “Foreclosure Counseling  
5 Assistance Act of 2008”.

6 **SEC. 2. PURPOSE.**

7 The purpose of this Act is to promote adequate pro-  
8 fessional counseling for homeowners facing foreclosure due  
9 to the mortgage crisis.

1 **SEC. 3. FORECLOSURE COUNSELING ASSISTANCE.**

2 (a) ESTABLISHMENT.—The Neighborhood Reinvest-  
3 ment Corporation (hereinafter in this Act referred to as  
4 the “NRC”) shall make grants to qualified counseling  
5 intermediaries and qualified legal organizations to provide  
6 legal assistance to homeowners of owner-occupied homes  
7 with mortgages in default, in danger of default, or subject  
8 to or at risk of foreclosure.

9 (b) DEFINITIONS.—For purposes of this Act:

10 (1) LEGAL ASSISTANCE.—The term “legal as-  
11 sistance” means those services performed by, or  
12 under the supervision of, a licensed legal profes-  
13 sional in representing homeowners of owner-occupied  
14 homes with mortgages in default, in danger of de-  
15 fault, or subject to or at risk of foreclosure.

16 (2) QUALIFIED COUNSELING INTER-  
17 MEDIARIES.—The term “qualified counseling inter-  
18 mediaries” means counseling intermediaries ap-  
19 proved by the Department of Housing and Urban  
20 Development or the NRC to hire attorneys to assist  
21 homeowners who have legal issues related to home-  
22 ownership preservation, home foreclosure preserva-  
23 tion, and tenancy associated with foreclosures.

24 (3) QUALIFIED LEGAL ORGANIZATIONS.—The  
25 term “qualified legal organizations” means State  
26 and local legal organizations that have demonstrated

1 legal experience in home foreclosure law, as such ex-  
2 perience is determined by the Chief Executive Offi-  
3 cer of the NRC.

4 (c) GRANT PRIORITY.—In making grants under this  
5 Act, the NRC shall give priority to qualified counseling  
6 intermediaries and qualified legal organizations that—

7 (1) provide legal assistance in the 100 metro-  
8 politan statistical areas (as defined by the Director  
9 of the Office of Management and Budget) with the  
10 highest home foreclosure rates; and

11 (2) have the capacity to begin using the grant  
12 funds within 90 days after receipt of the funds.

13 (d) GRANT CONTINGENT ON REPORTING.—As a con-  
14 dition of the receipt of any grant under this Act, the  
15 grantee shall agree to disclose to the Chief Executive Offi-  
16 cer of NRC basic information relating to the demographics  
17 of the borrower, the dollar amount and terms of the home-  
18 owner's mortgage, and the outcome of any legal pro-  
19 ceedings related to the foreclosure proceedings, including,  
20 but not limited to, resolution of the foreclosure or delin-  
21 quency, with details about modifications, workouts, short  
22 sales or foreclosure.

1 **SEC. 4. AUTHORIZATION OF APPROPRIATIONS.**

2       There are authorized to be appropriated \$37,500,000  
3 to carry out this Act, to remain available until expended.

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