

112TH CONGRESS
1ST SESSION

H. R. 2440

To protect the taxpayers of the United States by requiring Fannie Mae and Freddie Mac to sell or dispose of the assets of such enterprises that are not critical to their missions.

IN THE HOUSE OF REPRESENTATIVES

JULY 7, 2011

Mr. HURT (for himself, Mr. BACHUS, and Mr. GARRETT) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To protect the taxpayers of the United States by requiring Fannie Mae and Freddie Mac to sell or dispose of the assets of such enterprises that are not critical to their missions.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Market Transparency
5 and Taxpayer Protection Act of 2011”.

6 **SEC. 2. DISPOSITION OF NON-MISSION CRITICAL ASSETS.**

7 (a) ENTERPRISE REPORTS TO DIRECTOR.—The Di-
8 rector of the Federal Housing Finance Agency shall re-

1 quire each enterprise to submit a report to the Director,
2 not later than the expiration of the 180-day period begin-
3 ning upon the date of the enactment of this Act, that—

4 (1) identifies all assets of value of the enter-
5 prise; and

6 (2) describes the functions, characteristics, and
7 estimated value of each such asset.

8 (b) DETERMINATION OF NON-MISSION CRITICAL AS-
9 SETS.—

10 (1) IN GENERAL.—After reviewing the report
11 submitted by an enterprise pursuant to subsection
12 (a), the Director shall make a determination of
13 which assets of such enterprise are critical, and
14 which are not critical, to carrying out the mission of
15 the enterprise in accordance with the charter Act for
16 the enterprise and other applicable laws.

17 (2) PATENTS AND HISTORICAL MORTGAGE
18 DATA.—The determinations under paragraph (1)
19 shall include determinations with regard to any pat-
20 ents and historical mortgage data of the enterprise.

21 (c) ANNUAL PLANS.—

22 (1) ESTABLISHMENT.—Not later than the expi-
23 ration of the 12- and 24-month periods beginning
24 upon the date of the enactment of this Act, the Di-
25 rector shall establish a plan for each enterprise for

1 sale or other disposition, during the annual plan pe-
2 riod for each such plan, of assets of such enterprise
3 that the Director has determined, pursuant to sub-
4 section (b), to be non-mission critical assets of such
5 enterprise in a manner that complies with the re-
6 quirements under subsection (d) (relating to imple-
7 mentation, commencement, and divestment).

8 (2) CONTENTS.—Each plan required under
9 paragraph (1) for an enterprise shall—

10 (A) identify the non-mission critical assets
11 of the enterprise to be sold or otherwise dis-
12 posed of during the annual plan period;

13 (B) specifically address whether and how
14 patents and historical mortgage data of the en-
15 terprise that are non-mission critical assets
16 should be sold or disposed of during the annual
17 plan period, which may include making such as-
18 sets available in the public domain;

19 (C) provide for any sales or other disposi-
20 tions to be conducted in accordance with section
21 1367(b)(11)(E) of the Federal Housing Enter-
22 prises Financial Safety and Soundness Act of
23 1992 (12 U.S.C. 4617(b)(11)(E)); and

24 (D) include any other information as the
25 Director considers appropriate.

1 (d) IMPLEMENTATION.—

2 (1) COMMENCEMENT.—Not later than the expi-
3 ration of the 90-day period beginning upon estab-
4 lishment of each annual plan pursuant to subsection
5 (c), the Director shall commence implementation of
6 such plan.

7 (2) DIVESTMENT OF ALL NON-MISSION CRIT-
8 ICAL ASSETS.—The Director shall prohibit each en-
9 terprise from owning or holding, after the expiration
10 of the 36-month period beginning upon the date of
11 the enactment of this Act, any asset that the Direc-
12 tor has determined, pursuant to subsection (b), to be
13 a non-mission critical asset of such enterprise.

14 (e) ANNUAL REPORTS TO CONGRESS.—Not later
15 than 90 days after the conclusion of the annual plan pe-
16 riod for each annual plan for an enterprise required by
17 subsection (c), the Director shall submit to the Congress
18 a report on the non-mission critical assets of such enter-
19 prise that were sold or otherwise disposed of pursuant to
20 such annual plan.

21 (f) DEFINITIONS.—For purposes of this section, the
22 following definitions shall apply:

23 (1) ANNUAL PLAN PERIOD.—The term “annual
24 plan period” means, with respect to an annual plan
25 established pursuant to subsection (c) for an enter-

1 prise, the 12-month period that begins upon estab-
2 lishment of the annual plan.

3 (2) CHARTER ACT.—The term “charter Act”
4 means—

5 (A) with respect to the Federal National
6 Mortgage Association, the Federal National
7 Mortgage Association Charter Act (12 U.S.C.
8 1716 et seq.); and

9 (B) with respect to the Federal Home
10 Loan Mortgage Corporation, the Federal Home
11 Loan Mortgage Corporation Act (12 U.S.C.
12 1451 et seq.).

13 (3) DIRECTOR.—The term “Director” means
14 the Director of the Federal Housing Finance Agen-
15 cy.

16 (4) ENTERPRISE.—The term “enterprise” has
17 the meaning given such term in section 1303 of the
18 Federal Housing Enterprises Financial Safety and
19 Soundness Act of 1992 (12 U.S.C. 4502).

20 (5) NON-MISSION CRITICAL ASSETS.—The term
21 “non-mission critical asset” means, with respect to
22 an enterprise, an asset of the enterprise that the Di-
23 rector determines, pursuant to subsection (b), is not
24 critical to carrying out the mission of the enterprise

- 1 in accordance with the charter Act for the enterprise
- 2 and other applicable laws.

○