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113TH CONGRESS
1ST SESSION

H. R. 2733

To prohibit Fannie Mae and Freddie Mac from purchasing, the FHA from insuring, and the Department of Agriculture from guaranteeing, making, or insuring, a mortgage that is secured by a residence or residential structure located in a county in which the State has used the power of eminent domain to take a residential mortgage.

IN THE HOUSE OF REPRESENTATIVES

JULY 18, 2013

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

A BILL

To prohibit Fannie Mae and Freddie Mac from purchasing, the FHA from insuring, and the Department of Agriculture from guaranteeing, making, or insuring, a mortgage that is secured by a residence or residential structure located in a county in which the State has used the power of eminent domain to take a residential mortgage.

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 "Defending American Taxpayers From Abusive Government Takings Act of 2013".

SEC. 2. PROHIBITION RELATING TO USE OF POWER OF EMINENT DOMAIN.

(a) FANNIE MAE.—Subsection (b) of section 302 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)) is amended by adding at the end the following new paragraph:

"(7)(A) Notwithstanding any other provision of law, the corporation may not purchase any mortgage that is secured by a structure or dwelling unit that is located within a county that contains any structure or dwelling unit that secures or secured a residential mortgage loan that the State (or the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States), including any agency or political subdivision thereof, obtained during the preceding 120 months by exercise of the power of eminent domain.

"(B) For purposes of this paragraph, the term 'residential mortgage loan' means a mortgage loan that is evidenced by a promissory note and secured by a mortgage, deed of trust, or other security instrument on a residential structure or a dwelling unit in a residential structure.

Such term includes a first mortgage loan or any subordinate mortgage loan.''.

(b) FREDDIE MAC.—Subsection (a) of section 305 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)) is amended by adding at the end the following new paragraph:

''(6)(A) Notwithstanding any other provision of law, the Corporation may not purchase any mortgage that is secured by a structure or dwelling unit that is located within a county that contains any structure or dwelling unit that secures or secured a residential mortgage loan that the State (or the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States), including any agency or political subdivision thereof, obtained during the preceding 120 months by exercise of the power of eminent domain.

''(B) For purposes of this paragraph, the term 'residential mortgage loan' means a mortgage loan that is evidenced by a promissory note and secured by a mortgage, deed of trust, or other security instrument on a residential structure or a dwelling unit in a residential structure. Such term includes a first mortgage or any subordinate mortgage.''.

(c) FHA.—Title V of the National Housing Act (12 U.S.C. 1731a et seq.) is amended by adding at the end the following new section:

"SEC. 543. PROHIBITION RELATING TO USE OF POWER OF EMINENT DOMAIN.

"(a) IN GENERAL.—Notwithstanding any other provision of law, the Secretary may not newly insure under this Act any mortgage that is secured by a structure or dwelling unit that is located within a county that contains any structure or dwelling unit that secures or secured to a residential mortgage loan that the State (or the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States), including any agency or political subdivision thereof, obtained during the preceding 120 months by exercise of the power of eminent domain.

"(b) DEFINITION.—For purposes of this section, the term 'residential mortgage loan' means a mortgage loan that is evidenced by a promissory note and secured by a mortgage, deed of trust, or other security instrument on a residential structure or a dwelling unit in a residential structure. Such term includes a first mortgage or any subordinate mortgage.".

(d) DEPARTMENT OF AGRICULTURE.—Section 501 of the Housing Act of 1949 (42 U.S.C. 1471) is amended by adding at the end the following new subsection:

"(k) PROHIBITION RELATING TO USE OF POWER OF EMINENT DOMAIN.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary may not newly guarantee, make, or insure under this title any mortgage that is secured by a structure or dwelling unit that is located within a county that contains any structure or dwelling unit that secures or secured to a residential mortgage loan that the State (as such term is defined in section 502(h)(12)), including any agency or political subdivision thereof, obtained during the preceding 120 months by exercise of the power of eminent domain.

"(2) DEFINITION.—For purposes of this subsection, the term 'residential mortgage loan' means a mortgage loan that is evidenced by a promissory note and secured by a mortgage, deed of trust, or other security instrument on a residential structure or a dwelling unit in a residential structure. Such term includes a first mortgage or any subordinate mortgage.".

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