

114TH CONGRESS
1ST SESSION

H. R. 2243

To suspend the current compensation packages for the senior executives of Fannie Mae and Freddie Mac and establish compensation for such positions in accordance with rates of pay for senior employees in the Executive Branch of the Federal Government, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 8, 2015

Mr. ROYCE (for himself and Mr. POLIQUIN) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To suspend the current compensation packages for the senior executives of Fannie Mae and Freddie Mac and establish compensation for such positions in accordance with rates of pay for senior employees in the Executive Branch of the Federal Government, and for other purposes.

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 “Equity in Government
5 Compensation Act of 2015”.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) DIRECTOR.—The term “Director” means
4 the Director of the Federal Housing Finance Agen-
5 cy.

6 (2) EMPLOYEE.—The term “employee” means
7 an employee of an enterprise, except that such term
8 does not include any employee who would be defined
9 as a prevailing rate employee (as defined in section
10 5342(2) of title 5, United States Code) if such em-
11 ployee were employed by an agency (as defined in
12 paragraph (1) of such section).

13 (3) ENTERPRISE.—The term “enterprise”
14 means—

15 (A) the Federal National Mortgage Asso-
16 ciation and any affiliate thereof; and

17 (B) the Federal Home Loan Mortgage
18 Corporation and any affiliate thereof.

19 (4) EXECUTIVE OFFICER.—The term “executive
20 officer” has the same meaning as is given such term
21 in section 1303(12) of the Federal Housing Enter-
22 prises Financial Safety and Soundness Act of 1992
23 (12 U.S.C. 4502(12)).

24 **SEC. 3. REASONABLE PAY FOR EXECUTIVE OFFICERS.**

25 (a) SUSPENSION OF CURRENT COMPENSATION
26 PACKAGES.—The Director shall suspend the compensa-

tion packages approved for 2015 for the executive officers of an enterprise and, in lieu of such packages, subject to the limitation under subsection (c), establish a compensation system for the executive officers of such enterprise in accordance with the schedules of compensation and benefits established and adjusted pursuant to section 1206 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1833b).

(b) **ADDITIONAL REQUIREMENT.**—An executive officer of an enterprise shall be subject to section 111 of the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5221), which relates to executive compensation and corporate governance.

(c) **LIMITATION ON COMPENSATION.**—An executive officer of an enterprise whose compensation package is suspended under subsection (a) shall not be compensated more than the highest compensated employee of the Federal Housing Finance Agency.

SEC. 4. COMPENSATION RATE OF EMPLOYEES OF FANNIE MAE AND FREDDIE MAC.

(a) **IN GENERAL.**—During any period that an enterprise is federally chartered under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.) or the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.), the compensation of the po-

1 sitions held by employees shall be in accordance with this
2 section.

3 (b) CONVERSION OF COMPENSATION RATE FOR CUR-
4 RENT EMPLOYEES.—

5 (1) IN GENERAL.—Except for as provided in
6 section 3, effective for pay periods beginning after
7 the date of the enactment of this Act, the Director
8 shall fix the rate of basic compensation of positions
9 held by employees performing services for an enter-
10 prise as of the date of the enactment of this Act in
11 accordance with the General Schedule set forth in
12 section 5332 of title 5, United States Code. In fixing
13 such rate—

14 (A) if the employee is receiving a rate of
15 basic compensation that is less than the min-
16 imum rate of basic compensation of the appro-
17 priate grade of the General Schedule in which
18 his or her position is placed, such employee's
19 rate of basic compensation shall be increased to
20 such minimum rate;

21 (B) if the employee is receiving a rate of
22 basic compensation that is equal to a rate of
23 basic compensation of the appropriate grade of
24 the General Schedule in which his or her posi-
25 tion is placed, such employee's rate of basic

1 compensation shall be equal to that rate of
2 basic compensation of the appropriate grade of
3 the General Schedule;

4 (C) if the employee is receiving a rate of
5 basic compensation that is between 2 rates of
6 basic compensation of the appropriate grade of
7 the General Schedule in which his or her posi-
8 tion is placed, such employee's rate of basic
9 compensation shall be at the higher of those 2
10 rates under the General Schedule; and

11 (D) if the employee is receiving a rate of
12 basic compensation that is in excess of the max-
13 imum rate of basic compensation of the appro-
14 priate grade of the General Schedule in which
15 his or her position is placed, such employee's
16 rate of basic compensation shall be reduced to
17 such maximum rate.

18 (2) NOT CONSIDERED TRANSFERS OR PRO-
19 MOTIONS.—The conversion of positions and employ-
20 ees to the appropriate grades of the General Sched-
21 ule and the initial adjustment of rates of basic com-
22 pensation of those positions and employees provided
23 for by this subsection, shall not be considered to be
24 transfers or promotions within the meaning of sec-

tion 5334(b) of title 5, United States Code, and the regulations issued thereunder.

(3) CREDIT FOR INCREASE IN COMPENSATION BEFORE ADJUSTMENT.—Each employee performing services for an enterprise on the date of the enactment of this Act whose position is converted under this subsection to the General Schedule and who prior to the initial adjustment of his or her rate of basic compensation under paragraph (1) has earned, but has not been credited with, an increase in that rate, shall be granted credit for such increase before his or her rate of basic compensation is initially adjusted under such paragraph.

(4) SERVICE PERFORMED SINCE LAST COMPENSATION INCREASE.—Each employee performing services for an enterprise on the date of the enactment of this Act whose position is converted under this subsection to the General Schedule shall be granted credit, for purposes of his or her first step increase under the General Schedule, for all satisfactory service performed since his or her last increase in compensation prior to the initial adjustment of his or her rate of basic compensation under paragraph (1).

1 (5) COMPENSATION INCREASE UNDER THIS
2 SECTION.—An increase in the rate of basic com-
3 pensation by reason of the enactment of paragraph
4 (1) shall not be considered to be an equivalent in-
5 crease with respect to step increases for employees
6 whose positions are converted to the General Sched-
7 ule under authority of this subsection.

8 (c) NEW EMPLOYEES.—Except for as provided in
9 section 3, the grade and rate of basic pay of any individual
10 beginning employment with an enterprise after the date
11 of enactment of this Act shall be fixed in accordance with
12 the General Schedule set forth in section 5332 of title 5,
13 United States Code.

14 **SEC. 5. FANNIE AND FREDDIE EMPLOYEES NOT FEDERAL**
15 **EMPLOYEES.**

16 Any executive officer or employee affected by any pro-
17 vision under sections 3 and 4, respectively, shall not be
18 considered a Federal employee.

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