

Central Valley Business Times

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- Jerry McNerney introduced bipartisan proposal
- 'For far too long, the housing downturn has challenged our region'

A bipartisan bill designed to break the logjam of foreclosures choking the housing market has been introduced in Congress by Rep. Jerry McNerney, D-Stockton.

“For far too long, the housing downturn has challenged our region. My bill is one commonsense step we can take to help shore up the housing market and provide much-needed relief for homeowners,” Mr. McNerney says.

Dubbed the “Fast Help For Homeowners Act,” H.R. 6153 would help speed up the short sale process, which Mr. McNerney says is a necessary step to addressing the housing crisis.

It requires a lender that holds a second mortgage on a property with a federally related mortgage loan to review and make a decision on a short sale agreement within 45 days. If the lender does not make a decision within that time frame, the short sale will be deemed approved on the 46th day.

A short sale is a mortgage sales transaction in which the seller’s lender agrees to accept a payment for less than the loan’s remaining balance. In the event of a foreclosure, the second mortgage is subordinate to the first mortgage, and the lender of the first mortgage receives payment first. When a homeowner initiates a short sale request, some second mortgage lenders use stonewalling tactics to delay a payment to the first mortgage lender, the congressman says.

“Struggling homeowners have heard a lot of talk about addressing the issue and want to see real action, and my bill will do just that,” says Mr. McNerney.

He says his bill has the support of the National Association of Realtors; the California Association of Realtors; the Central Valley Association of Realtors; NeighborWorks Home Ownership Center, Sacramento Region; California Association of Real Estate Brokers (CAREB); and Stockton NID Housing Counseling Agency.

“C.A.R. applauds Congressman McNerney for introducing this common-sense piece of legislation. California Realtors support the FHFH Act because it will require subordinate lien holders to respond to short sale offers in a fair and reasonable amount of time, ensuring distressed properties are brought to market and aiding in the recovery of the general economy,” says LeFrancis Arnold, president of the California Association of Realtors.

Mr. McNerney’s bill is cosponsored by Reps. Dennis Cardoza, D-Modesto; Tom Rooney, R-Fla.; George Miller, D-Martinez; Jim Costa, D-Fresno; Barbara Lee, D-Oakland; and Richard Nugent, R-Fla.