

111TH CONGRESS  
2D SESSION

# H. R. 4482

To apply recaptured taxpayer investments toward reducing the national debt.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 20, 2010

Mr. LANCE introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on Ways and Means and Appropriations, 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

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## A BILL

To apply recaptured taxpayer investments toward reducing the national debt.

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 “Pay It Back Act”.

5       **SEC. 2. FINDINGS.**

6       Congress finds that—

7               (1) the Congressional Budget Office estimates  
8       that the deficit for this fiscal year will reach \$1.6

1 trillion or 11 percent of the Gross Domestic Prod-  
2 uct;

3 (2) this deficit represents the largest relative  
4 deficit since the end of World War II;

5 (3) the Congressional Budget Office estimates  
6 that the fiscal year 2010 deficit will reach \$1.4 tril-  
7 lion; and

8 (4) given the choice between forcing our chil-  
9 dren to pay for the national debt and requiring  
10 banks and other beneficiaries of the goodwill of the  
11 taxpayer to make a down payment now, we choose  
12 to help our kids.

13 **SEC. 3. AMENDMENT TO TARP AUTHORIZATION.**

14 Section 115(a)(3) of the Emergency Economic Sta-  
15 bilization Act of 2008 (12 U.S.C. 5225(a)(3)) is amended  
16 by striking “outstanding at any one time” and inserting  
17 “, in the aggregate (or such higher amount, in the aggre-  
18 gate, as has been obligated or expended under this Act  
19 as of the date of enactment of the Pay It Back Act)”.

20 **SEC. 4. REPORT.**

21 Section 106 of the Emergency Economic Stabilization  
22 Act of 2008 (12 U.S.C. 5216) is amended by inserting  
23 at the end the following:

24 “(f) REPORT.—The Secretary of the Treasury shall  
25 report to Congress every 6 months on amounts received

1 and transferred to the general fund under subsection  
 2 (d).”.

3 **SEC. 5. AMENDMENTS TO HOUSING AND ECONOMIC RECOV-**  
 4 **ERY ACT OF 2008.**

5 (a) SALE OF FANNIE MAE OBLIGATIONS AND SECURITIES BY THE  
 6 TREASURY; DEFICIT REDUCTION.—Section 304(g)(2) of the Federal National Mortgage Association  
 7 Charter Act (12 U.S.C. 1719(g)(2)) is amended—  
 8

9 (1) by redesignating subparagraph (C) as sub-  
 10 paragraph (D); and

11 (2) by inserting after subparagraph (B) the fol-  
 12 lowing:

13 “(C) DEFICIT REDUCTION.—The Secretary  
 14 of the Treasury shall—

15 “(i) deposit in the General Fund of  
 16 the Treasury any amounts received by the  
 17 Secretary for the sale of any obligation or  
 18 security acquired by the Secretary under  
 19 this subsection; and

20 “(ii) ensure that such amounts so de-  
 21 posited—

22 “(I) are dedicated for the sole  
 23 purpose of deficit reduction; and

1 “(II) are prohibited from use as  
2 an offset for other spending increases  
3 or revenue reductions.”.

4 (b) SALE OF FREDDIE MAC OBLIGATIONS AND SE-  
5 CURITIES BY THE TREASURY; DEFICIT REDUCTION.—  
6 Section 306(l)(2) of the Federal Home Loan Mortgage  
7 Corporation Act (12 U.S.C. 1455(l)(2)) is amended—

8 (1) by redesignating subparagraph (C) as sub-  
9 paragraph (D); and

10 (2) by inserting after subparagraph (B) the fol-  
11 lowing:

12 “(C) DEFICIT REDUCTION.—The Secretary  
13 of the Treasury shall—

14 “(i) deposit in the General Fund of  
15 the Treasury any amounts received by the  
16 Secretary for the sale of any obligation or  
17 security acquired by the Secretary under  
18 this subsection; and

19 “(ii) ensure that such amounts so de-  
20 posited—

21 “(I) are dedicated for the sole  
22 purpose of deficit reduction; and

23 “(II) are prohibited from use as  
24 an offset for other spending increases  
25 or revenue reductions.”.

1       (c) SALE OF FEDERAL HOME LOAN BANKS OBLIGA-  
2       TIONS BY THE TREASURY; DEFICIT REDUCTION.—Sec-  
3       tion 11(l)(2) of the Federal Home Loan Bank Act (12  
4       U.S.C. 1431(l)(2)) is amended—

5               (1) by redesignating subparagraph (C) as sub-  
6       paragraph (D); and

7               (2) by inserting after subparagraph (B) the fol-  
8       lowing:

9               “(C) DEFICIT REDUCTION.—The Secretary  
10       of the Treasury shall—

11               “(i) deposit in the General Fund of  
12       the Treasury any amounts received by the  
13       Secretary for the sale of any obligation ac-  
14       quired by the Secretary under this sub-  
15       section; and

16               “(ii) ensure that such amounts so de-  
17       posited—

18               “(I) are dedicated for the sole  
19       purpose of deficit reduction; and

20               “(II) are prohibited from use as  
21       an offset for other spending increases  
22       or revenue reductions.”.

23       (d) REPAYMENT OF FEES.—Any periodic commit-  
24       ment fee or any other fee or assessment paid by the Fed-  
25       eral National Mortgage Association or Federal Home

1 Loan Mortgage Corporation to the Secretary of the Treas-  
2 ury as a result of any preferred stock purchase agreement,  
3 mortgage-backed security purchase program, or any other  
4 program or activity authorized or carried out pursuant to  
5 the authorities granted to the Secretary of the Treasury  
6 under the amendments made by section 1117 of the Hous-  
7 ing and Economic Recovery Act of 2008 (Public Law 110–  
8 289; 122 Stat. 2683), including any fee agreed to by con-  
9 tract between the Secretary and the Association or Cor-  
10 poration, shall be deposited in the General Fund of the  
11 Treasury where such amounts shall be—

12           (1) dedicated for the sole purpose of deficit re-  
13       duction; and

14           (2) prohibited from use as an offset for other  
15       spending increases or revenue reductions.

16 **SEC. 6. FEDERAL HOUSING FINANCE AGENCY REPORT.**

17       The Director of the Federal Housing Finance Agency  
18 shall submit to Congress a report on the plans of the  
19 Agency to continue to support and maintain the Nation’s  
20 vital housing industry, while at the same time guaran-  
21 teeing that the American taxpayer will not suffer unneces-  
22 sary losses.

23 **SEC. 7. REPAYMENT OF UNOBLIGATED ARRA FUNDS.**

24       (a) REJECTION OF ARRA FUNDS BY STATE.—Sec-  
25 tion 1607 of division A of the American Recovery and Re-

1 investment Act of 2009 (Public Law 111–5; 123 Stat.  
2 303) is amended by adding at the end the following:

3 “(d) STATEWIDE REJECTION OF FUNDS.—If funds  
4 provided to any State in any division of this Act are not  
5 accepted for use by the Governor of the State pursuant  
6 to subsection (a) or by the State legislature pursuant to  
7 subsection (b), then all such funds shall be—

8 “(1) rescinded; and

9 “(2) deposited in the General Fund of the  
10 Treasury, where such amounts shall be—

11 “(A) dedicated for the sole purpose of def-  
12 icit reduction; and

13 “(B) prohibited from use as an offset for  
14 other spending increases or revenue reduc-  
15 tions.”.

16 (b) WITHDRAWAL OR RECAPTURE OF UNOBLIGATED  
17 FUNDS.—Title XVI of division A of the American Recov-  
18 ery and Reinvestment Act of 2009 (Public Law 111–5;  
19 123 Stat. 302) is amended by adding at the end the fol-  
20 lowing:

21 “WITHDRAWAL OR RECAPTURE OF UNOBLIGATED FUNDS

22 “SEC. 1613. Notwithstanding any other provision of  
23 this Act, if the head of any executive agency withdraws  
24 or recaptures for any reason funds appropriated or other-  
25 wise made available under this division, and such funds

1 have not been obligated by a State to a local government  
 2 or for a specific project, such recaptured funds shall be—

3 “(1) rescinded; and

4 “(2) deposited in the General Fund of the  
 5 Treasury, where such amounts shall be—

6 “(A) dedicated for the sole purpose of def-  
 7 icit reduction; and

8 “(B) prohibited from use as an offset for  
 9 other spending increases or revenue reduc-  
 10 tions.”.

11 (c) RETURN OF UNOBLIGATED FUNDS BY END OF  
 12 2012.—Section 1603 of division A of the American Recov-  
 13 ery and Reinvestment Act of 2009 (Public Law 111–5;  
 14 123 Stat. 302) is amended—

15 (1) by striking “All funds” and inserting “(a)  
 16 IN GENERAL.—All funds”; and

17 (2) by adding at the end the following:

18 “(b) REPAYMENT OF UNOBLIGATED FUNDS.—Any  
 19 discretionary appropriations made available in this divi-  
 20 sion that have not been obligated as of December 31,  
 21 2012, are hereby rescinded, and such amounts shall be  
 22 deposited in the General Fund of the Treasury, where  
 23 such amounts shall be—

24 “(1) dedicated for the sole purpose of deficit re-  
 25 duction; and



1 “(2) prohibited from use as an offset for other  
2 spending increases or revenue reductions.

3 “(c) PRESIDENTIAL WAIVER AUTHORITY.—

4 “(1) IN GENERAL.—The President may waive  
5 the requirements under subsection (b), if the Presi-  
6 dent determines that it is not in the best interest of  
7 the Nation to rescind a specific unobligated amount  
8 after December 31, 2012.

9 “(2) REQUESTS.—The head of an executive  
10 agency may also apply to the President for a waiver  
11 from the requirements under subsection (b).”.

12 **SEC. 8. REDUCTION OF STATUTORY LIMIT ON THE PUBLIC**  
13 **DEBT.**

14 Section 3101 of title 31, United States Code, is  
15 amended—

16 (1) in subsection (b), by inserting “minus the  
17 aggregate amounts described in subsection (d)” be-  
18 fore “, outstanding at one time”; and

19 (2) by adding at the end the following:

20 “(d) Amounts described in this subsection are any  
21 amounts received by the Secretary of the Treasury pursu-  
22 ant to—

23 “(1) section 106(d) of the Emergency Economic  
24 Stabilization Act of 2008 before, on, or after the  
25 date of enactment of this subsection; and

1           “(2) section 304(g) of the Federal National  
2       Mortgage Association Charter Act (12 U.S.C.  
3       1719(g)), section 306(l) of the Federal Home Loan  
4       Mortgage Corporation Act (12 U.S.C. 1455(l)), sec-  
5       tion 11(l) of the Federal Home Loan Bank Act (12  
6       U.S.C. 1431(l)), section 1607(d) of division A of the  
7       American Recovery and Reinvestment Act of 2009  
8       (Public Law 111–5), section 1613 of division A of  
9       the American Recovery and Reinvestment Act of  
10      2009 (Public Law 111–5), and sections 5(d) and  
11      7(c) of the Pay It Back Act after the date of enact-  
12      ment of this subsection.”.

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