

111TH CONGRESS
1ST SESSION

H. R. 3068

To use amounts made available under the Troubled Assets Relief Program of the Secretary of the Treasury for relief for homeowners and neighborhoods.

IN THE HOUSE OF REPRESENTATIVES

JUNE 26, 2009

Mr. FRANK of Massachusetts (for himself, Ms. WATERS, Mr. CARDOZA, and Ms. VELÁZQUEZ) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To use amounts made available under the Troubled Assets Relief Program of the Secretary of the Treasury for relief for homeowners and neighborhoods.

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 “TARP for Main Street
5 Act of 2009”.

6 **SEC. 2. HOUSING TRUST FUND.**

7 From dividends paid by financial institutions that
8 have received financial assistance provided under title I
9 of division A of the Emergency Economic Stabilization Act

1 of 2008 (12 U.S.C. 5211 et seq.), the Secretary of the
2 Treasury shall transfer and credit \$1,000,000,000 to the
3 Housing Trust Fund established under section 1338 of
4 the Federal Housing Enterprises Financial Safety and
5 Soundness Act of 1992 (12 U.S.C. 4567) for use in ac-
6 cordance with such section.

7 **SEC. 3. NEIGHBORHOOD STABILIZATION PROGRAM.**

8 From dividends paid by financial institutions that
9 have received financial assistance provided under title I
10 of division A of the Emergency Economic Stabilization Act
11 of 2008 (12 U.S.C. 5211 et seq.), the Secretary of the
12 Treasury shall transfer \$1,500,000,000 to the Secretary
13 of Housing and Urban Development and such Secretary
14 shall use such amounts for assistance to States and units
15 of general local government for the redevelopment of aban-
16 doned and foreclosed homes, in accordance with the same
17 provisions applicable under the second undesignated para-
18 graph under the heading “Community Planning and De-
19 velopment—Community Development Fund” in title XII
20 of division A of the American Recovery and Reinvestment
21 Act of 2009 (Public Law 111–5; 123 Stat. 217) to
22 amounts made available under such second undesignated
23 paragraph, except as follows:

24 (1) Notwithstanding the matter of such second
25 undesignated paragraph that precedes the first pro-

1 viso, amounts made available by this section shall re-
2 main available until expended.

3 (2) The 3rd, 4th, 5th, 6th, 7th, and 15th pro-
4 visos of such second undesignated paragraph shall
5 not apply to amounts made available by this section.

6 (3) Amounts made available by this section
7 shall be allocated based on a funding formula for
8 such amounts established by the Secretary in ac-
9 cordance with section 2301(b) of the Housing and
10 Economic Recovery Act of 2008 (42 U.S.C. 5301
11 note), except that—

12 (A) notwithstanding paragraph (2) of such
13 section 2301(b), the formula shall be estab-
14 lished not later than 30 days after the date of
15 the enactment of this Act;

16 (B) the Secretary may not establish any
17 minimum grant amount or size for grants to
18 States; and

19 (C) the Secretary may establish a min-
20 imum grant amount for direct allocations to
21 units of general local government located within
22 a State, which shall not exceed \$1,000,000.

23 (4) Paragraph (1) of section 2301(c) of the
24 Housing and Economic Recovery Act of 2008 shall
25 not apply to amounts made available by this section.

1 (5) Section 2302 of the Housing and Economic
2 Recovery Act of 2008 shall not apply to amounts
3 made available by this section.

4 (6) The fourth proviso from the end of such
5 second undesignated paragraph shall be applied to
6 amounts made available by this section by sub-
7 stituting “2013” for “2012”.

8 (7) Notwithstanding section 2301(a) of the
9 Housing and Economic Recovery Act of 2008, the
10 term “State” means any State of the United States,
11 the District of Columbia, the Commonwealth of
12 Puerto Rico, the Commonwealth of the Northern
13 Mariana Islands, Guam, the Virgin Islands, Amer-
14 ican Samoa, and other territory or possession of the
15 United States for purposes of this section and title
16 III of division B of such Act, as applied to amounts
17 made available by this section.

18 **SEC. 4. EMERGENCY MORTGAGE RELIEF.**

19 (a) USE OF TARP FUNDS.—Using the authority
20 available under section 115(a) of division A of the Emer-
21 gency Economic Stabilization Act of 2008 (12 U.S.C.
22 5225(a)), the Secretary of the Treasury shall transfer to
23 the Secretary of Housing and Urban Development
24 \$2,000,000,000, and the Secretary of Housing and Urban
25 Development shall credit such amount to the Emergency

1 Homeowners' Relief Fund, which such Secretary shall es-
2 tablish pursuant to section 107 of the Emergency Housing
3 Act of 1975 (12 U.S.C. 2706), as such Act is amended
4 by this section, for use for emergency mortgage assistance
5 in accordance with title I of such Act.

6 (b) REAUTHORIZATION OF EMERGENCY MORTGAGE
7 RELIEF PROGRAM.—Title I of the Emergency Housing
8 Act of 1975 is amended—

9 (1) in section 103(2) (12 U.S.C. 2702(2))—

10 (A) by striking “have indicated” and all
11 that follows through “regulation of the holder”
12 and insert “have certified”;

13 (B) by striking “(such as the volume of de-
14 linquent loans in its portfolio)”; and

15 (C) by striking “, except that such state-
16 ment” and all that follows through “purposes of
17 this title”;

18 (2) in section 104(b) (12 U.S.C. 2703(b)), by
19 striking “the lesser of \$250 per month”;

20 (3) in section 105(e) (12 U.S.C. 2704(e)), by
21 striking “\$1,500,000,000” and inserting
22 “\$2,000,000,000”;

23 (4) in section 109 (12 U.S.C. 2708)—

24 (A) in the section heading, by striking
25 “AUTHORIZATION AND”;

1 (B) by striking subsection (a);
2 (C) by striking “(b)”; and
3 (D) by striking “1977” and inserting
4 “2011”; and
5 (5) by striking sections 110, 111, and 113 (12
6 U.S.C. 2709, 2710, 2712).

7 **SEC. 5. MULTIFAMILY MORTGAGE RESOLUTION.**

8 (a) USE OF TARP FUNDS.—Using the authority
9 available under section 115(a) of division A of the Emer-
10 gency Economic Stabilization Act of 2008 (12 U.S.C.
11 5225(a)), the Secretary of the Treasury shall transfer
12 \$2,000,000,000 to the Secretary of Housing and Urban
13 Development for use under the program developed under
14 subsection (b) to stabilize multifamily properties that are
15 in default or foreclosure, or have recently been foreclosed.

16 (b) MULTIFAMILY MORTGAGE RESOLUTION PRO-
17 GRAM.—The Secretary of Housing and Urban Develop-
18 ment shall develop a program under this subsection to en-
19 sure the protection of current and future tenants of at-
20 risk multifamily properties, where feasible, based on cri-
21 teria that may include—

22 (1) creating sustainable financing of such prop-
23 erties, that may take into consideration such factors
24 as—

1 (A) the rental income generated by such
2 properties; and

3 (B) the preservation of adequate operating
4 reserves;

5 (2) maintaining the level of Federal, State, and
6 city subsidies in effect as of the date of enactment
7 of this Act;

8 (3) providing funds for rehabilitation; and

9 (4) facilitating the transfer of such properties,
10 when appropriate and with the agreement of owners,
11 to responsible new owners and ensuring affordability
12 of such properties.

13 (c) DEFINITION.—For purposes of this section, the
14 term “multifamily properties” means a residential struc-
15 ture that consists of 5 or more dwelling units.

16 **SEC. 6. REDUCING TARP AUTHORIZATION LIMIT TO OFF-**
17 **SET COSTS.**

18 Paragraph (3) of section 115(a) of the Emergency
19 Economic Stabilization Act of 2008 (12 U.S.C. 5225) is
20 amended by inserting after “\$1,244,000,000” the fol-
21 lowing: “, and as such amount is further reduced by such
22 sums as may be necessary for assistance and costs (as
23 such term is defined in section 502 of the Federal Credit
24 Reform Act of 1990 (2 U.S.C. 661a)) of loans, advances,

1 insurance, and appropriations as authorized under the
2 TARP for Main Street Act of 2009”.

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