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Mortgage Finance Act of 2011

Congress: 112 (2011–2013, Ended)

Chamber: Senate

Policy Area: Housing and Community Development

Introduced: Dec 8, 2011

Current Status: Sponsor introductory remarks on measure. (CR S8722-8723)

Latest Action: Sponsor introductory remarks on measure. (CR S8722-8723) (Dec 16, 2011)

Official Text: <https://www.congress.gov/bill/112th-congress/senate-bill/1963>

Sponsor

Name: Sen. Isakson, Johnny [R-GA]

Party: Republican • **State:** GA • **Chamber:** Senate

Cosponsors (4 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Chambliss, Saxby [R-GA]	R · GA		Dec 13, 2011
Sen. Begich, Mark [D-AK]	D · AK		Jan 23, 2012
Sen. Landrieu, Mary L. [D-LA]	D · LA		Jan 23, 2012
Sen. McCaskill, Claire [D-MO]	D · MO		May 22, 2012

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Dec 8, 2011

Subjects & Policy Tags

Policy Area:

Housing and Community Development

Related Bills

No related bills are listed.

Summary (as of Dec 8, 2011)

Mortgage Finance Act of 2011 - Appoints the Federal Housing Finance Agency (FHFA) receiver of the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) (government sponsored enterprises or GSEs) and places them into irrevocable receivership, effective on the date on which the Mortgage Finance Agency (MFA) established by this Act is operational and able to perform the guarantee function for qualified mortgage-backed securities collateralized by qualified residential mortgages.

Directs the FHFA to commence liquidation of the GSEs immediately upon their placement into receivership.

Repeals the charters of Fannie Mae and Freddie Mac.

Requires repayment by the FHFA to the General Fund of the Treasury, in repayment of certain government assistance to the GSEs, of all proceeds from their operations in receivership remaining after their outstanding obligations are fully satisfied.

Requires the FHFA as receiver to manage the combined assets of the GSEs to obtain resolutions that maximize the return for the taxpayer.

Establishes the MFA as an independent agency of the federal government to: (1) guarantee securities issued by qualified issuers and collateralized by pools of qualified residential mortgages in order to provide a dependable, transparent, and liquid market for high quality mortgages and multifamily mortgages for securitization; (2) charge and collect a guarantee fee sufficient to protect the MFA and the Treasury from the risks of guaranteeing the timely payment of principal and interest on qualified mortgage-backed securities; (3) establish and maintain a Catastrophic Fund to minimize the burden on the federal government by setting aside amounts that will be available solely to pay obligations under the MFA guarantee in the event of any future mortgage market collapse; and (4) purchase supplemental insurance coverage.

Requires the MFA to: (1) guarantee the timely payment of the principal and interest to holders of qualified mortgage-backed securities, and (2) cover any shortfalls to security holders.

Requires the MFA to charge a guarantee fee with respect to timely payment of principal and interest on the qualified mortgage-backed securities.

Creates in the Treasury the Catastrophic Fund, to which shall be credited the amount of guarantee fees and any amounts earned on investments.

Requires the MFA Board of Directors to issue guidelines to determine whether supplemental coverage: (1) is being offered on commercially reasonable terms, and (2) is reasonably likely to mitigate the risk that the MFA will have to make any payment pursuant to its guarantee.

Declares that nothing in this Act may be construed as preventing the private sector from securitizing qualified residential mortgages, qualified multifamily mortgages, or other non-qualified residential single family or multifamily mortgages.

Terminates the MFA after ten years.

Actions Timeline

- **Dec 16, 2011:** Sponsor introductory remarks on measure. (CR S8722-8723)
- **Dec 8, 2011:** Introduced in Senate
- **Dec 8, 2011:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.