

112TH CONGRESS  
1ST SESSION

# H. R. 1224

To increase the rate of the required annual reductions of the retained portfolios of Fannie Mae and Freddie Mac.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 29, 2011

Mr. HENSARLING (for himself, Mr. BACHUS, Mr. GARRETT, and Mr. PEARCE) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To increase the rate of the required annual reductions of the retained portfolios of Fannie Mae and Freddie Mac.

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 “GSE Portfolio Risk  
5 Reduction Act of 2011”.

6 **SEC. 2. PORTFOLIO LIMITATIONS.**

7 Subtitle B of title XIII of the Housing and Commu-  
8 nity Development Act of 1992 (12 U.S.C. 4611 et seq.)  
9 is amended by adding at the end the following new section:

1 **“SEC. 1369F. RESTRICTION ON MORTGAGE ASSETS OF EN-**  
2 **TERPRISES.**

3 “(a) RESTRICTION.—No enterprise shall own, as of  
4 any applicable date in this subsection or thereafter, mort-  
5 gage assets in excess of—

6 “(1) upon the expiration of the 1-year period  
7 that begins upon the enactment of the GSE Port-  
8 folio Risk Reduction Act of 2011 or thereafter,  
9 \$700,000,000,000;

10 “(2) upon the expiration of the 2-year period  
11 that begins upon the enactment of such Act or  
12 thereafter, \$600,000,000,000;

13 “(3) upon the expiration of the 3-year period  
14 that begins upon the enactment of such Act or  
15 thereafter, \$475,000,000,000;

16 “(4) upon the expiration of the 4-year period  
17 that begins upon the enactment of such Act or  
18 thereafter, \$350,000,000,000; and

19 “(5) upon the expiration of the 5-year period  
20 that begins upon the enactment of such Act or  
21 thereafter, \$250,000,000,000.

22 “(b) DEFINITION OF MORTGAGE ASSETS.—For pur-  
23 poses of this section, the term ‘mortgage assets’ means,  
24 with respect to an enterprise, assets of such enterprise  
25 consisting of mortgages, mortgage loans, mortgage-related  
26 securities, participation certificates, mortgage-backed

1 commercial paper, obligations of real estate mortgage in-  
2 vestment conduits and similar assets, in each case to the  
3 extent such assets would appear on the balance sheet of  
4 such enterprise in accordance with generally accepted ac-  
5 counting principles in effect in the United States as of  
6 September 7, 2008 (as set forth in the opinions and pro-  
7 nouncements of the Accounting Principles Board and the  
8 American Institute of Certified Public Accountants and  
9 statements and pronouncements of the Financial Account-  
10 ing Standards Board from time to time; and without giv-  
11 ing any effect to any change that may be made after Sep-  
12 tember 7, 2008, in respect of Statement of Financial Ac-  
13 counting Standards No. 140 or any similar accounting  
14 standard).”.

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