

AMENDMENT NO. _____ Calendar No. _____

Purpose: To further improve the bill.

IN THE SENATE OF THE UNITED STATES—113th Cong., 2d Sess.

S. 1217

To provide secondary mortgage market reform, and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENTS intended to be proposed by Mr. JOHNSON
of South Dakota (for himself and Mr. CRAPO)

Viz:

- 1 On page 15, line 6, strike “and”.
- 2 On page 15, line 10, insert “and” after the semicolon.
- 3 On page 15, between lines 10 and 11, insert the fol-
4 lowing:
 - 5 (gg) loans to entities that
 - 6 provide non-owner occupied rent-
 - 7 al housing with care providers for
 - 8 individuals with intellectual and
 - 9 developmental disabilities;

1 On page 16, line 22, strike “; and” and insert a semi-
2 colon.

3 On page 17, line 4, insert “but not more than 95
4 percent” after “90 percent”.

5 On page 17, line 6, strike “; or” and insert “; and”.

6 On page 17, between lines 6 and 7, insert the fol-
7 lowing:

8 (dd) not less than 35 per-
9 cent of the unpaid principal bal-
10 ance of the loan, accounting for
11 any down payment required
12 under subparagraph (D), for
13 loans in which the unpaid prin-
14 cipal balance exceeds 95 percent
15 of the value of the property se-
16 curing the loan; or

17 On page 38, line 7, strike “; and” and insert a semi-
18 colon.

19 On page 38, line 17, strike the period and insert a
20 semicolon.

1 On page 38, between lines 17 and 18, insert the fol-
2 lowing:

3 (6) ensure continued, widespread availability of
4 an affordable, long-term, fixed-rate, prepayable
5 mortgage, such as a 30-year fixed rate mortgage;
6 and

7 (7) preserve and maintain a liquid forward exe-
8 cution market for single-family eligible mortgage
9 loans and single-family covered securities, such as
10 the To-Be-Announced market.

11 On page 46, line 16, insert “, employee,” after “offi-
12 cer”.

13 On page 51, between lines 15 and 16, insert the fol-
14 lowing:

15 (H) Fair, equitable, and nondiscriminatory
16 access to mortgage credit for individuals and
17 communities.

18 On page 53, between lines 23 and 24, insert the fol-
19 lowing:

20 (3) EXPERIENCE WITH FAIR LENDING.—Of the
21 members of the Advisory Committee identified under
22 paragraph (1), at least 1 shall be required to have

1 demonstrated practical, academic, disciplinary, or
2 vocational experience with fair lending practices and
3 policies and programs that promote fair, equitable,
4 and nondiscriminatory access to credit in under-
5 served markets.

6 On page 69, line 23, strike “and”.

7 On page 70, line 3, strike the period and insert “;
8 and”.

9 On page 70, between lines 3 and 4, insert the fol-
10 lowing:

11 (C) may eliminate or consolidate any office
12 or suboffice established under subparagraph
13 (B).

14 On page 76, line 23, insert “, nondiscriminatory,”
15 after “equitable”.

16 On page 80, between lines 8 and 9, insert the fol-
17 lowing:

18 **SEC. 211. OFFICE OF TAXPAYER PROTECTION.**

19 (a) ESTABLISHMENT.—The Corporation shall estab-
20 lish an Office of Taxpayer Protection whose functions

1 shall include the responsibilities set forth under subsection
2 (b).

3 (b) RESPONSIBILITIES.—

4 (1) STUDY ON MARKET CONCENTRATION AND
5 THE IMPACT OF THE FMIC GUARANTEE.—The Office
6 of Taxpayer Protection shall, on a semi-annual
7 basis, conduct a study and submit to the Committee
8 on Banking, Housing, and Urban Affairs of the Sen-
9 ate and the Committee on Financial Services of the
10 House of Representatives a report on—

11 (A) market concentration in the secondary
12 mortgage markets, including the exposure of
13 the Mortgage Insurance Fund to the top 10
14 largest approved aggregators and approved
15 guarantors, as measured by the total out-
16 standing principal balance at origination of eli-
17 gible single-family mortgage loans
18 collateralizing single-family covered securities
19 for which such aggregator or guarantor has ob-
20 tained insurance provided under this Act in the
21 previous 6 months;

22 (B) the general state of underwriting
23 standards in the origination of eligible single-
24 family mortgage loans and the effect of insur-

1 and the insurance provided under this Act
2 to the advantage of the secondary mort-
3 gage markets; and

4 (E) what steps the Corporation has taken
5 to minimize any potential long-term costs to the
6 taxpayers and the Mortgage Insurance Fund
7 relating to risks identified in subparagraphs (A)
8 through (D).

9 (2) ANNUAL REPORT ON TAXPAYER PROTEC-
10 TION AND THE EXPOSURE OF THE MORTGAGE IN-
11 SURANCE FUND.—

12 (A) IN GENERAL.—The Office of Taxpayer
13 Protection shall, on an annual basis, submit a
14 report to the Committee on Banking, Housing,
15 and Urban Affairs of the Senate and the Com-
16 mittee on Financial Services of the House of
17 Representatives containing the information re-
18 quired under subparagraph (B).

19 (B) REQUIRED CONTENT.—The report re-
20 quired under subparagraph (A) shall—

21 (i) include an analysis of the adequacy
22 of—

23 (I) the first loss position required
24 under this Act, including the suffi-
25 ciency of any permissible risk-sharing

1 or risk mitigation permitted as a sub-
2 stitute for equity capital intended to
3 cover the initial credit losses on a cov-
4 ered security prior to use of any
5 amounts in the Mortgage Insurance
6 Fund, the ability of the first loss posi-
7 tion to absorb credit loss on covered
8 securities, and to protect taxpayers;
9 and

10 (II) the performance of eligible
11 single-family mortgage loans
12 collateralizing single-family covered
13 securities insured under this Act
14 based upon current underwriting
15 standards and how that performance
16 differs from the performance of non-
17 eligible mortgage loans based upon
18 the underwriting standards for such
19 noneligible mortgage loans, including
20 with respect to—

21 (aa) debt to income ratio;

22 (bb) loan to value ratios;

23 (cc) credit history;

24 (dd) loan documentation;

25 (ee) occupancy status;

- 1 (ff) credit enhancements;
- 2 (gg) housing counseling by a
- 3 HUD-approved housing coun-
- 4 seling agency;
- 5 (hh) loan payments;
- 6 (ii) the purpose of the loan,
- 7 such as to refinance or purchase
- 8 a home;
- 9 (jj) the type of loan product,
- 10 such as a 30-year fixed interest
- 11 rate mortgage loan, a 15-year
- 12 fixed interest rate mortgage loan,
- 13 or an adjustable interest rate
- 14 mortgage loan;
- 15 (kk) the mortgage loan
- 16 origination channel; and
- 17 (ll) such other underwriting
- 18 criteria that would be useful to
- 19 the Director of Taxpayer Protec-
- 20 tion; and
- 21 (ii) provide recommendations for such
- 22 legislative, regulatory, or administrative ac-
- 23 tions to—
- 24 (I) address any need to further
- 25 limit overexposure of the Mortgage In-

1 insurance Fund to any 1 approved enti-
2 ty or business practice;

3 (II) foster and encourage a ro-
4 bust private secondary mortgage mar-
5 ket for noneligible mortgage loans and
6 mortgage-backed securities that are
7 not guaranteed by the Government
8 National Mortgage Association; and

9 (III) assist the Corporation in
10 protecting taxpayers, including a rec-
11 ommendation as to whether a counter-
12 cyclical increase of the reserve ratio of
13 the Mortgage Insurance Fund or of
14 the capital standards required of indi-
15 vidual approved guarantors is nec-
16 essary to protect taxpayers.

17 (3) ANNUAL REPORT ON SYSTEM-WIDE LEVER-
18 AGE.—The Office of Taxpayer Protection shall, on
19 an annual basis, submit to the Committee on Bank-
20 ing, Housing, and Urban Affairs of the Senate and
21 the Committee on Financial Services of the House of
22 Representatives a report on system-wide leverage in
23 the secondary mortgage market.

24 (4) ANNUAL REPORT ON EARLY PAYMENT DE-
25 FAULTS.—The Office of Taxpayer Protection shall,

1 on an annual basis, submit to the Committee on
2 Banking, Housing, and Urban Affairs of the Senate
3 and the Committee on Financial Services of the
4 House of Representatives a report on early payment
5 defaults on eligible single-family mortgage loans for
6 the preceding year, which shall include any eligible
7 single-family mortgage loan that becomes delinquent
8 or that is in default within 24 months of the origina-
9 tion of the loan.

10 (5) INCLUSION IN ANNUAL REPORT.—The Cor-
11 poration shall include the reports required under
12 paragraphs (2) and (3) in the annual report re-
13 quired under section 206.

14 (6) RELIANCE ON PUBLIC DATA.—In preparing
15 each report required under this section, the Office of
16 Taxpayer Protection—

17 (A) shall use, to the maximum extent prac-
18 ticable, publicly available data and data other-
19 wise collected under this Act; and

20 (B) shall not include or review any con-
21 fidential information or information collected by
22 the Corporation as part of its supervisory or ex-
23 amination authorities that is confidential.

1 On page 81, line 16, strike “; and” and insert a semi-
2 colon.

3 On page 81, line 18, strike the period and insert “;
4 and”.

5 On page 81, between lines 19 and 20, insert the fol-
6 lowing:

7 (8) ensure continued, widespread availability of
8 an affordable, long-term, fixed-rate, prepayable
9 mortgage, such as a 30-year fixed rate mortgage.

10 On page 85, line 12, strike “and”.

11 On page 85, line 20, strike the period and insert “;
12 and”.

13 On page 85, between lines 20 and 21, insert the fol-
14 lowing:

15 (F) take necessary steps to prevent abuse
16 and deceptive practices in the use of the credit
17 risk-sharing mechanisms, including by—

18 (i) creating appropriate standards re-
19 lating to—

1 (I) the vintages or categories of
2 covered securities that are referenced
3 by a credit risk-sharing mechanism;

4 (II) standardization of the terms
5 and features of credit risk-sharing
6 structures; and

7 (III) measures that prevent the
8 duplicative sale by a guarantor of the
9 same mortgage credit risk in the same
10 pool of eligible single-family mortgage
11 loans; and

12 (ii) requiring additional disclosures
13 and affirmative representations that must
14 be made by entities that create and issue
15 credit risk-sharing mechanisms.

16 On page 86, line 4, insert “detailed” before “informa-
17 tion”.

18 On page 118, between lines 21 and 22, insert the fol-
19 lowing:

20 (h) RULE OF CONSTRUCTION RELATED TO FAIR
21 HOUSING.—Nothing in this Act shall be construed as au-
22 thorizing the Corporation to waive, repeal, amend, or mod-
23 ify requirements relating to fair housing law, including

1 those requirements under the Fair Housing Act (42
2 U.S.C. 3601 et seq.) and the Equal Credit Opportunity
3 Act (15 U.S.C. 1691 et seq.).

4 On page 122, line 7, insert “the Secretary of Housing
5 and Urban Development,” after “Secretary of the Treas-
6 ury,”.

7 On page 122, line 16, insert “the Secretary of Hous-
8 ing and Urban Development,” after “Secretary of the
9 Treasury,”.

10 On page 123, line 10, insert “the Secretary of Hous-
11 ing and Urban Development,” after “Secretary of the
12 Treasury,”.

13 On page 125, line 7, insert “and the forward execu-
14 tion market for single-family eligible mortgage loans and
15 single-family covered securities, such as the To-Be-An-
16 nounced market” after “market”.

17 On page 134, strike lines 10 through 12, and insert
18 the following:

19 (C) the capability of the management of
20 the guarantor;

1 (D) the general character and fitness of
2 the officers and directors of the guarantor, in-
3 cluding the compliance history of the guaran-
4 tor's officers and directors with Federal and
5 State laws and the rules and regulations pro-
6 mulgated by self-regulatory organizations (as
7 defined in section 3(a)(26) of the Securities Ex-
8 change Act of 1934 (15 U.S.C. 78c(a)(26)), as
9 applicable;

10 On page 134, line 13, strike "(D)" and insert "(E)".

11 On page 134, line 15, strike "(E)" and insert "(F)".

12 On page 134, line 17, strike "(F)" and insert "(G)".

13 On page 135, line 6, strike "(G)" and insert "(H)".

14 On page 135, line 8, strike "(H)" and insert "(I)".

15 On page 135, strike lines 12 through 14, and insert
16 the following:

17 (J) a requirement that the guarantor time-
18 ly issue publicly available audited financial
19 statements on an annual basis prepared in ac-

1 cordance with generally accepted accounting
2 principles used in the industry;

3 On page 135, line 15, strike “(J)” and insert “(K)”.

4 On page 135, line 17, strike “(K)” and insert “(L)”.

5 On page 135, line 20, strike “(L)” and insert “(M)”.

6 On page 137, between lines 12 and 13, insert the fol-
7 lowing:

8 (3) DENIAL.—The Corporation shall have the
9 authority to deny any application made pursuant to
10 paragraph (1) if an officer or director of the guar-
11 antor has, at any time prior to the date of the ap-
12 proval of such application, been—

13 (A) subject to a statutory disqualification
14 pursuant to section 3(a)(39) of the Securities
15 Exchange Act of 1934 (15 U.S.C. 78c(a)(39));
16 or

17 (B) suspended, removed, or prohibited
18 from participation pursuant to section 8(g) of
19 the Federal Deposit Insurance Act (12 U.S.C.
20 1818(g)), prohibited from certain action pursu-
21 ant to paragraphs (6) or (7) of section 8(e) of

1 the Federal Deposit Insurance Act (12 U.S.C.
2 1818(e)), subject to an action resulting in a
3 written agreement or other written statement
4 under section 8(u)(1) of the Federal Deposit
5 Insurance Act (12 U.S.C. 1818(u)(1)), for
6 which a violation may be enforced by an appro-
7 priate Federal banking agency, or subject to
8 any final order issued with respect to any ad-
9 ministrative enforcement proceeding initiated by
10 such agency under section 8 of the Federal De-
11 posit Insurance Act (12 U.S.C. 1818).

12 On page 137, line 13, strike “(3)” and insert “(4)”.

13 On page 146, strike line 24 and all that follows
14 through page 147, line 2, and insert the following:

15 (C) the capability of the management of
16 the mortgage aggregator;

17 (D) the general character and fitness of
18 the officers and directors of the mortgage
19 aggregator, including the compliance history of
20 the mortgage aggregator’s officers and directors
21 with Federal and State laws and the rules and
22 regulations promulgated by self-regulatory orga-
23 nizations (as defined in section 3(a)(26) of the

1 Securities Exchange Act of 1934 (15 U.S.C.
2 78c(a)(26)), as applicable;

3 On page 147, line 3, strike “(D)” and insert “(E)”.

4 On page 147, line 5, strike “(E)” and insert “(F)”.

5 On page 147, line 7, strike “(F)” and insert “(G)”.

6 On page 147, line 10, strike “(G)” and insert “(H)”.

7 On page 147, line 14, strike “(H)” and insert “(I)”.

8 On page 147, line 16, strike “(I)” and insert “(J)”.

9 On page 148, between lines 22 and 23, insert the fol-
10 lowing:

11 (3) DENIAL.—The Corporation shall have the
12 authority to deny any application made pursuant to
13 paragraph (1) if an officer or director of the mort-
14 gage aggregator has, at any time prior to the date
15 of the approval of such application, been—

16 (A) subject to a statutory disqualification
17 pursuant to section 3(a)(39) of the Securities

1 Exchange Act of 1934 (15 U.S.C. 78c(a)(39));

2 or

3 (B) suspended, removed, or prohibited
4 from participation pursuant to section 8(g) of
5 the Federal Deposit Insurance Act (12 U.S.C.
6 1818(g)), prohibited from certain action pursu-
7 ant to paragraphs (6) or (7) of section 8(e) of
8 the Federal Deposit Insurance Act (12 U.S.C.
9 1818(e)), subject to an action resulting in a
10 written agreement or other written statement
11 under section 8(u)(1) of the Federal Deposit
12 Insurance Act (12 U.S.C. 1818(u)(1)), for
13 which a violation may be enforced by an appro-
14 priate Federal banking agency, or subject to
15 any final order issued with respect to any ad-
16 ministrative enforcement proceeding initiated by
17 such agency under section 8 of the Federal De-
18 posit Insurance Act (12 U.S.C. 1818).

19 On page 148, line 23, strike “(3)” and insert “(4)”.

20 On page 151, line 7, insert “, AFFILIATES OF IN-
21 SURED DEPOSITORY INSTITUTIONS,” after “INSTITU-
22 TIONS”.

1 On page 166, strike lines 6 through 9, and insert the
2 following:

3 (D) the capability of the management of
4 the private mortgage insurer;

5 (E) the general character and fitness of
6 the officers and directors of the private mort-
7 gage insurer, including the compliance history
8 of the private mortgage insurer's officers and
9 directors with Federal and State laws and the
10 rules and regulations promulgated by self-regu-
11 latory organizations (as defined in section
12 3(a)(26) of the Securities Exchange Act of
13 1934 (15 U.S.C. 78c(a)(26)), as applicable;

14 On page 166, line 10, strike "(E)" and insert "(F)".

15 On page 166, line 15, strike "(F)" and insert "(G)".

16 On page 166, line 17, strike "(G)" and insert "(H)".

17 On page 166, line 19, strike "(H)" and insert "(I)".

18 On page 166, line 22, strike "(I)" and insert "(J)".

1 On page 168, between lines 10 and 11, insert the fol-
2 lowing:

3 (3) DENIAL.—The Corporation shall have the
4 authority to deny any application made pursuant to
5 paragraph (1) if an officer or director of the private
6 mortgage insurer has, at any time prior to the date
7 of the approval of such application, been—

8 (A) subject to a statutory disqualification
9 pursuant to section 3(a)(39) of the Securities
10 Exchange Act of 1934 (15 U.S.C. 78c(a)(39));
11 or

12 (B) suspended, removed, or prohibited
13 from participation pursuant to section 8(g) of
14 the Federal Deposit Insurance Act (12 U.S.C.
15 1818(g)), prohibited from certain action pursu-
16 ant to paragraphs (6) or (7) of section 8(e) of
17 the Federal Deposit Insurance Act (12 U.S.C.
18 1818(e)), subject to an action resulting in a
19 written agreement or other written statement
20 under section 8(u)(1) of the Federal Deposit
21 Insurance Act (12 U.S.C. 1818(u)(1)), for
22 which a violation may be enforced by an appro-
23 priate Federal banking agency, or subject to
24 any final order issued with respect to any ad-
25 ministrative enforcement proceeding initiated by

1 such agency under section 8 of the Federal De-
2 posit Insurance Act (12 U.S.C. 1818).

3 On page 168, line 11, strike “(3)” and insert “(4)”.

4 On page 169, between lines 3 and 4, insert the fol-
5 lowing:

6 (5) GRANDFATHERED INSURERS OF THE EN-
7 TERPRISES.—Any private mortgage insurer who was
8 approved to insure mortgage loans for an enterprise
9 on the date that is 1 day before the date the Cor-
10 poration publishes provisional standards for the ap-
11 proval of private mortgage insurers required under
12 section 607(a)(2), and was in good standing as of
13 such date—

14 (A) shall be deemed conditionally approved
15 for a period of 1 year from the date on which
16 the Corporation publishes the provisional stand-
17 ards for the approval of private mortgage insur-
18 ers required under section 607(a)(2);

19 (B) shall, not later than the date which is
20 6 months after date on which the Corporation
21 publishes the standards required under sub-
22 section (a), apply for approved status via the

1 application process described in this subsection
2 to be eligible for approved status; and

3 (C) shall, provided the private mortgage
4 insurer has complied with subparagraph (B),
5 receive a determination from the Corporation as
6 to the approval or denial of its application to
7 become an approved private mortgage insurer
8 prior to the expiration of the 1-year period de-
9 scribed under subparagraph (A).

10 On page 176, line 4, insert “, taking into consider-
11 ation the priority and subordination of liens under Federal
12 and State laws” after “second lien holders”.

13 On page 177, strike lines 19 through 21, and insert
14 the following:

15 (B) the capability of the management of
16 the servicer;

17 (C) the general character and fitness of
18 the officers and directors of the servicer, includ-
19 ing the compliance history of the servicer’s offi-
20 cers and directors with Federal and State laws
21 and the rules and regulations promulgated by
22 self-regulatory organizations (as defined in sec-

1 tion 3(a)(26) of the Securities Exchange Act of
2 1934 (15 U.S.C. 78c(a)(26)), as applicable

3 On page 177, line 22, strike “(C)” and insert “(D)”.

4 On page 180, between lines 2 and 3, insert the fol-
5 lowing:

6 (3) DENIAL.—The Corporation shall have the
7 authority to deny any application made pursuant to
8 paragraph (1) if an officer or director of the servicer
9 has, at any time prior to the date of the approval
10 of such application, been—

11 (A) subject to a statutory disqualification
12 pursuant to section 3(a)(39) of the Securities
13 Exchange Act of 1934 (15 U.S.C. 78c(a)(39));
14 or

15 (B) suspended, removed, or prohibited
16 from participation pursuant to section 8(g) of
17 the Federal Deposit Insurance Act (12 U.S.C.
18 1818(g)), prohibited from certain action pursu-
19 ant to paragraphs (6) or (7) of section 8(e) of
20 the Federal Deposit Insurance Act (12 U.S.C.
21 1818(e)), subject to an action resulting in a
22 written agreement or other written statement
23 under section 8(u)(1) of the Federal Deposit

1 Insurance Act (12 U.S.C. 1818(u)(1)), for
2 which a violation may be enforced by an appro-
3 priate Federal banking agency, or subject to
4 any final order issued with respect to any ad-
5 ministrative enforcement proceeding initiated by
6 such agency under section 8 of the Federal De-
7 posit Insurance Act (12 U.S.C. 1818).

8 On page 182, line 7, insert “, provided however that
9 such examination or review shall be limited to compliance
10 with this Act or regulations promulgated under this Act”
11 after “years”.

12 On page 192, lines 23 through 25, strike “while pro-
13 moting continued liquidity in the To-Be-Announced mort-
14 gage securities market”.

15 On page 223, strike lines 14 through 16, and insert
16 the following:

17 (3) the capability of the management of the ap-
18 plicant;

19 (4) the general character and fitness of the offi-
20 cers and directors of the applicant, including the
21 compliance history of the applicant’s officers and di-
22 rectors with Federal and State laws and the rules

1 and regulations promulgated by self-regulatory orga-
2 nizations (as defined in section 3(a)(26) of the Secu-
3 rities Exchange Act of 1934 (15 U.S.C. 78c(a)(26)),
4 as applicable;

5 On page 223, line 17, strike “(4)” and insert “(5)”.

6 On page 223, line 20, strike “(5)” and insert “(6)”.

7 On page 223, line 24, strike “(6)” and insert “(7)”.

8 On page 224, line 4, strike “and”.

9 On page 224, line 19, strike the period and insert
10 “; and”

11 On page 224, between lines 19 and 20, insert the fol-
12 lowing:

13 (3) shall have the authority to deny any appli-
14 cation made pursuant to paragraph (1) if an officer
15 or director of the applicant has, at any time prior
16 to the date of the approval of such application,
17 been—

18 (A) subject to a statutory disqualification
19 pursuant to section 3(a)(39) of the Securities

1 Exchange Act of 1934 (15 U.S.C. 78c(a)(39));

2 or

3 (B) suspended, removed, or prohibited
4 from participation pursuant to section 8(g) of
5 the Federal Deposit Insurance Act (12 U.S.C.
6 1818(g)), prohibited from certain action pursu-
7 ant to paragraphs (6) or (7) of section 8(e) of
8 the Federal Deposit Insurance Act (12 U.S.C.
9 1818(e)), subject to an action resulting in a
10 written agreement or other written statement
11 under section 8(u)(1) of the Federal Deposit
12 Insurance Act (12 U.S.C. 1818(u)(1)), for
13 which a violation may be enforced by an appro-
14 priate Federal banking agency, or subject to
15 any final order issued with respect to any ad-
16 ministrative enforcement proceeding initiated by
17 such agency under section 8 of the Federal De-
18 posit Insurance Act (12 U.S.C. 1818).

19 On page 226, between lines 8 and 9, insert the fol-
20 lowing:

21 (g) ANTI-STEERING REQUIREMENT.—

22 (1) IN GENERAL.—The Corporation shall, by
23 regulation, prohibit discounts made by an approved
24 guarantor for any mortgage originator that is an in-

1 investor, or an affiliate of an investor, in the approved
2 guarantor that are not otherwise available to other
3 similar mortgage originators.

4 (2) REPORT.—The Office of the Inspector Gen-
5 eral of the Federal Mortgage Insurance Corporation
6 shall, on an annual basis, submit a report to the
7 Corporation and to Congress on the practices and
8 internal controls of approved guarantors with re-
9 spect to steering or preferential treatment for their
10 investors prohibited by this section.

11 On page 252, line 15, strike “; and” and insert a
12 semicolon.

13 On page 252, line 24, strike the period and insert
14 “; and”.

15 On page 252, after line 24, insert the following:

16 (17) require the servicing documentation used
17 for mortgage loans that collateralize securities issued
18 through the Platform to provide a standard method
19 (which may include the use of a single electronic
20 verification system) for a mortgagor who has been
21 denied a loan modification to verify such denial at
22 no cost to the mortgagor.

1 On page 267, prior to line 1 insert the following:

2 (3) the implications of data accuracy on judicial
3 or non-judicial foreclosure;

4 On page 267, line 1, strike “(3)” and insert “(4)”.

5 On page 267, line 3, strike “(4)” and insert “(5)”.

6 On page 270, line 20, insert “, including those laws”
7 after “local law”.

8 On page 270, lines 20 and 21, strike “with respect
9 to any approved entity”.

10 On page 286, strike lines 4 through 9, and insert the
11 following:

12 (4) FEDERAL FINANCIAL INSTITUTIONS EXAM-
13 INATION COUNCIL ACT OF 1978.—The Federal Fi-
14 nancial Institutions Examination Council Act of
15 1978 (12 U.S.C. 3310) is amended—

16 (A) in section 1004(a)—

17 (i) by redesignating paragraphs (5)
18 and (6) as paragraphs (6) and (7), respec-
19 tively; and

1 (ii) by inserting after paragraph (4)
2 the following:

3 “(5) the Chairman of the Federal Mortgage In-
4 surance Corporation,”;

5 (B) in section 1011, by inserting “Federal
6 Mortgage Insurance Corporation,” after “Fi-
7 nancial Protection,” in first sentence; and

8 (C) by inserting at the end the following:

9 **“SEC. 1012. ESTABLISHMENT OF THE SUBCOMMITTEE ON**
10 **MORTGAGE SERVICING.**

11 “There shall be within the Council a subcommittee
12 to be known as the ‘Subcommittee on Mortgage Servicing’,
13 which shall consist of designees of heads of the Federal
14 financial institution regulatory agencies, the Bureau of
15 Consumer Financial Protection, the Federal Mortgage In-
16 surance Corporation, the Federal Housing Finance Agen-
17 cy, and a representative of the State Liaison Committee
18 established under section 1007.”.

19 On page 316, strike lines 6 through 9 and insert the
20 following:

21 (d) **REQUIRED COMPLIANCE WITH NONDISCRIMINA-**
22 **TION LAWS.—**

23 (1) **APPROVED ENTITIES; PLATFORM.—**Not-
24 withstanding any other provision of this Act, ap-

1 proved entities and the Securitization Platform shall
2 comply with Federal and State nondiscrimination
3 laws, including the Fair Housing Act (42 U.S.C.
4 3601 et seq.) and the Equal Credit Opportunity Act
5 (15 U.S.C. 1691 et seq.).

6 (2) CORPORATION.—

7 (A) IN GENERAL.—In carrying out this
8 Act, the Corporation shall comply with Federal
9 and State nondiscrimination laws.

10 (B) PERIODIC REVIEW.—The Corporation
11 shall periodically review its policies, standards,
12 and guidelines with respect to eligible mortgage
13 loans, including but not limited to any auto-
14 mated underwriting systems, to ensure that
15 such policies, standards, and guidelines are con-
16 sistent with the requirements of section 408(d).

17 (3) SAFETY AND SOUNDNESS ACT.—Section
18 1325 of the Safety and Soundness Act (12 U.S.C.
19 4545) is amended—

20 (A) in the matter preceding paragraph (1),
21 by striking “The Secretary” and inserting the
22 following:

23 “(a) IN GENERAL.—The Secretary”;

24 (B) in paragraph (1)—

1 (i) by inserting “, approved guar-
2 antor, approved multifamily guarantor, ap-
3 proved aggregator, and the Securitization
4 Platform” after “enterprise”;

5 (ii) by inserting “or guarantee” after
6 “purchase”; and

7 (iii) by inserting “or mortgage-backed
8 security” after “mortgage”;

9 (C) in paragraph (2)—

10 (i) by striking “(2) by regulation” and
11 by inserting “(2)(A) by regulation”;

12 (ii) by inserting “and” after the semi-
13 colon; and

14 (iii) by adding at the end the fol-
15 lowing:

16 “(B) with respect to the market for covered
17 guarantee transactions and covered market-based
18 risk-sharing transactions, by regulation, require each
19 approved guarantor, approved multifamily guar-
20 antor, and approved aggregator to submit data to
21 the Secretary to assist the Secretary in investigating
22 whether a mortgage lender with which the approved
23 guarantor, approved multifamily guarantor, or ap-
24 proved aggregator does business has failed to comply

1 with the Fair Housing Act (42 U.S.C. 3601 et
2 seq.);”;

3 (D) in paragraph (3)—

4 (i) by striking “(3) by regulation” and
5 by inserting “(3)(A) by regulation”;

6 (ii) by inserting “and” after the semi-
7 colon; and

8 (iii) by adding at the end the fol-
9 lowing:

10 “(B) with respect to the market for covered
11 guarantee transactions and covered market-based
12 risk-sharing transactions, by regulation, require each
13 approved guarantor, approved multifamily guar-
14 antor, and approved aggregator to submit data to
15 the Secretary to assist in investigating whether a
16 mortgage lender with which the approved guarantor,
17 approved multifamily guarantor, or approved
18 aggregator does business has failed to comply with
19 the Equal Credit Opportunity Act (15 U.S.C. 1691
20 et seq.), and shall submit any such information re-
21 ceived to the appropriate Federal agencies, as pro-
22 vided in section 704 of the Equal Credit Oppor-
23 tunity Act (15 U.S.C. 1691e), for appropriate ac-
24 tion;”;

1 (E) in paragraph (4), by inserting “and
2 the Federal Mortgage Insurance Corporation”
3 after “enterprises”;

4 (F) in paragraph (5)—

5 (i) by striking “(5) direct the” and by
6 inserting “(5)(A) direct the”;

7 (ii) by inserting “and” after the semi-
8 colon; and

9 (iii) by adding at the end the fol-
10 lowing:

11 “(B) with respect to the market for covered
12 guarantee transactions and covered market-based
13 risk-sharing transactions, apply various remedial ac-
14 tions, including suspension, probation, reprimand, or
15 settlement, against lenders that have been found to
16 have engaged in discriminatory lending practices in
17 violation of the Fair Housing Act or the Equal
18 Credit Opportunity Act, pursuant to a final adju-
19 dication on the record, and after opportunity for an
20 administrative hearing, in accordance with sub-
21 chapter II of chapter 5 of title 5, United States
22 Code; and”;

23 (G) in paragraph (6)—

1 (i) by striking “(6) periodically re-
2 view” and by inserting “(6)(A) periodically
3 review”;

4 (ii) by striking the period at the end
5 and inserting “; and”; and

6 (iii) by adding at the end the fol-
7 lowing:

8 “(B) with respect to the market for cov-
9 ered guarantee transactions and covered mar-
10 ket-based risk-sharing transactions, periodically
11 review and comment on the underwriting and
12 appraisal guidelines of each approved guar-
13 antor, approved multifamily guarantor, and ap-
14 proved aggregator, and the policies, standards,
15 and guidelines of the Securitization Platform to
16 ensure that such guidelines are consistent with
17 the Fair Housing Act and this section.”; and

18 (H) by adding at the end the following:

19 “(b) DEFINITIONS.—In this section, the terms ‘ap-
20 proved guarantor’, ‘approved multifamily guarantor’, ‘ap-
21 proved aggregator’, ‘covered guarantee transaction’, ‘cov-
22 ered market-based risk-sharing transaction’, and
23 ‘Securitization Platform’ have the meanings given such
24 terms in section 2 of the Housing Finance Reform and
25 Taxpayer Protection Act of 2014.”.

1 On page 340, between lines 17 and 18, insert the fol-
2 lowing:

3 (E) in paragraph (5)(A)—

4 (i) in clause (iii), by striking “and” at
5 the end;

6 (ii) by redesignating clause (iv) as
7 clause (v); and

8 (iii) by inserting after clause (iii) the
9 following:

10 “(iv) set forth a plan for achieving ge-
11 ographic diversity, including the distribu-
12 tion of grant amounts to rural areas in
13 proportion to housing needs in those areas;
14 and”.

15 On page 340, line 18, strike “(E)” and insert “(F)”.

16 On page 340, line 21, strike “(F)” and insert “(G)”.

17 On page 341, line 2, strike “and”.

18 On page 341, line 14, after the first period, insert
19 the following:

20 “(8) RURAL AREA.—The term ‘rural area’
21 means any community eligible for assistance under

1 section 520 of the Housing Act of 1949 (42 U.S.C.
2 1490).”.

3 On page 341, line 14, strike the second period and
4 insert “; and”.

5 On page 341, between lines 14 and 15, insert the fol-
6 lowing:

7 (5) in subsection (g)(2)(D)(i), insert “, includ-
8 ing the distribution of grant amounts to rural areas
9 in proportion to housing needs in those areas” after
10 “diversity”.

11 On page 341, strike lines 21 and 22, and insert the
12 following:

13 (2) in subsection (c)—

14 (A) in paragraph (1), by striking “; and”
15 and inserting a semicolon;

16 (B) in paragraph (2)—

17 (i) by inserting “, activities designed
18 to foster revitalization in areas experi-
19 encing severe economic distress and prop-
20 erty disinvestment, including, but not lim-
21 ited to demolition, property rehabilitation,

1 and infrastructure configuration,” after
2 “economic development activities”; and
3 (ii) by inserting “and tribal” after
4 “rural”;

5 On page 341, between lines 22 and 23, insert the fol-
6 lowing:

7 (3) in subsection (f)(4), by inserting “or (c)(3)”
8 after “subsection (c)(2)”; and

9 On page 341, line 23, strike “(3)” and insert “(4)”.

10 On page 342, lines 14 and 15, strike “extremely low-
11 , very low-, low-, and moderate-income and”.

12 On page 344, line 8, strike “and”.

13 On page 344, line 10, strike the period and insert
14 “; and”.

15 On page 344, between lines 10 and 11, insert the fol-
16 lowing:

17 (7) providing grants and loans for activities de-
18 signed to foster revitalization in areas experiencing
19 severe economic distress and property disinvestment,

1 including, but not limited to demolition, rehabilita-
2 tion, infrastructure configuration, and reuse of va-
3 cant land.

4 On page 344, line 16, strike “including an evalua-
5 tion” and insert “including—”.

6 On page 344, strike lines 17 and 18, and insert the
7 following:

8 (A) an evaluation of how each grant, loan,
9 or credit support program—

10 On page 344, line 19, strike “(A)” and insert “(i)”,
11 and move such clause 2 ems to the right.

12 On page 344, line 24, strike “(B)” and insert “(ii)”,
13 and move such clause 2 ems to the right.

14 On page 345, line 2, strike the period and insert “;
15 and”.

16 On page 345, between lines 2 and 3, insert the fol-
17 lowing:

1 (B) for each award of funds for a grant,
2 loan, or credit support program by the Market
3 Access Fund—

4 (i) the recipient of the funds;

5 (ii) the purpose for which the recipi-
6 ent received the funds;

7 (iii) the amount of funds provided to
8 the recipient; and

9 (iv) the amount of funds, excluding
10 administrative costs, that are used to di-
11 rectly meet the purpose identified under
12 clause (ii), including meeting the housing
13 needs of extremely low-, very low-, low-,
14 and moderate-income and underserved or
15 hard-to-serve populations.

16 At the end of title V, insert the following:

17 **SEC. 506. PROMOTING AFFORDABLE HOUSING INVEST-**
18 **MENT.**

19 (a) HOUSING AND COMMUNITY DEVELOPMENT ACT
20 OF 1992.—Paragraph (6) of section 542(c) of the Hous-
21 ing and Community Development Act of 1992 (12 U.S.C.
22 1715z-22(c)) is amended to read as follows:

23 “(6) GINNIE MAE SECURITIZATION.—The Gov-
24 ernment National Mortgage Association may, at the

1 discretion of the Secretary, securitize any multi-
2 family loan insured under this subsection, provided
3 that—

4 “(A) the Federal Housing Administration
5 provides mortgage insurance based on the un-
6 paid principal balance of the loan, as shall be
7 described by regulation;

8 “(B) the Federal Housing Administration
9 shall not require an assignment fee for mort-
10 gage insurance claims related to the securitized
11 mortgages;

12 “(C) the risk-sharing agreement must pro-
13 vide for reimbursement to the Secretary by the
14 risk share partner or partners for either all or
15 a portion of the losses incurred on the loans in-
16 sured, regardless of whether the servicing rights
17 or other related mortgage interest have been
18 transferred to a different entity; and

19 “(D) any entity that subsequently acquires
20 the servicing rights or other related mortgage
21 interest of the risk share partner or partners
22 shall not assume any obligation under the risk-
23 sharing agreement.”.

1 (b) NATIONAL HOUSING ACT.—Clause (ii) of the
2 first sentence of section 306(g)(1) of the National Hous-
3 ing Act (12 U.S.C. 1721(g)(1)) is amended—

4 (1) by striking the semicolon and inserting a
5 comma; and

6 (2) by inserting before the period at the end the
7 following: “, or which are insured under subsection
8 (c) of section 542 of the Housing and Community
9 Development Act of 1992 (12 U.S.C.1715z-22), sub-
10 ject to the terms of subsection (c)(6) of such sec-
11 tion.”.

12 (c) EFFECTIVE DATE; SUNSET.—

13 (1) EFFECTIVE DATE.—The amendments made
14 by this section shall take effect beginning on October
15 1, 2014.

16 (2) SUNSET.—The amendments made by this
17 section shall expire on September 30, 2021. Effec-
18 tive October 1, 2021, the provisions of paragraph
19 (6) of section 542(c) of the Housing and Community
20 Development Act of 1992 (12 U.S.C. 1715z-22(e))
21 and clause (ii) of the first sentence of section
22 306(g)(1) of the National Housing Act (12 U.S.C.
23 1721(g)(1)), as in effect on the day before the date
24 of the enactment of this Act, are hereby revived.

1 On page 353, strike lines 22 through 24, and insert
2 the following:

3 (4) a detailed inventory of all intellectual prop-
4 erty owned, held, or licensed by the enterprises, in-
5 cluding patents, trademarks, software, credit evalua-
6 tion systems, and data and information on mortgage
7 performance and plans for utilizing any such intel-
8 lectual property, technology, infrastructure, or proc-
9 esses of the enterprises in effecting the transition
10 plan;

11 On page 375, lines 4 and 5, strike “sale, transfer,
12 exchange, or other disposition of any asset” and insert
13 “sale, exchange, license, or other disposition of any asset
14 for value”.

15 On page 375, line 9, insert “license,” after “ex-
16 change,”.

17 On page 375, lines 17 and 18, insert “license,” after
18 “exchange,”.

19 On page 375, line 18, insert “for value” after
20 “asset”.

1 On page 375, line 23, insert “license,” after “ex-
2 change,”.

3 On page 375, line 23, insert “other” after “or”.

4 On page 375, line 23, insert “for value” after “dis-
5 position”.

6 On page 376, line 1, insert “license,” after “ex-
7 change,”.

8 On page 376, line 2, insert “for value” after “disposi-
9 tion”.

10 On page 392, line 24, insert “historic data,” after
11 “intellectual property,”.

12 On page 396, line 9, after “sale” insert “, exchange,
13 license, or other disposition”.

14 On page 396, line 16, after “sale” insert “, exchange,
15 license, or other disposition for value”.

1 On page 396, line 11, after “activity,” insert “assets,
2 intellectual property,”

3 On page 397, line 7, strike “; and” and insert a semi-
4 colon.

5 On page 397, line 10, strike the period and insert
6 “; and”.

7 On page 397, between lines 10 and 11, insert the fol-
8 lowing:

9 (v) would not result in an uncompeti-
10 tive primary or secondary mortgage mar-
11 ket or otherwise limit competitiveness in
12 the primary or secondary mortgage mar-
13 kets.

14 (C) SALE OF HISTORIC DATA.—The Fed-
15 eral Housing Finance Agency shall conduct a
16 sale for value of each enterprise’s historic data,
17 including loan-level historical performance data.
18 In conducting such sale, the Federal Housing
19 Finance Agency may require that—

20 (i) the purchaser of the historic data
21 is the Corporation or the Securitization
22 Platform;

1 (ii) the purchaser of the historic data
2 makes the historic data available to the
3 public in a searchable and easily accessible
4 format as promptly as practicable; and

5 (iii) the purchaser of the historic data
6 takes appropriate steps to ensure the pri-
7 vacy of consumers, minimizes the collection
8 and storage of personally identifiable fi-
9 nancial information, and considers stat-
10 utes, rules, and regulations relating to the
11 privacy of consumer credit information and
12 personally identifiable financial informa-
13 tion.

14 On page 400, line 21, insert “, including intellectual
15 property,” after “property”.

16 On page 414, strike lines 12 through 15, and insert
17 the following:

18 (C) the capability of the management of
19 the multifamily guarantor;

20 (D) the general character and fitness of
21 the officers and directors of the multifamily
22 guarantor, including the compliance history of
23 the multifamily guarantor’s officers and direc-

1 tors with Federal and State laws and the rules
2 and regulations promulgated by self-regulatory
3 organizations (as defined in section 3(a)(26) of
4 the Securities Exchange Act of 1934 (15
5 U.S.C. 78c(a)(26)), as applicable;

6 On page 414, line 16, strike “(D)” and insert “(E)”.

7 On page 414, line 18, strike “(E)” and insert “(F)”.

8 On page 414, line 20, strike “(F)” and insert “(G)”.

9 On page 415, line 12, strike “(G)” and insert “(H)”.

10 On page 415, line 16, strike “(H)” and insert “(I)”.

11 On page 415, line 21, strike “(I)” and insert “(J)”.

12 On page 416, line 1, strike “(J)” and insert “(K)”.

13 On page 417, between lines 23 and 24, insert the fol-
14 lowing:

15 (3) DENIAL.—The Corporation shall have the
16 authority to deny any application made pursuant to

1 paragraph (1) if an officer or director of the multi-
2 family guarantor has, at any time prior to the date
3 of the approval of such application, been—

4 (A) subject to a statutory disqualification
5 pursuant to section 3(a)(39) of the Securities
6 Exchange Act of 1934 (15 U.S.C. 78c(a)(39));
7 or

8 (B) suspended, removed, or prohibited
9 from participation pursuant to section 8(g) of
10 the Federal Deposit Insurance Act (12 U.S.C.
11 1818(g)), prohibited from certain action pursu-
12 ant to paragraphs (6) or (7) of section 8(e) of
13 the Federal Deposit Insurance Act (12 U.S.C.
14 1818(e)), subject to an action resulting in a
15 written agreement or other written statement
16 under section 8(u)(1) of the Federal Deposit
17 Insurance Act (12 U.S.C. 1818(u)(1)), for
18 which a violation may be enforced by an appro-
19 priate Federal banking agency, or subject to
20 any final order issued with respect to any ad-
21 ministrative enforcement proceeding initiated by
22 such agency under section 8 of the Federal De-
23 posit Insurance Act (12 U.S.C. 1818).

24 On page 417, line 24, strike “(3)” and insert “(4)”.

1 At the end of title VII, add the following:

2 **SEC. 708. SHORT-TERM RESIDENTIAL HOUSING.**

3 (a) IN GENERAL.—Section 513 of the National
4 Housing Act (12 U.S.C. 1731b) is amended—

5 (1) in subsection (b)—

6 (A) in clause (1), by striking “or” at the
7 end; and

8 (B) by inserting before the period at the
9 end the following: “or (3) the project is a short-
10 term residential property (as such term is de-
11 fined in subsection (e) of this section) and is
12 subject to a mortgage insured under section
13 207 (12 U.S.C. 1713), provided that the Sec-
14 retary has made a determination pursuant to
15 the study and report required under section
16 708(b) of the Housing Finance Reform and
17 Taxpayer Protection Act that the provision of
18 such insurance is appropriate.”; and

19 (2) in subsection (e)—

20 (A) in clause (1), by striking “and” at the
21 end; and

22 (B) by inserting before the period at the
23 end the following: “, and (3) the term ‘short-
24 term residential property’ means multifamily
25 housing that (A) has more than 50 dwelling

1 units that each contain a kitchen, including a
2 full refrigerator and cooking surface, and bath-
3 room facilities, (B) provides mail boxes for each
4 unit, (C) rents such units for a minimum stay
5 of seven days, and (D) does not provide food or
6 beverage services, including in-room service,
7 daily maid services, furnishing and laundering
8 of linen without charge, or bellhop services”.

9 (b) STUDY.—

10 (1) IN GENERAL.—Not later than 6 months
11 after the date of enactment of this Act, the Sec-
12 retary of Housing and Urban Development shall—

13 (A) conduct and complete a study evalu-
14 ating the risk of the provision of insurance
15 under section 207 of the National Housing Act
16 (12 U.S.C. 1713) for short-term residential
17 properties; and

18 (B) submit a report to the Committee on
19 Banking, Housing, and Urban Affairs of the
20 Senate and the Committee on Financial Serv-
21 ices of the House of Representatives, which
22 shall include—

23 (i) the findings of the study required
24 under subparagraph (A); and

1 (ii) a determination as to whether any
2 additional risk presented to the General
3 Insurance Fund resulting from the provi-
4 sion of insurance under section 207 of the
5 National Housing Act (12 U.S.C. 1713)
6 for short-term residential properties is ap-
7 propriate.

8 (2) CONTENTS OF STUDY.—In conducting the
9 study required under paragraph (1)(A), the Sec-
10 retary of Housing and Urban Development shall—

11 (A) evaluate whether the provision of in-
12 surance under section 207 of the National
13 Housing Act (12 U.S.C. 1713) for short-term
14 residential properties presents additional risk to
15 the General Insurance Fund; and

16 (B) consider any additional operational
17 and logistical costs associated with providing
18 such insurance.

19 (3) DEFINITIONS.—In this subsection—

20 (A) the term “General Insurance Fund”
21 means the fund established under section 519
22 of the National Housing Act (12 U.S.C.
23 1735e); and

24 (B) the term “short-term residential prop-
25 erties” has the meaning given the term under

1 section 513(e)(3) of the National Housing Act
2 (12 U.S.C. 1731b(e)(3)).

3 On page 440, between lines 19 and 20, insert the fol-
4 lowing:

5 (b) DISCLOSURE OF FEES.—Section 5(c)(3) of the
6 Real Estate Settlement Procedures Act (12 U.S.C.
7 2605(c)(3)) is amended—

8 (1) by striking “Any notice required” and in-
9 serting the following:

10 “(A) IN GENERAL.—Any notice required”;

11 and

12 (2) by adding at the end the following:

13 “(B) DISCLOSURE OF FEES REQUIRE-
14 MENT.—The transferee servicer shall provide to
15 the borrower, not more than 15 days after the
16 effective date of transfer of the servicing of the
17 mortgage loan, a statement regarding the loan
18 which shows the following:

19 “(i) The application of all payments
20 and charges, including the date received,
21 as allocated to principal, interest, escrow,
22 and other charges.

23 “(ii) The status of the loan as of the
24 date of the transfer including whether the

1 loan is in default and whether any loss
2 mitigation application submitted by the
3 borrower is pending.

4 “(iii) An itemization and explanation
5 for all arrearages claimed to be due as of
6 the date of the transfer.”.

7 On page 440, line 20, strike “(b)” and insert “(c)”.

8 On page 441, lines 14 and 15, strike “A creditor,
9 including a servicer” and insert “The creditor, new owner,
10 or assignee of the mortgage loan, by itself or through its
11 servicer”.

12 On page 441, strike lines 17 through 23, and insert
13 “been incurred in the notice to the consumer of the trans-
14 fer of servicing of a securitized residential mortgage loan;
15 or”.

16 On page 442, lines 1 and 2, strike “that is not speci-
17 fied on the monthly statement to the consumer as having
18 been incurred” and insert “incurred prior to the effective
19 date of servicing transfer that is not disclosed on a peri-
20 odic statement provided to the consumer prior to the effec-

1 tive date of servicing transfer of a securitized residential
2 mortgage loan”.

3 At the end of title VIII, insert the following:

4 **SEC. 805. INVESTMENT AUTHORITY TO SUPPORT RURAL IN-**
5 **FRASTRUCTURE.**

6 Section 11 of the Federal Home Loan Bank Act (12
7 U.S.C. 1431) is amended by adding at the end the fol-
8 lowing:

9 “(m) MISSION INVESTMENTS FOR RURAL INFRA-
10 STRUCTURE.—In furtherance of its mission under section
11 5, each Federal Home Loan Bank is authorized to pur-
12 chase investment grade securities from nonmember coop-
13 erative lenders that have received financing from the Fed-
14 eral Financing Bank and that possess demonstrated expe-
15 rience in making loans to rural cooperatives. Such securi-
16 ties shall be secured investments collateralized by loans
17 of the cooperative lender. The purchase of such securities
18 shall be at the sole discretion of the Bank, consistent with
19 such regulations, restrictions, and limitations as may be
20 prescribed by the Board.”.

21 **SEC. 806. CONSOLIDATION OF SIMILAR HOUSING ASSIST-**
22 **ANCE PROGRAMS.**

23 (a) REPORT.—

1 (1) IN GENERAL.—Not later than 2 years after
2 the date of enactment of this Act, the Corporation,
3 the Secretary of Housing and Urban Development,
4 the Secretary of the Treasury, the Secretary of Agri-
5 culture, the Secretary of Veterans Affairs, the Sec-
6 retary of Labor, and the Secretary of the Interior
7 shall jointly submit to Congress a report, which
8 shall—

9 (A) identify and evaluate, based on need
10 and appropriateness, specific opportunities to
11 consolidate similar housing assistance pro-
12 grams, which may include the programs identi-
13 fied in the August 2012 Government Account-
14 ability Office report to Congress entitled “Op-
15 portunities Exist to Increase Collaboration and
16 Consider Consolidation” (GAO-12-554);

17 (B) provide recommendations to Congress
18 for legislative action to appropriately stream-
19 line, consolidate, or eliminate similar housing
20 assistance programs identified and evaluated
21 under subparagraph (A); and

22 (C) identify opportunities for cross-agency
23 collaboration of housing assistance efforts.

1 (2) ACCESSIBILITY.—The report submitted
2 under paragraph (1) shall be made available on a
3 publically accessible Internet website.

4 (b) USE OF ADMINISTRATIVE AUTHORITY.—

5 (1) IN GENERAL.—

6 (A) The Director of the Office of Manage-
7 ment and Budget shall coordinate with the Sec-
8 retary of Housing and Urban Development, the
9 Secretary of the Treasury, the Secretary of Ag-
10 riculture, the Secretary of Veterans Affairs, the
11 Secretary of Labor, and the Secretary of the
12 Interior to consider and evaluate opportunities
13 to eliminate, consolidate, or streamline housing
14 assistance programs.

15 (B) The Director of the Office of Manage-
16 ment and Budget, in coordination with the Sec-
17 retary of Housing and Urban Development, the
18 Secretary of the Treasury, the Secretary of Ag-
19 riculture, the Secretary of Veterans Affairs, the
20 Secretary of Labor, and the Secretary of the
21 Interior, shall eliminate, consolidate, or stream-
22 line any programs identified under subpara-
23 graph (A) which they find appropriate.

24 (2) COST SAVINGS.—Any administrative cost
25 savings resulting from the consolidation, elimination,

1 or streamlining of housing assistance programs
2 under paragraph (1) shall be transferred as follows:

3 (A) 50 percent to the Housing Trust Fund
4 established under section 1338 of the Federal
5 Housing Enterprises Financial Safety and
6 Soundness Act of 1992 (12 U.S.C. 4568).

7 (B) 50 percent to the General Fund of the
8 Treasury to be used for deficit reduction.

9 (3) REPORT.—The Director of the Office of
10 Management and Budget shall submit to Congress a
11 report on an annual basis of any actions taken to
12 streamline similar housing assistance programs, and
13 the cost savings resulting from such actions.

14 (c) RULE OF CONSTRUCTION.—Nothing in this sec-
15 tion shall be construed to grant the Director of the Office
16 of Management and Budget, the Secretary of Housing and
17 Urban Development, the Secretary of the Treasury, the
18 Secretary of Agriculture, the Secretary of Veterans Af-
19 fairs, the Secretary of Labor, or the Secretary of the Inte-
20 rior any additional authority to eliminate, consolidate, or
21 streamline housing assistance programs that they did not
22 have prior to the date of enactment of this Act.

1 **SEC. 807. BUREAU OF CONSUMER FINANCIAL PROTECTION**
2 **REVIEW; GAO REPORT.**

3 (a) BUREAU OF CONSUMER FINANCIAL PROTECTION
4 REVIEW.—

5 (1) IN GENERAL.—Except as provided in para-
6 graph (2), not later than 3 months after the date of
7 enactment of this Act, the Bureau of Consumer Fi-
8 nancial Protection shall, after reviewing relevant
9 data and consulting with stakeholders, including rep-
10 resentatives of the manufactured housing industry
11 and representatives of consumers and homeowners,
12 consider and review the application of subsections
13 (bb) and (cc) of section 103 of the Truth in Lending
14 Act (15 U.S.C. 1602) to manufactured housing
15 loans, including—

16 (A) the annual percentage rate coverage
17 test for high-cost mortgages;

18 (B) the total points and fees coverage test
19 for high-cost mortgages; and

20 (C) the definition of the term “mortgage
21 originator”.

22 (2) EXCEPTION.—The Bureau of Consumer Fi-
23 nancial Protection shall not be required to conduct
24 the review under paragraph (1) if the Bureau does
25 not receive relevant data relating to the review that

1 was not previously submitted to the Bureau on or
2 before January 31, 2013.

3 (3) RULE OF CONSTRUCTION.—Nothing in
4 paragraph (1) shall be construed to require the Bu-
5 reau of Consumer Financial Protection to engage in
6 rulemaking, including rulemaking to modify any rule
7 relating to subsection (bb) or (cc) of section 103 of
8 the Truth in Lending Act (15 U.S.C. 1602).

9 (b) GAO REPORT.—Not later than 10 months after
10 the date of enactment of this Act, the Comptroller General
11 of the United States shall conduct a study and issue a
12 report to Congress on the manufactured housing loan
13 market, which shall include an analysis of—

14 (1) the loan products available in the manufac-
15 tured housing loan market and the performance of
16 those products, which shall include a review of the
17 underwriting standards and portfolios of creditors
18 that originate manufactured housing loans, such as
19 depository institutions and finance companies;

20 (2) the characteristics of borrowers that partici-
21 pate in the manufactured housing loan market, in-
22 cluding—

23 (A) the creditworthiness of the borrower;

24 (B) the usage pattern of the borrower; and

1 (C) the process for evaluating and com-
2 paring loan products prior to purchase; and

3 (3) the potential impact on access to mortgage
4 credit for manufactured housing loans if subsections
5 (bb) and (cc) of section 103 of the Truth in Lending
6 Act (15 U.S.C. 1602) were applied to manufactured
7 housing loans, including—

8 (A) the annual percentage rate coverage
9 test for high-cost mortgages;

10 (B) the total points and fees coverage test
11 for high-cost mortgages;

12 (C) the definition of “mortgage origi-
13 nator”;

14 (D) borrower delinquency and default in
15 the manufactured housing loan market; and

16 (E) competition in the manufactured hous-
17 ing loan market.