

111TH CONGRESS
1ST SESSION

H. R. 3766

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

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 8, 2009

Mr. FRANK of Massachusetts (for himself, Ms. WATERS, Mr. KANJORSKI, Ms. VELÁZQUEZ, Mr. CARDOZA, Mr. FATTAH, and Mr. CUMMINGS) 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 affordable rental housing.

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 “Main Street TARP
5 Act of 2009”.

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

7 (a) USE OF TARP FUNDS.—Using the authority
8 available under sections 101(a) and 115(a) of division A

1 of the Emergency Economic Stabilization Act of 2008 (12
2 U.S.C. 5211(a), 5225(a)), the Secretary of the Treasury
3 shall transfer to the Secretary of Housing and Urban De-
4 velopment \$1,000,000,000, and the Secretary of Housing
5 and Urban Development shall credit such amount to the
6 Housing Trust Fund established under section 1338 of
7 the Federal Housing Enterprises Financial Safety and
8 Soundness Act of 1992 (12 U.S.C. 4568) for use in ac-
9 cordance with such section.

10 (b) **TENANT RENT CONTRIBUTION.**—Subparagraph
11 (A) of section 1338(c)(7) of the Federal Housing Enter-
12 prises Financial Safety and Soundness Act of 1992 (12
13 U.S.C. 4568(c)(7)(A)) is amended by inserting before the
14 semicolon the following: “; and except that all rental hous-
15 ing dwelling units shall be subject to legally binding com-
16 mitments that ensure that the contribution toward rent
17 by a family residing in a dwelling unit shall not exceed
18 30 percent of the adjusted income of such family”.

19 **SEC. 3. EMERGENCY MORTGAGE RELIEF.**

20 (a) **USE OF TARP FUNDS.**—Using the authority
21 available under sections 101(a) and 115(a) of division A
22 of the Emergency Economic Stabilization Act of 2008 (12
23 U.S.C. 5211(a), 5225(a)), the Secretary of the Treasury
24 shall transfer to the Secretary of Housing and Urban De-
25 velopment \$2,000,000,000, and the Secretary of Housing

1 and Urban Development shall credit such amount to the
2 Emergency Homeowners' Relief Fund, which such Sec-
3 retary shall establish pursuant to section 107 of the Emer-
4 gency Housing Act of 1975 (12 U.S.C. 2706), as such
5 Act is amended by this section, for use for emergency
6 mortgage assistance in accordance with title I of such Act.

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

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

11 (A) in paragraph (2)—

12 (i) by striking “have indicated” and
13 all that follows through “regulation of the
14 holder” and insert “have certified”;

15 (ii) by striking “(such as the volume
16 of delinquent loans in its portfolio)”; and

17 (iii) by striking “, except that such
18 statement” and all that follows through
19 “purposes of this title”; and

20 (B) in paragraph (4), by inserting “or
21 medical conditions” after “adverse economic
22 conditions”;

23 (2) in section 104 (12 U.S.C. 2703)—

24 (A) in subsection (b), by striking “the less-
25 er of \$250 per month or”; and

1 (B) in subsection (d), by inserting before
2 the period at the end the following: “, except
3 that such interest rate may exceed such max-
4 imum rate but only as necessary to comply with
5 rules under a program operated by a State that
6 otherwise complies with program rules under
7 this title”;

8 (3) in section 105 (12 U.S.C. 2704)—

9 (A) by striking subsection (b);

10 (B) in subsection (e)—

11 (i) by inserting “and emergency mort-
12 gage relief payments made under section
13 106” after “insured under this section”;
14 and

15 (ii) by striking “\$1,500,000,000 at
16 any one time” and inserting
17 “\$2,000,000,000”;

18 (C) by redesignating subsections (c), (d),
19 and (e) as subsections (b), (c), and (d), respec-
20 tively; and

21 (D) by adding at the end the following new
22 subsection:

23 “(e) The Secretary shall establish underwriting
24 guidelines or procedures to allocate amounts made avail-
25 able for loans and advances insured under this section and

1 for emergency relief payments made under section 106
2 based on the likelihood that a mortgagor will be able to
3 resume mortgage payments, pursuant to the requirement
4 under section 103(5).”;

5 (4) in section 107—

6 (A) by striking “(a)”;

7 (B) by striking subsection (b);

8 (5) in section 108 (12 U.S.C. 2707), by adding
9 at the end the following new subsection:

10 “(d) The Secretary may allow funds to be adminis-
11 tered by a State through an existing program that com-
12 plies with program rules under this title.”;

13 (6) in section 109 (12 U.S.C. 2708)—

14 (A) in the section heading, by striking

15 “AUTHORIZATION AND”;

16 (B) by striking subsection (a);

17 (C) by striking “(b)”;

18 (D) by striking “1977” and inserting
19 “2011”;

20 (7) by striking sections 110, 111, and 113 (12
21 U.S.C. 2709, 2710, 2712); and

22 (8) by redesignating section 112 (12 U.S.C.
23 2711) as section 110.

1 **SEC. 4. REDUCING TARP AUTHORIZATION LIMIT TO OFF-**
2 **SET COSTS.**

3 Paragraph (3) of section 115(a) of the Emergency
4 Economic Stabilization Act of 2008 (12 U.S.C. 5225) is
5 amended by striking “\$1,259,000,000” and inserting
6 “2,259,000,000”.

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