

[DISCUSSION DRAFT]

112TH CONGRESS
1ST SESSION

H. R. _____

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

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

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 “_____ Act
5 of 2011”.

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

2 (a) ENTERPRISE REPORTS TO DIRECTOR.—The Di-
3 rector of the Federal Housing Finance Agency shall re-
4 quire each enterprise to submit a report to the Director,
5 not later than the expiration of the 90-day period begin-
6 ning upon the date of the enactment of this Act, that—

7 (1) identifies all assets of value of the enter-
8 prise;

9 (2) describes the functions, characteristics, and
10 value of each such asset;

11 (3) identifies which such assets, in the deter-
12 mination of the enterprise, are critical to carrying
13 out the mission of the enterprise in accordance with
14 the charter Act for the enterprise and other applica-
15 ble laws and explains why such assets are critical to
16 such mission; and

17 (4) identifies which such assets, in the deter-
18 mination of the enterprise, are not critical to car-
19 rying out the mission of the enterprise in accordance
20 with the charter Act for the enterprise and other ap-
21 plicable laws and explains why such assets are not
22 critical to such mission.

23 (b) DETERMINATION OF NON-MISSION CRITICAL AS-
24 SETS.—

25 (1) IN GENERAL.—After reviewing the report
26 submitted by an enterprise pursuant to subsection

1 (a), the Director shall make a determination of
2 which assets of such enterprise are critical, and
3 which are not critical, to carrying out the mission of
4 the enterprise in accordance with the charter Act for
5 the enterprise and other applicable laws.

6 (2) PATENTS AND MORTGAGE DATA.—The de-
7 terminations under paragraph (1) shall include de-
8 terminations with regard to any patents and mort-
9 gage data of the enterprise.

10 (c) PLANS.—Not later than the expiration of the 90-
11 day period beginning upon submission by an enterprise of
12 the report required under subsection (a), the Director
13 shall establish and submit to the Congress a plan for sale
14 or other disposition of assets of such enterprise that the
15 Director has determined, pursuant to subsection (b), to
16 be non-mission critical assets of the enterprise.

17 (d) CONTENTS.—The plan required under subsection
18 (c) for an enterprise shall—

19 (1) identify the assets that the Director has de-
20 termined to be critical to carrying out the mission of
21 the enterprise in accordance with the charter Act for
22 the enterprise and other applicable laws;

23 (2) identify the non-mission critical assets of
24 the enterprise to be sold or otherwise disposed of
25 and the schedule for such sales and dispositions;

1 (3) specifically address whether and how pat-
2 ents and mortgage data of the enterprise that are
3 non-mission critical assets should be sold or disposed
4 of, which may include making such assets available
5 in the public domain;

6 (4) provide for the sale or other disposition of
7 all non-mission critical assets covered by the plan
8 over the 12-month period that begins 90 days after
9 submission of the plan to the Congress;

10 (5) provide for advance public notification of
11 each such sale or other disposition in a manner de-
12 signed to reach any interested parties;

13 (6) provide for any sales to be conducted in
14 such manner as the Director considers appropriate
15 to maximize the return on such assets, which may
16 include auctions, solicitation of bids, offering assets
17 for sale at established prices, and other sales meth-
18 ods;

19 (7) provide that any costs of conducting such
20 sales and dispositions shall be paid for by the re-
21 turns from such sales;

22 (8) identify the estimated sales prices of such
23 assets to be sold and the estimated costs involved in
24 such sales; and

1 (9) include any other information as the Direc-
2 tor considers appropriate.

3 (e) IMPLEMENTATION.—Not later than the expiration
4 of the 90-day period beginning upon submission of a plan
5 under subsection (c) to the Congress, the Director shall
6 commence implementation of the plan.

7 (f) REVISION.—If, after submission to the Congress
8 of a plan required under subsection (c), the Director deter-
9 mines that revision to or deviation from such plan is ap-
10 propriate to carry out the purposes of this section, the Di-
11 rector shall promptly submit to the Congress notice of
12 such revision or deviation, explaining the reasons for such
13 changes. The Director may not implement any revision to
14 or deviation from a plan submitted to the Congress pursu-
15 ant to subsection (c) before submitting notice of such revi-
16 sion or deviation pursuant to this subsection.

17 (g) DEFINITIONS.—For purposes of this section, the
18 following definitions shall apply:

19 (1) CHARTER ACT.—The term “charter Act”
20 means—

21 (A) with respect to the Federal National
22 Mortgage Association, the Federal National
23 Mortgage Association Charter Act (12 U.S.C.
24 1716 et seq.); and

1 (B) with respect to the Federal Home
2 Loan Mortgage Corporation, the Federal Home
3 Loan Mortgage Corporation Act (12 U.S.C.
4 1451 et seq.).

5 (2) DIRECTOR.—The term “Director” means
6 the Director of the Federal Housing Finance Agen-
7 cy.

8 (3) ENTERPRISE.—The term “enterprise” has
9 the meaning given such term in section 1303 of the
10 Federal Housing Enterprises Financial Safety and
11 Soundness Act of 1992 (12 U.S.C. 4502).

12 (4) NON-MISSION CRITICAL ASSETS.—The term
13 “non-mission critical asset” means, with respect to
14 an enterprise, an asset of the enterprise that the Di-
15 rector determines, pursuant to subsection (b), is not
16 critical to carrying out the mission of the enterprise
17 in accordance with the charter Act for the enterprise
18 and other applicable laws.