

111TH CONGRESS
1ST SESSION

S. 2912

To require lenders of loans with Federal guarantees or Federal insurance
to consent to mandatory mediation.

IN THE SENATE OF THE UNITED STATES

DECEMBER 18, 2009

Mr. NELSON of Florida introduced the following bill; which was read twice and
referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To require lenders of loans with Federal guarantees or
Federal insurance to consent to mandatory mediation.

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 Mandatory
5 Mediation Act of 2009”.

6 **SEC. 2. MANDATORY MEDIATION.**

7 Title I of the Helping Families Save Their Homes
8 Act of 2009 (Public Law 111–22; 12 U.S.C. 5201 note)
9 is amended by adding at the end the following:

1 **“SEC. 106. MANDATORY MEDIATION.**

2 “(a) IN GENERAL.—Notwithstanding any other pro-
3 vision of law, before a qualified mortgagee may initiate
4 a foreclosure proceeding or a sheriff sale, the qualified
5 mortgagee shall conduct, consistent with any applicable
6 State or local requirements, a one-time mediation with the
7 affected mortgagor and a housing counseling agency, at
8 the expense of the qualified mortgagee.

9 “(b) DEFINITIONS.—For purposes of this section—

10 “(1) the term ‘housing counseling agency’
11 means—

12 “(A) a housing counseling agency certified
13 by the Secretary under section 106(e) of the
14 Housing and Urban Development Act of 1968
15 (12 U.S.C. 1701x(e)); or

16 “(B) a neighborhood housing services pro-
17 gram established by the Neighborhood Rein-
18 vestment Corporation under section 606 of the
19 Housing and Community Development Amend-
20 ments of 1978 (42 U.S.C. 8105); and

21 “(2) the term ‘qualified mortgagee’ means an
22 entity—

23 “(A) that makes a mortgage loan for, or
24 holds a note secured by, a one- to four-family
25 residence that is—

1 “(i) insured under title II of the Na-
2 tional Housing Act (12 U.S.C. 1707 et
3 seq.);

4 “(ii) guaranteed, insured, or made
5 under chapter 37 of title 38, United States
6 Code;

7 “(iii) made, guaranteed, or insured
8 under title V of the Housing Act of 1949
9 (42 U.S.C. 1471 et seq.); or

10 “(iv) eligible for purchase by the Fed-
11 eral National Mortgage Association or the
12 Federal Home Loan Mortgage Corpora-
13 tion; or

14 “(B) that is acting, or otherwise author-
15 ized to act, as the mortgagee of record for a
16 lender, including any entity, such as the Mort-
17 gage Electronic Registration Systems or
18 MERS, acting as a nominee for a lender in any
19 suit brought against a mortgagor.”.

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