

115TH CONGRESS
1ST SESSION

H. R. 491

To provide for the repayment of amounts borrowed by Fannie Mae and Freddie Mac from the Treasury of the United States, together with interest, over a 30-year period, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 12, 2017

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

A BILL

To provide for the repayment of amounts borrowed by Fannie Mae and Freddie Mac from the Treasury of the United States, together with interest, over a 30-year period, and for other purposes.

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 “Let the GSEs Pay
5 Us Back Act of 2017”.

6 **SEC. 2. REPAYMENT OF TREASURY BORROWING.**

7 The Secretary of the Treasury and each enterprise
8 (acting through the conservator for the enterprise ap-

1 pointed pursuant to section 1367 of the Federal Housing
2 Enterprises Financial Safety and Soundness Act of 1992
3 (12 U.S.C. 4617)) shall enter into an agreement that
4 modifies the Preferred Stock Purchase Agreement for
5 such enterprise to provide as follows:

6 (1) TERMINATION OF DIVIDENDS.—That after
7 such modification, any Senior Preferred Stock pur-
8 chased under such Agreement by the Department of
9 the Treasury shall not accrue further dividends.

10 (2) TREATMENT OF ENTERPRISE DRAWS ON
11 TREASURY.—That any amounts received, before or
12 after such modification, during a single year by the
13 enterprise as a draw on the commitment made by
14 the Department of the Treasury under such an
15 Agreement, shall be treated as a loan made by the
16 Treasury to the enterprise that—

17 (A) was originated on the date of the last
18 such draw during such year;

19 (B) has an original principal obligation in
20 an amount equal to the aggregate amount of
21 such draws;

22 (C) has a term to maturity of 30 years;

23 (D) has an annual interest rate of 5 per-
24 cent for the entire term of the loan;

1 (E) has terms that provide for full amorti-
2 zation of the loan over such term to maturity;
3 and

4 (F) shall be repaid by the enterprise in ac-
5 cordance with the amortization schedule estab-
6 lished for the loan pursuant to subparagraph
7 (E) of this paragraph, subject to paragraph (3).

8 (3) TREATMENT OF DIVIDENDS PAID.—That
9 any dividends paid by the enterprise to the Depart-
10 ment of the Treasury under the Senior Preferred
11 Stock Agreement before such modification of such
12 Agreement shall be treated as payments of principal
13 and interest due under the loan referred to in para-
14 graph (2), and shall be credited against payments
15 due under the terms of such loan (in accordance
16 with the amortization schedule established for such
17 loan pursuant to paragraph (2)(E)), first to such
18 loan having the earliest origination date that has not
19 yet been fully repaid until such loan is repaid, and
20 then to the next such loan having the next earliest
21 origination date until such loan is repaid.

22 **SEC. 3. DEFINITIONS.**

23 For purposes of this Act, the following definitions
24 shall apply:

1 (1) ENTERPRISE.—The term “enterprise” has
2 the meaning given such term in section 1303 of the
3 Federal Housing Enterprises Financial Safety and
4 Soundness Act of 1992 (12 U.S.C. 4502).

5 (2) PREFERRED STOCK PURCHASE AGREE-
6 MENT.—The term “Preferred Stock Purchase Agree-
7 ment” means, with respect to an enterprise, the
8 Amended and Restated Senior Preferred Stock Pur-
9 chase Agreements, dated September 26, 2008,
10 amended May 6, 2009, further amended December
11 24, 2009, and further amended December 24, 2009
12 (as such agreements may be further amended), be-
13 tween the United States Department of the Treas-
14 ury and such enterprise.

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