

Principal Provisions	H.R. 3609, as introduced	Conyers-Chabot Compromise
Mortgages that can be modified	Permits any mortgage to be modified.	<p>Only applies to certain existing mortgages based on date of origination, type, and other factors. First, the mortgage must have originated after January 1, 2000, but before the Act's date of enactment. Second, the mortgage must be in foreclosure. Third, the court must find that the modification is proposed in good faith. Fourth, the debtor must establish that after deducting certain IRS-specified expenses from his/her income, the remaining income is insufficient to remain current on the mortgage and cure all defaults on such claim and maintain all payments while the case is pending as provided in section 1322(b)(5). The two types of mortgages covered are as follows:</p> <ul style="list-style-type: none"> • "Nontraditional mortgages" – interest only and negatively amortized mortgages. The term excludes subordinate home equity line of credit loans and reverse mortgages. • "Subprime mortgages" – mortgages with interest rates that exceed certain thresholds: in excess of 3% over U.S. Treasury securities for first mortgages; and in excess of 5% for subordinate mortgages. <p>In addition, the compromise has a 7-year sunset provision.</p>
Length of time that a mortgage's term may be extended	No limit.	The mortgage's term may be extended up to 30 years, reduced by the period for which the loan has been outstanding.
Interest rate	No limit.	Interest rate may be reduced to an amount equal to Federal Reserve Board's annual yield for conventional mortgages with a reasonable premium for risk.
Reduce principal amount of the mortgage	No limit.	Principal may only be reduced to equal the home's fair market value.
Waive prepayment penalties	No limit.	No limit.
Waives credit counseling requirement	Permits waiver of the requirement in its entirety if the Chapter 13 debtor submits to the court a certification that the mortgagee has initiated a foreclosure action.	<p>Only waives the requirement that the debtor receive credit counseling <i>before</i> filing for Chapter 13 relief if the debtor submits a certification that s/he received notice that the mortgagee may commence a foreclosure action on the debtor's principal residence. The debtor must still receive the credit counseling within 30 days <i>after</i> the Chapter 13 case is filed. The court may extend this period for an additional 15 days.</p> <p>In addition, this compromise has a 7-year sunset provision.</p>
Treatment of excessive mortgage fees and charges	Disallows such fees\charges only if the creditor fails to give timely notice of such fee\charges to the debtor and the Chapter 13 trustee.	Disallows such fees\charges only if: (1) the creditor fails to file with the court notice of such claim before the earlier of either one year after such claim is incurred or 60 days before the case is closed; (2) the claim is unlawful under applicable nonbankruptcy law, unreasonable, and not provided for in the mortgage; and (4) the value of the home exceeds the amount of the claim.
Protects mortgagee's lien, notwithstanding modification	Ensures that the mortgagee retains its lien until payment of such claim.	Substantively the same as H.R. 3609.
Protects mortgagee's claim, notwithstanding discharge	Clarifies that the mortgagee's claim is not discharged.	Substantively the same as H.R. 3609.