

112TH CONGRESS
1ST SESSION

H. R. 3164

To require Fannie Mae and Freddie Mac to disclose the minimum purchase price that such an enterprise will accept on the short sale of a residence financed by a mortgage purchased by such an enterprise in order to make short sales a viable alternative to foreclosure.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 12, 2011

Mrs. DAVIS of California (for herself, Ms. SPEIER, and Mr. HONDA) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To require Fannie Mae and Freddie Mac to disclose the minimum purchase price that such an enterprise will accept on the short sale of a residence financed by a mortgage purchased by such an enterprise in order to make short sales a viable alternative to foreclosure.

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 “Short Sale Trans-
5 parency Act of 2011”.

1 **SEC. 2. SHORT SALE DISCLOSURE REQUIREMENT.**

2 (a) DISCLOSURE.—The Director of the Federal
3 Housing Finance Agency shall require the Federal Na-
4 tional Mortgage Association and the Federal Home Loan
5 Mortgage Corporation, in any case in which such Associa-
6 tion or Corporation denies the purchase of a residential
7 mortgage loan made to finance the purchase, under a
8 short sale, of a covered dwelling on the basis that the pur-
9 chase price involved in the short sale is insufficient, to
10 promptly disclose to the prospective seller of the covered
11 dwelling the amount by which such purchase price was less
12 than the minimum purchase price sufficient for such Asso-
13 ciation or Corporation to approve purchase of such mort-
14 gage.

15 (b) DEFINITIONS.—For purposes of this section, the
16 following definitions shall apply:

17 (1) SHORT SALE.—The term “short sale”
18 means, with respect to a residential mortgage loan
19 on a covered dwelling, a purchase of the dwelling
20 that will result in proceeds in an amount that is less
21 than the remaining amount due under the residen-
22 tial mortgage loan on the covered dwelling.

23 (2) COVERED DWELLING.—The term “covered
24 dwelling” means a residential real property that—

25 (A) consists of from one to four dwelling
26 units; and

1 (B) is subject to a mortgage, deed or trust,
2 or other security interest that secures a residen-
3 tial mortgage loan on which the mortgagor is
4 delinquent on payments due under the mort-
5 gage loan.

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