

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.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Defending American
3 Taxpayers From Abusive Government Takings Act of
4 2013”.

5 **SEC. 2. PROHIBITION RELATING TO USE OF POWER OF EMI-**
6 **NENT DOMAIN.**

7 (a) FANNIE MAE.—Subsection (b) of section 302 of
8 the Federal National Mortgage Association Charter Act
9 (12 U.S.C. 1717(b)) is amended by adding at the end the
10 following new paragraph:

11 “(7)(A) Notwithstanding any other provision of law,
12 the corporation may not purchase any mortgage that is
13 secured by a structure or dwelling unit that is located
14 within a county that contains any structure or dwelling
15 unit that secures or secured a residential mortgage loan
16 that the State (or the District of Columbia, the Common-
17 wealth of Puerto Rico, or any territory or possession of
18 the United States), including any agency or political sub-
19 division thereof, obtained during the preceding 120
20 months by exercise of the power of eminent domain.

21 “(B) For purposes of this paragraph, the term ‘resi-
22 dential mortgage loan’ means a mortgage loan that is evi-
23 denced by a promissory note and secured by a mortgage,
24 deed of trust, or other security instrument on a residential
25 structure or a dwelling unit in a residential structure.

1 Such term includes a first mortgage loan or any subordi-
2 nate mortgage loan.”.

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

7 “(6)(A) Notwithstanding any other provision of law,
8 the Corporation may not purchase any mortgage that is
9 secured by a structure or dwelling unit that is located
10 within a county that contains any structure or dwelling
11 unit that secures or secured a residential mortgage loan
12 that the State (or the District of Columbia, the Common-
13 wealth of Puerto Rico, or any territory or possession of
14 the United States), including any agency or political sub-
15 division thereof, obtained during the preceding 120
16 months by exercise of the power of eminent domain.

17 “(B) For purposes of this paragraph, the term ‘resi-
18 dential mortgage loan’ means a mortgage loan that is evi-
19 denced by a promissory note and secured by a mortgage,
20 deed of trust, or other security instrument on a residential
21 structure or a dwelling unit in a residential structure.
22 Such term includes a first mortgage or any subordinate
23 mortgage.”.

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

4 **“SEC. 543. PROHIBITION RELATING TO USE OF POWER OF**
5 **EMINENT DOMAIN.**

6 “(a) IN GENERAL.—Notwithstanding any other pro-
7 vision of law, the Secretary may not newly insure under
8 this Act any mortgage that is secured by a structure or
9 dwelling unit that is located within a county that contains
10 any structure or dwelling unit that secures or secured to
11 a residential mortgage loan that the State (or the District
12 of Columbia, the Commonwealth of Puerto Rico, or any
13 territory or possession of the United States), including any
14 agency or political subdivision thereof, obtained during the
15 preceding 120 months by exercise of the power of eminent
16 domain.

17 “(b) DEFINITION.—For purposes of this section, the
18 term ‘residential mortgage loan’ means a mortgage loan
19 that is evidenced by a promissory note and secured by a
20 mortgage, deed of trust, or other security instrument on
21 a residential structure or a dwelling unit in a residential
22 structure. Such term includes a first mortgage or any sub-
23 ordinate mortgage.”.

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

4 “(k) PROHIBITION RELATING TO USE OF POWER OF
5 EMINENT DOMAIN.—

6 “(1) IN GENERAL.—Notwithstanding any other
7 provision of law, the Secretary may not newly guar-
8 antee, make, or insure under this title any mortgage
9 that is secured by a structure or dwelling unit that
10 is located within a county that contains any struc-
11 ture or dwelling unit that secures or secured to a
12 residential mortgage loan that the State (as such
13 term is defined in section 502(h)(12)), including any
14 agency or political subdivision thereof, obtained dur-
15 ing the preceding 120 months by exercise of the
16 power of eminent domain.

17 “(2) DEFINITION.—For purposes of this sub-
18 section, the term ‘residential mortgage loan’ means
19 a mortgage loan that is evidenced by a promissory
20 note and secured by a mortgage, deed of trust, or
21 other security instrument on a residential structure
22 or a dwelling unit in a residential structure. Such
23 term includes a first mortgage or any subordinate
24 mortgage.”.

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