

112TH CONGRESS
1ST SESSION

H. R. 2436

To prohibit any reduction in the rate of dividends paid to the Secretary of the Treasury on the senior preferred stock of Fannie Mae and Freddie Mac purchased by the Secretary.

IN THE HOUSE OF REPRESENTATIVES

JULY 7, 2011

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

A BILL

To prohibit any reduction in the rate of dividends paid to the Secretary of the Treasury on the senior preferred stock of Fannie Mae and Freddie Mac purchased by the Secretary.

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 “Fannie Mae and
5 Freddie Mac Taxpayer Payback Act of 2011”.

1 **SEC. 2. PROHIBITION OF REDUCTION IN RATE OF DIVI-**
2 **DENDS.**

3 (a) FANNIE MAE.—Section 304 of the Federal Na-
4 tional Mortgage Association Charter Act (12 U.S.C. 1719)
5 is amended by adding at the end the following new sub-
6 section:

7 “(h) PROHIBITION OF REDUCTION IN RATE OF DIVI-
8 DENDS ON SENIOR PREFERRED STOCK.—Notwith-
9 standing any provision of subsection (g), any provision of
10 the Senior Preferred Stock Purchase Agreement entered
11 into between the Department of the Treasury and the cor-
12 poration in September 2008 (as such Agreement may be
13 amended and restated), or any provision of any certificate
14 in connection with such Agreement creating or designating
15 the terms, powers, preferences, privileges, limitations, or
16 any other conditions of the Variable Liquidation Pref-
17 erence Senior Preferred Stock of the corporation issued
18 pursuant to such Agreement, the rate of dividends paid
19 on the Variable Liquidation Preference Senior Preferred
20 Stock of the corporation issued pursuant to such Agree-
21 ment shall not be reduced from the rate in effect pursuant
22 to such Agreement as of March 1, 2011.”.

23 (b) FREDDIE MAC.—Section 306 of the Federal
24 Home Loan Mortgage Corporation Act (12 U.S.C. 1455)
25 is amended by adding at the end the following new sub-
26 section:

1 “(m) PROHIBITION OF REDUCTION IN RATE OF
2 DIVIDENDS ON SENIOR PREFERRED STOCK.—Notwith-
3 standing any provision of subsection (l), any provision of
4 the Senior Preferred Stock Purchase Agreement entered
5 into between the Department of the Treasury and the Cor-
6 poration in September 2008 (as such Agreement may be
7 amended and restated), or any provision of any certificate
8 in connection with such Agreement creating or designating
9 the terms, powers, preferences, privileges, limitations, or
10 any other conditions of the Variable Liquidation Pref-
11 erence Senior Preferred Stock of the Corporation issued
12 pursuant to such Agreement, the rate of dividends paid
13 on the Variable Liquidation Preference Senior Preferred
14 Stock of the Corporation issued pursuant to such Agree-
15 ment shall not be reduced from the rate in effect pursuant
16 to such Agreement as of March 1, 2011.”.

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