

113TH CONGRESS  
2D SESSION

# H. R. 4255

To require the Federal Housing Finance Agency to establish a 6-month moratorium on foreclosure of mortgages guaranteed by Fannie Mae or Freddie Mac on homes of individuals who have lost Federal unemployment insurance as a result of the expiration of such program, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 14, 2014

Mr. CARTWRIGHT (for himself, Mr. HORSFORD, Mr. CONNOLLY, Mr. GEORGE MILLER of California, Mrs. NAPOLITANO, Mr. GRIJALVA, Mr. VAN HOLLEN, Mr. NOLAN, Ms. HAHN, Ms. SLAUGHTER, Ms. LEE of California, Mr. FARR, Mr. HONDA, Ms. LORETTA SANCHEZ of California, Ms. ESHOO, Ms. SPEIER, Mr. HASTINGS of Florida, Mr. JOHNSON of Georgia, Mr. TONKO, Mr. FATTAH, Mr. BRADY of Pennsylvania, Ms. JACKSON LEE, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. LYNCH, Ms. BONAMICI, Mr. DEFazio, Mr. COHEN, Mr. CÁRDENAS, Ms. KAPTUR, Mr. RUSH, Mr. GARCIA, Mr. NEAL, Ms. PINGREE of Maine, Mr. ELLISON, Mr. PALLONE, Mr. LANGEVIN, Ms. NORTON, Mr. DOYLE, Ms. CHU, Mr. THOMPSON of California, Mr. CONYERS, Ms. CLARK of Massachusetts, Mr. RANGEL, Ms. WILSON of Florida, Ms. SHEA-PORTER, Ms. LOFGREN, Ms. BROWN of Florida, Mr. CARSON of Indiana, Ms. VELÁZQUEZ, Mr. TAKANO, Mr. RUPPERSBERGER, Ms. ROYBAL-ALLARD, Mr. GENE GREEN of Texas, Mr. CLAY, and Ms. DELAURO) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To require the Federal Housing Finance Agency to establish a 6-month moratorium on foreclosure of mortgages guaranteed by Fannie Mae or Freddie Mac on homes of individuals who have lost Federal unemployment insur-

ance as a result of the expiration of such program,  
and for other purposes.

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 “Stop Foreclosures Due  
5 to Congressional Dysfunction Act of 2014”.

6 **SEC. 2. MORTGAGE FORECLOSURE MORATORIUM.**

7       (a) **MORATORIUM.**—The Director of the Federal  
8 Housing Finance Agency shall prohibit mortgagees of eli-  
9 gible mortgages under subsection (c) from initiating a  
10 foreclosure, whether judicial or nonjudicial, or taking any  
11 action in furtherance of a foreclosure already initiated, in-  
12 cluding any foreclosure sale, with respect to any eligible  
13 mortgage during the foreclosure moratorium period under  
14 subsection (d) for such eligible mortgage.

15       (b) **TREATMENT OF MORTGAGE PAYMENTS DUE**  
16 **DURING FORECLOSURE MORATORIUM PERIOD.**—

17               (1) **DEFERRAL OF MORTGAGE PAYMENTS; IN-**  
18 **TEREST DUE.**—The Director shall provide that, dur-  
19 ing the foreclosure moratorium period with respect  
20 to an eligible mortgage—

21                       (A) the term of the mortgage shall toll;

22                       (B) any payments of principal and interest  
23 due under the mortgage shall be deferred; and

1           (C) interest on outstanding principal due  
2           under the mortgage shall continue to accrue at  
3           the rate provided for under the mortgage.

4           (2) RESUMPTION OF MORTGAGE PAYMENTS;  
5           AMORTIZATION OF INTEREST ACCRUED.—The Direc-  
6           tor shall provide that, upon the expiration of the  
7           foreclosure moratorium period with respect to an eli-  
8           gible mortgage—

9                   (A) the term of the mortgage, and the re-  
10                  sponsibility of the mortgagor to make payments  
11                  of principal and interest due under the mort-  
12                  gage, shall resume; and

13                   (B) any interest accrued pursuant to para-  
14                  graph (1)(C) shall be amortized, and payable,  
15                  over the remaining term of the mortgage.

16           (c) ELIGIBLE MORTGAGE.—An eligible mortgage  
17           under this subsection is a mortgage that—

18                   (1) is owned, held, securitized, or guaranteed by  
19                  the Federal National Mortgage Association or the  
20                  Federal Home Loan Mortgage Corporation;

21                   (2) is a mortgage on a 1- to 4-family residence  
22                  that is the principal residence of the mortgagor;

23                   (3) was current with respect to payments of  
24                  principal and interest, and any taxes, insurance, and  
25                  other amounts required to be paid in escrow, that

1 were due under the mortgage as of the beginning of  
2 the foreclosure moratorium period with respect to  
3 such eligible mortgage; and

4 (4) has a mortgagor who—

5 (A)(i) received extended compensation or  
6 additional compensation for a week of unem-  
7 ployment ending at any time during the 7-day  
8 period ending January 1, 2014;

9 (ii) has exhausted all rights to regular  
10 compensation under the unemployment com-  
11 pensation law of a State at any time during the  
12 period beginning January 1, 2014, and ending  
13 on the date of enactment of this Act and has  
14 remained continuously unemployed throughout  
15 such period; or

16 (iii) exhausts all rights to regular com-  
17 pensation under the unemployment compensa-  
18 tion law of a State at any time during the pe-  
19 riod beginning on the date of enactment of this  
20 Act and ending on July 1, 2014; and

21 (B) as of the beginning of the foreclosure  
22 moratorium period with respect to such eligible  
23 mortgage, has a ratio of debt to income, as de-  
24 termined in accordance with such requirements

1 as the Director shall establish, that was greater  
2 than 40 percent.

3 (d) FORECLOSURE MORATORIUM PERIOD.—The  
4 foreclosure moratorium period under this subsection with  
5 respect to an eligible mortgage shall be the 6-month period  
6 beginning upon—

7 (1) in the case of an eligible mortgage of a  
8 mortgagor described in clause (i) or (ii) of sub-  
9 section (c)(4)(A), the date of the enactment of this  
10 Act; and

11 (2) in the case of an eligible mortgage of a  
12 mortgagor described in clause (iii) of subsection  
13 (c)(4)(A), the date on which such mortgagor ex-  
14 hausts all rights to regular compensation under the  
15 unemployment compensation law of a State.

16 (e) DEFINITIONS.—For purposes of this section, the  
17 following definitions shall apply:

18 (1) DIRECTOR.—The term “Director” means  
19 the Director of the Federal Housing Finance Agen-  
20 cy.

21 (2) ELIGIBLE MORTGAGE.—The term “eligible  
22 mortgage” means a mortgage that meets the re-  
23 quirements of subsection (c).

24 (3) FORECLOSURE MORATORIUM PERIOD.—The  
25 term “foreclosure moratorium period” means, with

1       respect to an eligible mortgage, the period specified  
2       in subsection (d) for the mortgage.

3               (4) MORTGAGEE.—The term “mortgagee” in-  
4       cludes, with respect to an eligible mortgage, any  
5       creditor, servicer, or holder of such eligible mort-  
6       gage, and any other person acting on behalf of any  
7       such creditor, servicer, or holder.

8               (5) REGULAR COMPENSATION; EXTENDED COM-  
9       PENSATION;    ADDITIONAL    COMPENSATION.—The  
10      terms “regular compensation”, “extended compensa-  
11      tion”, and “additional compensation” have the  
12      meanings given such terms in section 205 of the  
13      Federal-State Extended Unemployment Compensa-  
14      tion Act of 1970 (26 U.S.C. 3304 note).

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