

109TH CONGRESS
1ST SESSION

S. RES. 340

Expressing the sense of the Senate that lenders holding mortgages on homes in communities of Louisiana devastated by Hurricanes Katrina and Rita should extend current mortgage payment forbearance periods and not foreclose on properties in those communities until such time that Congress can consider legislation to provide relief to those homeowners.

IN THE SENATE OF THE UNITED STATES

DECEMBER 20, 2005

Ms. LANDRIEU submitted the following resolution; which was referred to the Committee on Banking, Housing, and Urban Affairs

RESOLUTION

Expressing the sense of the Senate that lenders holding mortgages on homes in communities of Louisiana devastated by Hurricanes Katrina and Rita should extend current mortgage payment forbearance periods and not foreclose on properties in those communities until such time that Congress can consider legislation to provide relief to those homeowners.

Whereas the Gulf Coast of the United States has experienced one of the worst hurricane seasons on record;

Whereas Hurricane Katrina and multiple levee breaks destroyed an estimated 205,330 homes in Louisiana;

Whereas 18,752 businesses in Louisiana, 41 percent of the overall number of businesses in the State, sustained cata-

strophic damage from Hurricane Katrina and Hurricane Rita;

Whereas according to the Bureau of Economic Analysis at the Department of Commerce, personal income has fallen more than 25 percent in Louisiana in the third quarter of 2005;

Whereas in the time since Hurricanes Katrina and Rita, the Small Business Administration has only approved 20 percent of disaster loan applications for homeowners in Louisiana and has a backlog of more than 101,400 applications for this assistance as of December 20, 2005;

Whereas of the 11,644 homeowner disaster loan applications that have been approved in Louisiana by the Small Business Administration, only 835 have been fully disbursed;

Whereas, in response to these circumstances, commercial banks, mortgage banks, credit unions, and other mortgage lenders instituted 90-day loan forbearance periods after Hurricane Katrina and did not require home owners in Louisiana to make mortgage payments until on or about December 1, 2005;

Whereas after the termination of the 90-day forbearance period, many home and business owners have received notice from their lenders that they face foreclosure unless they make a lump sum balloon payment in the amount of the mortgage payments previously subject to forbearance; and

Whereas foreclosure on homes and businesses in Louisiana will have a detrimental impact on the economy of the State, will deprive property owners of their equity at a time when they can least afford it, and will have a negative impact on lenders who will be holding properties that

may not be readily saleable on the open market: Now, therefore, be it

1 *Resolved*, That it is the sense of the Senate that—

2 (1) Congress should consider legislation to pro-
3 vide relief to homeowners in Louisiana whose prop-
4 erties were devastated by Hurricanes Katrina and
5 Rita; and

6 (2) commercial banks, mortgage banks, credit
7 unions, and other mortgage lenders should extend
8 mortgage payment forbearance to March 31, 2006,
9 in order to allow Congress the time to consider such
10 legislation.

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