

112TH CONGRESS  
1ST SESSION

# H. R. 2440

To protect the taxpayers of the United States by requiring Fannie Mae and Freddie Mac to sell or dispose of the assets of such enterprises that are not critical to their missions.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 7, 2011

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

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## A BILL

To protect the taxpayers of the United States by requiring Fannie Mae and Freddie Mac to sell or dispose of the assets of such enterprises that are not critical to their missions.

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 “Market Transparency  
5 and Taxpayer Protection Act of 2011”.

6 **SEC. 2. DISPOSITION OF NON-MISSION CRITICAL ASSETS.**

7 (a) ENTERPRISE REPORTS TO DIRECTOR.—The Di-  
8 rector of the Federal Housing Finance Agency shall re-

1 quire each enterprise to submit a report to the Director,  
2 not later than the expiration of the 180-day period begin-  
3 ning upon the date of the enactment of this Act, that—

4 (1) identifies all assets of value of the enter-  
5 prise; and

6 (2) describes the functions, characteristics, and  
7 estimated value of each such asset.

8 (b) DETERMINATION OF NON-MISSION CRITICAL AS-  
9 SETS.—

10 (1) IN GENERAL.—After reviewing the report  
11 submitted by an enterprise pursuant to subsection  
12 (a), the Director shall make a determination of  
13 which assets of such enterprise are critical, and  
14 which are not critical, to carrying out the mission of  
15 the enterprise in accordance with the charter Act for  
16 the enterprise and other applicable laws.

17 (2) PATENTS AND HISTORICAL MORTGAGE  
18 DATA.—The determinations under paragraph (1)  
19 shall include determinations with regard to any pat-  
20 ents and historical mortgage data of the enterprise.

21 (c) ANNUAL PLANS.—

22 (1) ESTABLISHMENT.—Not later than the expi-  
23 ration of the 12- and 24-month periods beginning  
24 upon the date of the enactment of this Act, the Di-  
25 rector shall establish a plan for each enterprise for

1 sale or other disposition, during the annual plan pe-  
2 riod for each such plan, of assets of such enterprise  
3 that the Director has determined, pursuant to sub-  
4 section (b), to be non-mission critical assets of such  
5 enterprise in a manner that complies with the re-  
6 quirements under subsection (d) (relating to imple-  
7 mentation, commencement, and divestment).

8 (2) CONTENTS.—Each plan required under  
9 paragraph (1) for an enterprise shall—

10 (A) identify the non-mission critical assets  
11 of the enterprise to be sold or otherwise dis-  
12 posed of during the annual plan period;

13 (B) specifically address whether and how  
14 patents and historical mortgage data of the en-  
15 terprise that are non-mission critical assets  
16 should be sold or disposed of during the annual  
17 plan period, which may include making such as-  
18 sets available in the public domain;

19 (C) provide for any sales or other disposi-  
20 tions to be conducted in accordance with section  
21 1367(b)(11)(E) of the Federal Housing Enter-  
22 prises Financial Safety and Soundness Act of  
23 1992 (12 U.S.C. 4617(b)(11)(E)); and

24 (D) include any other information as the  
25 Director considers appropriate.

1 (d) IMPLEMENTATION.—

2 (1) COMMENCEMENT.—Not later than the expi-  
3 ration of the 90-day period beginning upon estab-  
4 lishment of each annual plan pursuant to subsection  
5 (c), the Director shall commence implementation of  
6 such plan.

7 (2) DIVESTMENT OF ALL NON-MISSION CRIT-  
8 ICAL ASSETS.—The Director shall prohibit each en-  
9 terprise from owning or holding, after the expiration  
10 of the 36-month period beginning upon the date of  
11 the enactment of this Act, any asset that the Direc-  
12 tor has determined, pursuant to subsection (b), to be  
13 a non-mission critical asset of such enterprise.

14 (e) ANNUAL REPORTS TO CONGRESS.—Not later  
15 than 90 days after the conclusion of the annual plan pe-  
16 riod for each annual plan for an enterprise required by  
17 subsection (c), the Director shall submit to the Congress  
18 a report on the non-mission critical assets of such enter-  
19 prise that were sold or otherwise disposed of pursuant to  
20 such annual plan.

21 (f) DEFINITIONS.—For purposes of this section, the  
22 following definitions shall apply:

23 (1) ANNUAL PLAN PERIOD.—The term “annual  
24 plan period” means, with respect to an annual plan  
25 established pursuant to subsection (c) for an enter-

1       prise, the 12-month period that begins upon estab-  
2       lishment of the annual plan.

3               (2) CHARTER ACT.—The term “charter Act”  
4       means—

5                       (A) with respect to the Federal National  
6                       Mortgage Association, the Federal National  
7                       Mortgage Association Charter Act (12 U.S.C.  
8                       1716 et seq.); and

9                       (B) with respect to the Federal Home  
10                      Loan Mortgage Corporation, the Federal Home  
11                      Loan Mortgage Corporation Act (12 U.S.C.  
12                      1451 et seq.).

13               (3) DIRECTOR.—The term “Director” means  
14       the Director of the Federal Housing Finance Agen-  
15       cy.

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

20               (5) NON-MISSION CRITICAL ASSETS.—The term  
21       “non-mission critical asset” means, with respect to  
22       an enterprise, an asset of the enterprise that the Di-  
23       rector determines, pursuant to subsection (b), is not  
24       critical to carrying out the mission of the enterprise

- 1 in accordance with the charter Act for the enterprise
- 2 and other applicable laws.

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