

111TH CONGRESS  
1ST SESSION

# H. R. 1285

To establish the Commission on the Foreclosure and Mortgage Lending Crisis.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 2009

Mr. TURNER (for himself, Mrs. CAPITO, Mrs. BIGGERT, Mr. LATOURETTE, Mrs. SCHMIDT, Ms. ROS-LEHTINEN, and Mr. CAO) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To establish the Commission on the Foreclosure and Mortgage Lending Crisis.

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 “Commission on the  
5 Foreclosure and Mortgage Lending Crisis Act”.

6 **SEC. 2. ESTABLISHMENT OF COMMISSION.**

7 There is established in the legislative branch a com-  
8 mission to be known as the “Commission on the Fore-  
9 closure and Mortgage Lending Crisis” (in this Act re-  
10 ferred to as the “Commission”).

1 **SEC. 3. FINDINGS AND PURPOSE.**

2 (a) FINDINGS.—Congress finds the following:

3 (1) The United States is experiencing a steady  
4 increase in foreclosures and mortgage lending prob-  
5 lems that have impacted homeowners, families, com-  
6 munities, the United States economy and the global  
7 credit markets.

8 (2) In 2006, there were an estimated 1,300,000  
9 foreclosures in the United States.

10 (3) This number increased by 79 percent in  
11 2007, bringing the estimated number of foreclosures  
12 nationwide to 2,200,000.

13 (4) In 2008, an estimated 3,200,000 fore-  
14 closures were reported nationwide.

15 (5) Estimates suggest that this trend is likely  
16 to continue with millions more Americans potentially  
17 losing their homes to foreclosure in the next 4 years.

18 (b) PURPOSE.—The purpose of this Act is to estab-  
19 lish a commission to undertake a comprehensive analysis  
20 and review of the causes of the current foreclosure and  
21 mortgage lending crisis and to submit a report of its find-  
22 ings to the Congress. The Commission shall also rec-  
23 ommend legislative and regulatory changes that will pro-  
24 hibit the kinds of lending practices that contributed to the  
25 increased foreclosure rate and the current mortgage lend-  
26 ing crisis.

1 **SEC. 4. COMPOSITION.**

2 (a) MEMBERS.—The Commission shall be composed  
3 of 10 members as follows:

4 (1) 2 members shall be appointed by the Speak-  
5 er of the House of Representatives.

6 (2) 2 members shall be appointed by the minor-  
7 ity leader of the House of Representatives.

8 (3) 2 members shall be appointed by the major-  
9 ity leader of the Senate.

10 (4) 2 members shall be appointed by the minor-  
11 ity leader of the Senate.

12 (5) The Secretary of the Treasury or his des-  
13 ignee.

14 (6) The Chairman of the Board of Governors of  
15 the Federal Reserve System or his designee.

16 (b) DEADLINE FOR APPOINTMENT.—All members of  
17 the Commission shall be appointed not later than 30 days  
18 after the date of the enactment of this Act.

19 (c) CO-CHAIRMEN.—Of the members appointed to  
20 the Commission under paragraphs (1) through (4) of sub-  
21 section (a), 2 shall be designated as the Co-Chairmen of  
22 the Commission. One Co-Chairman shall be designated by  
23 the Speaker of the House of Representatives in consulta-  
24 tion with the majority leader of the Senate and the other  
25 Co-Chairman shall be designated by the minority leader

1 of the House of Representatives in consultation with the  
2 minority leader of the Senate.

3 (d) VACANCIES.—Any vacancy in the Commission  
4 shall not affect its powers and shall be filled in the same  
5 manner in which the original appointment was made.

6 (e) COMPENSATION.—

7 (1) IN GENERAL.—Members of the Commission  
8 shall serve without pay.

9 (2) TRAVEL EXPENSES.—While away from  
10 their homes or regular places of business in the per-  
11 formance of services for the Commission, members  
12 of the Commission shall be allowed travel expenses,  
13 including per diem in lieu of subsistence, in the  
14 same manner as persons employed intermittently in  
15 the Government service are allowed expenses under  
16 section 5703 of title 5, United States Code.

17 (f) INITIAL MEETING; RULES OF PROCEDURE;  
18 QUORUM.—

19 (1) INITIAL MEETING.—The Commission shall  
20 meet and begin the operations of the Commission  
21 not later than 60 days after the date of the enact-  
22 ment of this Act.

23 (2) MEETINGS.—After its initial meeting, the  
24 Commission shall meet upon the call of a majority  
25 of its members.

1           (3) QUORUM.—A majority of the members of  
2 the Commission shall constitute a quorum.

3           (4) RULES OF PROCEDURE.—The Commission  
4 may establish rules for the conduct of the Commis-  
5 sion’s business, if such rules are consistent with this  
6 Act and other applicable law.

7 **SEC. 5. DUTIES.**

8           (a) IN GENERAL.—The Commission shall—

9           (1) study and assess the current legal and regu-  
10 latory framework governing the housing mortgage  
11 lending markets and investigate how such framework  
12 contributed to the increased foreclosure rate, includ-  
13 ing—

14                   (A) refinancing practices;

15                   (B) loan-to-value ratios; and

16                   (C) the prevalence of fraudulent industry  
17 practices;

18           (2) recommend changes to the current legal and  
19 regulatory framework to prohibit lending practices  
20 that have contributed to the mortgage lending crisis;

21           (3) review the impact of subprime abuses and  
22 predatory lending practices;

23           (4) assess the role of States in enacting policies  
24 to reduce predatory lending practices and abuses in  
25 the subprime markets;

1           (5) assess the impact of mortgage-backed secu-  
2           rities and the Federal National Mortgage Corpora-  
3           tion (“Fannie Mae”) and the Federal Home Loan  
4           Mortgage Corporation (“Freddie Mac”) on the mort-  
5           gage lending crisis; and

6           (6) assess the impact of the Community Rein-  
7           vestment Act of 1977 (12 U.S.C. 2901 et seq.) on  
8           the mortgage lending crisis.

9           (b) FINAL REPORT.—Not later than 12 months after  
10          the date of enactment of this Act, the Commission shall  
11          submit to the Congress a final report containing such find-  
12          ings, conclusions, and recommendations as have been  
13          agreed to by a majority of Commission members. If, at  
14          the conclusion of such 12-month period, a majority of the  
15          Commission determines it necessary, the Commission may  
16          be granted a 6-month extension for submission of its final  
17          report upon written notification to the Congress.

18       **SEC. 6. POWERS OF THE COMMISSION.**

19          (a) HEARINGS AND EVIDENCE.—The Commission  
20          may, for the purpose of carrying out this Act—

21               (1) hold such hearings and sit and act at such  
22               times and places, take such testimony, receive such  
23               evidence, administer such oaths; and

24               (2) subject to subsection (b)(1), subpoena or  
25               otherwise require the attendance and testimony of

1 such witnesses and the production of such books,  
2 records, correspondence, memoranda, papers, and  
3 documents as the Commission may determine advis-  
4 able.

5 (b) SUBPOENAS.—

6 (1) ISSUANCE.—

7 (A) IN GENERAL.—A subpoena may be  
8 issued under this section only by the affirmative  
9 vote of a majority of the members of the Com-  
10 mission.

11 (B) SIGNATURE.—Subject to subparagraph  
12 (A), subpoenas issued under this section may be  
13 issued under the signature of the Co-Chairmen  
14 or any member designated by a majority of the  
15 Commission, may be served by any person des-  
16 ignated by the Co-Chairmen or by a member  
17 designated by a majority of the Commission.

18 (2) ENFORCEMENT.—

19 (A) IN GENERAL.—In the case of contu-  
20 macy or failure to obey a subpoena issued  
21 under paragraph (1), the United States district  
22 court for the judicial district in which the sub-  
23 poenaed person resides, is served, or may be  
24 found, or where the subpoena is returnable,  
25 may issue an order requiring such person to ap-

1           pear at any designated place to testify or to  
2           produce documentary or other evidence. Any  
3           failure to obey the order of the court may be  
4           punished by the court as a contempt of that  
5           court.

6           (B) ADDITIONAL ENFORCEMENT.—In the  
7           case of any failure of any witness to comply  
8           with any subpoena or to testify when sum-  
9           moned under authority of this section, the Com-  
10          mission may, by majority vote, certify a state-  
11          ment of fact constituting such failure to the ap-  
12          propriate United States attorney, who may  
13          bring the matter before the grand jury for its  
14          action, under the same statutory authority and  
15          procedures as if the United States attorney had  
16          received as certification under section 102  
17          through 104 of the Revised Statutes of the  
18          United States (2 U.S.C. 192 through 194).

19          (c) CONTRACT AUTHORITY.—The Commission may,  
20          to such extent and in such amounts as are provided in  
21          appropriation Acts, enter into contracts to enable the  
22          Commission to carry out its duties under this Act.

23          (d) INFORMATION FROM FEDERAL AGENCIES.—

24                  (1) IN GENERAL.—The Commission is author-  
25          ized to secure directly from any executive depart-



1       ment, bureau, agency, board, commission, office,  
2       independent establishment, or instrumentality of the  
3       Government, information, suggestions, estimates,  
4       and statistics to carry out its duties under this Act.  
5       Each department, bureau, agency, board, commis-  
6       sion, office, independent establishment, or instru-  
7       mentality shall, to the extent authorized by law, fur-  
8       nish such information, suggestions, estimates, and  
9       statistics directly to the Commission, upon request  
10      made by a majority of the members of the Commis-  
11      sion.

12           (2) RECEIPT, HANDLING, STORAGE, AND DIS-  
13      SEMINATION.—Information shall only be received,  
14      handled, stored, and disseminated by members of  
15      the Commission and its staff consistent with all ap-  
16      plicable statutes, regulations, and Executive orders.

17      (e) ASSISTANCE FROM FEDERAL AGENCIES.—

18           (1) GENERAL SERVICES ADMINISTRATION.—  
19      The Administrator of General Services shall provide  
20      to the Commission on a reimbursable basis adminis-  
21      trative support and other services to assist the Com-  
22      mission in carrying out its duties.

23           (2) OTHER DEPARTMENTS AND AGENCIES.—In  
24      addition to the assistance described in paragraph  
25      (1), departments and agencies of the United States

1       may provide to the Commission such services, funds,  
2       facilities, staff, and other support services as they  
3       may determine advisable and as may be authorized  
4       by law.

5       (f) **POSTAL SERVICES.**—The Commission may use  
6       the United States mails in the same manner and under  
7       the same conditions as departments and agencies of the  
8       United States.

9       (g) **STAFF.**—

10           (1) **IN GENERAL.**—

11                (A) **APPOINTMENT AND COMPENSATION.**—

12           The Co-Chairmen, in accordance with rules  
13           agreed upon by the Commission, may appoint  
14           and fix the compensation of a staff director and  
15           such other personnel as may be necessary to en-  
16           able the Commission to carry out its duties,  
17           without regard to the provisions of title 5,  
18           United States Code, governing appointments in  
19           the competitive service, and without regard to  
20           the provisions of chapter 51 and subchapter III  
21           of chapter 53 of such title relating to classifica-  
22           tion and General Schedule pay rates, except  
23           that no rate of pay fixed under this subsection  
24           may exceed the equivalent of that payable for a  
25           position at level IV of the Executive Schedule

1 under section 5316 of title 5, United States  
2 Code.

3 (B) PERSONNEL AS FEDERAL EMPLOY-  
4 EES.—

5 (i) IN GENERAL.—The staff director  
6 and any personnel of the Commission who  
7 are employees shall be employees under  
8 section 2105 of title 5, United States  
9 Code, for purposes of chapters 63, 81, 83,  
10 84, 85, 87, 89, and 90 of that title.

11 (ii) MEMBERS OF THE COMMISSION.—  
12 Clause (i) shall not apply to members of  
13 the Commission.

14 (2) DETAILEES.—Any Federal Government em-  
15 ployee may be detailed to the Commission without  
16 reimbursement from the Commission, and such  
17 detailee shall retain the rights, status, and privileges  
18 of his or her regular employment without interrup-  
19 tion.

20 (3) EXPERT AND CONSULTANT SERVICES.—The  
21 Commission is authorized to procure the services of  
22 experts and consultants in accordance with section  
23 3109 of title 5, United States Code, but at rates not  
24 to exceed the daily rate paid to a person occupying

1 a position at level IV of the Executive Schedule  
2 under section 5315 of title 5, United States Code.

3 (4) VOLUNTEER SERVICES.—Notwithstanding  
4 section 1342 of title 31, United States Code, the  
5 Commission may accept and use voluntary and un-  
6 compensated services as the Commission determines  
7 necessary.

8 **SEC. 7. NONAPPLICABILITY OF FEDERAL ADVISORY COM-**  
9 **MITTEE ACT.**

10 (a) IN GENERAL.—The Federal Advisory Committee  
11 Act (5 U.S.C. App.) shall not apply to the Commission.

12 (b) PUBLIC MEETINGS AND RELEASE OF PUBLIC  
13 VERSIONS OF REPORTS.—The Commission shall—

14 (1) hold public hearings and meetings to the ex-  
15 tent appropriate; and

16 (2) release public versions of the report re-  
17 quired under section 5(b).

18 (c) PUBLIC HEARINGS.—Any public hearings of the  
19 Commission shall be conducted in a manner consistent  
20 with the protection of information provided to or developed  
21 for or by the Commission as required by any applicable  
22 statute, regulations, or Executive order.

23 **SEC. 8. TERMINATION.**

24 (a) IN GENERAL.—The Commission and all the au-  
25 thorities of this Act, shall terminate not later than 60 days

1 after the date on which the final report is submitted under  
2 section 5(b).

3 (b) ADMINISTRATIVE ACTIVITIES BEFORE TERMI-  
4 NATION.—The Commission may use the 60-day period re-  
5 ferred to in subsection (a) for the purpose of concluding  
6 its activities, including providing testimony to committees  
7 of Congress concerning its report and disseminating the  
8 final report.

9 (c) AUTHORIZATION OF APPROPRIATION.—There are  
10 authorized to be appropriated such sums as necessary to  
11 carry out this Act.

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