

108TH CONGRESS  
1ST SESSION

# S. 1597

To provide mortgage payment assistance for employees who are separated from employment.

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## IN THE SENATE OF THE UNITED STATES

SEPTEMBER 9, 2003

Mr. ALLEN (for himself, Mr. WARNER, Mr. EDWARDS, Mrs. DOLE, Mr. HOLLINGS, Mr. GRAHAM of South Carolina, Mr. CHAMBLISS, and Ms. SNOWE) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To provide mortgage payment assistance for employees who are separated from employment.

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 “Homestead Preserva-  
5 tion Act”.

6 **SEC. 2. MORTGAGE PAYMENT ASSISTANCE.**

7 (a) ESTABLISHMENT OF PROGRAM.—The Secretary  
8 of Labor (referred to in this section as the “Secretary”)  
9 shall establish a program under which the Secretary shall

1 award low-interest loans to eligible individuals to enable  
2 such individuals to continue to make mortgage payments  
3 with respect to the primary residences of such individuals.

4 (b) ELIGIBILITY.—To be eligible to receive a loan  
5 under the program established under subsection (a), an  
6 individual shall—

7 (1) be—

8 (A) an adversely affected worker with re-  
9 spect to whom a certification of eligibility has  
10 been issued by the Secretary of Labor under  
11 chapter 2 of title II of the Trade Act of 1974  
12 (19 U.S.C. 2271 et seq.); or

13 (B) an individual who would be an indi-  
14 vidual described in subparagraph (A) but who  
15 resides in a State that has not entered into an  
16 agreement under section 239 of such Act (19  
17 U.S.C. 2311);

18 (2) be a borrower under a loan which requires  
19 the individual to make monthly mortgage payments  
20 with respect to the primary place of residence of the  
21 individual; and

22 (3) be enrolled in a job training or job assist-  
23 ance program.

24 (c) LOAN REQUIREMENTS.—

1           (1) IN GENERAL.—A loan provided to an eligi-  
2           ble individual under this section shall—

3                   (A) be for a period of not to exceed 12  
4           months;

5                   (B) be for an amount that does not exceed  
6           the sum of—

7                           (i) the amount of the monthly mort-  
8                           gage payment owed by the individual; and

9                           (ii) the number of months for which  
10           the loan is provided;

11                   (C) have an applicable rate of interest that  
12           equals 4 percent;

13                   (D) require repayment as provided for in  
14           subsection (d); and

15                   (E) be subject to such other terms and  
16           conditions as the Secretary determines appro-  
17           priate.

18           (2) ACCOUNT.—A loan awarded to an indi-  
19           vidual under this section shall be deposited into an  
20           account from which a monthly mortgage payment  
21           will be made in accordance with the terms and con-  
22           ditions of such loan.

23           (d) REPAYMENT.—

24                   (1) IN GENERAL.—An individual to which a  
25           loan has been awarded under this section shall be re-

1       quired to begin making repayments on the loan on  
2       the earlier of—

3               (A) the date on which the individual has  
4               been employed on a full-time basis for 6 con-  
5               secutive months; or

6               (B) the date that is 1 year after the date  
7               on which the loan has been approved under this  
8               section.

9       (2) REPAYMENT PERIOD AND AMOUNT.—

10              (A) REPAYMENT PERIOD.—A loan awarded  
11              under this section shall be repaid on a monthly  
12              basis over the 5-year period beginning on the  
13              date determined under paragraph (1).

14              (B) AMOUNT.—The amount of the month-  
15              ly payment described in subparagraph (A) shall  
16              be determined by dividing the total amount pro-  
17              vided under the loan (plus interest) by 60.

18              (C) RULE OF CONSTRUCTION.—Nothing in  
19              this paragraph shall be construed to prohibit an  
20              individual from—

21                      (i) paying off a loan awarded under  
22                      this section in less than 5 years; or

23                      (ii) from paying a monthly amount  
24                      under such loan in excess of the monthly

1 amount determined under subparagraph  
2 (B) with respect to the loan.

3 (e) REGULATIONS.—Not later than 6 weeks after the  
4 date of enactment of this Act, the Secretary shall promul-  
5 gate regulations necessary to carry out this section, in-  
6 cluding regulations that permit an individual to certify  
7 that the individual is an eligible individual under sub-  
8 section (b).

9 (f) AUTHORIZATION OF APPROPRIATIONS.—There is  
10 authorized to be appropriated to carry out this section,  
11 \$10,000,000 for each of fiscal years 2004 through 2008.

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