AMENDMENT TO THE RULES COMMITTEE PRINT
OF H.R. 4310
OFFERED BY MR. CUMMINGS OF MARYLAND

At the end of subtitle G of title VI, add the following new section:

SEC. 664. MORTGAGE PROTECTION FOR MEMBERS OF THE ARMED FORCES, SURVIVING SPOUSES, AND CERTAIN VETERANS.

(a) MORTGAGE PROTECTION.—

(1) IN GENERAL.—Section 303 of the Servicemembers Civil Relief Act (50 U.S.C. App. 533) is amended to read as follows:

“SEC. 303. MORTGAGES AND TRUST DEEDS.

“(a) MORTGAGE AS SECURITY.—This section applies only to an obligation on real or personal property that is secured by a mortgage, trust deed, or other security in the nature of a mortgage and is owned by a covered individual as follows:

“(1) With respect to an obligation on real or personal property owned by a servicemember, such obligation that originated before the period of the servicemember’s military service and for which the servicemember is still obligated.
“(2) With respect to an obligation on real property owned by a servicemember serving in support of a contingency operation (as defined in section 101(a)(13) of title 10, United States Code), such obligation that originated at any time and for which the servicemember is still obligated.

“(3) With respect to an obligation on real property owned by a veteran described in subsection (f)(1)(B), such obligation that originated at any time and for which the veteran is still obligated.

“(4) With respect to an obligation on real property owned by a surviving spouse described in subsection (f)(1)(C), such obligation that originated at any time and for which the spouse is still obligated.

“(b) Stay of Proceedings and Adjustment of Obligation.—(1) In an action filed during a covered time period to enforce an obligation described in subsection (a), the court may after a hearing and on its own motion and shall upon application by a covered individual when the individual’s ability to comply with the obligation is materially affected by military service—

“(A) stay the proceedings for a period of time as justice and equity require, or

“(B) adjust the obligation to preserve the interests of all parties.
“(2) For purposes of applying paragraph (1) to a covered individual who is a surviving spouse of a servicemember described in subsection (f)(1)(C), the term ‘military service’ means the service of such servicemember.

“(c) Sale or Foreclosure.—A sale, foreclosure, or seizure of property for a breach of an obligation described in subsection (a) shall not be valid during a covered time period except—

“(1) upon a court order granted before such sale, foreclosure, or seizure with a return made and approved by the court; or

“(2) if made pursuant to an agreement as provided in section 107.

“(d) Misdemeanor.—A person who knowingly makes or causes to be made a sale, foreclosure, or seizure of property that is prohibited by subsection (e), or who knowingly attempts to do so, shall be fined as provided in title 18, United States Code, or imprisoned for not more than one year, or both.

“(e) Proof of Service.—(1) A veteran described in subsection (f)(1)(B) shall provide documentation described in paragraph (2) to relevant persons to prove the eligibility of the veteran to be covered under this section.

“(2) Documentation described in this paragraph is a rating decision or a letter from the Department of Vet-
erans Affairs that confirms that the veteran is totally dis-
abled because of one or more service-connected injuries or
service-connected disability conditions.

“(f) DEFINITIONS.—In this section:

“(1) The term ‘covered individual’ means the
following individuals:

“(A) A servicemember.

“(B) A veteran who was retired under
chapter 61 of title 10, United States Code, and
whom the Secretary of Veterans Affairs, at the
time of such retirement, determines is a totally
disabled veteran.

“(C) A surviving spouse of a
servicemember who—

“(i) died while serving in support of a
contingency operation if such spouse is the
successor in interest to property covered
under subsection (a); or

“(ii) died while in military service and
whose death is service-connected if such
spouse is the successor in interest to prop-
erty covered under subsection (a).

“(2) The term ‘covered time period’ means the
following time periods:
“(A) With respect to a servicemember, during the period beginning on the date on which such servicemember begins military service and ending on the date that is 12 months after the date on which such servicemember is discharged from such service.

“(B) With respect to a servicemember serving in support of a contingency operation, during the period beginning on the date of the military orders for such service and ending on the date that is 12 months after the date on which such servicemember redeploy from such contingency operation.

“(C) With respect to a veteran described in subsection (f)(1)(B), during the 12-month period beginning on the date of the retirement of such veteran described in such subsection.

“(D) With respect to a surviving spouse of a servicemember described in subsection (f)(1)(C), during the 12-month period beginning on the date of the death of the servicemember.”.

(2) CONFORMING AMENDMENT.—Section 107 of the Servicemembers Civil Relief Act (50 U.S.C.
App. 517) is amended by adding at the end the following:

“(e) OTHER INDIVIDUALS.—For purposes of this section, the term ‘servicemember’ includes any covered individual under section 303(f)(1).”.

(3) REPEAL OF SUNSET.—Subsection (c) of section 2203 of the Housing and Economic Recovery Act of 2008 (Public Law 110–289; 50 U.S.C. App. 533 note) is amended to read as follows:

“(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.”.

(b) INCREASED CIVIL PENALTIES FOR MORTGAGE VIOLATIONS.—Paragraph (3) of section 801(b) of the Servicemembers Civil Relief Act (50 U.S.C. App. 597(b)(3)) is amended to read as follows:

“(3) to vindicate the public interest, assess a civil penalty—

“(A) with respect to a violation of section 303 regarding real property—

“(i) in an amount not exceeding $110,000 for a first violation; and

“(ii) in an amount not exceeding $220,000 for any subsequent violation; and
“(B) with respect to any other violation of this Act—

“(i) in an amount not exceeding $55,000 for a first violation; and

“(ii) in an amount not exceeding $110,000 for any subsequent violation.”.

(c) Credit Discrimination.—Section 108 of such Act (50 U.S.C. App. 518) is amended—

(1) by striking “Application by” and inserting “(a) Application by”; and

(2) by adding at the end the following new subsection:

“(b) In addition to the protections under subsection (a), an individual who is eligible, or who may likely become eligible, for any provision of this Act may not be denied or refused credit or be subject to any other action described under paragraphs (1) through (6) of subsection (a) solely by reason of such eligibility.”.

(d) Requirements for Lending Institutions That Are Creditors for Obligations and Liabilities Covered by the Servicemembers Civil Relief Act.—Section 207 of the Servicemembers Civil Relief Act (50 U.S.C. App. 527) is amended—

(1) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively; and
(2) by inserting after subsection (c) the following new subsection (d):

“(d) LENDING INSTITUTION REQUIREMENTS.—

“(1) COMPLIANCE OFFICERS.—Each lending institution subject to the requirements of this section shall designate an employee of the institution as a compliance officer who is responsible for ensuring the institution’s compliance with this section and for distributing information to servicemembers whose obligations and liabilities are covered by this section.

“(2) TOLL-FREE TELEPHONE NUMBER.—During any fiscal year, a lending institution subject to the requirements of this section that had annual assets for the preceding fiscal year of $10,000,000,000 or more shall maintain a toll-free telephone number and shall make such telephone number available on the primary Internet Web site of the institution.”.