

## HR 3355

Homeowners' Defense Act of 2007

**Congress:** 110 (2007–2009, Ended)

**Chamber:** House

**Policy Area:** Finance and Financial Sector

**Introduced:** Aug 3, 2007

**Current Status:** Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban A

**Latest Action:** Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Nov 13, 2007)

**Official Text:** <https://www.congress.gov/bill/110th-congress/house-bill/3355>

### Sponsor

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**Name:** Rep. Klein, Ron [D-FL-22]

**Party:** Democratic • **State:** FL • **Chamber:** House

**Cosponsors** (41 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Mahoney, Tim [D-FL-16]	D · FL		Aug 3, 2007
Rep. Abercrombie, Neil [D-HI-1]	D · HI		Sep 4, 2007
Rep. Arcuri, Michael A. [D-NY-24]	D · NY		Sep 4, 2007
Rep. Braley, Bruce L. [D-IA-1]	D · IA		Sep 4, 2007
Rep. Brown, Corrine [D-FL-3]	D · FL		Sep 4, 2007
Rep. Cleaver, Emanuel [D-MO-5]	D · MO		Sep 4, 2007
Rep. Clyburn, James E. [D-SC-6]	D · SC		Sep 4, 2007
Rep. Cramer, Robert E. (Bud), Jr. [D-AL-5]	D · AL		Sep 4, 2007
Rep. Crowley, Joseph [D-NY-7]	D · NY		Sep 4, 2007
Rep. Emanuel, Rahm [D-IL-5]	D · IL		Sep 4, 2007
Rep. Farr, Sam [D-CA-17]	D · CA		Sep 4, 2007
Rep. Hare, Phil [D-IL-17]	D · IL		Sep 4, 2007
Rep. Hastings, Alcee L. [D-FL-23]	D · FL		Sep 4, 2007
Rep. Hill, Baron P. [D-IN-9]	D · IN		Sep 4, 2007
Rep. Hirono, Mazie K. [D-HI-2]	D · HI		Sep 4, 2007
Rep. Inslee, Jay [D-WA-1]	D · WA		Sep 4, 2007
Rep. Johnson, Henry C. "Hank," Jr. [D-GA-4]	D · GA		Sep 4, 2007
Rep. Jones, Stephanie Tubbs [D-OH-11]	D · OH		Sep 4, 2007
Rep. Kagen, Steve [D-WI-8]	D · WI		Sep 4, 2007
Rep. Lampson, Nick [D-TX-22]	D · TX		Sep 4, 2007
Rep. Larson, John B. [D-CT-1]	D · CT		Sep 4, 2007
Rep. Maloney, Carolyn B. [D-NY-14]	D · NY		Sep 4, 2007
Rep. McCarthy, Carolyn [D-NY-4]	D · NY		Sep 4, 2007
Rep. McNerney, Jerry [D-CA-11]	D · CA		Sep 4, 2007
Rep. Meek, Kendrick B. [D-FL-17]	D · FL		Sep 4, 2007
Rep. Melancon, Charlie [D-LA-3]	D · LA		Sep 4, 2007
Rep. Moran, James P. [D-VA-8]	D · VA		Sep 4, 2007
Rep. Perlmutter, Ed [D-CO-7]	D · CO		Sep 4, 2007
Rep. Ryan, Tim [D-OH-17]	D · OH		Sep 4, 2007
Rep. Sires, Albio [D-NJ-13]	D · NJ		Sep 4, 2007
Rep. Tauscher, Ellen O. [D-CA-10]	D · CA		Sep 4, 2007
Rep. Walz, Timothy J. [D-MN-1]	D · MN		Sep 4, 2007
Rep. Wasserman Schultz, Debbie [D-FL-20]	D · FL		Sep 4, 2007
Rep. Weiner, Anthony D. [D-NY-9]	D · NY		Sep 4, 2007
Rep. Wexler, Robert [D-FL-19]	D · FL		Sep 4, 2007
Rep. Delahunt, William D. [D-MA-10]	D · MA		Sep 6, 2007
Rep. Jindal, Bobby [R-LA-1]	R · LA		Sep 10, 2007
Rep. Lynch, Stephen F. [D-MA-9]	D · MA		Sep 19, 2007
Del. Christensen, Donna M. [D-VI-At Large]	D · VI		Sep 24, 2007
Rep. Brown-Waite, Ginny [R-FL-5]	R · FL		Sep 27, 2007
Rep. Kennedy, Patrick J. [D-RI-1]	D · RI		Oct 31, 2007

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Nov 13, 2007
Financial Services Committee	House	Hearings By (subcommittee)	Sep 6, 2007
Financial Services Committee	House	Hearings By (subcommittee)	Sep 6, 2007

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
110 HRES 802	Procedurally related	<b>Nov 8, 2007:</b> Motion to reconsider laid on the table Agreed to without objection.
110 S 2310	Related bill	<b>Nov 6, 2007:</b> Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

Homeowners' Defense Act of 2007 - Declares that the purpose of this Act is to provide federal support for state-sponsored insurance programs to: (1) help homeowners prepare for and recover from damages caused by natural catastrophes; and (2) promote the use of private market capital as a means to insure against such catastrophes.

**Title I: National Catastrophe Risk Consortium** - (Sec. 101) Establishes the National Catastrophe Risk Consortium as a nonprofit, nonfederal entity to: (1) inventory catastrophe risk obligations held by state reinsurance funds, and state residual insurance market entities; (2) issue, on a conduit basis, securities and other financial instruments linked to catastrophe risks insured or reinsured through Consortium members; (3) act as a centralized repository of state risk information accessible by private-market participants seeking to participate in either such financial instruments or certain reinsurance contracts; and (4) perform research and analysis that encourages standardization of the risk-linked securities market.

Makes eligible to join the Consortium any: (1) state that has established a reinsurance fund or has authorized operation of a state residual insurance market entity; or (2) state-sponsored provider of natural catastrophe insurance.

(Sec. 107) Shields the federal government and the Consortium from liability arising from Consortium actions. Requires participating states to retain all catastrophe risk until completion of specified transactions.

(Sec. 108) Authorizes appropriations for FY2008-FY2013.

**Title II: National Homeowners' Insurance Stabilization Program** - (Sec. 201) Instructs the Secretary of the Treasury to implement a program to make liquidity loans and catastrophic loans to qualified reinsurance programs to: (1) ensure their solvency; (2) improve the availability and affordability of homeowners' insurance; (3) encourage risk transfer to the private capital and reinsurance markets; and (4) spread the risk of catastrophic financial loss resulting from natural disasters and catastrophic events.

(Sec. 202) Prescribes terms and conditions for liquidity loans and catastrophic loans for qualified reinsurance programs. Authorizes the Secretary to enter into loan contracts.

Requires as one prerequisite for such a loan to a qualified reinsurance program that before the loan is made the state or regional reinsurance program enter into an agreement with the Secretary that the state will not use federal funds of any kind or from any federal source (including any disaster or other financial assistance, loan proceeds, and any other assistance or subsidy) to repay the loan.

Cites circumstances under which the Secretary is required to make loans upon request of a qualified reinsurance program.

Limits the use of such loans solely to providing reinsurance or retrocessional coverage to underlying primary insurers or reinsurers for losses arising from specified personal residential lines of insurance.

(Sec. 204) Authorizes the Secretary to establish a fee collection program to implement this Act.

Instructs the Secretary to require full repayment of all loans made under this Act.

**Title III: Reinsurance Coverage for Qualified Reinsurance Programs** - (Sec. 301) Authorizes the Secretary to make contracts for reinsurance coverage under this title available for purchase only by qualified reinsurance programs.

(Sec. 302) Declares that contracts for reinsurance coverage made available under this title: (1) shall not displace or compete with the private insurance or reinsurance markets or the capital market; (2) shall minimize the administrative costs of the federal government; and (3) shall provide coverage based solely on insured losses covered by the qualified reinsurance program purchasing the contract.

(Sec. 303) Specifies terms and conditions of qualified reinsurance programs, including: (1) a minimum attachment point; and (2) 90% coverage of insured losses in excess of retained losses.

(Sec. 304) Sets the maximum aggregate potential federal liability for payment of claims under all reinsurance contracts sold in any single year at \$200 billion, or such lesser amount as the Secretary determines based on review of the reinsurance market.

Limits the authority of the Secretary to enter into reinsurance contracts for any fiscal year to the extent or in such amounts as are or have been provided in appropriation Acts for that fiscal year.

(Sec. 305) Establishes in the Treasury the Federal Natural Catastrophe Reinsurance Fund, to be credited with amounts received annually from the sale of reinsurance contracts, appropriations, and any amounts earned on investments.

Authorizes the Secretary to invest in U.S. bonds any amounts in the Fund in excess of current needs.

**Title IV: General Provisions** - (Sec. 401) Prescribes criteria for a qualified reinsurance program under this Act.

Directs the Secretary to establish procedures for state and regional reinsurance programs and certain state residual insurance market entities to apply for certification (and recertification) as qualified reinsurance programs.

Requires each qualified reinsurance program (except any existing state residual insurance market entity, or state-sponsored provider of natural catastrophe insurance, deemed to be a qualified reinsurance program during an initial five-year transition period) to: (1) maintain risk-based capital in accordance with requirements established by the Secretary, in consultation with the National Association of Insurance Commissioners (NAIC) and consistent with the NAIC Risk-Based Capital Model Act; and (2) take into consideration asset risk, credit risk, underwriting risk, and other relevant risks.

Directs the Secretary to recognize and give credit for the ability of any qualified reinsurance program to access capital through the liquidity loan program (established under title II of this Act) to the extent that such program is deficient in complying with any aspect of risk-based capital requirements.

Requires the Secretary to increase the credit recognized and given for a qualified reinsurance program by an amount equal to the losses paid by the program as a result of a catastrophe.

(Sec. 402) Directs the Secretary to study, on an expedited basis, the need for and impact of expanding the programs established by this Act to apply to insured losses of qualified reinsurance programs for losses arising from all commercial insurance policies covering properties composed predominantly of residential rental units (commercial residential lines of insurance).

Requires the Secretary, to the extent a need to expand is determined, and that such expansion will be effective in increasing insurance capacity for the commercial residential insurance market, to: (1) apply the provisions of this Act, as appropriate, to any such insured losses of a qualified reinsurance program; and (2) provide restrictions, limitations, or conditions with respect to the programs under this Act that the Secretary deems appropriate, based on the study.

## Actions Timeline

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- **Nov 13, 2007:** Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
- **Nov 8, 2007:** Rule H. Res. 802 passed House.
- **Nov 8, 2007:** Considered under the provisions of rule H. Res. 802. (consideration: CR H13337-13370)
- **Nov 8, 2007:** Rule provides for consideration of H.R. 3355 with 1 hour of general debate. Previous question shall be considered as ordered without intervening motions except motion to recommit with or without instructions. Measure will be considered read. Specified amendments are in order. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill.
- **Nov 8, 2007:** House resolved itself into the Committee of the Whole House on the state of the Union pursuant to H. Res. 802 and Rule XVIII.
- **Nov 8, 2007:** The Speaker designated the Honorable Mike Ross to act as Chairman of the Committee.
- **Nov 8, 2007:** GENERAL DEBATE - The Committee of the Whole proceeded with one hour of general debate on H.R. 3355.
- **Nov 8, 2007:** DEBATE - The Committee of the Whole proceeded with debate on the Klein amendment under the five-minute rule.
- **Nov 8, 2007:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Klein amendment, the Chair put the question on adoption of the amendment and by voice vote, announced that the ayes had prevailed. Mrs. Capito demanded a recorded vote and the Chair postponed further proceedings on the question of adoption of the amendment until later in the legislative day.
- **Nov 8, 2007:** DEBATE - The Committee of the Whole proceeded with debate on the Murphy (CT) amendment under the five-minute rule.
- **Nov 8, 2007:** DEBATE - The Committee of the Whole proceeded with debate on the Roskam amendment under the five-minute rule.
- **Nov 8, 2007:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Roskam amendment, the Chair put the question on adoption of the amendment and by voice vote, announced that the noes had prevailed. Mr. Roskam demanded a recorded vote and the Chair postponed further proceedings on the question of adoption of the amendment until later in the legislative day.
- **Nov 8, 2007:** DEBATE - The Committee of the Whole proceeded with debate on the Castor amendment under the five-minute rule.
- **Nov 8, 2007:** DEBATE - The Committee of the Whole proceeded with debate on the Manzullo amendment under the five-minute rule.
- **Nov 8, 2007:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Manzullo amendment, the Chair put the question on adoption of the amendment and by voice vote, announced that the noes had prevailed. Mr. Manzullo demanded a recorded vote and the Chair postponed further proceedings on the question of adoption of the amendment until later in the legislative day.
- **Nov 8, 2007:** DEBATE - The Committee of the Whole proceeded with debate on the Matheson amendment under the five-minute rule.
- **Nov 8, 2007:** The Committee of the Whole rose informally to receive a communication from the President.
- **Nov 8, 2007:** The Committee resumed its sitting.
- **Nov 8, 2007:** DEBATE - The Committee of the Whole proceeded with debate on the Brown-Waite (FL) amendment under the five-minute rule.
- **Nov 8, 2007:** DEBATE - The Committee of the Whole proceeded with debate on the Putnam amendment under the five-minute rule.
- **Nov 8, 2007:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Putnam amendment, the Chair put the question on adoption of the amendment and by voice vote, announced that the ayes had prevailed. Mr. Putnam demanded a recorded vote and the Chair postponed further proceedings on the question of adoption of the amendment until later in the legislative day.
- **Nov 8, 2007:** DEBATE - The Committee of the Whole proceeded with debate on the Shays amendment in the nature of a substitute under the five-minute rule.
- **Nov 8, 2007:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Shays amendment, the Chair put the question on adoption of the amendment and by voice vote, announced that the noes had prevailed. Mr. Shays

demanding a recorded vote and the Chair postponed further proceedings on the question of adoption of the amendment until later in the legislative day.

- **Nov 8, 2007:** VACATING REQUEST FOR RECORDED VOTE - Mr. Putnam asked unanimous consent to vacate his earlier request for a recorded vote on his amendment, to the end that the Chair put the question de novo. Agreed to without objection.
- **Nov 8, 2007:** DEBATE - The Committee of the Whole proceeded with debate on the Campbell amendment under the five-minute rule.
- **Nov 8, 2007:** The House rose from the Committee of the Whole House on the state of the Union to report H.R. 3355.
- **Nov 8, 2007:** The previous question was ordered pursuant to the rule. (consideration: CR H13367)
- **Nov 8, 2007:** The House adopted the amendment in the nature of a substitute as agreed to by the Committee of the Whole House on the state of the Union. (text: CR H13345-13348)
- **Nov 8, 2007:** Mrs. Capito moved to recommit with instructions to Financial Services. (consideration: CR H13367-13368; text: CR H13367)
- **Nov 8, 2007:** DEBATE - The House proceeded with 10 minutes of debate on the Capito motion to recommit with instructions. The instructions contained in the motion see to require the bill to be reported back to the House with amendments adding a new section pertaining to prohibiting cross-subsidization from middle america.
- **Nov 8, 2007:** The previous question on the motion to recommit with instructions was ordered without objection. (consideration: CR H13368)
- **Nov 8, 2007:** On motion to recommit with instructions Failed by recorded vote: 175 - 239 (Roll no. 1073).
- **Nov 8, 2007:** Passed/agreed to in House: On passage Passed by recorded vote: 258 - 155 (Roll no. 1074).
- **Nov 8, 2007:** On passage Passed by recorded vote: 258 - 155 (Roll no. 1074).
- **Nov 8, 2007:** Motion to reconsider laid on the table Agreed to without objection.
- **Nov 8, 2007:** The Clerk was authorized to correct section numbers, punctuation, and cross references, and to make other necessary technical and conforming corrections in the engrossment of H.R. 3355.
- **Nov 6, 2007:** Rules Committee Resolution H. Res. 802 Reported to House. Rule provides for consideration of H.R. 3355 with 1 hour of general debate. Previous question shall be considered as ordered without intervening motions except motion to recommit with or without instructions. Measure will be considered read. Specified amendments are in order. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill.
- **Oct 31, 2007:** Reported (Amended) by the Committee on Financial Services. H. Rept. 110-419.
- **Oct 31, 2007:** Placed on the Union Calendar, Calendar No. 264.
- **Sep 26, 2007:** Committee Consideration and Mark-up Session Held.
- **Sep 26, 2007:** Ordered to be Reported (Amended) by the Yeas and Nays: 36 - 27.
- **Sep 25, 2007:** Committee Consideration and Mark-up Session Held.
- **Sep 6, 2007:** Subcommittee Hearings Held.
- **Sep 5, 2007:** Referred to the Subcommittee on Housing and Community Opportunity.
- **Sep 5, 2007:** Referred to the Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises.
- **Aug 3, 2007:** Introduced in House
- **Aug 3, 2007:** Referred to the House Committee on Financial Services.