

109TH CONGRESS
1ST SESSION

S. RES. 347

Expressing the sense of the Senate that lenders holding mortgages on homes in communities of the Gulf Coast devastated by Hurricanes Katrina and Rita should extend current voluntary mortgage payment forbearance periods and not foreclose on properties in those communities.

IN THE SENATE OF THE UNITED STATES

DECEMBER 21, 2005

Ms. LANDRIEU (for herself and Mr. VITTER) submitted the following
resolution

DECEMBER 22 (legislative day, DECEMBER 21), 2005

Considered and agreed to

RESOLUTION

Expressing the sense of the Senate that lenders holding mortgages on homes in communities of the Gulf Coast devastated by Hurricanes Katrina and Rita should extend current voluntary mortgage payment forbearance periods and not foreclose on properties in those communities.

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

Whereas Hurricane Katrina and multiple levee breaks destroyed an estimated 275,000 homes in the Gulf Coast;

Whereas 20,664 businesses in the Gulf Coast sustained catastrophic 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, Rita, and Wilma, the Small Business Administration has only approved 20 percent of disaster loan applications for homeowners in the Gulf Coast and has a backlog of more than 176,000 applications for this assistance as of December 21, 2005;

Whereas, of the 20,741 homeowner disaster loan applications that have been approved in the Gulf Coast by the Small Business Administration, only 1,444 have been fully disbursed;

Whereas, in response to these circumstances, commercial banks, mortgage banks, credit unions, and other mortgage lenders voluntarily instituted 90-day loan forbearance periods after Hurricane Katrina and did not require home owners in the Gulf Coast 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 the Gulf Coast will have a detrimental impact on the economy of

the area, 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 marketable on the open market: Now, therefore, be it

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

2 (1) Congress should act early in the second ses-
3 sion of the 109th Congress to consider legislation to
4 provide relief to homeowners in the Gulf Coast; and

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

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