

105TH CONGRESS
2D SESSION

S. 2223

To provide a moratorium on certain class actions relating to the Real Estate Settlement Procedures Act of 1974.

IN THE SENATE OF THE UNITED STATES

JUNE 25, 1998

Mr. GRAMS (for himself, Mr. FAIRCLOTH, Mr. BRYAN, Mr. THURMOND, Mr. BREAUX, Mr. ALLARD, Mr. AKAKA, Mr. BROWNBACK, Mr. INOUE, Mr. DOMENICI, Mr. REID, Mr. GREGG, Mr. ASHCROFT, Mr. BENNETT, Mr. MACK, Mr. MCCAIN, and Mr. ENZI) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

A BILL

To provide a moratorium on certain class actions relating to the Real Estate Settlement Procedures Act of 1974.

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 “Mortgage Litigation
5 Reform Act of 1998”.

6 **SEC. 2. MORATORIUM.**

7 Section 16 of the Real Estate Settlement Procedures
8 Act of 1974 (12 U.S.C. 2614) is amended—

1 (1) by inserting “(a) IN GENERAL.—” after
2 “SEC. 16.”; and

3 (2) by adding at the end the following new sub-
4 section:

5 “(b) CLASS ACTION MORATORIUM.—

6 “(1) IN GENERAL.—During the period begin-
7 ning on the date of enactment of the Mortgage Liti-
8 gation Reform Act of 1998 and ending on July 1,
9 1999, in any State or Federal civil action arising
10 under this Act in which it is alleged that a payment
11 of a thing of value was made by a lender to another
12 lender or to a mortgage broker—

13 “(A) no party shall serve or cause to be
14 served, or be required to respond to, any discov-
15 ery concerning any class certification issue;

16 “(B) no Federal or State court may enter
17 any order—

18 “(i) certifying any class, other than
19 an order certifying any class directly in
20 connection with the settlement and com-
21 promise of any action; or

22 “(ii) imposing any sanction on any
23 party for failing to comply with any discov-
24 ery seeking information concerning any
25 class certification issue; and

1 “(C) all Federal and State courts shall
2 stay all further proceedings in any such action
3 in which an order certifying any class has been
4 entered on or after January 1, 1998, for any
5 purpose other than indirect connection with the
6 settlement and compromise of any such action.

7 “(2) NO EFFECT ON OTHER ACTIONS.—Noth-
8 ing in this subsection shall be construed to limit or
9 affect any civil action arising under this Act that is
10 not brought by or on behalf of a class.”.

○