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(Original Signature of Member)

111TH CONGRESS
2D SESSION

H. R. _____

To amend section 1333 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 to ensure that multifamily housing mortgage purchases by Fannie Mae and Freddie Mac that are credited toward fulfillment of such enterprises multifamily special affordable housing goal increase or preserve the number of dwelling units affordable to low-income families.

IN THE HOUSE OF REPRESENTATIVES

Mrs. MALONEY introduced the following bill; which was referred to the Committee on _____

A BILL

To amend section 1333 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 to ensure that multifamily housing mortgage purchases by Fannie Mae and Freddie Mac that are credited toward fulfillment of such enterprises multifamily special affordable housing goal increase or preserve the number of dwelling units affordable to low-income families.

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 “Responsible GSE Af-
3 fordable Housing Investment Act of 2010”.

4 **SEC. 2. COMPLIANCE WITH MULTIFAMILY SPECIAL AF-
5 FORDABLE HOUSING GOAL.**

6 (a) IN GENERAL.—Subsection (d) of section 1333 of
7 the Federal Housing Enterprises Financial Safety and
8 Soundness Act of 1992 (12 U.S.C. 4563) is amended—

9 (1) by striking the subsection designation and
10 all that follows through “The Director” and insert-
11 ing the following:

12 “(d) DETERMINATION OF COMPLIANCE.—

13 “(1) IN GENERAL.—The Director”; and

14 (2) by adding at the end the following new
15 paragraph:

16 “(2) REDUCTION OF CREDIT FOR CONVERSION
17 TO NON-AFFORDABLE UNITS.—The Director shall,
18 by regulation, establish standards for the multi-
19 family special affordable housing goal under this sec-
20 tion that proportionately reduce the number of units
21 receiving credit for any mortgage purchase by an en-
22 terprise that facilitates the conversion of dwelling
23 units that, at the time of such purchase, are avail-
24 able for rental at rates that are affordable to low-
25 income families to dwelling units that would not be

1 affordable to low-income families. Such regulations
2 shall consider and include the following factors:

3 “(A) LIMITATION BASED ON PROJECT
4 DEBT.—Credit shall not be provided toward the
5 achievement of such goal for any mortgage pur-
6 chase for multifamily housing that involves an
7 aggregate amount of project debt that is not
8 reasonable, as determined in accordance with
9 prudent underwriting standards established by
10 the Director, in proportion to project income, as
11 documented in accordance with the standards
12 established under this subsection.

13 “(B) TREATMENT OF SECURITIES.—In the
14 case of any purchase by an enterprise of a secu-
15 rity, or an interest in a security, that is backed
16 by mortgages that finance units that would oth-
17 erwise qualify for credit toward the achievement
18 of the multifamily special affordable housing
19 goal if financed directly by the enterprise, if the
20 Director determines that such purchase may be
21 counted toward the achievement of the goal
22 under this section, the Director shall require
23 the enterprise to apply the same standard as
24 set forth in subparagraph (A) with respect to
25 mortgage purchases to the mortgages backing

1 such security to determine whether the units fi-
2 nanced by such mortgages are eligible for credit
3 toward the achievement of the housing goal.

4 “(C) RENT LEVELS.—In measuring the
5 performance of each enterprise in meeting the
6 goal established under this section, rent levels
7 for units shall be calculated by using the great-
8 er of the rent levels at the time the loan is pur-
9 chased or the rent levels under the pro forma
10 operating income statement on which the un-
11 derwriting for the loan was based.

12 “(D) CARRYOVER.—If the Director pro-
13 vides credit toward the achievement of the mul-
14 tifamily special affordable housing goal under
15 this section, for any year, for any mortgage
16 purchase by an enterprise, but determines at
17 any time thereafter that, because of failure to
18 comply with the standards established under
19 subparagraphs (A) and (B), such purchase does
20 not qualify for such credit or does not qualify
21 for such credit to the extent previously pro-
22 vided, the Director shall increase the multi-
23 family special housing goal for such enterprise
24 for the current or ensuing year otherwise appli-
25 cable to the extent of such nonqualification.”.

1 (b) REGULATIONS.—The Director of the Federal
2 Housing Finance Agency shall issue regulations required
3 under paragraph (2) of section 1333(d) of the Federal
4 Housing Enterprises Financial Safety and Soundness Act
5 of 1992, as added by subsection (a) of this section, not
6 later than the expiration of the 180-day period beginning
7 upon the date of the enactment of this Act.