To provide additional funding for the public housing Capital Fund for large public housing agencies, for mortgage foreclosure mitigation assistance, and for incremental rental assistance vouchers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES
MARCH 7, 2018

Ms. Clarke of New York (for herself, Mr. Serrano, Mr. Meeks, Mr. Espaillat, and Mr. Crowley) introduced the following bill; which was referred to the Committee on Financial Services

A BILL
To provide additional funding for the public housing Capital Fund for large public housing agencies, for mortgage foreclosure mitigation assistance, and for incremental rental assistance vouchers, 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 “Hardest Hit Housing Act of 2018”.

SEC. 2. CAPITAL FUND AMOUNTS FOR LARGE PUBLIC HOUSING AGENCIES.

(a) Authorization of Appropriations.—In addition to any amounts authorized to be appropriated for formula grants to public housing agencies from the Capital Fund pursuant to section 9(d)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437g(d)(2)), there is authorized to be appropriated $4,000,000,000 for each of fiscal years 2018 through 2022 for the Public Housing Capital Fund Program under section 9(d) of the United States Housing Act of 1937 (42 U.S.C. 1437g(b)).

(b) Eligible Public Housing Agencies.—Any amounts appropriated pursuant to this section shall be used by the Secretary of Housing and Urban Development only for grants to public housing agencies that own or administer more than 10,000 public housing dwelling units.

(c) Eligible Uses.—Funds from grants made with amounts appropriated pursuant to this section may be used only for eligible capital activities under section 9(d)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437g(d)(1)). Section 9(g)(3) of such Act shall not apply to any such grant funds.

SEC. 3. ASSISTANCE TO NEIGHBORWORKS FOR MORTGAGE FORECLOSURE MITIGATION ACTIVITIES.

There is authorized to be appropriated $5,000,000, for each of fiscal years 2018 through 2022 for assistance
to the Neighborhood Reinvestment Corporation for mortgage foreclosure mitigation activities, under the following terms and conditions:

(1) **MORTGAGE FORECLOSURE MITIGATION COUNSELING.**—

(A) The Neighborhood Reinvestment Corporation (in this section referred to as the “NRC”) may make grants under this paragraph to counseling intermediaries approved by the Department of Housing and Urban Development (in this section referred to as “HUD”) (with match to be determined by NRC based on affordability and the economic conditions of an area; a match also may be waived by NRC based on the aforementioned conditions) to provide mortgage foreclosure mitigation assistance to the 15 States with highest rates of home mortgage defaults and foreclosures, as of January 1, 2018, to help eliminate the default and foreclosure of mortgages of owner-occupied single-family homes that are at risk of such foreclosure and located in metropolitan statistical areas having the greatest such need. Other than areas with high rates of defaults and foreclosures, grants may also be provided to ap-
proved counseling intermediaries based on a geographic analysis of the Nation by NRC which determines where there is a prevalence of mortgages that are risky and likely to fail, including any trends for mortgages that are likely to default and face foreclosure. A State Housing Finance Agency may also be eligible where the State Housing Finance Agency meets all the requirements under this paragraph. A HUD-approved counseling intermediary shall meet certain mortgage foreclosure mitigation assistance counseling requirements, as determined by NRC, and shall be approved by HUD or NRC as meeting these requirements.

(B) Mortgage foreclosure mitigation assistance shall only be made available to homeowners of owner-occupied homes with mortgages in default or in danger of default. These mortgages shall likely be subject to a foreclosure action and homeowners will be provided such assistance that shall consist of activities that are likely to prevent foreclosures and result in the long-term affordability of the mortgage retained pursuant to such activity or another positive outcome for the homeowner. No funds
made available pursuant to this paragraph may be provided directly to lenders or homeowners to discharge outstanding mortgage balances or for any other direct debt reduction payments.

(C) The use of mortgage foreclosure mitigation assistance by approved counseling intermediaries and State Housing Finance Agencies shall involve a reasonable analysis of the borrower’s financial situation, an evaluation of the current value of the property that is subject to the mortgage, counseling regarding the assumption of the mortgage by another non-Federal party, counseling regarding the possible purchase of the mortgage by a non-Federal third party, counseling and advice of all likely restructuring and refinancing strategies or the approval of a work-out strategy by all interested parties.

(D) NRC may provide up to 15 percent of the total funds made available pursuant to this paragraph to its own charter members with expertise in foreclosure prevention counseling, subject to a certification by NRC that the procedures for selection do not consist of any procedures or activities that could be construed as
a conflict of interest or have the appearance of
impropriety.

(E) HUD-approved counseling entities and
State Housing Finance Agencies receiving
funds made available pursuant to this para-
graph shall have demonstrated experience in
successfully working with financial institutions
as well as borrowers facing default, delinquency,
and foreclosure as well as documented coun-
seling capacity, outreach capacity, past success-
ful performance and positive outcomes with doc-
umented counseling plans (including post-mort-
gage foreclosure mitigation counseling), loan
workout agreements, and loan modification
agreements. NRC may use other criteria to
demonstrate capacity in underserved areas.

(F) Of the total amount made available
pursuant to this paragraph, up to $250,000
may be made available to build the mortgage
foreclosure and default mitigation counseling
capacity of counseling intermediaries through
NRC training courses with HUD-approved
counseling intermediaries and their partners,
except that private financial institutions that
participate in NRC training shall pay market
rates for such training.

(G) Of the total amount made available
pursuant to this paragraph, up to 5 percent
may be used for associated administrative ex-
penses for NRC to carry out activities provided
under this paragraph.

(H) Mortgage foreclosure mitigation assist-
ance grants may include a budget for outreach
and advertising, and training, as determined by
NRC.

(I) NRC shall report bi-annually to the
House and Senate Committees on Appropria-
tions as well as the Senate Banking Committee
and House Financial Services Committee on its
efforts to mitigate mortgage default.

(2) LEGAL ASSISTANCE.—

(A) The Neighborhood Reinvestment Cor-
poration may make grants to counseling inter-
mediaries approved by HUD or the NRC to
hire attorneys to assist homeowners who have
legal issues directly related to the homeowner’s
foreclosure, delinquency, or short sale.

(B) Such attorneys shall be capable of as-
sisting homeowners of owner-occupied homes
with mortgages in default, in danger of default, or subject to or at risk of foreclosure and who have legal issues that cannot be handled by counselors already employed by such intermediaries.

(C) Grants under this paragraph may only be made to counseling intermediaries and legal organizations that (i) provide legal assistance in the 15 States with the highest rates of home mortgage defaults and foreclosures, as of January 1, 2018, and (ii) have the capacity to begin using the financial assistance within 90 days after receipt of the assistance.

(D) No funds made available pursuant to this paragraph shall be used to provide, obtain, or arrange on behalf of a homeowner, legal representation involving or for the purposes of civil litigation.

SEC. 4. INCREMENTAL HOUSING CHOICE VOUCHER ASSISTANCE.

(a) Authorization of Appropriations.—There is authorized to be appropriated for each of fiscal years 2018 through 2022 such sums as may be necessary to provide in each such fiscal year 20,000 incremental vouchers for
rental assistance under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)).

(b) ELIGIBLE PUBLIC HOUSING AGENCIES.—Any amounts appropriated pursuant to this section shall be used by the Secretary of Housing and Urban Development only to provide additional amounts for rental assistance vouchers for public housing agencies that administer 10,000 or more vouchers for rental assistance under such section 8(o).