

112TH CONGRESS
1ST SESSION

H. R. 1223

To amend the Securities Exchange Act of 1934 to ensure mortgages held or securitized by Fannie Mae and Freddie Mac and asset-backed securities issued by such enterprises are treated similarly as other mortgages and asset-backed securities for purposes of the credit risk retention requirements under such Act.

IN THE HOUSE OF REPRESENTATIVES

MARCH 29, 2011

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

A BILL

To amend the Securities Exchange Act of 1934 to ensure mortgages held or securitized by Fannie Mae and Freddie Mac and asset-backed securities issued by such enterprises are treated similarly as other mortgages and asset-backed securities for purposes of the credit risk retention requirements under such Act.

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 “GSE Credit Risk Equi-
5 table Treatment Act of 2011”.

1 **SEC. 2. EQUITABLE TREATMENT OF FANNIE MAE AND**
 2 **FREDDIE MAC UNDER CREDIT RISK RETEN-**
 3 **TION REQUIREMENTS.**

4 (a) IN GENERAL.—Section 15G of the Securities Ex-
 5 change Act of 1934 (15 U.S.C. 78o–11) is amended—

6 (1) in subsection (c)(1)—

7 (A) in subparagraph (F), by striking
 8 “and” at the end;

9 (B) in subparagraph (G), by striking the
 10 period at the end and inserting “; and”; and

11 (C) by adding at the end the following new
 12 subparagraph:

13 “(H) provide for no difference in the treat-
 14 ment of an asset-backed security securitized by
 15 the Federal National Mortgage Association or
 16 the Federal Home Loan Mortgage Corporation,
 17 solely because of securitization by such enter-
 18 prise, from the treatment of asset-backed secu-
 19 rities securitized by any other entity.”; and

20 (2) in subsection (e)—

21 (A) by redesignating paragraph (6) as
 22 paragraph (7); and

23 (B) by inserting after paragraph (5) the
 24 following new paragraph:

25 “(6) MORTGAGES OF FANNIE MAE AND
 26 FREDDIE MAC.—The regulations issued under para-

1 graph (4) shall provide that the purchase, holding,
2 or securitization of any mortgage by the Federal Na-
3 tional Mortgage Association or the Federal Home
4 Loan Mortgage Corporation shall not solely of itself
5 have any effect on whether such mortgage qualifies
6 as a qualified residential mortgage under such para-
7 graph.”.

8 (b) REGULATIONS.—Not later than 90 days after the
9 date of the enactment of this Act, the Federal banking
10 agencies (as such term is defined in section 15G(a) of the
11 Securities Exchange Act of 1934 (15 U.S.C. 78o–11(a)),
12 the Securities and Exchange Commission, the Secretary
13 of Housing and Urban Development, and the Director of
14 the Federal Housing Finance Agency, shall jointly issue
15 regulations to carry out subsections (c)(1)(H) and (e)(6)
16 of section 15G of the Securities Exchange Act of 1934,
17 as added by the amendments made by subsection (a) of
18 this section.

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