THE ROGERS-WIGGINS ACT

Home Preservation and Mortgage Integrity Act of 2026

A Proposed Federal Legislative Draft

119th Congress, 2d Session

Federal Protections for Mortgage Servicing, Foreclosure, Loss Mitigation, Bankruptcy Integrity, Document Authentication, MERS-Related Claims, Servicer Ownership Transparency, and Servicing-Transfer Integrity

Prepared by Home Advocates Union, Inc. (HAU)

3111 Route 38, Suite 11-199, Mount Laurel, New Jersey 08054

DRAFT FOR SPONSOR REVIEW AND LEGISLATIVE COUNSEL CONFORMING EDITS

119TH CONGRESS
2D SESSION
H. R. ____

To establish enforceable national standards for mortgage servicing, foreclosure, loss mitigation, document integrity, mortgage claims in bankruptcy, MERS-related authority and transfer disclosures, and servicer-ownership transparency, and for other purposes.

A BILL

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Home Preservation and Mortgage Integrity Act of 2026."

This Act may also be cited as the "Rogers-Wiggins Act."

SEC. 2. FINDINGS AND PURPOSES.

(a) Findings. - Congress finds that:

(1) Clear property rights, accurate mortgage-account records, lawful servicing, and reliable land records are essential to homeownership, stable communities, financial markets, and public confidence in the administration of justice.

(2) The Congressional Oversight Panel, in its November Oversight Report, *Examining the Consequences of Mortgage Irregularities for Financial Stability and Foreclosure Mitigation* (Nov. 16, 2010) (referred to

in this Act as the "Congressional Oversight Panel Report"), described evidence that mortgage-document irregularities, defective foreclosure procedures, and unresolved questions concerning the tracking and transfer of mortgage ownership and servicing interests could impair the ability to establish lawful authority to collect, modify, or foreclose mortgage loans. The Congressional Oversight Panel Report also described MERS as a system used to track mortgage ownership and servicing rights, noted that MERS-related standing and transfer issues had generated legal uncertainty in foreclosure litigation, and emphasized that foreclosure should not proceed unless the mortgage claimant can comply fully with applicable law and the homeowner's contractual agreements.

(3) The United States and participating States filed the complaint in United States of America, et al. v. Bank of America Corp., et al., No. 1:12-cv-00361-RMC (D.D.C.), concerning mortgage-servicing and foreclosure practices. The complaint alleged, among other matters, deficient foreclosure documents and processes, improper fees, loss-mitigation failures, and dual tracking; the resulting consent judgment established nationwide servicing standards. The allegations and consent terms are referenced only according to their respective legal effect.

(4) The Consumer Financial Protection Bureau, State attorneys general, and other State authorities brought Consumer Financial Protection Bureau, et al. v. Ocwen Financial Corp. and Ocwen Loan Servicing, LLC, No. 1:13-cv-02025-RMC (D.D.C.), resolved by final consent judgment and order. That public enforcement record addressed servicing, loss mitigation, foreclosure, bankruptcy servicing, and servicing-transfer practices, subject to the allegations, findings, and terms stated in the governing pleadings and order.

(5) Multistate actions against PHH Mortgage Corporation and Nationstar Mortgage LLC, d/b/a Mr. Cooper -- The State of Alabama, State of New Jersey, et al. v. PHH Mortgage Corporation, No. 1:18-cv-00009 (D.D.C.), and The State of Alabama, State of New Jersey, et al. v. Nationstar Mortgage LLC, No. 1:20-cv-03551 (D.D.C.) -- resulted in consent judgments following complaints alleging violations of Federal and State consumer-protection laws in the mortgage-servicing context.

(6) Other Federal mortgage-servicing enforcement records, including United States of America v. Fairbanks Capital Corp., Civil No. 03-12219 (D. Mass.), and Federal Trade Commission and Consumer Financial Protection Bureau v. Green Tree Servicing LLC, No. 0:15-cv-02064 (D. Minn.), reflect sustained government attention to payment application, fees, consumer communications, loss mitigation, collection, and servicing-transfer integrity. Those records are incorporated only to the extent provided by their respective pleadings, orders, and judgments.

(7) On April 13, 2011, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Federal Housing Finance Agency, and related Federal agencies issued a coordinated series of consent cease-and-desist orders and consent orders concerning mortgage servicing, foreclosure processing, third-party oversight, governance, internal controls, loss mitigation, and foreclosure-related documentation. The orders and later amendments are identified in the supporting source appendix.

(8) The Office of Inspector General for the United States Department of Housing and Urban Development issued its March 12, 2012 Foreclosure and Claims Process Review memoranda concerning Bank of America Corporation, JPMorgan Chase Bank, N.A., Wells Fargo Bank, N.A., CitiMortgage, Inc., and Ally Financial, Inc. The memoranda examined foreclosure and FHA claims processes in the context and to the extent stated in the respective reports, which are identified in the supporting source appendix.

(9) In 2011, the Federal banking agencies and the Federal Housing Finance Agency issued a consent order concerning MERSCORP, Inc. and Mortgage Electronic Registration Systems, Inc., and a separate interagency order concerning Lender Processing Services, Inc. and affiliated entities. Those records addressed governance, internal controls, compliance-risk management, audit, reporting, and related mortgage services, subject to the scope and terms of the respective orders.

(10) The 2011 MERS consent order described MERS as acting as mortgagee of record and nominee for participating members and recognized that documents in MERS' name, including mortgage assignments and lien releases, could be executed by MERS certifying officers who were officers or employees of members or qualifying third parties. The order required enhanced governance, certifying-

officer controls, and data-quality measures; MERS and MERSCORP neither admitted nor denied the agencies' findings.

(11) In United States of America v. Lorraine Brown, in the United States District Court for the Middle District of Florida, Lorraine Brown, then chief executive of DocX, LLC, pleaded guilty to conspiracy to commit mail and wire fraud in a scheme involving fraudulently signed and notarized mortgage-related documents. The Department of Justice reported that documents fraudulently produced under Brown's direction were relied upon in court proceedings, including foreclosure and bankruptcy matters.

(12) Federal criminal proceedings involving mortgage-industry actors, including United States of America v. Michael Ashley, No. 2:11-cr-00516-JFB (E.D.N.Y.), in which public oversight reporting described a 2011 guilty plea and July 2019 sentencing, reinforce the need for reliable, preserved, independently reviewable records at every stage of the mortgage-credit and servicing ecosystem.

(13) Mortgage-related documents made through an identified fraudulent execution process can remain in public land records, loan files, foreclosure files, bankruptcy files, and title-related records after the underlying criminal or regulatory matter is resolved. Continued reliance on such a document without disclosure and independent authentication can threaten homeowners, courts, bankruptcy estates, and title systems.

(14) Congress recognizes the reported experiences of Thomas U. Rogers and Agrippa Wiggins, senior homeowners whose experiences illustrate the devastating consequences that can result when homeowners are allegedly deceived into default, subjected to dual tracking, steered into unaffordable refinance products, or denied a meaningful opportunity to preserve their homes.

(15) Thomas U. Rogers, a senior citizen and New Jersey resident who was battling cancer, allegedly was deceived into defaulting and subjected to dual tracking while seeking to preserve his home. A foreclosure action was commenced on the same day he succumbed to cancer.

(16) Agrippa Wiggins, a senior citizen and World War II veteran, allegedly was steered into an adjustable-interest-rate refinance during his eighties. While living on a fixed income and seeking a modification, he allegedly was dual tracked, evicted from his home, and died weeks before his one-hundredth birthday.

(17) Foreclosure should be a last resort and not a substitute for accurate account administration, transparent documentation, meaningful loss mitigation, or lawful debt collection.

(18) In Mortgage Electronic Registration Systems, Inc. v. Nebraska Department of Banking and Finance, the Supreme Court of Nebraska held, under the Nebraska statute at issue, that MERS did not acquire mortgage loans merely through its described nominee and recordation role. The court noted that MERS did not itself extend credit or acquire the right to receive payments on the mortgage loans, while lenders retained the promissory notes and servicing rights.

(19) In a 2011 certification filed in New Jersey foreclosure-related proceedings, MERS represented that MERS and MERSCORP were not lenders or loan servicers; that MERS did not own beneficial interests in promissory notes; and that foreclosure actions brought in MERS' name in New Jersey were filed and managed by lender and servicer members through MERS certifying officers. These statements underscore the need for accurate, transaction-specific identification of the owner, servicer, nominee, mortgagee of record, and authorized agent in every mortgage-related communication and proceeding.

(20) Section 1641(f) of title 15, United States Code, provides that a servicer is not treated as the owner of a consumer obligation solely because of an assignment made for the administrative convenience of servicing. A homeowner is entitled, upon written request, to receive from the servicer, to the best of the servicer's knowledge, the name, address, and telephone number of the owner of the obligation or the master servicer.

(21) A homeowner should not be required to make payments to, negotiate loss mitigation with, defend a foreclosure filed by, or respond to a bankruptcy claim of an entity that materially misrepresents ownership, transfer, authority, nominee capacity, servicing status, or the accuracy of transferred servicing data.

(22) The public enforcement actions, consent judgments, cease-and-desist orders, and review materials cited in this section and the supporting source appendix demonstrate recurring risks across mortgage

servicing and foreclosure. They do not convert a civil allegation into an adjudicated fact, a consent term into an admission, or a generalized report into loan-level proof except to the extent the underlying source expressly so provides.

(23) National standards should require mortgage claimants to preserve and reconcile loan-level records when servicing rights are transferred and should provide homeowners meaningful access to records and remedies when a material servicing, ownership, foreclosure, or document-integrity error occurs.

(b) Purposes. - The purposes of this Act are:

(1) to require mortgage claimants to establish and disclose their authority before initiating foreclosure or pursuing mortgage-related relief in bankruptcy;

(2) to provide homeowners with accurate, timely, and understandable mortgage-account information;

(3) to prohibit deceptive, unfair, and unlawful servicing, foreclosure, modification, document, and bankruptcy practices;

(4) to establish enforceable loss-mitigation, single-point-of-contact, appeal, and anti-dual-tracking protections;

(5) to require disclosure, preservation, and independent authentication before reliance on government-identified compromised mortgage documents, including qualifying DocX-associated documents;

(6) to require transparent, transaction-specific disclosure of MERS-related capacity, claimed transfers, and certifying-officer authority;

(7) to prevent materially false or unsupported representations that a mortgage servicer owns an obligation or that MERS owns, acquired, transferred, or has authority over a debt obligation beyond its supported capacity;

(8) to strengthen Federal, State, and private enforcement, including responses to governance, third-party-oversight, servicing-transfer, and document-integrity failures;

(9) to require continuity, accuracy, and documented reconciliation when mortgage-servicing rights are transferred;

(10) to preserve homeownership, particularly for senior citizens, veterans, persons with disabilities, families on fixed incomes, and other vulnerable homeowners.

SEC. 2A. FINDINGS REGARDING GOVERNMENT-IDENTIFIED COMPROMISED MORTGAGE DOCUMENTS.

(a) Congress finds that Federal criminal proceedings, governmental enforcement actions, consent judgments, cease-and-desist or consent orders, and official reviews have identified, in particular records, mortgage-document practices involving forged signatures, surrogate signing, false notarization, backdating, fabrication, and other material execution irregularities.

(b) A mortgage claimant must not be permitted to rely upon a mortgage-related document known, or reasonably identifiable through ordinary diligence, as having been created within a government-identified document-fraud scheme unless the claimant affirmatively discloses the document's provenance and establishes authenticity through competent, independently verifiable evidence.

(c) Rule of Construction. - Nothing in this Act establishes that every document prepared, executed, notarized, filed, recorded, or processed by DocX, LLC is automatically void or unenforceable. A qualifying document's provenance instead triggers the heightened disclosure, preservation, authentication, review, and remedial requirements of this Act.

(d) Use of Government Records. - A complaint, consent judgment, order, or review cited in this Act shall be used only according to its express terms. A civil complaint identifies allegations; a consent judgment or consent order identifies binding terms, recitals, and any express nonadmission; and an agency order or review identifies the findings stated by that agency. In every instance, loan-level proof remains required where relief depends on a particular loan, document, payment, or foreclosure.

SEC. 2B. GOVERNMENT ENFORCEMENT RECORDS; RULE OF CONSTRUCTION.

(a) Government Mortgage-Servicing Enforcement Records. - Congress relies on the public records identified in the supporting source appendix to recognize systemic risks and to guide prospective consumer-protection, verification, record-preservation, and remedial standards. Such records shall not be construed to adjudicate the merits of any individual mortgage claim or defense not otherwise established by competent evidence.

(b) Classification. - For purposes of this Act, a government record shall be described as a complaint, consent judgment, consent order, cease-and-desist order, agency report, criminal pleading, criminal judgment, or other record according to its actual legal character. No person may characterize an allegation as a finding or characterize a nonadmission-based consent provision as an admission.

SEC. 3. DEFINITIONS.

In this Act:

(1) COVERED MORTGAGE LOAN. - The term "covered mortgage loan" means a consumer credit transaction secured by a mortgage, deed of trust, security deed, or equivalent lien upon a one-to-four family residential property occupied, or intended to be occupied, as the borrower's principal residence.

(2) HOMEOWNER. - The term "homeowner" includes a borrower, mortgagor, successor in interest, heir, estate representative, or person with a documented ownership interest in property securing a covered mortgage loan.

(3) MORTGAGE CLAIMANT. - The term "mortgage claimant" means a person or entity that asserts authority to collect payments, service a loan, enforce a note, foreclose a mortgage, file a proof of claim, seek relief from an automatic stay, record or release a mortgage-related instrument, or otherwise exercise rights arising from a covered mortgage loan.

(4) MORTGAGE AUTHORITY PACKET. - The term "Mortgage Authority Packet" means a complete and comprehensible set of records sufficient to identify the current owner, holder, assignee, trustee, servicer, subservicer, nominee, mortgagee of record, and authorized agent for a covered mortgage loan and to establish the mortgage claimant's legal authority under applicable law.

(5) COMPLETE LOSS-MITIGATION APPLICATION. - The term "complete loss-mitigation application" means an application for a loan modification, repayment plan, forbearance, reinstatement, short sale, deed in lieu, principal reduction, or other foreclosure-prevention option for which the homeowner has provided all information reasonably required by the mortgage claimant.

(6) GOVERNMENT-IDENTIFIED COMPROMISED DOCUMENT. - The term "government-identified compromised document" means a mortgage-related document, including an assignment, affidavit, declaration, allonge, endorsement, substitution, certification, lost-note affidavit, payment history, proof of claim, motion for relief from stay, release, satisfaction, or notarized instrument that is expressly identified in a final criminal judgment, plea agreement, non-prosecution agreement, deferred-prosecution agreement, regulatory enforcement action, attorney general investigation, or official governmental finding as having been prepared, executed, notarized, filed, recorded, or processed through a process associated with document fabrication, forgery, surrogate signing, robo-signing, false notarization, backdating, or materially deceptive mortgage-document practices. A civil complaint standing alone does not make a document government-identified compromised.

(7) DOCX-ASSOCIATED DOCUMENT. - The term "DocX-associated document" means a mortgage-related document prepared, executed, notarized, filed, recorded, or processed by DocX, LLC, LPS Document Solutions, Lender Processing Services, Inc., or an agent thereof during a period identified in a final criminal judgment, plea agreement, non-prosecution agreement, or governmental enforcement record concerning fraudulent mortgage-document practices, including a document made during the period from March 2003 through November 2009, unless independently shown not to have been connected to the identified execution process.

(8) MERS. - The term "MERS" means Mortgage Electronic Registration Systems, Inc., and includes any successor entity acting in a substantially similar nominee or mortgagee-of-record capacity.

(9) MERS-RELATED REPRESENTATION. - The term "MERS-related representation" means any statement, certification, pleading, affidavit, assignment, release, recordation, notice, payment demand, proof of claim, motion, or communication that represents or implies that MERS owns, holds, acquired, transferred, assigned, has authority to enforce, or otherwise exercises rights with respect to a covered mortgage loan or related debt obligation.

(10) MERS CAPACITY DISCLOSURE. - The term "MERS Capacity Disclosure" means the verified disclosure required by section 4A that identifies MERS' specific claimed capacity, the identified owner and holder of the debt obligation, the MERS member or other principal for whom MERS allegedly acts, the applicable mortgage identification number if available, the basis and scope of authority, and the identity and authority of every person who executed a document in MERS' name.

(11) SERVICER OWNERSHIP REPRESENTATION. - The term "servicer ownership representation" means a statement, certification, pleading, affidavit, notice, payment demand, proof of claim, motion, or communication that represents or implies that a servicer owns, purchased, acquired, holds, or is the creditor or assignee of a covered mortgage loan or its debt obligation.

(12) ADMINISTRATIVE-CONVENIENCE ASSIGNMENT. - The term "administrative-convenience assignment" means an assignment to a servicer that is made solely to facilitate servicing, collection, bookkeeping, record administration, or a similar ministerial function and does not transfer actual ownership of the debt obligation.

(13) VERIFIED AUTHORITY RECORD. - The term "verified authority record" means contemporaneous, competent, and independently verifiable records sufficient to establish the claimed authority, including, where applicable, the note, complete chain of endorsements or allonges, transfer records, custodial records, trust or investor records, servicing authority, powers of attorney, corporate resolutions, MERS certifying-officer appointments, and records demonstrating that a purported signer was authorized to act for the named principal at the time of execution.

(14) GOVERNMENT MORTGAGE-SERVICING ENFORCEMENT RECORD. - The term "Government Mortgage-Servicing Enforcement Record" means a publicly available Federal or State complaint, consent judgment, consent order, cease-and-desist order, agency report, criminal pleading, criminal judgment, or other governmental record concerning mortgage servicing, foreclosure, loss mitigation, document integrity, payment application, bankruptcy servicing, or servicing transfers, including a record identified in the supporting source appendix.

(15) SERVICING-TRANSFER CONTINUITY RECORD. - The term "Servicing-Transfer Continuity Record" means loan-level records showing the identity of the transferor and transferee servicers, effective transfer date, transfer and boarding data, reconciliation of payments, escrow, suspense funds, fees, advances, loss-mitigation status, foreclosure status, bankruptcy status, pending disputes, material data exceptions, corrective actions, and the person responsible for resolution.

SEC. 4. MORTGAGE AUTHORITY AND ACCOUNT-INTEGRITY REQUIREMENTS.

(a) Mortgage Authority Packet. - No mortgage claimant may initiate a foreclosure proceeding, file a foreclosure complaint, publish a notice of sale, seek entry of judgment, conduct a foreclosure sale, file a proof of claim in bankruptcy, seek relief from an automatic stay, or issue a material payment demand or default notice unless the mortgage claimant has prepared, maintained, and provided to the homeowner a Mortgage Authority Packet.

(b) Contents. - The Mortgage Authority Packet shall include:

(1) the name, mailing address, telephone number, and role of the current mortgage owner, holder, assignee, trustee, servicer, subservicer, foreclosure counsel, nominee, mortgagee of record, and any entity claiming authority to enforce the note or mortgage;

(2) a complete payment history showing the application of all payments, unapplied funds, suspense funds, escrow transactions, fees, advances, credits, and corporate disbursements;

(3) a detailed statement of the amount claimed due, including principal, interest, escrow, advances, fees, costs, and any claimed arrearage;

(4) a copy of the note, allonges, mortgage or deed of trust, recorded assignments, substitutions, powers of attorney, and documents establishing the claimed right to enforce;

(5) if an original note is unavailable, a sworn explanation identifying the custodian, circumstances of loss or unavailability, search efforts undertaken, and documents relied upon to establish enforcement rights under applicable law;

(6) a description of pending or completed loss-mitigation reviews, modification decisions, denial reasons, appeal rights, and foreclosure-prevention options;

(7) a certification, signed under penalty of perjury by a qualified employee or custodian with personal knowledge or verified review of the relevant business records, that the packet is materially accurate and complete;

(8) notice of the homeowner's right to dispute errors, request information, seek housing counseling, and obtain legal assistance; and

(9) where MERS is named in any mortgage-related instrument, a MERS Capacity Disclosure and the verified authority records required by section 4A; and

(10) if servicing rights were transferred within the preceding 7 years, the Servicing-Transfer Continuity Record or, upon a showing that it cannot reasonably be provided in full, a written explanation identifying the omitted records, the reason for omission, and the corrective measures undertaken.

(c) Annual Statement. - Each mortgage claimant shall provide an annual Mortgage Authority and Account Statement to the homeowner for every covered mortgage loan, regardless of default status. The statement shall separately identify the owner of the obligation, the servicer, the mortgagee of record, and any nominee.

(d) Prohibition on False Statements. - A mortgage claimant may not represent that it owns, holds, services, is the creditor or assignee of, or has authority to enforce a covered mortgage loan unless that representation is supported by verified authority records sufficient to establish the representation under applicable law.

(e) Servicing-Transfer Integrity. - A mortgage claimant that transfers or acquires servicing rights shall preserve the Servicing-Transfer Continuity Record, perform a documented loan-level reconciliation, promptly correct any material data exception, and ensure that a transfer does not cause the loss, duplication, misapplication, or unavailability of payments, escrow funds, homeowner documents, loss-mitigation materials, bankruptcy information, or foreclosure-status information. A transferee may not treat a completed loss-mitigation application as incomplete solely because of the transfer.

SEC. 4A. MERS CAPACITY, TRANSFER, AND SERVICER-OWNERSHIP TRANSPARENCY.

(a) MERS Capacity Disclosure. - A mortgage claimant shall provide a MERS Capacity Disclosure before it relies on a MERS-related representation in a foreclosure, bankruptcy, collection, title, property-recording, loss-mitigation, payment-demand, default-notice, or other mortgage-related matter. The disclosure shall be provided to the homeowner and, where a court, trustee, recording official, or other tribunal is involved, to that decisionmaker or official.

(b) Required Contents. - A MERS Capacity Disclosure shall state:

(1) whether MERS is claimed to act as mortgagee of record, nominee, agent, assignee, holder of legal title to a security instrument, or in another capacity, and the legal and factual basis for each claimed capacity;

(2) the identity, address, and telephone number of the current owner of the debt obligation, the current holder entitled to enforce the note if different, the trustee or custodian if applicable, and the servicing entity;

(3) the identity of the MERS member or other principal for whom MERS allegedly acts, together with the dates and scope of that asserted authority;

(4) the mortgage identification number used by MERS, if available, and a current system record or other evidence relied upon to support the claimed registration status;

(5) for every assignment, release, lien discharge, affidavit, certification, or other document executed in MERS' name, the identity, employer, title, MERS certifying-officer status, corporate resolution or signing authority, and date-specific scope of authority of each signer;

(6) the independently verifiable transaction records that support any claimed transfer of the debt obligation, transfer of the security instrument, or authority to execute an instrument in MERS' name; and

(7) a plain-language statement distinguishing the owner of the debt obligation, the servicer, the mortgagee of record, and MERS' claimed capacity.

(c) Prohibited MERS-Related Representations. - No mortgage claimant, servicer, MERS member, attorney, foreclosure firm, document custodian, vendor, notary, contractor, or other agent may knowingly or recklessly:

(1) represent that MERS owns, purchased, acquired, holds, or is entitled to receive payment on a debt obligation when MERS is acting solely in a nominee, mortgagee-of-record, registry, administrative, or other non-owner capacity;

(2) represent that a transfer of the mortgage or security instrument to or from MERS, standing alone, establishes a transfer of the debt obligation, the identity of the debt owner, or a right to enforce the note, unless the representation is supported by verified authority records and is accurate under applicable law;

(3) represent that MERS has authority to enforce, foreclose, assign, release, or otherwise exercise a right with respect to a covered mortgage loan without disclosing the principal, the source, scope, and date-specific basis of that authority;

(4) cause or permit a person to execute an instrument in MERS' name without verifying that the person held the required MERS certifying-officer designation or other valid authority for the specific loan and transaction at the time of execution;

(5) omit a material qualification needed to distinguish MERS' nominee or mortgagee-of-record role from ownership of the debt obligation; or

(6) use a MERS-related representation that is materially false, misleading, incomplete, or unsupported in a consumer-facing communication, public record, foreclosure filing, bankruptcy filing, payment demand, loss-mitigation communication, title-related document, or other mortgage-related proceeding.

(d) Servicer-Ownership Representations. - Consistent with section 1641(f) of title 15, United States Code, a servicer shall not be treated as the owner of a consumer obligation solely because an assignment was made for the administrative convenience of servicing. Accordingly, no mortgage claimant or agent may knowingly or recklessly make a servicer ownership representation unless the representation is supported by verified authority records establishing that the servicer is or was an actual owner of the obligation. An administrative-convenience assignment, servicing agreement, payment-processing role, possession of account data, or identification as a mortgagee of record shall not, standing alone, establish that a servicer is the owner of the obligation.

(e) Owner-Identity Response. - Upon written request from a homeowner, a servicer shall provide the name, address, and telephone number of the owner of the obligation or master servicer to the best knowledge of the servicer, as required by section 1641(f) of title 15, United States Code, and shall additionally identify whether any claimed servicer ownership is based on an assignment alleged to be solely for administrative convenience.

(f) Evidentiary Rule. - In a contested foreclosure, bankruptcy, collection, title, or property-related proceeding, a MERS registry entry, a mortgage identification number, a recorded instrument, an assignment label, a servicer's statement, or a conclusory certification shall not, standing alone, establish the ownership of the debt obligation, the transfer of the debt obligation, or the authority of a person to act in MERS' name. The court or tribunal shall require the verified authority records appropriate to the disputed representation.

(g) Rule of Construction. - Nothing in this section shall be construed to render every mortgage naming MERS invalid, to declare that every instrument involving MERS is unenforceable, or to determine a question of ownership or enforceability without regard to applicable law and the evidentiary record. This section establishes disclosure, verification, and accountability requirements for materially false, misleading, incomplete, or unsupported representations.

SEC. 5. FAIR LOSS-MITIGATION AND FORECLOSURE REQUIREMENTS.

(a) Single Point of Contact. - A mortgage claimant shall assign a trained, adequately staffed, and reasonably accessible point of contact to each homeowner who requests loss mitigation or is more than 30 days delinquent.

(b) Receipt and Review of Applications. - Within 5 business days after receiving a loss-mitigation application, the mortgage claimant shall acknowledge receipt, identify any missing documents, and provide a clear deadline of not less than 30 days to supplement the application.

(c) No Dual Tracking. - A mortgage claimant may not initiate or advance foreclosure activity while a complete loss-mitigation application is pending, while an appeal is pending, while the homeowner is performing under a trial modification or other foreclosure-prevention agreement, or while a timely error-resolution request concerning the loan remains unresolved.

(d) Good-Faith Evaluation. - A mortgage claimant shall conduct a good-faith review of every complete loss-mitigation application using a written and consistently applied evaluation process. A denial shall state the specific factual and financial basis for the decision and identify every available appeal right.

(e) Meaningful Alternatives. - A mortgage claimant shall offer an available and sustainable loss-mitigation option whenever foreclosure is not reasonably necessary to protect the creditor's legitimate financial interest, taking into account the homeowner's ability to cure, repayment capacity, net present value, available investor authority, and reasonable alternatives to foreclosure.

(f) Appeals. - A homeowner denied a loan modification or other material foreclosure-prevention option shall have not less than 30 days to appeal. The appeal shall be reviewed by personnel independent of the original decisionmaker.

(g) No Waiver of Rights. - A mortgage claimant may not condition consideration for loss mitigation upon a homeowner's waiver of legal claims, consumer-protection rights, bankruptcy rights, or defenses to foreclosure.

(h) No Loss of Protection During Servicing Transfer. - A mortgage claimant that transfers or acquires servicing rights shall ensure that pending loss-mitigation applications, appeals, trial modifications, foreclosure-prevention agreements, error-resolution requests, and their applicable timelines transfer without interruption. The homeowner shall not be required to resubmit documents already received by the transferor unless the transferee provides a specific written explanation of the material need for the document. Foreclosure activity shall remain suspended to the same extent required before the transfer.

SEC. 6. DOCUMENT INTEGRITY AND THIRD-PARTY ACCOUNTABILITY.

(a) Prohibited Conduct. - A mortgage claimant, or any officer, employee, attorney, contractor, vendor, notary, document custodian, or agent acting on its behalf, may not:

(1) prepare, execute, notarize, record, file, submit, or present a materially false, misleading, backdated, improperly notarized, or unsupported mortgage-related document;

(2) sign an affidavit, declaration, certification, assignment, payment history, proof of claim, or foreclosure document without personal knowledge or verified review of competent business records;

(3) charge improper, duplicative, undisclosed, or unreasonable default-related fees;

(4) misapply payments, mishandle escrow, impose force-placed insurance without lawful justification, or fail to correct known servicing errors;

(5) lose, destroy, disregard, or repeatedly demand documents previously received from a homeowner;

(6) use a third-party vendor without reasonable oversight, quality control, and accountability;

(7) make, cause to be made, adopt, record, file, submit, or rely on a materially false or unsupported MERS-related representation or servicer ownership representation;

(8) misrepresent that a servicer owns an obligation where the servicer's claimed assignment is solely for administrative convenience or otherwise does not establish actual ownership;

(9) misrepresent that MERS or a MERS-related instrument establishes the ownership, transfer, or enforcement rights of a debt obligation beyond what is supported by verified authority records and applicable law;

(10) use or cause the use of a MERS certifying officer, attorney, vendor employee, or other person to execute a mortgage-related document without valid, loan-specific, and date-specific authority; or

(11) fail to correct, withdraw, amend, or disclose a material MERS-related or servicer-ownership misrepresentation after receiving credible written notice and a reasonable opportunity to investigate; or

(12) fail to create, preserve, reconcile, or furnish upon request a Servicing-Transfer Continuity Record required by this Act, or knowingly use materially inaccurate transferred servicing data in a payment demand, loss-mitigation decision, foreclosure filing, proof of claim, motion, or other mortgage-related communication.

(b) Vicarious Liability. - A mortgage claimant shall be responsible for the acts and omissions of its attorneys, foreclosure firms, vendors, document processors, MERS certifying officers, and other agents acting within the scope of their authority or apparent authority.

(c) Record Retention. - Mortgage-related records, including MERS Capacity Disclosures, corporate resolutions, signing-authority agreements, MERS registry information relied upon, ownership-transfer records, servicer-authority records, transfer and boarding data, reconciliation records, material data exceptions, and corrective-action records, shall be retained for the life of the loan and not less than 7 years following satisfaction, discharge, transfer, foreclosure, or other final disposition.

SEC. 6A. DISCLOSURE AND AUTHENTICATION OF GOVERNMENT-IDENTIFIED COMPROMISED DOCUMENTS.

(a) Disclosure Requirement. - A mortgage claimant that knows, or reasonably should know, that it seeks to rely upon a government-identified compromised document or a DocX-associated document shall disclose that fact in writing to the homeowner, the court or tribunal in which the document is submitted, the bankruptcy trustee and United States Trustee when applicable, and any title insurer, purchaser, or party whose property rights may be materially affected.

(b) Timing. - The disclosure required by subsection (a) shall be made not later than 14 days after discovery of the document's provenance and before the mortgage claimant files, submits, records, relies upon, or offers the document as evidence in a foreclosure, bankruptcy, collection, title, or property-related proceeding.

(c) Independent Authentication Required. - A mortgage claimant may not rely upon a government-identified compromised document or a DocX-associated document unless it establishes through competent, independently verifiable evidence:

(1) the identity and authority of the person who executed the document;

(2) the date, place, and manner of execution;

(3) the identity and lawful authority of the notary, if notarization is required;

(4) the complete chain of custody of the document;

(5) the business records, transaction records, servicing records, trust records, or other nonconclusory evidence supporting the substantive facts represented in the document; and

(6) that the document was not forged, surrogate-signed, falsely notarized, backdated, fabricated, or otherwise materially defective.

(d) Insufficient Evidence. - A mortgage claimant may not satisfy subsection (c) solely by offering a conclusory affidavit, a declaration based solely upon records created by the same entity that produced or processed the challenged document, a copy of the challenged document without corroboration, or a presumption arising solely from recordation, possession, assignment language, servicing status, or endorsement.

(e) Rebuttable Presumption and Burden. - Upon a homeowner's prima facie showing that a document is a government-identified compromised document or a DocX-associated document, the court shall presume that the document requires heightened authentication. The mortgage claimant shall bear the burden of establishing authenticity and lawful enforceability by clear and convincing evidence.

(f) Foreclosure and Bankruptcy Hold. - Pending resolution of the authenticity and enforceability of a challenged document under this section, no foreclosure sale may occur, no final foreclosure judgment may be entered based materially upon the document, no motion for relief from the automatic stay may be granted based materially upon the document, and no proof of claim may be allowed to the extent it relies materially upon the document unless independently authenticated.

(g) Preservation of Evidence. - A mortgage claimant that receives notice that a document is disputed under this section shall preserve all originals, electronic images, metadata, audit trails, vendor communications, recording instructions, notary logs, and related business records until final resolution of the dispute.

SEC. 7. MORTGAGE CLAIMS AND BANKRUPTCY INTEGRITY.

(a) Proofs of Claim. - A creditor or servicer filing a proof of claim in a bankruptcy case involving a covered mortgage loan shall attach, or make available upon request, the Mortgage Authority Packet, a complete itemization of all amounts claimed due, and, where applicable, the MERS Capacity Disclosure and the Servicing-Transfer Continuity Record.

(b) Relief From Stay. - A bankruptcy court shall deny without prejudice a motion for relief from the automatic stay where the moving party fails to establish its authority to enforce the mortgage obligation or fails to provide an accurate and itemized account history.

(c) Postpetition Fees and Charges. - No mortgage claimant may collect a postpetition fee, cost, advance, escrow charge, or other amount unless timely disclosed to the homeowner, trustee, and bankruptcy court in a manner prescribed by the Federal Rules of Bankruptcy Procedure.

(d) United States Trustee Referrals. - The United States Trustee Program shall establish a national process for receiving, tracking, and referring credible allegations of repeated mortgage-servicing, servicing-transfer, proof-of-claim, escrow, payment-history, MERS-related, servicer-ownership, or foreclosure-document misconduct.

(e) MERS and Servicer Claim Integrity. - A proof of claim, motion for relief from the automatic stay, objection, notice, payment-change filing, certification, or other mortgage-related filing that contains a MERS-related representation or servicer ownership representation shall identify the actual owner of the obligation, the servicer, the claimed role of MERS if any, and the verified authority records supporting the filer's claimed authority. A filing may not treat an administrative-convenience assignment as proof that the servicer owns the obligation.

(f) Effect of Material Dispute. - Upon a prima facie showing that a material MERS-related representation or servicer ownership representation is false, misleading, incomplete, or unsupported, the court shall require a verified authority record before allowing the claim, granting relief from stay, or awarding other material relief based on that representation.

SEC. 7A. NATIONAL MORTGAGE DOCUMENT AND CLAIM IDENTITY INTEGRITY REVIEW AND REFERRAL PROGRAM.

(a) Establishment. - The Consumer Financial Protection Bureau, in consultation with the Department of Justice, the United States Trustee Program, the Department of Housing and Urban Development, the Federal Housing Finance Agency, State attorneys general, State financial regulators, and State recording officials, shall establish a National Mortgage Document and Claim Identity Integrity Review and Referral Program.

(b) Duties. - The Program shall:

(1) maintain a secure registry of entities, document-production systems, signers, notaries, document categories, and final governmental actions identified as connected to mortgage-document fraud or material execution irregularities, and maintain a publicly accessible reference index of Government Mortgage-Servicing Enforcement Records that identifies each record's legal character and any limitations expressed in the source;

(2) establish procedures for homeowners, attorneys, courts, trustees, servicers, title insurers, and recording officials to submit potentially compromised documents and potentially false or unsupported MERS-related or servicer-ownership claims for review;

(3) publish consumer-facing guidance explaining the distinction between debt ownership, note-enforcement authority, servicing authority, mortgagee-of-record status, nominee capacity, and administrative-convenience assignments;

(4) develop model MERS Capacity Disclosures and model servicer-owner identity responses for use under this Act;

(5) refer credible evidence of fraud, forgery, false notarization, false ownership or transfer claims, perjury, bankruptcy abuse, or unlawful foreclosure practices to appropriate Federal and State authorities; and

(6) issue an annual public report identifying trends, enforcement referrals, confirmed document-integrity and claim-identity failures, and recommendations for additional protections; and

(7) develop model Servicing-Transfer Continuity Records and standard borrower notices for use under sections 4 and 5.

SEC. 8. ENFORCEMENT AND REMEDIES.

(a) Private Right of Action. - A homeowner aggrieved by a violation of this Act may bring a civil action in Federal or State court.

(b) Available Relief. - A court may award actual damages, statutory damages of not less than $5,000 for each material violation, injunctive relief, restitution, corrective account adjustments, reformation or correction of records where authorized by law, attorney's fees, costs, and such other equitable relief as justice requires.

(c) Enhanced Relief for Claim-Identity and Servicing-Transfer Violations. - For a knowing, willful, reckless, repeated, or pattern-and-practice violation of section 4A or section 6(a)(7) through (12), a court may award enhanced damages of up to three times actual damages or statutory damages of not less than $15,000 and not more than $50,000 for each material violation, whichever is greater, in addition to appropriate equitable relief. A separate foreclosure filing, bankruptcy filing, recorded instrument, material consumer communication, or use of materially inaccurate transferred servicing data may constitute a separate violation when it contains or relies on a separate materially false or unsupported representation.

(d) Government Enforcement and Civil Penalties. - The Consumer Financial Protection Bureau, the Attorney General of the United States, State attorneys general, and State financial regulators may enforce this Act. In an action brought by a government enforcement authority, a knowing violation of section 4A or section 6(a)(7) through (12) shall be subject to a civil penalty of not more than $100,000 for each material violation, without limiting other remedies authorized by law.

(e) Referrals. - Where credible evidence indicates that a materially false or unsupported MERS-related representation or servicer ownership representation was used in a foreclosure, bankruptcy, title, recording, or collection matter, the court, the Consumer Financial Protection Bureau, the United States Trustee Program, or another Federal or State enforcement authority may refer the matter to the Department of Justice, the appropriate Federal banking agency, the Federal Housing Finance Agency, State regulators, or other appropriate authorities.

(f) No Immunity. - Compliance with a private contract, MERS membership rule, servicing agreement, internal policy, or vendor instruction shall not be a defense to liability under this Act.

(g) Preservation of Collective Remedies. - Notwithstanding section 2 of title 9, United States Code, no predispute arbitration clause, class-action waiver, or contractual term may bar a homeowner from exercising the rights or remedies created by this Act.

SEC. 9. HOME PRESERVATION AND DOCUMENT INTEGRITY GRANTS.

(a) Establishment. - The Secretary of Housing and Urban Development, in consultation with the Consumer Financial Protection Bureau, shall establish a grant program to support nonprofit organizations, legal-services providers, housing counselors, and public-interest entities that provide foreclosure-prevention counseling, mortgage-document education, land-record and title-review assistance, legal representation for low-income homeowners, homeowner outreach and fraud reporting, consumer education concerning MERS-related and servicer-ownership disclosures, and data collection concerning mortgage-servicing misconduct.

(b) Authorization of Appropriations. - There are authorized to be appropriated $100,000,000 for each fiscal year 2027 through 2031.

SEC. 10. RULEMAKING, RELATIONSHIP TO STATE LAW, AND EFFECTIVE DATE.

(a) Minimum Standards. - This Act establishes minimum national protections and shall not preempt any State law providing greater protection to homeowners.

(b) Rulemaking. - Not later than 18 months after enactment, the Consumer Financial Protection Bureau shall issue implementing regulations concerning Mortgage Authority Packets, MERS Capacity Disclosures, servicer-ownership representations, Servicing-Transfer Continuity Records, classification and use of Government Mortgage-Servicing Enforcement Records, record retention, civil penalties, and model consumer disclosures. The Judicial Conference of the United States shall issue proposed rules and forms appropriate to implement the bankruptcy-related provisions of this Act.

(c) Effective Date. - This Act shall take effect 24 months after enactment, except that the rulemaking and grant provisions shall take effect immediately.

(d) Technical and Conforming Amendments. - Congress authorizes the Consumer Financial Protection Bureau and the Judicial Conference of the United States to recommend technical and conforming amendments necessary to coordinate this Act with the Truth in Lending Act, the Real Estate Settlement Procedures Act, the Fair Debt Collection Practices Act, the Federal Rules of Bankruptcy Procedure, and other applicable Federal law.

SUPPORTING PUBLIC RECORD AND DRAFTING SOURCES

The following sources are provided for sponsor and legislative-counsel reference only and are not part of the proposed statutory text.

1. Congressional Oversight Panel, November Oversight Report: Examining the Consequences of Mortgage Irregularities for Financial Stability and Foreclosure Mitigation (Nov. 16, 2010), at 1-3 (Executive Summary), 15-17 (MERS), and 38-39 (legal certainty and foreclosure compliance).
2. United States of America, et al. v. Bank of America Corp., et al., Complaint, No. 1:12-cv-00361-RMC (D.D.C. filed Mar. 12, 2012), and Consent Judgment (D.D.C. entered Apr. 4, 2012).
3. Consumer Financial Protection Bureau, et al. v. Ocwen Financial Corp. and Ocwen Loan Servicing, LLC, Complaint, No. 1:13-cv-02025-RMC (D.D.C. filed Dec. 19, 2013), and Final Consent Judgment and Order (D.D.C. entered Feb. 26, 2014).
4. The State of Alabama, State of New Jersey, et al. v. PHH Mortgage Corporation, Complaint and Consent Judgment, No. 1:18-cv-00009 (D.D.C. filed Jan. 3, 2018; consent judgment entered May 10, 2018).
5. The State of Alabama, State of New Jersey, et al. v. Nationstar Mortgage LLC, d/b/a Mr. Cooper, Complaint and Consent Judgment, No. 1:20-cv-03551 (D.D.C.), including the consent judgment entered in December 2020.
6. United States of America v. Fairbanks Capital Corp., Civil No. 03-12219 (D. Mass.), including the Stipulated Final Judgment and Order and Modified Stipulated Final Judgment and Order.
7. In the Matter of Aurora Bank FSB, Order No. NE-11-16 (Apr. 13, 2011), and In the Matter of Aurora Bank FSB, Order No. 2013-123 (Feb. 28, 2013) (amending Order No. NE-11-16).
8. In the Matter of Bank of America, N.A., Order No. AA-EC-11-12 (Apr. 13, 2011), and In the Matter of Bank of America, N.A., Order No. 2013-127 (Feb. 28, 2013) (amending Order No. AA-EC-11-12).
9. In the Matter of Citibank, N.A., Order No. AA-EC-11-13 (Apr. 13, 2011), and In the Matter of Citibank, N.A., Order No. 2013-131 (Feb. 28, 2013) (amending Order No. AA-EC-11-13).
10. In the Matter of HSBC Bank USA, N.A., Order No. AA-EC-11-14 (Apr. 13, 2011); In the Matter of HSBC Bank USA, N.A., Order No. 2013-130 (Feb. 28, 2013) (amending Order No. AA-EC-11-14); and In the Matter of HSBC Bank USA, N.A., Order No. 2015-063 (June 16, 2015) (amending the prior orders).
11. In the Matter of JPMorgan Chase Bank, N.A., Order No. AA-EC-11-15 (Apr. 13, 2011); In the Matter of JPMorgan Chase Bank, N.A., Order No. 2013-129 (Feb. 28, 2013) (amending Order No. AA-EC-11-15); and In the Matter of JPMorgan Chase Bank, N.A., Order No. 2015-064 (June 16, 2015) (amending the prior orders).
12. In the Matter of Lender Processing Services, Inc., et al., Federal Reserve Board Docket Nos. 11-052-B-SC-1, 11-052-B-SC-2, and 11-052-B-SC-3; FDIC-11-204b; OCC No. AA-EC-11-46; and OTS No. DC-11-039 (Apr. 13, 2011).
13. In the Matter of MetLife Bank, N.A., Order No. AA-EC-11-16 (Apr. 13, 2011), and In the Matter of MetLife Bank, N.A., Order No. 2013-126 (Feb. 28, 2013) (amending Order No. AA-EC-11-16).
14. In the Matter of MERSCORP, Inc., et al., OCC No. AA-EC-11-20; Board of Governors Docket Nos. 11-051-B-SC-1 and 11-051-B-SC-2; FDIC-11-194b; OTS No. 11-040; and FHFA No. EAP-11-01 (Apr. 13, 2011).
15. In the Matter of OneWest Bank, FSB, OTS Docket No. 18129, Order No. WN-11-011 (Apr. 13, 2011), and In the Matter of IMB HoldCo LLC, OTS Docket No. H4585, Order No. WN-11-012 (Apr. 13, 2011).
16. In the Matter of PNC Bank, N.A., Order No. AA-EC-11-17 (Apr. 13, 2011), and In the Matter of PNC Bank, N.A., Order No. 2013-124 (Feb. 28, 2013) (amending Order No. AA-EC-11-17).
17. In the Matter of Sovereign Bank, OTS Docket No. 04410, Order No. NE-11-17 (Apr. 13, 2011); In the Matter of Sovereign Bank, National Association, Order No. 2013-125 (Feb. 28, 2013) (amending Order

No. 2012-019); and In the Matter of Santander Bank, N.A., Order No. 2015-065 (June 16, 2015) (amending the prior orders).

18. In the Matter of U.S. Bank National Association, et al., Order No. AA-EC-11-18 (Apr. 13, 2011); In the Matter of U.S. Bank National Association, et al., Order No. 2013-128 (Feb. 28, 2013) (amending Order No. AA-EC-11-18); and In the Matter of U.S. Bank National Association, et al., Order No. 2015-066 (June 16, 2015) (amending the prior orders).
19. In the Matter of Wells Fargo Bank, N.A., et al., Order No. AA-EC-11-19 (Apr. 13, 2011); In the Matter of Wells Fargo Bank, N.A., et al., Order No. 2013-132 (Feb. 28, 2013) (amending Order No. AA-EC-11-19); and In the Matter of Wells Fargo Bank, N.A., et al., Order No. 2015-067 (June 16, 2015) (amending the prior orders).
20. Office of Inspector General for the U.S. Department of Housing and Urban Development, Foreclosure and Claims Process Review memoranda (Mar. 12, 2012): Bank of America Corporation, Memorandum No. 2012-FW-1802; JPMorgan Chase Bank, N.A., Memorandum No. 2012-CH-1801; Wells Fargo Bank, N.A., Memorandum No. 2012-AT-1801; CitiMortgage, Inc., Memorandum No. 2012-KC-1801; and Ally Financial, Inc., Memorandum No. 2012-PH-1801.
21. Federal Trade Commission and Consumer Financial Protection Bureau v. Green Tree Servicing LLC, Complaint and Stipulated Order for Permanent Injunction and Monetary Judgment, No. 0:15-cv-02064 (D. Minn. complaint filed Apr. 21, 2015; stipulated order entered Apr. 23, 2015).
22. United States of America v. Michael Ashley, Sealed Indictment, No. 2:11-cr-00516-JFB (E.D.N.Y. filed Aug. 11, 2011), and public July 2019 oversight reporting concerning sentencing following the defendant's 2011 guilty plea.
23. U.S. Department of Justice, Former Executive at Florida-Based Lender Processing Services Inc. Admits Role in Mortgage-Related Document Fraud Scheme (Nov. 20, 2012).
24. U.S. Department of Justice, Former Executive at Florida-Based Lender Processing Services Inc. Sentenced to Five Years in Prison for Role in Mortgage-Related Document Fraud Scheme (June 25, 2013).
25. U.S. Department of Justice, Lender Processing Services Inc. to Pay $35 Million in Agreement to Resolve Criminal Fraud Investigation (Feb. 15, 2013), and Appendix A Statement of Facts.
26. Mortgage Electronic Registration Systems, Inc. v. Nebraska Department of Banking and Finance, 704 N.W.2d 784 (Neb. 2005).
27. Certification of Mortgage Electronic Registration Systems, Inc. in Response to Administrative Order 01-2010, In the Matter of Residential Mortgage Foreclosure Pleadings and Document Irregularities, Docket No. F-238-11 (N.J. Super. Ct. filed Feb. 11, 2011).
28. 15 U.S.C. 1641(f) and (g), including the statutory treatment of servicers and the notice of new creditor requirement.
29. Drafting note: The records above are identified according to their legal character. Legislative counsel should verify every caption, docket number, entry date, amendment, termination, and current status before formal introduction; inclusion does not create a legal conclusion about any individual loan or borrower.
30. This proposal is offered as a policy draft for congressional sponsor review. Legislative counsel should make technical and conforming edits before formal introduction.

DRAFTING NOTE FOR SPONSOR REVIEW

The proposed MERS, servicer-ownership, and servicing-transfer provisions are targeted at materially false, misleading, incomplete, or unsupported representations and records. They do not presume that every MERS-related instrument is invalid, treat a civil complaint as an adjudicated fact, or treat a nonadmission-based consent order as an admission. The proposed Act independently establishes prospective disclosure, verification, preservation, evidentiary, and civil-remedy standards.