

118TH CONGRESS  
1ST SESSION

# S. 2687

To provide additional requirements for the purchase and sale of conventional mortgages by the enterprises, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JULY 27, 2023

Mr. KENNEDY introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To provide additional requirements for the purchase and sale of conventional mortgages by the enterprises, and for other purposes.

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 “Protecting America’s  
5 Property Rights Act”.

6 **SEC. 2. FANNIE MAE CHARTER AMENDMENTS.**

7 (a) PURCHASE AND SALE OF CONVENTIONAL MORT-  
8 GAGES.—Section 302(b)(2) of the Federal National Mort-  
9 gage Association Charter Act (12 U.S.C. 1717(b)(2)) is  
10 amended by inserting “No such purchase of a conventional

1 mortgage secured by a property comprising one- to four-  
2 family dwelling units shall be made unless the mortgage  
3 is secured by real property and the priority of the lien  
4 of the mortgage is insured by a title insurance company  
5 licensed and authorized to do business in the State, terri-  
6 tory, or district in which the property securing the mort-  
7 gage is located.” after the first sentence.

8 (b) APPROVAL OF NEW ACTIVITIES AND RISK.—Sec-  
9 tion 302(b)(6) of the Federal National Mortgage Associa-  
10 tion Charter Act (12 U.S.C. 1717(b)(6)) is amended to  
11 read as follows:

12 “(6) PRIOR APPROVAL OF DIRECTOR AND SEC-  
13 RETARY FOR NEW PROGRAMS.—

14 “(A) IN GENERAL.—The corporation may  
15 not implement any new program, activity, prod-  
16 uct, or type of risk unless the corporation first  
17 obtains the approval of the Director of the Fed-  
18 eral Housing Finance Agency and the Secretary  
19 of the Treasury.

20 “(B) HEARINGS.—The Director of the  
21 Federal Housing Finance Agency shall appear  
22 before the Committee on Banking, Housing,  
23 and Urban Affairs of the Senate and the Com-  
24 mittee on Financial Services of the House of  
25 Representatives on a semi-annual basis regard-

1           ing any new program, activity, product, or type  
2           of risk approved under subparagraph (A).”.

3           (c) SECONDARY MARKET OPERATIONS.—Section  
4 304(a) of the Federal National Mortgage Association  
5 Charter Act (12 U.S.C. 1719(a)) is amended—

6           (1) in paragraph (1), in the first sentence, by  
7           inserting “and for which the priority of the lien of  
8           the mortgage is insured by a title insurance compa-  
9           nies licensed and authorized to do business in the  
10          State, territory, or district in which the property se-  
11          curing the mortgage is located” before the period at  
12          the end; and

13          (2) in paragraph (2), in the second sentence, by  
14          striking “or (B) to originate mortgage loans” and  
15          inserting “(B) to originate mortgage loans; or (C) to  
16          purchase mortgages for which the priority of the lien  
17          of the mortgage is insured by a title insurance com-  
18          pany licensed and authorized to do business in the  
19          State, territory, or district in which the property se-  
20          curing the mortgage is located”.

21 **SEC. 3. FREDDIE MAC CHARTER AMENDMENTS.**

22          (a) PURCHASE AND SALE OF CONVENTIONAL MORT-  
23 GAGES.—Section 305(a)(2) of the Federal Home Loan  
24 Corporation Act (12 U.S.C. 1454(a)(2)) is amended by  
25 inserting “The Corporation may not purchase a conven-

1 tional mortgage secured by a property comprising one- to  
2 four-family dwelling units unless the mortgage is secured  
3 by real property and the priority of the lien of the mort-  
4 gage is insured by a title insurance company licensed and  
5 authorized to do business in the State in which the prop-  
6 erty securing the mortgage is located.” after the second  
7 sentence.

8 (b) APPROVAL OF NEW ACTIVITIES AND RISK.—Sec-  
9 tion 305(c) of the Federal Home Loan Corporation Act  
10 (12 U.S.C. 1454(c)) is amended to read as follows:

11 “(c) PRIOR APPROVAL OF DIRECTOR AND SEC-  
12 RETARY FOR NEW PROGRAMS.—

13 “(1) IN GENERAL.—The Corporation may not  
14 implement any new program, activity, product, or  
15 type of risk unless the Corporation first obtains the  
16 approval of the Director of the Federal Housing Fi-  
17 nance Agency and the Secretary of the Treasury.

18 “(2) HEARINGS.—The Director of the Federal  
19 Housing Finance Agency shall appear before the  
20 Committee on Banking, Housing, and Urban Affairs  
21 of the Senate and the Committee on Financial Serv-  
22 ices of the House of Representatives on a semi-an-  
23 nual basis regarding any new program, activity,  
24 product, or type of risk approved under paragraph  
25 (1).”.

1 (c) SECONDARY MARKET OPERATIONS.—Section  
2 305(a) of the Federal Home Loan Corporation Act (12  
3 U.S.C. 1454(a)) is amended—

4 (1) in paragraph (1), in the first sentence, by  
5 inserting “for which the priority of the lien of the  
6 mortgage is insured by a title insurance companies  
7 licensed and authorized to do business in the State  
8 in which the property securing the mortgage is lo-  
9 cated” before the period at the end; and

10 (2) in paragraph (5), in the third sentence, by  
11 striking “or (B) to originate mortgage loans” and  
12 inserting “(B) to originate mortgage loans; or (C) to  
13 purchase mortgages for which the priority of the lien  
14 of the mortgage is insured by a title insurance com-  
15 pany licensed and authorized to do business in the  
16 State in which the property securing the mortgage  
17 is located”.

18 **SEC. 4. DEFINITION OF CONFORMING MORTGAGE.**

19 Section 1303(26) of the Federal Housing Enterprises  
20 Financial Safety and Soundness Act of 1992 (12 U.S.C.  
21 4502(26)) is amended—

22 (1) by redesignating subparagraphs (A) and  
23 (B) as clauses (i) and (ii), respectively, and adjust-  
24 ing the margins accordingly;

1           (2) by striking “mortgage having” and insert-  
2           ing “mortgage—

3                   “(A) having”;

4           (3) in subparagraph (A)(ii), as so redesignated,  
5           by striking the period at the end and inserting “;  
6           and”; and

7           (4) by adding at the end the following:

8                   “(B) for which the priority of the lien of  
9           the mortgage is insured by a title insurance  
10          company licensed and authorized to do business  
11          in the State in which the property securing the  
12          mortgage is located.”.

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