

S 693

GSE Bailout Elimination and Taxpayer Protection Act

Congress: 112 (2011–2013, Ended)

Chamber: Senate

Policy Area: Housing and Community Development

Introduced: Mar 31, 2011

Current Status: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

Latest Action: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Mar 31, 2011)

Official Text: <https://www.congress.gov/bill/112th-congress/senate-bill/693>

Sponsor

Name: Sen. McCain, John [R-AZ]

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

Cosponsors (5 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Hatch, Orrin G. [R-UT]	R · UT		Mar 31, 2011
Sen. Johnson, Ron [R-WI]	R · WI		Sep 15, 2011
Sen. Rubio, Marco [R-FL]	R · FL		May 17, 2012
Sen. Toomey, Patrick [R-PA]	R · PA		Jun 26, 2012
Sen. Roberts, Pat [R-KS]	R · KS		Jun 27, 2012

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Mar 31, 2011

Subjects & Policy Tags

Policy Area:

Housing and Community Development

Related Bills

Bill	Relationship	Last Action
112 HR 2436	Related bill	Jul 12, 2011: Forwarded by Subcommittee to Full Committee by Voice Vote .
112 HR 1224	Related bill	Apr 6, 2011: Forwarded by Subcommittee to Full Committee (Amended) by the Yeas and Nays: 20 - 14 .
112 HR 1182	Identical bill	Apr 4, 2011: Referred to the Subcommittee on Capital Markets and Government Sponsored Enterprises.
112 S 178	Related bill	Jan 25, 2011: Read twice and referred to the Committee on Finance.

GSE Bailout Elimination and Taxpayer Protection Act - Sets a deadline for the Director of the Federal Housing Finance Agency (FHFA) to terminate the conservatorship of either the Federal National Mortgage Association (Fannie Mae) or the Federal Home Loan Mortgage Corporation (Freddie Mac) if the Director determines that it is financially viable. (Refers to both Fannie Mae and Freddie Mac as enterprises [government-sponsored enterprises, or GSEs].)

Requires the Director to appoint the FHFA immediately as receiver of either enterprise if it is found not to be financially viable.

Amends the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (FHEFSSA) to repeal: (1) its housing goals, and (2) the housing trust fund.

Amends the Housing and Community Development Act of 1992 to restrict the authority of an enterprise to acquire mortgage assets following its emergence from conservatorship.

Repeals certain temporary, general, and permanent high-cost area increases to conforming loan limits.

Establishes new conforming loan limits.

Amends FHEFSSA to require the Director to require each enterprise to charge a guarantee fee, in connection with any mortgage guaranteed after a specified three-year period, in an amount equivalent to that which the enterprise would charge if it were held to the same capital standards as private banks or financial institutions.

Amends the Federal National Mortgage Association Charter Act (FNMACA) and the Federal Home Loan Mortgage Corporation Act (FHLMCA) to prohibit reduction in the rate of dividends paid on each enterprise's Variable Liquidation Preference Senior Preferred Stock.

Amends FHEFSSA to require the Director to establish minimum levels of capital for the enterprises, including levels in excess of such minimums as necessary or appropriate in light of an enterprise's particular circumstances. Authorizes the Director to deem failure of an enterprise to maintain revised minimum capital levels to constitute an unsafe and unsound condition.

Amends FNMACA and FHLMCA to: (1) prohibit the enterprises from purchasing mortgages if the mortgagor has paid less than the specified minimum downpayment; and (2) require the enterprises to pay state and local taxes.

Repeals the exemption of mortgage-backed securities and subordinate obligations of Fannie Mae, as well as mortgage-backed securities of Freddie Mac, from regulation by the Securities and Exchange Commission (SEC), thus subjecting such securities and obligations to SEC regulation.

Prescribes a deadline and procedures for the wind down of operations and dissolution of an enterprise three years after enactment of this Act.

Actions Timeline

- **Mar 31, 2011:** Introduced in Senate
- **Mar 31, 2011:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.