

[DISCUSSION DRAFT]

116TH CONGRESS
2^D SESSION

H. R. _____

To amend the CARES Act to provide forbearance and foreclosure moratoriums for all mortgage loans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. _____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the CARES Act to provide forbearance and foreclosure moratoriums for all mortgage loans, 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 “COVID–19 Mortgage
5 Relief Act”.

1 **SEC. 2. FORBEARANCE AND FORECLOSURE MORATORIUM**
2 **FOR ALL MORTGAGE LOANS.**

3 Section 4022 of the CARES Act (15 U.S.C. 9056)
4 is amended—

5 (1) by striking “Federally backed mortgage
6 loan” each place such term appears and inserting
7 “covered mortgage loan”; and

8 (2) in subsection (a)—

9 (A) by amending paragraph (2) to read as
10 follows:

11 “(2) COVERED MORTGAGE LOAN.—The term
12 ‘covered mortgage loan’ means any credit trans-
13 action that is secured by a mortgage, deed of trust,
14 or other equivalent consensual security interest on a
15 dwelling or on residential real property that includes
16 a dwelling, provided that the dwelling is owner-occu-
17 pied, except that it shall not include a credit trans-
18 action under an open end credit plan other than a
19 reverse mortgage.”; and

20 (B) by adding at the end the following:

21 “(3) COVERED PERIOD.—With respect to a
22 loan, the term ‘covered period’ means the period be-
23 ginning on the date of enactment of this Act and
24 ending 12 months after such date of enactment.”.

1 **SEC. 3. AUTOMATIC FORBEARANCE FOR DELINQUENT BOR-**
2 **ROWERS.**

3 Section 4022(c) of the CARES Act (15 U.S.C.
4 9056(c)), as amended by section 6, is further amended
5 by adding at the end the following:

6 “(9) AUTOMATIC FORBEARANCE FOR DELIN-
7 QUENT BORROWERS.—

8 “(A) IN GENERAL.—Notwithstanding any
9 other law governing forbearance relief—

10 “(i) any borrower whose covered mort-
11 gage loan became 60 days delinquent be-
12 tween March 13, 2020, and the date of en-
13 actment of this paragraph, and who has
14 not already received a forbearance under
15 subsection (b), shall automatically be
16 granted a 60-day forbearance that begins
17 on the date of enactment of this para-
18 graph, provided that a borrower shall not
19 be considered delinquent for purposes of
20 this paragraph while making timely pay-
21 ments or otherwise performing under a
22 trial modification or other loss mitigation
23 agreement; and

24 “(ii) any borrower whose covered
25 mortgage loan becomes 60 days delinquent
26 between the date of enactment of this

1 paragraph and the end of the covered pe-
2 riod, and who has not already received a
3 forbearance under subsection (b), shall
4 automatically be granted a 60-day forbear-
5 ance that begins on the 60th day of delin-
6 quency, provided that a borrower shall not
7 be considered delinquent for purposes of
8 this paragraph while making timely pay-
9 ments or otherwise performing under a
10 trial modification or other loss mitigation
11 agreement.

12 “(B) INITIAL EXTENSION.—An automatic
13 forbearance provided under subparagraph (A)
14 shall be extended for up to an additional 120
15 days upon the borrower’s request, oral or writ-
16 ten, submitted to the borrower’s servicer affirm-
17 ing that the borrower is experiencing a financial
18 hardship that prevents the borrower from mak-
19 ing timely payments on the covered mortgage
20 loan due, directly or indirectly, to the COVID–
21 19 emergency.

22 “(C) SUBSEQUENT EXTENSION.—A for-
23 bearance extended under subparagraph (B)
24 shall be extended for up to an additional 180
25 days, up to a maximum of 360 days (including

1 the period of automatic forbearance), upon the
2 borrower's request, oral or written, submitted to
3 the borrower's servicer affirming that the bor-
4 rower is experiencing a financial hardship that
5 prevents the borrower from making timely pay-
6 ments on the covered mortgage loan due, di-
7 rectly or indirectly, to the COVID-19 emer-
8 gency.

9 “(D) RIGHT TO ELECT TO CONTINUE MAK-
10 ING PAYMENTS.—With respect to a forbearance
11 provided under this paragraph, the borrower of
12 such loan may elect to continue making regular
13 payments on the loan. A borrower who makes
14 such election shall be offered a loss mitigation
15 option pursuant to subsection (d) within 30
16 days of resuming regular payments to address
17 any payment deficiency during the forbearance.

18 “(E) RIGHT TO SHORTEN FORBEAR-
19 ANCE.—At a borrower's request, any period of
20 forbearance provided under this paragraph may
21 be shortened. A borrower who makes such a re-
22 quest shall be offered a loss mitigation option
23 pursuant to subsection (d) within 30 days of re-
24 suming regular payments to address any pay-
25 ment deficiency during the forbearance.

1 “(10) AUTOMATIC FORBEARANCE FOR CERTAIN
2 REVERSE MORTGAGE LOANS.—

3 “(A) IN GENERAL.—When any covered
4 mortgage loan which is also a federally-insured
5 reverse mortgage loan, during the covered pe-
6 riod, is due and payable due to the death of the
7 last borrower or end of a deferral period or eli-
8 gible to be called due and payable due to a
9 property charge default, or if the borrower de-
10 faults on a property charge repayment plan, the
11 mortgagee automatically shall be granted a six-
12 month extension of—

13 “(i) the mortgagee’s deadline to re-
14 quest due and payable status from the De-
15 partment of Housing and Urban Develop-
16 ment;

17 “(ii) the deadline to initiate fore-
18 closure;

19 “(iii) any due diligence period related
20 to foreclosure or the Mortgagee Optional
21 Election; and

22 “(iv) any claim submission deadline.

23 “(B) FORBEARANCE PERIOD.—The mort-
24 gagee shall not request due and payable status
25 from the Secretary of Housing and Urban De-

1 velopment nor initiate foreclosure during this
2 six-month period described under subparagraph
3 (A), which shall be considered a forbearance pe-
4 riod.

5 “(C) EXTENSION.—A forbearance provided
6 under subparagraph (B) and related deadline
7 extension authorized under subparagraph (A)
8 shall be extended for an additional 180 days
9 upon—

10 “(i) the borrower’s request, oral or
11 written, submitted to the borrower’s
12 servicer affirming that the borrower is ex-
13 periencing a financial hardship that pre-
14 vents the borrower from making payments
15 on property charges due, directly or indi-
16 rectly, to the COVID–19 emergency;

17 “(ii) a non-borrowing spouse’s re-
18 quest, oral or written, submitted to the
19 servicer affirming that the non-borrowing
20 spouse has been unable to satisfy all cri-
21 teria for the Mortgagee Optional Election
22 program due, directly or indirectly, to the
23 COVID-19 emergency; or

24 “(iii) an heir of the borrower’s re-
25 quest, oral or written, submitted to the

1 servicer affirming the heir’s difficulty satis-
2 fying the reverse mortgage loan due, di-
3 rectly or indirectly, to the COVID-19
4 emergency.”.

5 **SEC. 4. ADDITIONAL FORECLOSURE AND REPOSSESSION**
6 **PROTECTIONS.**

7 Section 4022(c) of the CARES Act (15 U.S.C.
8 9056(c)) is amended—

9 (1) in paragraph (2), by striking “may not ini-
10 tiate any judicial or non-judicial foreclosure process,
11 move for a foreclosure judgment or order of sale, or
12 execute a foreclosure-related eviction or foreclosure
13 sale for not less than the 60-day period beginning on
14 March 18, 2020” and inserting “may not initiate or
15 proceed with any judicial or non-judicial foreclosure
16 process, schedule a foreclosure sale, move for a fore-
17 closure judgment or order of sale, execute a fore-
18 closure related eviction or foreclosure sale for six
19 months after the date of enactment of the COVID-
20 19 Mortgage Relief Act”; and

21 (2) by adding at the end the following:

22 “(3) REPOSSESSION MORATORIUM.—In the case
23 of personal property, including any recreational or
24 motor vehicle, used as a dwelling, no person may use
25 any judicial or non-judicial procedure to repossess or

1 otherwise take possession of such property for six
2 months after date of enactment of this paragraph.”.

3 **SEC. 5. MORTGAGE FORBEARANCE REFORMS.**

4 Section 4022 of the CARES Act (15 U.S.C. 9056)
5 is amended—

6 (1) in subsection (b), by striking paragraphs
7 (1), (2), and (3) and inserting the following:

8 “(1) IN GENERAL.—During the covered period,
9 a borrower with a covered mortgage loan who has
10 not obtained automatic forbearance pursuant to this
11 section and who is experiencing a financial hardship
12 that prevents the borrower from making timely pay-
13 ments on the covered mortgage loan due, directly or
14 indirectly, to the COVID–19 emergency may request
15 forbearance on the loan, regardless of delinquency
16 status, by—

17 “(A) submitting a request, orally or in
18 writing, to the servicer of the loan; and

19 “(B) affirming that the borrower is experi-
20 encing a financial hardship that prevents the
21 borrower from making timely payments on the
22 covered mortgage loan due, directly or indi-
23 rectly, to the COVID–19 emergency.

24 “(2) DURATION OF FORBEARANCE.—

1 “(A) IN GENERAL.—Upon a request by a
2 borrower to a servicer for forbearance under
3 paragraph (1), such forbearance shall be grant-
4 ed by the servicer for the period requested by
5 the borrower, up to an initial length of 180
6 days, the length of which shall be extended by
7 the servicer, at the request of the borrower for
8 the period or periods requested, for a total for-
9 bearance period of up to 12-months.

10 “(B) MINIMUM FORBEARANCE
11 AMOUNTS.—For purposes of granting a forbear-
12 ance under this paragraph, a servicer may
13 grant an initial forbearance with a term of not
14 less than 90 days, provided that it is automati-
15 cally extended for an additional 90 days unless
16 the servicer confirms the borrower does not
17 want to renew the forbearance or that the bor-
18 rower is no longer experiencing a financial
19 hardship that prevents the borrower from mak-
20 ing timely mortgage payments due, directly or
21 indirectly, to the COVID–19 emergency.

22 “(C) RIGHT TO SHORTEN FORBEAR-
23 ANCE.—At a borrower’s request, any period of
24 forbearance described under this paragraph
25 may be shortened. A borrower who makes such

1 a request shall be offered a loss mitigation op-
2 tion pursuant to subsection (d) within 30 days
3 of resuming regular payments to address any
4 payment deficiency during the forbearance.

5 “(3) ACCRUAL OF INTEREST OR FEES.—A
6 servicer shall not charge a borrower any fees, pen-
7 alties, or interest (beyond the amounts scheduled or
8 calculated as if the borrower made all contractual
9 payments on time and in full under the terms of the
10 mortgage contract) in connection with a forbearance,
11 provided that a servicer may offer the borrower a
12 modification option at the end of a forbearance pe-
13 riod granted hereunder that includes the capitaliza-
14 tion of past due principal and interest and escrow
15 payments as long as the borrower’s principal and in-
16 terest payment under such modification remains at
17 or below the contractual principal and interest pay-
18 ments owed under the terms of the mortgage con-
19 tract before such forbearance period except as the
20 result of a change in the index of an adjustable rate
21 mortgage.

22 “(4) COMMUNICATION WITH SERVICERS.—Any
23 communication between a borrower and a servicer
24 described under this section may be made in writing
25 or orally, at the borrower’s choice.

1 “(5) COMMUNICATION WITH BORROWERS WITH
2 A DISABILITY.—Upon request from a borrower,
3 servicers shall communicate with borrowers who
4 have a disability in the borrower’s preferred method
5 of communication. For purposes of this paragraph,
6 the term ‘disability’ has the meaning given that term
7 in the Fair Housing Act, the Americans with Dis-
8 abilities Act of 1990, or the Rehabilitation Act of
9 1973.”; and

10 (2) in subsection (c), by amending paragraph
11 (1) to read as follows:

12 “(1) NO DOCUMENTATION REQUIRED.—A
13 servicer of a covered mortgage loan shall not require
14 any documentation with respect to a forbearance
15 under this section other than the borrower’s affirma-
16 tion (oral or written) to a financial hardship that
17 prevents the borrower from making timely payments
18 on the covered mortgage loan due, directly or indi-
19 rectly, to the COVID–19 emergency. An oral request
20 for forbearance and oral affirmation of hardship by
21 the borrower shall be sufficient for the borrower to
22 obtain or extend a forbearance.”.

1 **SEC. 6. OTHER SERVICER REQUIREMENTS DURING FOR-**
2 **BEARANCE.**

3 Section 4022(c) of the CARES Act (15 U.S.C.
4 9056(c)), as amended by section 4, is further amended
5 by adding at the end the following:

6 “(4) FORBEARANCE TERMS NOTICE.—Within
7 30 days of a servicer of a covered mortgage loan
8 providing forbearance to a borrower under sub-
9 section (b) or paragraph (9) or (10), or 10 days if
10 the forbearance is for a term of less than 60 days,
11 but only where the forbearance was provided in re-
12 sponse to a borrower’s request for forbearance or
13 when an automatic forbearance was initially pro-
14 vided under paragraph (9) or (10), and not when an
15 existing forbearance is automatically extended, the
16 servicer shall provide the borrower with a notice in
17 accordance with the terms in paragraph (5).

18 “(5) CONTENTS OF NOTICE.—The written no-
19 tice required under paragraph (4) shall state in
20 plain language—

21 “(A) the specific terms of the forbearance;

22 “(B) the beginning and ending dates of the
23 forbearance;

24 “(C) that the borrower is eligible for up to
25 12 months of forbearance;

1 “(D) that the borrower may request an ex-
2 tension of the forbearance unless the borrower
3 will have reached the maximum period at the
4 end of the forbearance;

5 “(E) that the borrower may request that
6 the initial or extended period be shortened at
7 any time;

8 “(F) that the borrower should contact the
9 servicer before the end of the forbearance pe-
10 riod;

11 “(G) a description of the loss mitigation
12 options that may be available to the borrower at
13 the end of the forbearance period based on the
14 borrower’s specific loan;

15 “(H) information on how to find a housing
16 counseling agency approved by the Department
17 of Housing and Urban Development;

18 “(I) in the case of a forbearance provided
19 pursuant to paragraph (9) or (10), that the for-
20 bearance was automatically provided and how
21 to contact the servicer to make arrangements
22 for further assistance, including any renewal;
23 and

24 “(J) where applicable, that the forbearance
25 is subject to an automatic extension including

1 the terms of any such automatic extensions and
2 when any further extension would require a bor-
3 rower request.

4 “(6) TREATMENT OF ESCROW ACCOUNTS.—
5 During any forbearance provided under this section,
6 a servicer shall pay or advance funds to make dis-
7 bursements in a timely manner from any escrow ac-
8 count established on the covered mortgage loan.

9 “(7) NOTIFICATION FOR BORROWERS.—Begin-
10 ning 90 days after the date of enactment of this
11 paragraph and ending at the end of the covered pe-
12 riod, each servicer of a covered mortgage loan shall
13 be required to make available, in a clear and con-
14 spicuous manner on their webpage, information for
15 borrowers regarding the availability of forbearance
16 as provided under subsection (b).

17 “(8) CERTAIN TREATMENT UNDER RESPA.—As
18 long as a borrower’s payment on a covered mortgage
19 loan was not more than 30 days delinquent on
20 March 13, 2020, a servicer may not deem the bor-
21 rower as delinquent while a forbearance granted
22 under subsection (b) is in effect for purposes of the
23 application of sections 6 and 10 of the Real Estate
24 Settlement Procedures Act and any applicable regu-
25 lations.”.

1 **SEC. 7. POST-FORBEARANCE LOSS MITIGATION.**

2 Section 4022 of the CARES Act (15 U.S.C. 9056)
3 is amended by adding at the end the following:

4 “(d) POST-FORBEARANCE LOSS MITIGATION.—

5 “(1) NOTICE OF AVAILABILITY OF ADDITIONAL
6 FORBEARANCE.—With respect to any covered mort-
7 gage loan as to which forbearance under this section
8 has been granted and not otherwise extended, in-
9 cluding by automatic extension, a servicer shall, no
10 later than 30 days before the end of the forbearance
11 period, in writing, notify the borrower that addi-
12 tional forbearance may be available and how to re-
13 quest such forbearance, except that no such notice
14 is required where the borrower already has requested
15 an extension of the forbearance period, is subject to
16 automatic extension pursuant to subsection
17 (b)(2)(B), or no additional forbearance is available.

18 “(2) LOSS MITIGATION OFFER BEFORE EXPIRA-
19 TION OF FORBEARANCE.—No later than 30 days be-
20 fore the end of any forbearance period that has not
21 been extended or 30 days after a request by a con-
22 sumer to terminate the forbearance, which time shall
23 be before the servicer initiates or engages in any
24 foreclosure activity listed in subsection (c)(2), in-
25 cluding incurring or charging to a borrower any fees

1 or corporate advances related to a foreclosure, the
2 servicer shall, in writing—

3 “(A) offer the borrower a loss mitigation
4 option, without the charging of any fees or pen-
5 alties other than interest, such that the bor-
6 rower’s principal and interest payment remains
7 the same as it was prior to the forbearance,
8 subject to any adjustment of the index pursuant
9 to the terms of an adjustable rate mortgage,
10 and that either—

11 “(i) defers the payment of total ar-
12 rearages, including any escrow advances,
13 to the end of the existing term of the loan,
14 without the charging or collection of any
15 additional interest on the deferred
16 amounts; or

17 “(ii) extends the term of the mortgage
18 loan, and capitalizes, defers, or forgives all
19 escrow advances and other arrearages;

20 provided, however, that the servicer may offer
21 the borrower a loss mitigation option that re-
22 duces the principal and interest payment on the
23 loan and capitalizes, defers, or forgives all es-
24 crow advances or arrearages if the servicer has
25 information indicating that the borrower cannot

1 resume the pre-forbearance mortgage payments;
2 and

3 “(B) concurrent with the loss mitigation
4 offer in subparagraph (A), notify the borrower
5 that the borrower has the right to be evaluated
6 for other loss mitigation options if the borrower
7 is not able to make the payment under the op-
8 tion offered in subparagraph (A).

9 “(3) EVALUATION FOR LOSS MITIGATION PRIOR
10 TO FORECLOSURE INITIATION.—Before a servicer
11 may initiate or engage in any foreclosure activity
12 listed in subsection (c)(2), including incurring or
13 charging to a borrower any fees or corporate ad-
14 vances related to a foreclosure on the basis that the
15 borrower has failed to perform under the loss miti-
16 gation offer in paragraph (2)(A) within the first 90
17 days after the option is offered, including a failure
18 to accept the loss mitigation offer in paragraph
19 (2)(A), the servicer shall—

20 “(A) unless the borrower has already sub-
21 mitted a complete application that the servicer
22 is reviewing—

23 “(i) notify the borrower in writing of
24 the documents and information, if any,
25 needed by the servicer to enable the

1 servicer to consider the borrower for all
2 available loss mitigation options;

3 “(ii) exercise reasonable diligence to
4 obtain the documents and information
5 needed to complete the borrower’s loss
6 mitigation application;

7 “(B) upon receipt of a complete applica-
8 tion or if, despite the servicer’s exercise of rea-
9 sonable diligence, the loss mitigation application
10 remains incomplete sixty days after the notice
11 in paragraph (2)(A) is sent, conduct an evalua-
12 tion of the complete or incomplete loss mitiga-
13 tion application without reference to whether
14 the borrower has previously submitted a com-
15 plete loss mitigation application and offer the
16 borrower all available loss mitigation options for
17 which the borrower qualifies under applicable
18 investor guidelines, including guidelines regard-
19 ing required documentation.

20 “(4) EFFECT ON FUTURE REQUESTS FOR LOSS
21 MITIGATION REVIEW.—An application, offer, or eval-
22 uation for loss mitigation under this section shall
23 not be the basis for the denial of a borrower’s appli-
24 cation as duplicative or for a reduction in the bor-
25 rower’s appeal rights under Regulation X (12 C.F.R.

1 1024) in regard to any loss mitigation application
2 submitted after the servicer has complied with the
3 requirements of paragraphs (2) and (3).

4 “(5) SAFE HARBOR.—Any loss mitigation op-
5 tion authorized by the Federal National Mortgage
6 Association, the Federal Home Loan Corporation, or
7 the Federal Housing Administration that either—

8 “(A) defers the payment of total arrear-
9 ages, including any escrow advances, to the end
10 of the existing term of the loan, without the
11 charging or collection of any additional interest
12 on the deferred amounts, or

13 “(B) extends the term of the mortgage
14 loan, and capitalizes, defers, or forgives all es-
15 crow advances and other arrearages, without
16 the charging of any fees or penalties beyond in-
17 terest on any amount capitalized into the loan
18 principal,

19 shall be deemed to comply with the requirements of
20 paragraph (1)(B).

21 “(6) HOME RETENTION OPTIONS FOR CERTAIN
22 REVERSE MORTGAGE LOANS.—

23 “(A) IN GENERAL.—For a covered mort-
24 gage loan which is also a federally-insured re-
25 verse mortgage loan, a servicer’s conduct shall

1 be deemed to comply with this section provided
2 that if the loan is eligible to be called due and
3 payable due to a property charge default, the
4 mortgagee shall, as a precondition to sending a
5 due and payable request to the Secretary or ini-
6 tiating or continuing a foreclosure process—

7 “(i) make a good faith effort to com-
8 municate with the borrower regarding
9 available home retention options to cure
10 the property charge default, including en-
11 couraging the borrower to apply for home
12 retention options; and

13 “(ii) consider the borrower for all
14 available home retention options as allowed
15 by the Secretary.

16 “(B) PERMISSIBLE REPAYMENT PLANS.—
17 The Secretary shall amend its allowable home
18 retention options to permit a repayment plan of
19 up to 120 months in length, and to permit a re-
20 payment plan without regard to prior defaults
21 on repayment plans.

22 “(C) LIMITATION ON INTEREST CURTAIL-
23 MENT.—The Secretary may not curtail interest
24 paid to mortgagees who engage in loss mitiga-
25 tion or home retention actions through interest

1 curtailment during such loss mitigation or home
2 retention review or during the period when a
3 loss mitigation or home retention plan is in ef-
4 fect and ending 90 days after any such plan
5 terminates.”.

6 **SEC. 8. MULTIFAMILY MORTGAGE FORBEARANCE.**

7 Section 4023 of the CARES Act (15 U.S.C. 9057)
8 is amended—

9 (1) by striking “Federally backed multifamily
10 mortgage loan” each place such term appears and
11 inserting “multifamily mortgage loan”;

12 (2) in subsection (b), by striking “during” and
13 inserting “due, directly or indirectly, to”;

14 (3) in subsection (c)(1)—

15 (A) in subparagraph (A), by adding “and”
16 at the end;

17 (B) by striking subparagraphs (B) and (C)
18 and inserting the following:

19 “(B) provide the forbearance for up to the
20 end of the period described under section
21 4024(b).”; and

22 (4) by redesignating subsection (f) as sub-
23 section (g);

24 (5) by inserting after subsection (e) the fol-
25 lowing:

1 “(f) TREATMENT AFTER FORBEARANCE.—With re-
2 spect to a multifamily mortgage loan provided a forbear-
3 ance under this section, the servicer of such loan—

4 “(1) shall provide the borrower with a 12-
5 month period beginning at the end of such forbear-
6 ance to become current on the payments under such
7 loan;

8 “(2) may not charge any late fees, penalties, or
9 other charges with respect to payments on the loan
10 that were due during the forbearance period, if such
11 payments are made before the end of the 12-month
12 period; and

13 “(3) may not report any adverse information to
14 a credit rating agency (as defined under section 603
15 of the Fair Credit Reporting Act with respect to any
16 payments on the loan that were due during the for-
17 bearance period, if such payments are made before
18 the end of the 12-month period.)”; and

19 (6) in subsection (g), as so redesignated—

20 (A) in paragraph (2)—

21 (i) by striking “that—” and all that
22 follows through “(A) is secured by” and
23 inserting “that is secured by”;

24 (ii) by striking “; and” and inserting
25 a period; and

1 (iii) by striking subparagraph (B);

2 and

3 (B) by amending paragraph (5) to read as

4 follows:

5 “(5) COVERED PERIOD.—With respect to a
6 loan, the term ‘covered period’ has the meaning
7 given that term under section 4022(a)(3).”.

8 **SEC. 9. RENTER PROTECTIONS DURING FORBEARANCE PE-**
9 **RIOD.**

10 A borrower that receives a forbearance pursuant to
11 section 4022 or 4023 of the CARES Act (15 U.S.C. 9056
12 or 9057) may not, for the duration of the forbearance—

13 (1) evict or initiate the eviction of a tenant sole-
14 ly for nonpayment of rent or other fees or charges;
15 or

16 (2) charge any late fees, penalties, or other
17 charges to a tenant for late payment of rent.

18 **SEC. 10. EXTENSION OF GSE PATCH.**

19 (a) NON-APPLICABILITY OF EXISTING SUNSET.—
20 Section 1026.43(e)(4)(iii)(B) of title 12, Code of Federal
21 Regulations, shall have no force or effect.

22 (b) EXTENDED SUNSET.—The special rules in sec-
23 tion 1026.43(e)(4) of title 12, Code of Federal Regula-
24 tions, shall apply to covered transactions consummated
25 prior to June 1, 2022, or such later date as the Director

1 of the Bureau of Consumer Financial Protection may de-
2 termine, by rule.

3 **SEC. 11. LIQUIDITY FOR MORTGAGE SERVICERS.**

4 Section 4003 of the CARES Act (15 U.S.C. 9042),
5 is amended by adding at the end the following:

6 “(i) LIQUIDITY FOR MORTGAGE SERVICERS.—

7 “(1) IN GENERAL.—Subject to paragraph (2),
8 the Secretary shall ensure that servicers of covered
9 mortgage loans (as defined under section 4022) and
10 multifamily mortgage loans (as defined under sec-
11 tion 4023) are provided the opportunity to partici-
12 pate in the loans, loan guarantees, or other invest-
13 ments made by the Secretary under this section.

14 “(2) MORTGAGE SERVICER ELIGIBILITY.—In
15 order to receive assistance under subsection (b)(4),
16 a mortgage servicer shall—

17 “(A) demonstrate that the mortgage
18 servicer has established policies and procedures
19 to use such funds only to replace funds used for
20 borrower assistance, including to advance funds
21 as a result of forbearance or other loss mitiga-
22 tion provided to borrowers;

23 “(B) demonstrate that the mortgage
24 servicer has established policies and procedures
25 to provide forbearance, post-forbearance loss

1 mitigation, and other assistance to borrowers in
2 compliance with the terms of section 4022 or
3 4023, as applicable;

4 “(C) demonstrate that the mortgage
5 servicer has established policies and procedures
6 to ensure that forbearance and post-forbearance
7 assistance is available to all borrowers in a non-
8 discriminatory fashion and in compliance with
9 the Fair Housing Act, the Equal Credit Oppor-
10 tunity Act, and other applicable fair housing
11 and fair lending laws; and

12 “(D) comply with the limitations on com-
13 pensation set forth in section 4004.

14 “(3) MORTGAGE SERVICER REQUIREMENTS.—A
15 mortgage servicer receiving assistance under sub-
16 section (b)(4) may not, while the servicer is under
17 any obligation to repay funds provided or guaran-
18 teed under this section—

19 “(A) pay dividends with respect to the
20 common stock of the mortgage servicer or pur-
21 chase an equity security of the mortgage
22 servicer or any parent company of the mortgage
23 servicer if the security is listed on a national se-
24 curities exchange, except to the extent required

1 under a contractual obligation that is in effect
2 on the date of enactment of this subsection; or
3 “(B) prepay any debt obligation.”.

4 **SEC. 12. SERVICER SAFE HARBOR FROM INVESTOR LIABIL-**
5 **ITY.**

6 (a) SAFE HARBOR.—

7 (1) IN GENERAL.—A servicer of covered mort-
8 gage loans or multifamily mortgage loans shall be
9 deemed not to have violated any duty or contractual
10 obligation owed to investors or other parties regard-
11 ing such mortgage loans on account of offering or
12 implementing in good faith forbearance during the
13 covered period or offering or implementing in good
14 faith post-forbearance loss mitigation (including
15 after the expiration of the covered period) in accord-
16 ance with the terms of sections 4022 and 4023 of
17 the CARES Act to borrowers, respectively, on cov-
18 ered or multifamily mortgage loans that it services
19 and shall not be liable to any party who is owed
20 such a duty or obligation or subject to any injunc-
21 tion, stay, or other equitable relief to such party on
22 account of such offer or implementation of forbear-
23 ance or post-forbearance loss mitigation.

24 (2) OTHER PERSONS.—Any person, including a
25 trustee of a securitization vehicle or other party in-

1 volved in a securitization or other investment vehicle,
2 who in good faith cooperates with a servicer of cov-
3 ered or multifamily mortgage loans held by that
4 securitization or investment vehicle to comply with
5 the terms of section 4022 and 4023 of the CARES
6 Act, respectively, to borrowers on covered or multi-
7 family mortgage loans owned by the securitization or
8 other investment vehicle shall not be liable to any
9 party who is owed such a duty or obligation or sub-
10 ject to any injunction, stay, or other equitable relief
11 to such party on account of its cooperation with an
12 offer or implementation of forbearance during the
13 covered period or post-forbearance loss mitigation,
14 including after the expiration of the covered period.

15 (b) STANDARD INDUSTRY PRACTICE.—During the
16 covered period, notwithstanding any contractual restric-
17 tions, it is deemed to be standard industry practice for
18 a servicer to offer forbearance or loss mitigation options
19 in accordance with the terms of sections 4022 and 4023
20 of the CARES Act to borrowers, respectively, on all cov-
21 ered or multifamily mortgage loans it services.

22 (c) RULE OF CONSTRUCTION.—Nothing in this sec-
23 tion may be construed as affecting the liability of a
24 servicer or other person for actual fraud in the servicing

1 of a mortgage loan or for the violation of a State or Fed-
2 eral law.

3 (d) DEFINITIONS.—In this section:

4 (1) COVERED MORTGAGE LOAN.—The term
5 “covered mortgage loan” has the meaning given that
6 term under section 4022(a) of the CARES Act.

7 (2) COVERED PERIOD.—The term “covered pe-
8 riod” has the meaning given that term under section
9 4023(g) of the CARES Act.

10 (3) MULTIFAMILY MORTGAGE LOAN.—The term
11 “multifamily mortgage loan” has the meaning given
12 that term under section 4023(g) of the CARES Act.

13 (4) SERVICER.—The term “servicer”—

14 (A) has the meaning given the term under
15 section 6(i) of the Real Estate Settlement Pro-
16 cedures Act of 1974 (12 U.S.C. 2605(i)); and

17 (B) means a master servicer and a
18 subservicer, as such terms are defined, respec-
19 tively, under section 1024.31 of title 12, Code
20 of Federal Regulations.

21 (5) SECURITIZATION VEHICLE.—The term
22 “securitization vehicle” has the meaning give that
23 term under section 129A(f) of the Truth in Lending
24 Act (15 U.S.C. 1639a(f)).

1 **SEC. 13. AMENDMENTS TO NATIONAL HOUSING ACT.**

2 Section 306(g)(1) of the National Housing Act (12
3 U.S.C. 1721(a)) is amended—

4 (1) in the fifth sentence, by inserting after
5 “issued” the following: “, subject to any pledge or
6 grant of security interest of the Federal Reserve
7 under section 4003(a) of the CARES Act (Public
8 Law 116-136; 134 Stat. 470; 15 U.S.C. 9042(a))
9 and to any such mortgage or mortgages or any in-
10 terest therein and the proceeds thereon, which the
11 Association may elect to approve”; and

12 (2) in the sixth sentence—

13 (A) by striking “or (C)” and inserting
14 “(C)”; and

15 (B) by inserting before the period the fol-
16 lowing: “, or (D) its approval and honoring of
17 any pledge or grant of security interest of the
18 Federal Reserve under section 4003(a) of the
19 CARES Act and to any such mortgage or mort-
20 gages or any interest therein and proceeds
21 thereon as”.

22 **SEC. 14. BANKRUPTCY PROTECTIONS.**

23 (a) INCREASING THE HOMESTEAD EXEMPTION.—

24 (1) HOMESTEAD EXEMPTION.—Section 522 of
25 title 11, United States Code, is amended—

1 (A) in subsection (d)(1), by striking
2 “\$15,000” and inserting “\$100,000”; and

3 (B) by adding at the end the following:

4 “(r) Notwithstanding any other provision of applica-
5 ble nonbankruptcy law, a debtor in any State may exempt
6 from property of the estate the property described in sub-
7 section (d)(1) not to exceed the value in subsection (d)(1)
8 if the exemption for such property permitted by applicable
9 nonbankruptcy law is lower than that amount.”.

10 (b) EFFECT OF MISSED MORTGAGE PAYMENTS ON
11 DISCHARGE.—Section 1328 of title 11, United States
12 Code, is amended by adding at the end the following:

13 “(i) A debtor shall not be denied a
14 discharge under this section because, as of
15 the date of discharge, the debtor did not
16 make 6 or fewer payments directly to the
17 holder of a debt secured by real property.

18 “(j) Notwithstanding subsections (a) and (b), upon
19 the debtor’s request, the court shall grant a discharge of
20 all debts provided for in the plan that are dischargeable
21 under subsection (a) if the debtor—

22 “(1) has made payments under a confirmed
23 plan for at least 1 year; and

1 “(2) is experiencing a loss of income or increase
2 in expenses due, directly or indirectly, to the
3 coronavirus disease 2019 (COVID–19) pandemic.”.

4 (c) MODIFICATION OF CHAPTER 13 PLAN DUE TO
5 HARDSHIP CAUSED BY COVID–19 PANDEMIC.—Section
6 1329 of title 11, United States Code, is amended by add-
7 ing at end the following:

8 “(d)(1) Subject to paragraph (3), for a plan con-
9 firmed prior to the date of enactment of this subsection,
10 the plan may be modified upon the request of the debtor
11 if—

12 “(A) the debtor is experiencing or has experi-
13 enced a material financial hardship due, directly or
14 indirectly, to the coronavirus disease 2019 (COVID–
15 19) pandemic; and

16 “(B) the modification is approved after notice
17 and a hearing.

18 “(2) A modification under paragraph (1) may include
19 extending the period of time for payments on claims not
20 later than 7 years after the date on which the first pay-
21 ment under the original confirmed plan was due.

22 “(3) Sections 1322(a), 1322(b), 1323(c), and the re-
23 quirements of section 1325(a) shall apply to any modifica-
24 tion under paragraph (1).”.

25 (d) APPLICABILITY.—

1 (1) The amendments made by subsections (a)
2 and (b) shall apply to any case commenced before,
3 on, or after the date of enactment of this Act.

4 (2) The amendment made by subsection (c)
5 shall apply to any case for which a plan has been
6 confirmed under section 1325 of title 11, United
7 States Code, before the date of enactment of this
8 Act.