AMENDMENT TO H.R. 839, AS REPORTED
OFFERED BY M__.

Add at the end the following new section:

1 SEC. 3. SERVICING STANDARDS.
2
3 (a) SINGLE ELECTRONIC RECORD AND SINGLE
4 POINT OF CONTACT.—Each servicer participating in the
5 Home Affordable Modification Program shall, with respect
6 to the borrower of a loan being considered for modification
7 under the Home Affordable Modification Program, estab-
8 lish—
9
10 (1) a single electronic record for each account,
11 the contents of which shall be accessible throughout
12 the servicer, including to the all loss mitigation staff,
13 all foreclosure staff, and all bankruptcy staff and
14 agents; and
15
16 (2) a single point of contact for the borrower
17 for all loss mitigation activities.
18
19 (b) LIMITATION ON FORECLOSURE PROCEEDINGS.—
20
21 (1) INITIATION OF FORECLOSURE.—A servicer
22 participating in the Home Affordable Modification
23 Program may not initiate or continue a nonjudicial
24 foreclosure or a judicial foreclosure against a cov-
ered mortgagor that is otherwise authorized under State law, unless—

(A) the servicer has determined whether the covered mortgagor is eligible for a qualified loss mitigation plan;

(B) in the case of a covered mortgagor who the servicer determines is eligible for a qualified loss mitigation plan, the servicer has offered a qualified loss mitigation plan to the covered mortgagor; and

(C) in the case of a covered mortgagor who the servicer determines is not eligible for a qualified loan modification, the servicer has made available to the covered mortgagor documentation of—

(i) a loan modification calculation or net present value calculation, including the information necessary to verify and evaluate the calculation, made by the servicer in relation to the mortgage using a qualified home loan modification;

(ii) the loan origination, including any note, deed of trust, or other document necessary to establish the right of the mortgagor to foreclose on the mortgage, includ-
ing proof of assignment of the mortgage to
the mortgagee and the right of the mort-
gagee to enforce the relevant note under
the law of the State in which the real prop-
erty securing the mortgage is located;

(iii) any pooling and servicing agree-
ment that the servicer believes prohibits a
qualified loan modification;

(iv) the payment history of the cov-
ered mortgagor and a detailed accounting
of any costs or fees associated with the ac-
count of the covered mortgagor; and

(v) the specific alternatives to fore-
closure considered by the servicer, includ-
ing qualified loan modifications, workout
agreements, and short sales.

(2) Foreclosure Proceedings Per-
mitted.—Notwithstanding paragraph (1), a servicer
of a loan modified under the Home Affordable Mod-
fication Program may initiate or continue a judicial
or nonjudicial foreclosure under State law against a
mortgagor if—

(A) the servicer—

(i) determines that the mortgagor is
not eligible for a modification; and
(ii) notifies the mortgagor of the determination under clause (i), in accordance with the requirements under the qualified loan modification plan; or

(B) a mortgagor—

(i) declines a modification; or

(ii) does not respond to required outreach under the qualified home loan modification.

(3) DEFENSE TO FORECLOSURE.—Failure to comply with the requirements of this subsection shall be a bar to the foreclosure of a mortgage, deed of trust, or substantially similar instrument.

(4) DEFINITIONS.—For purposes of this section:

(A) COVERED MORTGAGOR.—The term “covered mortgagor”—

(i) means an individual—

(I) who—

(aa) is a mortgagor under a federally related mortgage loan secured by the principal residence of the mortgagor; or

(bb) is eligible to assume a federally related mortgage loan
described in item (aa) in a manner described in paragraph (3), (5), (6), or (7) of section 341(d) of the Garn-St Germain Depository Institutions Act of 1982 (12 U.S.C. 1701j–3(d)), if the principal residence of the individual is the principal residence securing the federally related mortgage loan; and

(II) who cannot make payments on a federally related mortgage loan due to financial hardship, as determined by the Secretary, in consultation with the Secretary of the Treasury and the Director of the Bureau of Consumer Financial Protection; and

(ii) does not include an individual who the Secretary, in consultation with the Secretary of the Treasury and the Director of the Bureau of Consumer Financial Protection, determines has abandoned the principal residence securing the federally related mortgage loan.
(B) Qualified Loan Modification.—

The term “qualified loan modification” means an agreement to reduce the amount of periodic payments under a mortgage note, including any reduction of the principal amount of the mortgage note, that is reflected in a permanent change to the terms of the mortgage note under such terms as defined by the Home Affordable Modification Program and the pooling and servicing agreement protocols of such Program.

(c) Target Affordable Monthly Mortgage Payment Not Achieved.—

(1) In General.—With respect to a loan modified under the Home Affordable Modification Program, if, after reducing mortgage note principal under subsection (a) of section 129A of the Truth in Lending Act (as such section is redesignated by section 1402(a)(1) of the Dodd-Frank Wall Street Reform and Consumer Protection Act), a target affordable monthly mortgage note payment has not been achieved, the servicer of a mortgage described in such subsection shall comply with the qualified loan modification plan modification waterfall steps of interest rate reduction, term extension, and principal
forbearance or reduction, as necessary to achieve a target affordable monthly mortgage note payment.

(2) TARGET AFFORDABLE MONTHLY MORTGAGE NOTE PAYMENT.—The Secretary of the Treasury shall define the term “target affordable monthly mortgage note payment” for purposes of this subsection.