

117TH CONGRESS
1ST SESSION

S. 3040

To prohibit Fannie Mae and Freddie Mac from purchasing or otherwise acquiring investor property loans, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 21, 2021

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

A BILL

To prohibit Fannie Mae and Freddie Mac from purchasing or otherwise acquiring investor property loans, 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 “No GSE Subsidies for
5 Investor Properties Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) **CONVENTIONAL MORTGAGE.**—The term
9 “conventional mortgage” has the meaning given the

1 term in section 302(i) of the Federal Home Loan
2 Mortgage Act (12 U.S.C. 1451(i)).

3 (2) ENTERPRISE.—The term “enterprise” has
4 the meaning given the term in section 1303 of the
5 Federal Housing Enterprises Financial Safety and
6 Soundness Act of 1992 (12 U.S.C. 4502).

7 (3) INVESTOR PROPERTY LOAN.—The term “in-
8 vestor property loan” means a conventional mort-
9 gage secured by a property comprising 1-to-4 family
10 dwelling units that is not the principal residence or
11 a second home of the borrower.

12 **SEC. 3. PROHIBITION ON PURCHASE OR ACQUISITION OF**
13 **INVESTOR PROPERTY LOANS.**

14 (a) IN GENERAL.—Notwithstanding any other provi-
15 sion of law, including the Federal National Mortgage As-
16 sociation Charter Act (12 U.S.C. 1716 et seq.) or the Fed-
17 eral Home Loan Mortgage Corporation Act (42 U.S.C.
18 1451 et seq.), on and after the date that is 18 months
19 after the date of enactment of this Act, an enterprise may
20 not purchase or otherwise acquire an investor property
21 loan.

22 (b) TRANSITION PLANS.—The Federal Housing Fi-
23 nance Agency shall require each enterprise to develop and
24 implement a plan to gradually reduce the purchase and
25 acquisition of investor property loans by the enterprise to

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- 1 achieve compliance with subsection (a) while mitigating
- 2 the risk of disruption to the housing finance market in
- 3 the United States.

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