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(Original Signature of Member)

112TH CONGRESS
1ST SESSION

H. R. _____

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

Mr. GARRETT introduced the following bill; which was referred to the Committee on _____

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “GSE Credit Risk Equi-
3 table Treatment Act of 2011”.

4 **SEC. 1. EQUITABLE TREATMENT OF FANNIE MAE AND**
5 **FREDDIE MAC UNDER CREDIT RISK RETEN-**
6 **TION REQUIREMENTS.**

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

9 (1) in subsection (c)(1)—

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

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

14 (C) by adding at the end the following new
15 subparagraph:

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

23 (2) in subsection (e)—

24 (A) by redesignating paragraph (6) as
25 paragraph (7); and

1 (B) by inserting after paragraph (5) the
2 following new paragraph:

3 “(6) MORTGAGES OF FANNIE MAE AND
4 FREDDIE MAC.—The regulations issued under para-
5 graph (4) shall provide that the purchase, holding,
6 or securitization of any mortgage by the Federal Na-
7 tional Mortgage Association or the Federal Home
8 Loan Mortgage Corporation shall not solely of itself
9 have any effect on whether such mortgage qualifies
10 as a qualified residential mortgage under such para-
11 graph.”.

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