

AMENDMENT TO H.R. _____
[FHA REFORM ACT OF 2010]
OFFERED BY MR. KLEIN OF FLORIDA AND MR.
MARCHANT OF TEXAS

Page 14, after line 17, insert the following new section (and redesignate succeeding sections accordingly):

1 **SEC. 14. THIRD PARTY SERVICER OUTREACH.**

2 (a) **AUTHORITY.**—The Secretary of Housing and
3 Urban Development may, to the extent any amounts for
4 fiscal year 2010 or 2011 are made available in advance
5 in appropriation Acts for reimbursements under this section,
6 provide reimbursement to servicers of covered mortgages
7 (as such term is defined in subsection (e)) for costs
8 of obtaining the services of independent third parties
9 meeting the requirements under subsection (b) of this section
10 to make in-person contact with mortgagors under covered
11 mortgages whose payments under such mortgages are
12 60 or more days past due, solely for the purposes of providing
13 information to such mortgagors regarding—

14 (1) available counseling by housing counseling
15 agencies approved by the Secretary ; and

16 (2) available mortgage loan modification, refinancing,
17 and assistance programs.

1 (b) QUALIFIED INDEPENDENT THIRD PARTIES.—An
2 independent third party meets the requirements of this
3 subsection if the third party—

4 (1) is an entity, including a housing counseling
5 agency approved by the Secretary, that meets stand-
6 ards, qualifications, and requirements (including re-
7 garding foreclosure prevention training, quality mon-
8 itoring, safeguarding of non-public information) es-
9 tablished by the Secretary for purposes of this sec-
10 tion for in-person contact about available mortgage
11 loan modification, refinance, and assistance pro-
12 grams; and

13 (2) does not charge any fees or require other
14 payments, directly or indirectly, from any mortgagor
15 for making in-person contact and providing informa-
16 tion and documents under this section.

17 (c) TREATMENT OF PERSONAL, NON-PUBLIC, AND
18 CONFIDENTIAL INFORMATION.—An independent third
19 party whose services are obtained using amounts made
20 available for use under this section and the mortgage
21 servicer obtaining such services shall not use, disclose, or
22 distribute any personal, non-public, or confidential infor-
23 mation about a mortgagor obtained during an in-person
24 contact with the mortgagor, except for purposes of engag-

1 ing in the process of modification or refinance of the cov-
2 ered mortgage.

3 (d) DATE OF CONTACT AND DISCLOSURES.—Each
4 independent third party whose services are obtained by a
5 mortgage servicer using amounts made available for use
6 under this section shall—

7 (1) initiate in-person contact with a mortgagor
8 not later than 10 days after the date upon which
9 payments under the covered mortgage of the mort-
10 gator become 60 days past due; and

11 (2) upon making in-person contact with a mort-
12 gator, provide the mortgagor with a written docu-
13 ment that discloses—

14 (A) the name of, and contact information
15 for, the independent third party and the mort-
16 gage servicer;

17 (B) that the independent third party has
18 contracted with the mortgage servicer to pro-
19 vide the in-person contact at no charge to the
20 mortgagor;

21 (C) that the independent third party is an
22 agent of the mortgage servicer;

23 (D) that the in-person contact with the
24 mortgagor consists of providing information
25 about available counseling by a housing coun-

1 seling agency approved by the Secretary and
2 available mortgage loan modification, refinance,
3 and assistance programs;

4 (E) that the independent third party and
5 the mortgage servicer are prohibited from the
6 use, disclosure, or distribution of personal, non-
7 public, and confidential information about the
8 mortgagor, obtained during the in-person con-
9 tact, except for purposes of engaging in the
10 process of modification or refinance of the cov-
11 ered mortgage;

12 (F) any other information that the Sec-
13 retary determines should be disclosed.

14 (e) DEFINITION OF COVERED MORTGAGE.—For pur-
15 poses of this section, the term “covered mortgage” means
16 a mortgage on a 1- to 4-family residence insured under
17 the provisions of subsection (b) or (k) of section 203, sec-
18 tion 234(e), or 251 of the National Housing Act (12
19 U.S.C. 1709, 1715y, 1715z–16).

