

**AMENDMENT TO THE COMMITTEE PRINT OF THE
BUDGET RECONCILIATION LEGISLATIVE REC-
COMMENDATIONS OF THE COMMITTEE ON FI-
NANCIAL SERVICES
OFFERED BY MR. MILLER OF NORTH CAROLINA**

Page 110, after line 16, add the following new sub-
title:

1 **Subtitle E—FHFA Condemnation**
2 **Authority as Conservator**

3 **SEC. 381. FHFA CONDEMNATION AUTHORITY AS CONSER-**
4 **VATOR WITH RESPECT TO SECOND MORT-**
5 **GAGES.**

6 Section 1367(b) of the Federal Housing Enterprises
7 Financial Safety and Soundness Act of 1992 (12 U.S.C.
8 4617(b)) is amended by adding at the end the following
9 new paragraph:

10 “(20) CONDEMNATION AUTHORITY WITH RE-
11 SPECT TO SECOND MORTGAGES.—

12 “(A) AUTHORITY.—The Director, as con-
13 servator or receiver of an enterprise, may ac-
14 quire a subordinate mortgage that is secured by
15 a lien on the same residential property as any
16 mortgage that is owned, securitized, or guaran-

1 teed by such enterprise by the exercise of the
2 right of eminent domain, at the option of the
3 Director—

4 “(i) in the district court of the United
5 States for the district in which the prop-
6 erty concerned is located, in which case the
7 practice and procedure in such action or
8 proceeding shall conform as nearly as prac-
9 ticable to the practice and procedure in a
10 similar action or proceeding in the courts
11 of the State in which the property subject
12 to such subordinate mortgage is located;

13 “(ii) in the appropriate court of the
14 State in which the property is located; or

15 “(iii) in accordance with the require-
16 ments and procedures applicable under
17 section 3114 of title 40, United States
18 Code, to the acquisition of land.

19 “(B) PUBLIC PURPOSE.—A subordinate
20 mortgage may be acquired pursuant to this
21 paragraph only to the extent that the Director
22 determines such acquisition is consistent with
23 the mission of the Director as conservator of an
24 enterprise as set forth in paragraph (2)(D).

1 “(C) JUST COMPENSATION.—Any subordi-
2 nate mortgage acquired pursuant to this para-
3 graph shall be considered a taking of private
4 property for which just compensation is due.
5 Just compensation shall be an amount equal to
6 the fair market value of the mortgage taken on
7 the date of the exercise of eminent domain au-
8 thority.”.

