

115 TH CONGRESS 1ST SESSION H.R. 3016

To allow homeowners facing foreclosure to avoid deficiency judgments, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

June 22, 2017

Ms. Michelle Lujan Grisham of New Mexico introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To allow homeowners facing foreclosure to avoid deficiency judgments, 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 "Foreclosure Fairness
- 5 Act of 2017".
- 6 SEC. 2. DEFICIENCY JUDGMENTS.
- 7 (a) In General.—Beginning on the date of enact-
- 8 ment of this Act, in the case of any federally related mort-
- 9 gage loan made after that date, a court may not enter

- 1 a deficiency judgment pertaining to that loan after the
- 2 date of any foreclosure sale of the mortgaged property.
- 3 (b) Rule of Construction.—Nothing in this Act
- 4 shall be construed to preempt any more restrictive State
- 5 or local law pertaining to deficiency judgments.

loan after the foreclosure sale.

6 SEC. 3. DEFINITIONS.

7 In this Act:

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- 8 (1) Deficiency Judgment.—The term "defi9 ciency judgment" means any order by a court en10 tered after a sale of a property subject to a federally
 11 related mortgage that has been foreclosed on, requir12 ing the payment by the mortgagor of an amount
 13 equal to any balance remaining on the mortgage
 - (2) FEDERALLY RELATED MORTGAGE LOAN.—
 The term "federally related mortgage loan" has the meaning given such term under section 3 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2602).
 - (3) Mortgaged property.—The term "mortgaged property" means, with respect to a federally related mortgage loan, the residential real property that is subject to the lien securing such mortgage loan.