

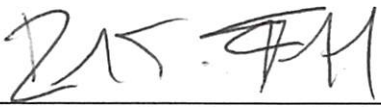
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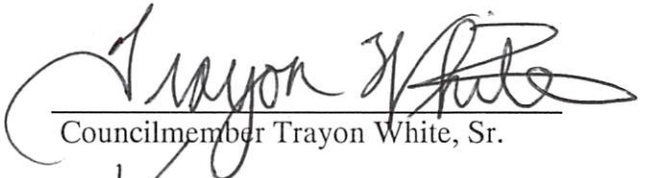
Councilmember Anita Bonds




Councilmember Elissa Silverman



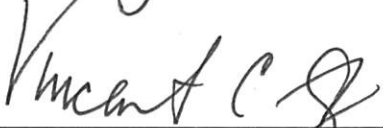
Councilmember Brandon T. Todd



Councilmember Trayon White, Sr.



Councilmember Robert C. White, Jr.



Councilmember Vincent C. Gray

A BILL



IN THE COUNCIL OF THE DISTRICT OF COLUMBIA



To establish a program to pay past due property tax and property insurance bills for senior residents facing foreclosure on reverse mortgage debt.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Reverse Mortgage Foreclosure Prevention Act of 2017".

Sec. 2. Definitions

For the purposes of this act, the term:

42 (1) "Reverse Mortgage" means a mortgage agreement, also known as a Home Equity
43 Conversion Mortgage, in which a homeowner relinquishes equity in their home in exchange for
44 tax-free payments from the lender until the total principal and interest of the loan reaches the
45 credit limit of equity in the home and the lender is either repaid in full or the homeowner
46 relinquishes the home to the lender.

47 (2) "Qualified Homeowner" means a District homeowner who is 62 years of age or older,
48 has an annual household income at or below 80% of the Area Median Income, has executed a
49 reverse mortgage with a financial institution that has a recorded lien on the subject property, and
50 who is subject to foreclosure by that financial institution for failing to make annual property tax
51 and property insurance payments.

52 (3) "Subject Property" means a home in which a qualified homeowner lives and for
53 which a reverse mortgage has been executed.

54 (4) "At Risk of Foreclosure" means a reverse mortgage lender has notified a qualified
55 homeowner that the homeowner is in default of the terms of the reverse mortgage and the
56 foreclosure process has begun.

57 Section 3. Reverse Mortgage Foreclosure Prevention Program

58 (a) Within one year of the effective date of this act, the Department of Housing and
59 Community Development (DHCD) shall establish a program that allows qualified homeowners
60 to apply for and receive financial assistance for payment of past due property tax and property
61 insurance debts that have put the qualified homeowner at risk of foreclosure. The financial
62 assistance shall be made in the form of a zero interest loan made due and payable upon pay-off
63 of the first lien reverse mortgage loan or relinquishment of the property to the reverse mortgage
64 lender.

65 (b) DHCD shall establish a standardized application process and requirements for
66 qualified homeowners in need of the program.

67 (c) DHCD shall record a lien on the subject property in the amount of the financial
68 assistance provided to the qualified homeowner. The lien shall be subordinate to the reverse
69 mortgage lender in first position.

70 (d) No qualified homeowner can receive more than \$50,000 in program assistance in a 5
71 year period.

72 Sec. 4. Fiscal impact statement.

73 The Council adopts the fiscal impact statement in the committee report as the fiscal
74 impact statement required by section 4a of the General Legislative Procedures Act of 1975,
75 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

76 Sec. 5. Effective date.

77 This act shall take effect following approval by the Mayor (or in the event of veto by the
78 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
79 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
80 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)) and publication in the District of
81 Columbia Register.