March 8, 2011

CONGRESSIONAL RECORD — HOUSE

AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 830
OFFERED BY: MR. CARDIZO

AMENDMENT No. 1: At the end of the bill, add the following:

SEC. 4. AFFORDABLE REFINANCING OF MORTGAGES OWNED OR GUARANTEED BY FANNIE MAE AND FREDDIE MAE.

(a) AUTHORITY: "The Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation shall carry out the program under this section by providing for the refinancing of qualified mortgages on single-family housing owned by such enter-
prise through a refinancing mortgage, and for the purchase of and securitization of such refinancing mortgages, in accordance with this section and policies and procedures that the Director of the Federal Housing Finance Agency requires." Such program shall require such refinancing of a qualified mort-
gage upon the request of the mortgagor made to the applicable enterprise and a de-
termination by the enterprise that the mort-
gage is a qualified mortgage.

(b) QUALIFIED MORTGAGE.—For purposes of this section, the term "qualified mortgage" means a mortgage, without regard to whether the mortgagor is current on or in default on payments due under the mortgage, that—
(1) is an existing first mortgage that was made for purchase of, or refinancing another first mortgage on, a one- to four-family dwelling, including a condominium or a share in a cooperative ownership housing assoc-
iation, that is occupied by the mortgagor as the principal residence of the mortgagor;
(2) was or is insured by the Federal National Mortgage Association or the Fed-
eral Home Loan Mortgage Corporation; and
(3) was originated on or before the date of the enactment of this Act.

(c) REFINANCING MORTGAGE.—For purposes of this section, the term "refinancing mortgage" means a mortgage that meets the fol-
lowing requirements:

(1) REFINANCING OF QUALIFIED MORTGAGE.—The principal loan amount repayment of which is secured by the mortgage shall be used to satisfy any indebtedness under an existing qualified mortgage.

(2) SINGLE-FAMILY HOUSING.—The property that is subject to the mortgage shall be the same property that is subject to the qual-
ified mortgage being refinanced.

(3) INTEREST RATE.—The mortgage shall bear interest at a single rate that is fixed for the life of the mortgage and shall be equivalent to the premium received by the enterprise on the qualified mortgage being refinanced plus the cost of selling a newly issued mortgage having comparable risk and term to maturity in a mortgage-
backed security, as such rate may be increased to the extent necessary to cover, over the term of the mortgage, any fees paid to the servicer pursuant to sub-
section (d), the cost of any title insurance coverage issued in connection with the mort-
gage, and, as determined by the Director, a share in a cooperative ownership housing as-
sociation, that is occupied by the mortgagor as the principal residence of the mortgagor;

(2) was or is insured by the Federal National Mortgage Association or the Fed-
eral Home Loan Mortgage Corporation; and
(3) was originated on or before the date of the enactment of this Act.

(c) REFINANCING MORTGAGE.—For purposes of this section, the term "refinancing mortgage" means a mortgage that meets the fol-
lowing requirements:

(1) REFINANCING OF QUALIFIED MORTGAGE.—The principal loan amount repayment of which is secured by the mortgage shall be used to satisfy any indebtedness under an existing qualified mortgage.

(2) SINGLE-FAMILY HOUSING.—The property that is subject to the mortgage shall be the same property that is subject to the qual-
ified mortgage being refinanced.

(3) INTEREST RATE.—The mortgage shall bear interest at a single rate that is fixed for the life of the mortgage and shall be equivalent to the premium received by the enterprise on the qualified mortgage being refinanced plus the cost of selling a newly issued mortgage having comparable risk and term to maturity in a mortgage-
backed security, as such rate may be increased to the extent necessary to cover, over the term of the mortgage, any fees paid to the servicer pursuant to sub-
section (d), the cost of any title insurance coverage issued in connection with the mort-
gage, and, as determined by the Director, a share in a cooperative ownership housing as-
sociation, that is occupied by the mortgagor as the principal residence of the mortgagor;

(2) was or is insured by the Federal National Mortgage Association or the Fed-
eral Home Loan Mortgage Corporation; and
(3) was originated on or before the date of the enactment of this Act.

(c) REFINANCING MORTGAGE.—For purposes of this section, the term "refinancing mortgage" means a mortgage that meets the fol-
lowing requirements:

(1) REFINANCING OF QUALIFIED MORTGAGE.—The principal loan amount repayment of which is secured by the mortgage shall be used to satisfy any indebtedness under an existing qualified mortgage.

(2) SINGLE-FAMILY HOUSING.—The property that is subject to the mortgage shall be the same property that is subject to the qual-
ified mortgage being refinanced.

(3) INTEREST RATE.—The mortgage shall bear interest at a single rate that is fixed for the life of the mortgage and shall be equivalent to the premium received by the enterprise on the qualified mortgage being refinanced plus the cost of selling a newly issued mortgage having comparable risk and term to maturity in a mortgage-
backed security, as such rate may be increased to the extent necessary to cover, over the term of the mortgage, any fees paid to the servicer pursuant to sub-
section (d), the cost of any title insurance coverage issued in connection with the mort-
gage, and, as determined by the Director, a share in a cooperative ownership housing as-
sociation, that is occupied by the mortgagor as the principal residence of the mortgagor;
(d) Fee to Servicer.—For each qualified mortgage of an enterprise that the servicer of the qualified mortgage refines through a refinancing mortgage pursuant to this section, the enterprise shall pay the servicer a fee not exceeding $1,000.

(e) No Appraisal.—The enterprises may not require an appraisal of the property subject to a refinancing mortgage to be conducted in connection with such refinancing.

(f) Termination.—The requirement under subsection (a) for the enterprises to refinance qualified mortgages through a refinancing mortgage pursuant to this section, the enterprise shall pay the servicer a fee not exceeding $1,000.

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

(1) Director.—The term “Director” means the Director of the Federal Housing Finance Agency.


(3) Refinancing Mortgage.—For purposes of this section, the term “refinancing mortgage” means a mortgage that meets the following requirements:

(a) Authority.—The Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation shall each carry out a program under this section to provide the refinancing of qualified mortgages on single-family housing owned by such enterprise through a refinancing mortgage, and for the purchase of and securitization of such refinancing mortgages, in accordance with this section and policies and procedures that the Director of the Federal Housing Finance Agency shall establish. Such program shall require such refinancing of a qualified mortgage upon the request of the mortgagor made to the applicable enterprise and a determination by the enterprise that the mortgage is a qualified mortgage.

(b) Qualified Mortgage.—For purposes of this section, the term “qualified mortgage” means a mortgage, without regard to whether the mortgagor is current on or in default on payments due under the mortgage, that:

(1) is an existing first mortgage that was made for purchase of, or refinancing another mortgage on, a one- to four-family dwelling, including a condominium or a share in a cooperative ownership housing association, that is occupied by the mortgagor as the principal residence of the mortgagor;

(2) is owned or guaranteed by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation; and

(3) was originated on or before the date of the enactment of this Act.

(c) Refinancing Mortgage.—For purposes of this section, the term “refinancing mortgage” means a mortgage that meets the following requirements:

(1) Refinancing of Qualified Mortgage.—The principal loan amount repayment of which is secured by the mortgage shall be used to satisfy all indebtedness under an existing qualified mortgage.

(2) Single-Family Housing.—The property that is subject to the mortgage shall be the same property that is subject to the qualified mortgage being refinanced.

(3) Interest Rate.—The mortgage shall bear interest at a rate that is fixed for the entire term of the mortgage, which shall be equivalent to the premium received by the enterprise on the qualified mortgage being refinanced plus the cost of selling a newly issued mortgage having comparable risk and term to maturity in a mortgage-backed security, as such rate may be increased to the extent necessary to cover, over the term to maturity of the mortgage, any fee paid to the servicer pursuant to subsection (d), the cost of any title insurance coverage issued in connection with the mortgage, and, as determined by the Director, a portion of any administrative costs of the program under this section as may attributable to the mortgage.

(4) Waiver of Prepayment Penalties.—All penalties for prepayment or refinancing of the qualified mortgage that is refinanced by the mortgage, and all fees and penalties related to the default or delinquency on such mortgage, shall have been waived or forgiven.

(5) Term to Maturity.—The mortgage shall have a term to maturity of not more than 40 years from the date of the beginning of the amortization of the mortgage.

(6) Prohibition on Borrower Fees.—The servicer conducting the refinancing shall not charge the mortgagor any fee for the refinancing of the qualified mortgage through the refinancing mortgage.

(7) Title Insurance.—The fee for title insurance coverage issued in connection with the mortgage shall be reasonable in comparison with fees for such coverage available in the market for mortgages having similar terms.

(8) Prepayment and Refinancing.—The servicer conducting the refinancing shall not charge the mortgagor any fee for the refinancing of the qualified mortgage through the refinancing mortgage.