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114TH CONGRESS
1ST SESSION

H. R. 1036

To provide for the repayment of amounts borrowed by Fannie Mae and Freddie Mac from the Treasury of the United States, together with interest, over a 30-year period, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 24, 2015

Mr. CAPUANO introduced the following bill; which was referred to the Committee on Financial Services

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A BILL

To provide for the repayment of amounts borrowed by Fannie Mae and Freddie Mac from the Treasury of the United States, together with interest, over a 30-year period, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Let the GSEs Pay Us Back Act of 2015''.

SEC. 2. REPAYMENT OF TREASURY BORROWING.

The Secretary of the Treasury and each enterprise (acting through the conservator for the enterprise ap-

pointed pursuant to section 1367 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4617)) shall enter into an agreement that modifies the Preferred Stock Purchase Agreement for such enterprise to provide as follows:

(1) TERMINATION OF DIVIDENDS.—That after such modification, any Senior Preferred Stock purchased under such Agreement by the Department of the Treasury shall not accrue further dividends.

(2) TREATMENT OF ENTERPRISE DRAWS ON TREASURY.—That any amounts received, before or after such modification, during a single year by the enterprise as a draw on the commitment made by the Department of the Treasury under such an Agreement, shall be treated as a loan made by the Treasury to the enterprise that—

(A) was originated on the date of the last such draw during such year;

(B) has an original principal obligation in an amount equal to the aggregate amount of such draws;

(C) has a term to maturity of 30 years;

(D) has an annual interest rate of 5 percent for the entire term of the loan;

(E) has terms that provide for full amortization of the loan over such term to maturity; and

(F) shall be repaid by the enterprise in accordance with the amortization schedule established for the loan pursuant to subparagraph (E) of this paragraph, subject to paragraph (3).

(3) TREATMENT OF DIVIDENDS PAID.—That any dividends paid by the enterprise to the Department of the Treasury under the Senior Preferred Stock Agreement before such modification of such Agreement shall be treated as payments of principal and interest due under the loan referred to in paragraph (2), and shall be credited against payments due under the terms of such loan (in accordance with the amortization schedule established for such loan pursuant to paragraph (2)(E)), first to such loan having the earliest origination date that has not yet been fully repaid until such loan is repaid, and then to the next such loan having the next earliest origination date until such loan is repaid.

SEC. 3. DEFINITIONS.

For purposes of this Act, the following definitions shall apply:

(1) ENTERPRISE.—The term ''enterprise'' has the meaning given such term in section 1303 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4502).

(2) PREFERRED STOCK PURCHASE AGREEMENT.—The term ''Preferred Stock Purchase Agreement'' means, with respect to an enterprise, the Amended and Restated Senior Preferred Stock Purchase Agreements, dated September 26, 2008, amended May 6, 2009, further amended December 24, 2009, and further amended December 24, 2009 (as such agreements may be further amended), between the United States Department of the Treasury and such enterprise.

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