

Public Law 110-289

Housing and Economic Recovery Act of 2008

SEC. 2304. LIMITATION ON DISTRIBUTION OF FUNDS.

(a) In General- None of the funds made available under this title or title IV shall be distributed to--

1. No funds to organizations that have been indicted under federal law relating to election for federal office →

(1) an organization which has been indicted for a violation under Federal law relating to an election for Federal office; or

(2) an organization which employs applicable individuals.

(b) Applicable Individuals Defined- In this section, the term 'applicable individual' means an individual who--

(1) is--

(A) employed by the organization in a permanent or temporary capacity;

(B) contracted or retained by the organization; or

(C) acting on behalf of, or with the express or apparent authority of, the organization; and

(2) has been indicted for a violation under Federal law relating to an election for Federal office.

SEC. 2305. COUNSELING INTERMEDIARIES.

Notwithstanding any other provision of this Act, the amount appropriated under section 2301(a) of this Act shall be \$3,920,000,000 and the amount appropriated under section 2401 of this Act shall be **\$180,000,000**: *Provided*, That of the amount appropriated under section 2401 of this Act pursuant to this section, **not less than 15 percent** shall be provided to counseling organizations that target counseling services regarding loss mitigation to minority and low-income homeowners or provide such services in neighborhoods with high concentrations of minority and low-income homeowners: *Provided further*, That of amounts appropriated under such section 2401 \$30,000,000 shall be used by the Neighborhood Reinvestment Corporation (referred to in this section as the 'NRC') **to make grants to counseling intermediaries approved by the Department of Housing and Urban Development or the NRC to hire attorneys to assist homeowners who have legal issues directly related to the homeowner's foreclosure, delinquency or short sale.** Such attorneys shall be capable of assisting 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

2. 15% to minority and low-income homeowners or neighborhoods →

3. \$30 million to make grants to counseling intermediaries to hire attorneys to assist homeowners →

that **cannot be handled by counselors** already employed by such intermediaries: *Provided further,* That of the amounts provided for in the prior provisos the NRC shall give priority consideration to counseling intermediaries and legal organizations that (1) provide legal assistance in the **100 metropolitan statistical areas** (as defined by the Director of the Office of Management and Budget) with the highest home foreclosure rates, and (2) have the **capacity to begin using the financial assistance within 90 days** after receipt of the assistance: *Provided further,* That no funds provided under this Act shall be used to **provide, obtain, or arrange on behalf of a homeowner, legal representation involving or for the purposes of civil litigation**: *Provided further,* That the NRC, in awarding counseling grants under section 2401 of this Act, may consider, where appropriate, whether the entity has implemented a written plan for providing **in-person counseling** and for making contact, including personal contact, with defaulted mortgagors, for the purpose of providing counseling or providing information about available counseling.

4. Face-to-Face Counseling and Outreach →

TITLE IV--HOUSING COUNSELING RESOURCES

C. 2401. HOUSING COUNSELING RESOURCES.

There are appropriated out of any money in the Treasury not otherwise appropriated for the fiscal year 2008, for an additional amount for the `Neighborhood Reinvestment Corporation-- Payment to the Neighborhood Reinvestment Corporation' \$100,000,000, to remain available **until December 31, 2008**, for foreclosure mitigation activities under the terms and conditions contained in the second undesignated paragraph (beginning with the phrase `For an additional amount') under the heading `Neighborhood Reinvestment Corporation-- Payment to the Neighborhood Reinvestment Corporation' of **Public Law 110-161**.

5. Available until December 31. →

6. Ref. enabling Legislation →

C. 2402. CREDIT COUNSELING.

(a) In General- Entities approved by the Neighborhood Reinvestment Corporation or the Secretary and State housing finance entities receiving funds under this title shall work to **identify and coordinate with non-profit organizations operating national or statewide toll-free foreclosure prevention hotlines**, including those that--

7. Partnerships with hotlines →

- (1) serve as a consumer referral source and data repository for borrowers experiencing some form of delinquency or foreclosure;
- (2) connect callers with local housing counseling agencies approved by the Neighborhood Reinvestment Corporation

or the Secretary to assist with working out a positive resolution to their mortgage delinquency or foreclosure;
or

(3) facilitate or offer free assistance to help homeowners to understand their options, negotiate solutions, and find the best resolution for their particular circumstances.