

## HR 3530

Freddie Mac Debt Reduction Act of 2011

**Congress:** 112 (2011–2013, Ended)

**Chamber:** House

**Policy Area:** Housing and Community Development

**Introduced:** Nov 30, 2011

**Current Status:** Referred to the Subcommittee on Capital Markets and Government Sponsored Enterprises.

**Latest Action:** Referred to the Subcommittee on Capital Markets and Government Sponsored Enterprises. (Jan 12, 2012)

**Official Text:** <https://www.congress.gov/bill/112th-congress/house-bill/3530>

### Sponsor

**Name:** Rep. Perlmutter, Ed [D-CO-7]

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

### Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Schweikert, David [R-AZ-5]	R · AZ		Nov 30, 2011

### Committee Activity

Committee	Chamber	Activity	Date
Financial Services Committee	House	Referred to	Jan 12, 2012

### Subjects & Policy Tags

#### Policy Area:

Housing and Community Development

### Related Bills

*No related bills are listed.*

Freddie Mac Debt Reduction Act of 2011 - Amends the Housing and Community Development Act of 1992 with respect to the exercise of options on mortgage-backed securities by the Federal Home Loan Mortgage Corporation (Freddie Mac) or, during the term of any conservatorship or receivership of Freddie Mac, the Director of the Federal Housing Finance Agency (FHFA).

Directs Freddie Mac (or FHFA as its conservator or receiver) to exercise any option on a mortgage-backed security with a clean-up call option Freddie Mac has issued if the residual holder of the security is willing to share at least 50% of any excess proceeds from the exercise of the option with FHFA as conservator or receiver, which would thereby reduce the liability of taxpayers.

(A clean-up call option allows a transferor of assets, in this case mortgage assets, to buy them back after the outstanding asset values have been reduced substantially.)

Defines mortgage-backed security with a clean-up call option as any mortgage-backed security under which there is an option or right to redeem all remaining classes of the security whenever the aggregate remaining principal of the mortgage would be less than the optional redemption or clean-up call percentage.

Directs the Director to prohibit Freddie Mac and the Federal National Mortgage Association (Fannie Mae) from issuing any mortgage-backed security with a clean-up call option.

Directs the Director to ensure that any excess proceeds received as a result of the exercise of any clean-up call options be used only to reduce the budget deficit of the federal government.

### **Actions Timeline**

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- **Jan 12, 2012:** Referred to the Subcommittee on Capital Markets and Government Sponsored Enterprises.
- **Nov 30, 2011:** Introduced in House
- **Nov 30, 2011:** Referred to the House Committee on Financial Services.