

**[DISCUSSION DRAFT]**112<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION**H. R.** \_\_\_\_\_

To prohibit any reduction in the rate of dividends paid to the Secretary of the Treasury on the senior preferred stock of Fannie Mae and Freddie Mac purchased by the Secretary.

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**IN THE HOUSE OF REPRESENTATIVES**

M. \_\_\_\_\_ introduced the following bill; which was referred to the  
Committee on \_\_\_\_\_

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**A BILL**

To prohibit any reduction in the rate of dividends paid to the Secretary of the Treasury on the senior preferred stock of Fannie Mae and Freddie Mac purchased by the Secretary.

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. PROHIBITION OF REDUCTION IN RATE OF DIVI-**  
2 **DENDS.**

3 (a) FANNIE MAE.—Section 304 of the Federal Na-  
4 tional Mortgage Association Charter Act (12 U.S.C. 1719)  
5 is amended by adding at the end the following new sub-  
6 section:

7 “(h) PROHIBITION OF REDUCTION IN RATE OF DIVI-  
8 DENDS ON SENIOR PREFERRED STOCK.—Notwith-  
9 standing any provision of subsection (g), any provision of  
10 the Senior Preferred Stock Purchase Agreement entered  
11 into between the Department of the Treasury and the cor-  
12 poration [in September 2008] (as such Agreement may  
13 be amended and restated), or any provision of any certifi-  
14 cate in connection with such Agreement creating or desig-  
15 nating the terms, powers, preferences, privileges, limita-  
16 tions, or any other conditions of the Variable Liquidation  
17 Preference Senior Preferred Stock of the corporation  
18 issued pursuant to such Agreement, the rate of dividends  
19 paid on the Variable Liquidation Preference Senior Pre-  
20 ferred Stock of the corporation issued pursuant to such  
21 Agreement shall not be reduced from the rate in effect  
22 pursuant to such Agreement as of March 1, 2011.”.

23 (b) FREDDIE MAC.—Section 306 of the Federal  
24 Home Loan Mortgage Corporation Act (12 U.S.C. 1455)  
25 is amended by adding at the end the following new sub-  
26 section:

1       “(m) PROHIBITION OF REDUCTION IN RATE OF  
2 DIVIDENDS ON SENIOR PREFERRED STOCK.—Notwith-  
3 standing any provision of subsection (l), any provision of  
4 the Senior Preferred Stock Purchase Agreement entered  
5 into between the Department of the Treasury and the Cor-  
6 poration **[in September 2008]** (as such Agreement may  
7 be amended and restated), or any provision of any certifi-  
8 cate in connection with such Agreement creating or desig-  
9 nating the terms, powers, preferences, privileges, limita-  
10 tions, or any other conditions of the Variable Liquidation  
11 Preference Senior Preferred Stock of the Corporation  
12 issued pursuant to such Agreement, the rate of dividends  
13 paid on the Variable Liquidation Preference Senior Pre-  
14 ferred Stock of the Corporation issued pursuant to such  
15 Agreement shall not be reduced from the rate in effect  
16 pursuant to such Agreement as of March 1, 2011.”.