

110TH CONGRESS  
2D SESSION

# H. R. 7113

To preserve neighborhoods by permitting units of local government to purchase from the Secretary of the Treasury certain mortgages secured by vacant and deteriorating real property held by persons who are not less than 120 days in default in repaying the mortgage debts.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 26, 2008

Mr. TURNER (for himself and Mr. GERLACH) introduced the following bill;  
which was referred to the Committee on Financial Services

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## A BILL

To preserve neighborhoods by permitting units of local government to purchase from the Secretary of the Treasury certain mortgages secured by vacant and deteriorating real property held by persons who are not less than 120 days in default in repaying the mortgage debts.

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 “Preserve Our Neigh-  
5 borhoods Act of 2008”.

1 **SEC. 2. PURCHASE OF DEFAULTED MORTGAGES BY UNITS**  
2 **OF LOCAL GOVERNMENT.**

3 An eligible unit of local government may purchase  
4 from the Secretary of the Treasury a group of not fewer  
5 than 25 available mortgages each of which is secured by  
6 real property with respect to which such unit of local gov-  
7 ernment—

8 (1) certifies in good faith to the satisfaction of  
9 the Secretary (in such form as the Secretary may re-  
10 quire by rule) that each particular parcel of real  
11 property—

12 (A) is located in the geographical area  
13 under the jurisdiction of such unit of local gov-  
14 ernment,

15 (B) has been vacant for a continuous pe-  
16 riod of not less than 120 days,

17 (C) secures a debt with respect to which  
18 the payor is then in default for a continuous pe-  
19 riod of not less than 120 days,

20 (D) is in a physical condition that renders  
21 the property uninhabitable,

22 (E) is a blighting influence in the neigh-  
23 borhood in which such parcel is located, and

24 (F) could only be repaired to bring the  
25 property into compliance with the applicable

1 building code at a cost that exceeds the current  
2 value of the property, and

3 (2) pays to the Secretary \$1 for each mortgage  
4 held by the Secretary applicable to such parcel.

5 **SEC. 3. PUBLICATION OF MORTGAGES AVAILABLE FOR**  
6 **PURCHASE; AUTHORITY TO SELL MORT-**  
7 **GAGES.**

8 (a) PUBLICATION REQUIRED.—At 90-day intervals  
9 beginning on the date of the enactment of this Act, the  
10 Secretary of the Treasury shall make available to the pub-  
11 lic by publication, a list of all parcels of real estate, identi-  
12 fied by specific address, then available for purchase under  
13 this Act.

14 (b) AUTHORITY TO SELL MORTGAGES.—Notwith-  
15 standing any other provision of law, the Secretary of the  
16 Treasury is hereby authorized to sell mortgages in accord-  
17 ance with this Act.

18 **SEC. 4. HISTORICAL PRESERVATION.**

19 Section 106 of the National Historic Preservation Act  
20 (16 U.S.C. 470f) shall apply with respect to the rights  
21 acquired by units of local government in property as a re-  
22 sult of the foreclosure of mortgages purchased under sec-  
23 tion 2.

24 **SEC. 5. DEFINITIONS.**

25 For purposes of this Act—

1           (1) the term “available mortgage” means a  
2 mortgage held by the Secretary of the Treasury,  
3 with respect to which no other person or govern-  
4 mental entity has made a purchase offer that is  
5 pending before the Secretary, and

6           (2) the term “eligible” means with respect to a  
7 unit of local government, that the poverty rate in the  
8 geographical area under the jurisdiction of such unit  
9 of local government is not less than 20 percent, as  
10 determined by the Secretary of the Treasury based  
11 on the most recent data then available from the Bu-  
12 reau of the Census.

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