

HR 2413

Secondary Market Facility for Residential Mortgages Act of 2011

Congress: 112 (2011–2013, Ended)

Chamber: House

Policy Area: Housing and Community Development

Introduced: Jul 6, 2011

Current Status: Referred to the Subcommittee on Insurance, Housing and Community Opportunity.

Latest Action: Referred to the Subcommittee on Insurance, Housing and Community Opportunity. (Jul 29, 2011)

Official Text: <https://www.congress.gov/bill/112th-congress/house-bill/2413>

Sponsor

Name: Rep. Miller, Gary G. [R-CA-42]

Party: Republican • **State:** CA • **Chamber:** House

Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Rep. McCarthy, Carolyn [D-NY-4]	D · NY		Jul 6, 2011

Committee Activity

Committee	Chamber	Activity	Date
Financial Services Committee	House	Referred to	Jul 29, 2011
Financial Services Committee	House	Referred to	Jul 29, 2011

Subjects & Policy Tags

Policy Area:

Housing and Community Development

Related Bills

No related bills are listed.

Secondary Market Facility for Residential Mortgages Act of 2011 - Establishes a Secondary Market Facility for Residential Mortgages as an instrumentality of the federal government, subject to supervision by the Federal Housing Finance Agency (FHFA) Board, also established by this Act.

Requires the Facility to purchase residential mortgages on single-family housing, as well as residential mortgages on multifamily housing, that are originated by approved sellers. Authorizes the Facility to issue mortgage-backed securities. Prohibits the Facility from engaging in mortgage origination.

Requires the FHFA Board to limit the residential mortgages that may be purchased by the Facility to safe and sound mortgages within mortgage product types and classifications the FHFA Board has approved in advance.

Directs the FHFA Board to require the Facility to obtain its approval before initially offering any product.

Prohibits FHFA Board regulations from considering a mortgage on single-family housing safe and sound if the outstanding principal balance at the time of purchase by the Facility exceeds 80% of the sale price, unless the seller: (1) retains at least a 10% participation, (2) the aggregate outstanding principal balance does not exceed 90%, (3) the mortgage is financed in part through a shared equity arrangement involving independent private sector investors, and (4) certain other requirements are met.

Prescribes requirements for: (1) conforming loan limits for single-family mortgages, (2) downpayments, (3) adjustable rate mortgages, (4) underwriting standards, (5) property valuation standards, and (6) standards for approval of sellers.

Directs the FHFA Board to seek to ensure that the Facility's market share does not exceed approximately 50% of the mortgage originations in the United States. Requires the Board to require the Facility to establish and implement a correction plan if its market share ever exceeds 50%.

Directs the FHFA Board to establish risk-based capital requirements for the Facility.

Requires the Facility to charge guarantee and reinsurance fees.

Establishes in the Treasury a Reinsurance Fund for the Facility for the deposit of reinsurance fees.

Requires any receipts and earnings of the Facility in excess of certain necessary amounts to be transferred into the General Fund of the Treasury to be used to reduce the federal budget deficit.

Prohibits the Facility from owning mortgage assets in excess of \$250 billion, adjusted annually for inflation.

Makes mortgage assets owned by the Facility available for use to: (1) support multifamily housing and residential mortgages that cannot readily be securitized; (2) provide financing to support residential mortgage markets affected by economic downturns; and (3) modify delinquent mortgages purchased from pools of mortgages backing, or on which are based, mortgage-backed securities issued and guaranteed by the Facility.

Directs the Secretary of the Treasury to develop a plan for the orderly and timely wind-down and termination of the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac).

Repeals the Federal National Mortgage Association Charter Act and the Federal Home Loan Mortgage Corporation Act.

Amends the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 to replace the Director of the

Federal Housing Finance Agency with the FHFA Board, which shall govern the FHFA and supervise and regulate the Facility.

Actions Timeline

- **Jul 29, 2011:** Referred to the Subcommittee on Capital Markets and Government Sponsored Enterprises.
- **Jul 29, 2011:** Referred to the Subcommittee on Insurance, Housing and Community Opportunity.
- **Jul 6, 2011:** Introduced in House
- **Jul 6, 2011:** Referred to the House Committee on Financial Services.