

Regular Session, 2010

HOUSE RESOLUTION NO. 171

BY REPRESENTATIVE BALDONE

A RESOLUTION

To urge and request the Louisiana office of financial institutions to study the use of notices of deferment options given by lending institutions to borrowers during gubernatorially declared emergencies.

WHEREAS, mortgage loan lenders have the ability, at their discretion, to grant borrowers deferment of mortgage loan payments for a specified period of time during which the borrower is not required to make scheduled mortgage loan payments; and

WHEREAS, these deferments are typically granted to the borrower in the aftermath of a natural disaster or other declared state of emergency, or during serious times of hardship for the borrower; and

WHEREAS, if deferment of payments is offered by lenders to borrowers, borrowers should receive clear notice of the terms of the deferment, including when payments are to be resumed and if lump sum payments are payable when regular mortgage payments resume; and

WHEREAS, in light of the fact that deferments are voluntary and granted at the discretion of the lender, the Legislature of Louisiana does not want to adopt or encourage policies that will discourage or otherwise create a disincentive for lenders to grant deferments to borrowers; and

WHEREAS, it would be beneficial for the office of financial institutions to explore the possibility of issuing minimum notice requirement guidance to mortgage loan lenders.

THEREFORE, BE IT RESOLVED that the House of Representatives of the Legislature of Louisiana does hereby urge and request the Louisiana office of financial institutions to study the use of notices of deferment options given by lending institutions to borrowers during gubernatorially declared emergencies and to report its findings and recommendations to the House Committee on Commerce on or prior to March 1, 2011.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the commissioner of the Louisiana office of financial institutions.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES