§ 2703. Manner of assistance and repayment

(a) Form of assistance

Assistance under this chapter with respect to a mortgage which meets the requirements of section 2702 of this title may be provided in the form of emergency mortgage relief loans and advances of credit insured pursuant to section 2704 of this title or in the form of emergency mortgage relief payments made by the Secretary pursuant to section 2705 of this title.

(b) Amount of assistance

Assistance under this chapter on behalf of a homeowner may be made available in an amount up to the amount of the principal, interest, taxes, ground rents, hazard insurance, and mortgage insurance premiums due under the homeowner’s mortgage, but such assistance shall not exceed the lesser of $250 per month or the amount determined to be reasonably necessary to supplement such amount as the homeowner is capable of contributing toward such mortgage payment.

(c) Monthly payments; extension of time; report of increase in income

Monthly payments may be provided under this chapter either with the proceeds of an insured loan or advance of credit or with emergency mortgage relief payments for up to twelve months, and, in accordance with criteria prescribed by the Secretary, such monthly payments may be extended once for up to twelve additional months. A mortgagor receiving the benefit of mortgage relief assistance pursuant to this chapter shall be required, in accordance with criteria prescribed by the Secretary, to report any increase in income which will permit a reduction or termination of such assistance during this period.

(d) Conditions and terms of repayment; interest rate

Emergency loans or advances of credit made and insured under section 2704 of this title, and emergency mortgage relief payments made under section 2705 of this title, shall be repayable by the homeowner upon such terms and conditions as the Secretary shall prescribe, except that interest on a loan or advance of credit insured under section 2704 of this title or emergency mortgage relief payments made under section 2705 of this title shall not be charged at a rate which exceeds the maximum interest rate applicable with respect to mortgages insured pursuant to section 1709(b) of this title.

(e) Deferral of commencement of repayment; security for repayment

The Secretary may provide for the deferral of the commencement of the repayment of a loan or advance insured under section 2704 of this title or emergency mortgage relief payments made under section 2705 of this title until one year following the date of the last disbursement of the proceeds of the loan or advance or payments or for such longer period as the Secretary determines would further the purpose of this chapter. The Secretary shall by regulation require such security for the repayment of insured loans or advances of credit or emergency mortgage relief payments as he deems appropriate and may require that such repayment be secured by a lien on the mortgaged property.


Amendment of Section
Pub. L. 111–203, title XIV, §§ 1400(c), 1496(b)(2), July 21, 2010, 124 Stat. 2136, 2208, provided that this section is amended, effective on the date on which final regulations implementing such amendment take effect, or on the date that is 18 months after the designated transfer date if such regulations have not been issued by that date:

(1) in subsection (b), by substituting “. The amount of assistance provided to a homeowner under this chapter shall be an amount that the Secretary determines is reasonably necessary to supplement such amount as the homeowner is
capable of contributing toward such mortgage payment, except that the aggregate amount of such assistance provided for any homeowner shall not exceed $50,000.” for “but such assistance” and all that follows through the period at the end;

(2) in subsection (d), by substituting “(1) the rate of interest on any loan or advance of credit insured under this chapter shall be fixed for the life of the loan or advance of credit and shall not exceed the rate of interest that is generally charged for mortgages on single-family housing insured by the Secretary of Housing and Urban Development under title II of the National Housing Act at the time such loan or advance of credit is made, and (2) no interest shall be charged on interest which is deferred on a loan or advance of credit made under this chapter. In establishing rates, terms and conditions for loans or advances of credit made under this chapter, the Secretary shall take into account a homeowner’s ability to repay such loan or advance of credit.” for “interest on a loan or advance” and all that follows through the end; and

(3) in subsection (e), by inserting “Any eligible homeowner who receives a grant or an advance of credit under this chapter may repay the loan in full, without penalty, by lump sum or by installment payments at any time before the loan becomes due and payable.” after the period at the end of the first sentence.

See Effective Date of 2010 Amendment note below.

Effective Date of 2010 Amendment

Amendment by Pub. L. 111–203 effective on the date on which final regulations implementing that amendment take effect, or on the date that is 18 months after the designated transfer date if such regulations have not been issued by that date, see section 1400(c) of Pub. L. 111–203, set out as a note under section 1601 of Title 15, Commerce and Trade.