# Legislation Details (With Text)

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| **File #:** | Res 0093-2010 | **Version:** | * | **Name:** | The Emergency Home Ownership and Mortgage Equity Protection Act. (H.R.225) |
| **Type:** | Resolution | | | **Status:** | Filed |
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**Title:** Resolution calling upon the 111th Congress to pass, and the President to sign, H. R. 225, the Emergency Home Ownership and Mortgage Equity Protection Act, which would modify federal bankruptcy laws to provide relief to homeowners at risk of foreclosure.

**Sponsors:**

**Indexes:**

**Attachments:**

| Date | Ver. | Action By | Action | Result |
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| 3/25/2010 | * | City Council | Introduced by Council | |
| 3/25/2010 | * | City Council | Referred to Comm by Council | |
| 12/31/2013 | * | City Council | Filed (End of Session) | |

Res. No. 93

Resolution calling upon the 111th Congress to pass, and the President to sign, H. R. 225, the Emergency Home Ownership and Mortgage Equity Protection Act, which would modify federal bankruptcy laws to provide relief to homeowners at risk of foreclosure.

By Council Members Dickens, Chin, Comrie, Fidler, Jackson, Palma, Vann, Williams, Rodriguez, Nelson and Koo

Whereas, According to the Mortgage Bankers Association, approximately 6 million foreclosures have been initiated since 2007, and approximately 6.5 million homes are currently at risk; and

Whereas, Credit Suisse estimates that at least 8.1 million families will lose their homes to foreclosure in the next four years; and

Whereas, Holders of mortgages verging on foreclosure may sometimes seek to file for bankruptcy in order to be relieved of their debts; and

Whereas, In a bankruptcy filed under chapter 13, a debtor typically undergoes a reorganization of his or her financial obligations under the supervision of a federal bankruptcy court and retains his or her property; and

Whereas, The U.S. Bankruptcy Code currently denies bankruptcy judges authority to modify secured debts on homeowners' primary residences, but permits them to modify loan obligations to corporations or on investment properties, vacation homes and boats; and

Whereas, Unable to modify the terms of their mortgages, many homeowners will end up losing their homes; and

Whereas, The Center for Responsible Lending has projected that from 2009 to 2012, foreclosures will have caused approximately 92 million homes to lose a cumulative $1.9 trillion in property value; and

Whereas, Despite the downturn in the housing market and declining property values, lenders remain hesitant to allow delinquent borrowers to sell their homes at values lower than those of the mortgages on the properties; and

Whereas, Many in the lending industry have been reluctant to meaningfully engage in voluntary loan modifications of mortgages; and

Whereas, In January 2009, United States Representatives Brad Miller introduced H.R. 225, the Emergency Home Ownership and Mortgage Equity Protection Act, which would permit judicial modification of the terms of home mortgages for borrowers who enter into chapter 13 bankruptcy; and

Whereas, If passed, H.R. 225 would permit judicial modification of debts secured by debtors' primary residences and would modify, in certain circumstances, the credit counseling requirement for debtors who file for chapter 13 bankruptcy; and

Whereas, By including primary residences in the jurisdiction of the bankruptcy court, H.R. 225 would empower a bankruptcy judge to reduce the value of a lien owed on a principal residence to its fair market value without the necessity of a creditor's cooperation; and

Whereas, H.R. 225 would also enable bankruptcy judges to modify prepayment penalties and to relax the timeframe within which claims secured by a debtor's primary residence could be repaid; and

Whereas, H.R. 225 would also allow bankruptcy courts to reduce interest rates to current fair market

levels; and

Whereas, H.R. 225 would help maintain property values in neighborhoods with homes at risk of foreclosure, and would guarantee that lenders receive at least the market value of the home; and

Whereas, H.R. 225 would also benefit homeowners whose property values might decrease if their neighbors enter into foreclosure; and

Whereas, In order to maintain homeownership in this country and to avoid any further economic devastation, homeowners facing bankruptcy must be given a reasonable opportunity to modify the terms of their mortgage and remain in their homes; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the 111th Congress to pass, and the President to sign, H. R. 225, the Emergency Home Ownership and Mortgage Equity Protection Act, which would modify federal bankruptcy laws to provide relief to homeowners at risk of foreclosure.

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