

117TH CONGRESS
2D SESSION

S. 5342

To provide requirements for the bulk auction or group sale of certain non-performing loans, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 21, 2022

Mr. REED (for himself, Mr. BROWN, Mr. WYDEN, and Ms. SMITH) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To provide requirements for the bulk auction or group sale of certain non-performing 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 “Preserving Homes and
5 Communities Act of 2022”.

6 **SEC. 2. SALE OF FHA NON-PERFORMING SINGLE FAMILY**
7 **MORTGAGE LOANS.**

8 (a) IN GENERAL.—Title II of the National Housing
9 Act (12 U.S.C. 1707 et seq.) is amended by adding at
10 the end the following:

1 **“SEC. 259. SALE OF NON-PERFORMING SINGLE FAMILY**
2 **MORTGAGE LOANS.**

3 “(a) SINGLE FAMILY SALES.—The Secretary may
4 conduct sales of 1 or more of single family non-performing
5 residential mortgage loans insured under this title only if
6 the following requirements are met:

7 “(1) The Secretary determines that no other
8 reasonable measures other than a sale are available
9 to restore the Fund to, or keep the Fund above, the
10 minimum capital requirements under section
11 205(f)(4).

12 “(2) The Secretary establishes a system that
13 provides priority to Federal, State, local, or Tribal
14 governments or nonprofit organizations that have
15 the capacity and experience required for buying,
16 servicing, and resolving single family mortgage loans
17 in a manner that promotes affordable housing, fair
18 housing, affordable homeownership, housing coun-
19 seling, or neighborhood stabilization.

20 “(3) Applicable loss mitigation required under
21 section 230 is exhausted before any loan is placed
22 into the loan sale.

23 “(4) Clear, written notice is sent by certified
24 and first-class mail by the servicer to the borrower
25 of the loan, all owners of record, and any applicable
26 estate of the borrower with a copy sent to the Sec-

1 retary, not less than 90 days before the inclusion of
2 the loan in any single family sale—

3 “(A) stating that the loan will be included
4 in a single family sale of non-performing loans;
5 and

6 “(B) describing the sale process, includ-
7 ing—

8 “(i) the loss mitigation or other pro-
9 tections available to the borrower and
10 other owners of record both before and
11 after the sale;

12 “(ii) the status of any loss mitigation
13 actions offered by the mortgagee with re-
14 spect to the loan, including decisions on all
15 loss mitigation reviews, descriptions of any
16 loss mitigation options offered or denied,
17 and supporting documentation for the
18 most recent evaluation; and

19 “(iii) the obligations of the servicer of
20 the loan before and after the sale, includ-
21 ing loss mitigation requirements.

22 “(5) Purchasers take loans subject to the fol-
23 lowing requirements:

24 “(A) The provision of loss mitigation op-
25 tions to all eligible borrowers that offer terms

1 and protections at least as favorable as those
2 available under loss mitigation guidelines of the
3 Federal Housing Administration, including the
4 absence of fees for loss mitigation and loan
5 modifications that reduce payments to an af-
6 fordable level.

7 “(B) Written, public disclosure of post-sale
8 loss mitigation options.

9 “(C) Failure by the purchaser to follow the
10 established loss mitigation guidelines shall serve
11 as a defense to a judicial foreclosure and a
12 basis to enjoin or otherwise stay a non-judicial
13 foreclosure.

14 “(D) Data reporting as provided under
15 subsection (c)(1).

16 “(E) Maintenance of vacant and aban-
17 doned property, including the payment of local
18 property taxes, until such time as title is trans-
19 ferred to a nonprofit organization or the prop-
20 erty is sold to a bona fide third-party pur-
21 chaser.

22 “(F) Where a property becomes vacant,
23 the purchaser shall not release the lien until the
24 property is sold or donated.

1 “(G) Use of contract for deed, lease to
2 own, or a land installment contract to sell or
3 otherwise transfer any property that is secured
4 by a purchased loan shall be prohibited unless
5 the tenant or purchaser is a nonprofit organiza-
6 tion.

7 “(H) For all non-performing loans where a
8 home retention loss mitigation option is not
9 possible and the purchaser acquires the prop-
10 erty through foreclosure sale, 75 percent of
11 those properties shall be—

12 “(i) sold at the current fair market
13 value to an owner occupant;

14 “(ii) sold or donated to a nonprofit or
15 local government entity that will commit to
16 1 of the outcomes described in clause (i) or
17 (iii);

18 “(iii) for not less than the 10-year pe-
19 riod beginning on the date on which any
20 entity initially leases the property, and
21 with respect to any new lease beginning
22 within such 10-year period, leased to a ten-
23 ant with income that is not more than 100
24 percent of the area median income at the
25 time the tenant initially leases the prop-

1 erty, with monthly rents that are not more
2 than 30 percent of the monthly household
3 income, provided that the property owner
4 accepts as rental payment any legal source
5 of income, including—

6 “(I) a housing voucher under sec-
7 tion 8 of the United States Housing
8 Act of 1937 (42 U.S.C. 1437f) and
9 any form of Federal, State, or local
10 housing assistance provided to a per-
11 son or family or provided to a housing
12 owner on behalf of a person or family,
13 including—

14 “(aa) rental vouchers;

15 “(bb) rental assistance;

16 “(cc) rental subsidies from
17 nongovernmental organizations;
18 and

19 “(dd) homeownership sub-
20 sidies;

21 “(II) income received as a
22 monthly benefit under title II of the
23 Social Security Act (42 U.S.C. 401 et
24 seq.), as a supplemental security in-
25 come benefit under title XVI of the

1 Social Security Act (42 U.S.C. 1381
2 et seq.), or as a benefit under the
3 Railroad Retirement Act of 1974 (45
4 U.S.C. 231 et seq.), including any
5 such benefit to which the individual is
6 entitled for which payment is made to
7 a representative payee;

8 “(III) income received by court
9 order, including spousal support and
10 child support;

11 “(IV) any payment from a trust,
12 guardian, conservator, cosigner, or
13 relative; and

14 “(V) any other lawful source of
15 income or funds, including savings ac-
16 counts and investments; or

17 “(iv) for any property that is not hab-
18 itable, demolished or donated to a land
19 bank with a cash donation to cover demoli-
20 tion costs.

21 “(b) DIRECT LOAN SALES.—The Secretary may per-
22 mit direct loan sales of single family non-performing resi-
23 dential loans insured under this title only if—

24 “(1) the loans are sold to municipalities, land
25 banks, or nonprofit organizations that work in af-

1 fordable housing, housing counseling, or neighbor-
2 hood stabilization;

3 “(2) the purchaser complies with the require-
4 ments under paragraph (5) of subsection (a); and

5 “(3) the pricing reasonably reflects the costs of
6 complying with the requirements under paragraphs
7 (3) through (5) of subsection (a).

8 “(c) DATA AND REPORTING.—

9 “(1) PURCHASER REPORTING.—During the 4-
10 year period following any single family sale of non-
11 performing residential single family mortgage loans
12 under subsection (a) or (b), the Secretary shall re-
13 quire each purchaser of such a loan, including any
14 subsequent purchaser of the loan, to provide to the
15 Secretary quarterly loan-level data regarding the
16 treatment and outcome of the loan, including—

17 “(A) loan characteristics, including loan
18 type, remaining loan term, loan to value ratio,
19 number of months in arrears, loss mitigation
20 status, and foreclosure status at time of sale;

21 “(B) loss mitigation data, including wheth-
22 er loss mitigation was provided by the pur-
23 chaser, debt-to-income ratio and percent pay-
24 ment reduction for any modified loans, fore-

1 closures begun or completed, and performance
2 of modified loans;

3 “(C) demographic data for the borrower
4 and any co-borrower, including race, national
5 origin, sex, ZIP Code, and census tract, and, if
6 available, disability status and veteran status;
7 and

8 “(D) other purchaser actions, including
9 charge offs and resales of loans and dates for
10 such actions.

11 “(2) SEMIANNUAL REPORTS TO CONGRESS.—
12 The Secretary shall submit to Congress, and make
13 publicly available at no cost to the public in a format
14 that is readily accessible on the website of the De-
15 partment of Housing and Urban Development, semi-
16 annual reports to Congress on—

17 “(A) loans sold in a single family sale
18 under subsection (a), disaggregated by pool, in-
19 cluding—

20 “(i) the number of loans and types of
21 loans;

22 “(ii) mean and median delinquency
23 and loan to value ratios at the time of the
24 sale;

1 “(iii) the number and percentage of
2 owner-occupied properties;

3 “(iv) the number and percentage of
4 loans modified prior to the sale;

5 “(v) the number and percentage of
6 loans in foreclosure proceedings at the
7 time of the sale; and

8 “(vi) demographic and geographic
9 data, including property locations by cen-
10 sus tract or larger geographic location if
11 necessary to protect personally identifiable
12 information;

13 “(B) the performance of loans after a sin-
14 gle family sale under subsection (a),
15 disaggregated by loan pool, including the initial
16 purchaser, current owner, current servicer, data
17 summarizing any alternatives to foreclosure of-
18 fered and enacted, and data summarizing the
19 data collected under paragraph (1);

20 “(C) the results of a fair lending analysis
21 conducted based on the data in paragraph (1)
22 to identify any discriminatory impacts or out-
23 comes associated with the sales; and

24 “(D) claims paid through the Claims With-
25 out Conveyance of Title program under section

1 204(a)(1)(C), including the number of third-
2 party sales by ZIP Code, whether purchasers
3 are owner-occupants, nonprofit organizations,
4 government entities, or investors, and the
5 source of funds or financing used by pur-
6 chasers.

7 “(d) PENALTIES FOR NONCOMPLIANCE.—The Sec-
8 retary may—

9 “(1) forcibly retain loans or properties, without
10 providing compensation, from purchasers that do not
11 meet the requirements under subsection (a)(5); and

12 “(2) enact additional penalties for purchasers
13 described in paragraph (1) that the Secretary deter-
14 mines have repeatedly not complied with the require-
15 ments under subsection (a)(5), including monetary
16 penalties and prohibition from participating in single
17 family sales under this section.

18 “(e) REGULATIONS.—The Secretary shall issue regu-
19 lations related to single family sales in accordance with
20 the requirements in this section.

21 **“SEC. 260. CLAIMS WITHOUT CONVEYANCE OF TITLE FIRST**
22 **LOOK PROGRAM.**

23 “(a) CLAIMS WITHOUT CONVEYANCE OF TITLE
24 FIRST LOOK PROGRAM.—With respect to a third-party
25 sale of properties foreclosed upon and put up for sale in

1 accordance with section 204(a)(1)(C), the Secretary shall
2 maintain an exclusive right for eligible buyers to purchase
3 these properties at a price at or below the fair market
4 value of the property (with appropriate adjustments) for
5 a specified period of time at the start of post-foreclosure
6 sale efforts.

7 “(b) ELIGIBLE BUYERS.—The right to purchase a
8 property under subsection (a) shall be offered to—

9 “(1) homebuyers who will occupy the property
10 as a principal residence;

11 “(2) nonprofit organizations that—

12 “(A) commit in advance to rehabilitate the
13 property and dispose of the property for an al-
14 lowable use and within a time period to be des-
15 ignated by the Secretary by regulation; and

16 “(B) are pre-approved for participation by
17 the Secretary or a designee thereof to ensure
18 that the organization—

19 “(i) maintains active tax-exempt sta-
20 tus under section 501(c)(3) of the Internal
21 Revenue Code;

22 “(ii) has a primary mission related
23 to—

24 “(I) affordable housing; or

1 “(II) community revitalization
2 through housing-related activities; and

3 “(iii) has demonstrated not less than
4 2 years of direct experience with real es-
5 tate project development as an organiza-
6 tional entity; and

7 “(3) Federal, State, local, or Tribal government
8 agencies or instrumentalities that meet the require-
9 ments of subparagraph (A) and clauses (ii) and (iii)
10 of subparagraph (B) of paragraph (2).

11 “(c) ALLOWABLE USES.—An allowable use described
12 in this subsection shall include—

13 “(1) renovation and sale, or, if the property al-
14 ready meets the minimum property standards set by
15 the Assistant Secretary for Housing and Federal
16 Housing Commissioner, sale without renovation, to
17 an owner-occupant with an income that is not more
18 than 120 percent of the area median income;

19 “(2) renovation and creation of affordable
20 homeownership or, if the property already meets the
21 minimum property standards set by the Assistant
22 Secretary for Housing and Federal Housing Com-
23 missioner, creation of affordable homeownership
24 without renovation, by a community land trust or
25 shared equity homeownership program;

1 “(3) renovation and rental to tenants with an
2 income that is not more than 100 percent of the
3 area median income at the time the tenant initially
4 leases the property, with monthly rents that are not
5 more than 30 percent of the monthly household in-
6 come, for not less than the 10-year period beginning
7 on the date on which any entity initially leases the
8 property, and with respect to any new lease begin-
9 ning within such 10-year period, provided that the
10 property owner accepts as rental payment any legal
11 source of income, including—

12 “(A) a housing voucher under section 8 of
13 the United States Housing Act of 1937 (42
14 U.S.C. 1437f) and any form of Federal, State,
15 or local housing assistance provided to a person
16 or family or provided to a housing owner on be-
17 half of a person or family, including—

18 “(i) rental vouchers;

19 “(ii) rental assistance;

20 “(iii) rental subsidies from nongovern-
21 mental organizations; and

22 “(iv) homeownership subsidies;

23 “(B) income received as a monthly benefit
24 under title II of the Social Security Act (42
25 U.S.C. 401 et seq.), as a supplemental security

1 income benefit under title XVI of the Social Se-
2 curity Act (42 U.S.C. 1381 et seq.), or as a
3 benefit under the Railroad Retirement Act of
4 1974 (45 U.S.C. 231 et seq.), including any
5 such benefit to which the individual is entitled
6 for which payment is made to a representative
7 payee;

8 “(C) income received by court order, in-
9 cluding spousal support and child support;

10 “(D) any payment from a trust, guardian,
11 conservator, cosigner, or relative; and

12 “(E) any other lawful source of income or
13 funds, including savings accounts and invest-
14 ments; and

15 “(4) demolition, but only if the property is va-
16 cant or uninhabitable and if the demolition is part
17 of a strategy that incorporates rehabilitation, new
18 construction, or designation of the land for use as a
19 public amenity.

20 “(d) REPORTING REQUIREMENTS.—

21 “(1) IN GENERAL.—Each purchaser of a prop-
22 erty under this section, other than an owner-occu-
23 pant, shall, on an annual basis until the purchaser
24 completes the allowable use of the property under
25 subsection (c), report to the Secretary—

1 “(A) the start date and completion date of
2 any rehabilitation;

3 “(B) the scope of work for and the total
4 cost of any rehabilitation;

5 “(C) the end-use of the property, including
6 sale to owner-occupant, use in a land trust or
7 other shared equity program, or affordable
8 rental;

9 “(D) the demographics of the end-user of
10 the property, whether an owner-occupant or a
11 tenant, including race, national origin, sex, ZIP
12 Code, and census tract, and, if available, dis-
13 ability status and veteran status; and

14 “(E) the approximate income of the end-
15 user of the property expressed as a percentage
16 of the area median income.

17 “(2) AVAILABILITY.—The Secretary shall, on
18 an annual basis, make the information collected
19 under paragraph (1) publicly available at no cost to
20 the public in a readily accessible format on the
21 website of the Department of Housing and Urban
22 Development.

23 “(e) USE OF THIRD-PARTY VENDORS.—The Sec-
24 retary may contract with a third-party vendor to assist

1 in carrying out the provisions of this section, including
2 to—

3 “(1) pre-approve nonprofit organizations for
4 participation in the Claims Without Conveyance of
5 Title First Look program;

6 “(2) monitor compliance with allowable uses
7 and time periods designated by the Secretary by reg-
8 ulation; and

9 “(3) facilitate reporting to the Secretary.

10 “(f) ACCESS.—The Secretary shall ensure that any
11 eligible buyer seeking to purchase a property under this
12 section can easily access and inspect the property prior
13 to making a commitment to purchase the property.”.

14 (b) REGULATIONS.—Not later than 18 months after
15 the date of enactment of this Act, the Secretary of Hous-
16 ing and Urban Development shall promulgate regulations
17 to carry out the amendments made by this section.

18 **SEC. 3. SALE OF FANNIE MAE AND FREDDIE MAC NON-PER-**
19 **FORMING LOANS.**

20 The Federal Housing Enterprises Financial Safety
21 and Soundness Act of 1992 (12 U.S.C. 4501 et seq.) is
22 amended by inserting after section 1328 (12 U.S.C. 4548)
23 the following:

1 **“SEC. 1329. SALE OF NON-PERFORMING LOANS.**

2 “(a) BULK AUCTION OR GROUP SALES.—An enter-
3 prise may not conduct bulk auctions or other group sales
4 of single family non-performing residential loans unless
5 the following requirements are met:

6 “(1) The enterprise establishes a system that
7 provides priority to Federal, State, local, or Tribal
8 governments or nonprofit organizations that have
9 the capacity and experience required for buying,
10 servicing, and resolving single family mortgage loans
11 in a manner that promotes affordable housing, fair
12 housing, affordable homeownership, provision of
13 housing counseling, or neighborhood stabilization.

14 “(2) Applicable loss mitigation is exhausted be-
15 fore a loan may be placed into the bulk auction or
16 group sale.

17 “(3) Clear, written notice is sent by the enter-
18 prise or servicer through certified and first-class
19 mail to the borrower and all owners of record, with
20 a copy sent to the enterprise if sent by the servicer,
21 not less than 90 days before the inclusion of the
22 loan in any proposed sale—

23 “(A) stating that the loan will be included
24 in a bulk auction or group sale of non-per-
25 forming loans; and

1 “(B) describing the bulk auction or group
2 sale process, including—

3 “(i) the loss mitigation or other pro-
4 tectations available to the borrower and
5 other owners of record both before and
6 after the auction or sale;

7 “(ii) the status of any loss mitigation
8 actions offered by the mortgagee with re-
9 spect to the loan, including decisions on all
10 loss mitigation reviews, descriptions of any
11 loss mitigation options offered or denied,
12 and supporting documentation for the
13 most recent evaluation; and

14 “(iii) the obligations of the servicer of
15 the loan before and after the auction or
16 sale, including loss mitigation require-
17 ments.

18 “(4) The enterprise requires in the terms of the
19 bulk auction or group sale that purchasers take
20 loans subject to the following requirements:

21 “(A) The purchaser is required to provide
22 loss mitigation options to all eligible borrowers
23 that offer terms and protections at least as fa-
24 vorable as those available under loss mitigation
25 guidelines of the enterprise, including the ab-

1 sence of fees for loss mitigation and loan modi-
2 fications that reduce payments to an affordable
3 level.

4 “(B) The purchaser is required to provide
5 written, public disclosure of post-sale loss miti-
6 gation options that the purchaser makes avail-
7 able to eligible borrowers.

8 “(C) Failure by the purchaser to follow the
9 established loss mitigation guidelines shall serve
10 as a defense to a judicial foreclosure and a
11 basis to enjoin or otherwise stay a non-judicial
12 foreclosure.

13 “(D) Data reporting as provided under
14 subsection (b)(2).

15 “(E) If a property becomes vacant, the
16 purchaser shall not release the lien until the
17 property is sold or donated.

18 “(F) Use of contract for deed, lease to
19 own, or a land installment contract to sell or
20 otherwise transfer any property that is secured
21 by a purchased loan shall be prohibited unless
22 the tenant or purchaser is a nonprofit organiza-
23 tion without obtaining prior permission from
24 the enterprise.

1 “(G) For all non-performing loans where a
2 home-retention loss mitigation option is not
3 possible and the purchaser acquires the prop-
4 erty through foreclosure sale, 75 percent of
5 those properties shall be—

6 “(i) sold at the current fair market
7 value to an owner-occupant;

8 “(ii) sold or donated to a nonprofit or
9 local government entity that will commit to
10 1 of the outcomes described in clause (i) or
11 (iii);

12 “(iii) for not less than the 10-year pe-
13 riod beginning on the date on which any
14 entity initially leases the property, and
15 with respect to any new lease beginning
16 within such 10-year period, leased to a ten-
17 ant with an income that is not more than
18 100 percent of the area median income at
19 the time the tenant initially leases the
20 property, with monthly rents that are not
21 more than 30 percent of the monthly
22 household income, provided that the prop-
23 erty owner accepts as rental payment any
24 legal source of income, including—

1 “(I) a housing voucher under sec-
2 tion 8 of the United States Housing
3 Act of 1937 (42 U.S.C. 1437f) and
4 any form of Federal, State, or local
5 housing assistance provided to a per-
6 son or family or provided to a housing
7 owner on behalf of a person or family,
8 including—

9 “(aa) rental vouchers;

10 “(bb) rental assistance;

11 “(cc) rental subsidies from
12 nongovernmental organizations;

13 and

14 “(dd) homeownership sub-
15 sidies;

16 “(II) income received as a
17 monthly benefit under title II of the
18 Social Security Act (42 U.S.C. 401 et
19 seq.), as a supplemental security in-
20 come benefit under title XVI of the
21 Social Security Act (42 U.S.C. 1381
22 et seq.), or as a benefit under the
23 Railroad Retirement Act of 1974 (45
24 U.S.C. 231 et seq.), including any
25 such benefit to which the individual is

1 entitled for which payment is made to
2 a representative payee;

3 “(III) income received by court
4 order, including spousal support and
5 child support;

6 “(IV) any payment from a trust,
7 guardian, conservator, cosigner, or
8 relative; and

9 “(V) any other lawful source of
10 income or funds, including savings ac-
11 counts and investments; or

12 “(iv) for any property that is not hab-
13 itable, demolished or donated to a land
14 bank with a cash donation to cover demoli-
15 tion costs.

16 “(5) The enterprise maintains vacant and aban-
17 doned property until such time as title is transferred
18 to a nonprofit organization or the property is sold to
19 a bona fide third-party purchaser.

20 “(b) DATA AND REPORTING.—

21 “(1) PURCHASER REPORTING.—During the 4-
22 year period following any auction or sale of single
23 family non-performing residential mortgage loans
24 under subsection (a), the Director shall require the
25 enterprise to collect from each purchaser of such

1 loans, including any subsequent purchaser of a loan,
2 quarterly loan-level data regarding the treatment
3 and outcome of the loan, including—

4 “(A) loan characteristics, including loan
5 type, remaining loan term, loan to value ratio,
6 number of months in arrears, loss mitigation
7 status, and foreclosure status at time of sale;

8 “(B) loss mitigation data, including wheth-
9 er loss mitigation was provided by the pur-
10 chaser, debt-to-income ratio and percent pay-
11 ment reduction for any modified loans, fore-
12 closures begun or completed, and performance
13 of modified loans;

14 “(C) demographic data for each borrower
15 and any co-borrower, including race, national
16 origin, sex, ZIP Code, and census tract, and, if
17 available, disability status and veteran status;
18 and

19 “(D) other purchaser actions, including
20 charge offs and resales of loans and dates for
21 such actions.

22 “(2) SEMIANNUAL REPORTS TO CONGRESS.—

23 The Director shall submit to Congress, and make
24 publicly available at no cost to the public in a readily

1 accessible format on the website of the Agency,
2 semi-annual reports on—

3 “(A) loans sold in an auction or sale under
4 subsection (a) by each enterprise, disaggregated
5 by pool, including—

6 “(i) the number of loans and types of
7 loans;

8 “(ii) mean and median delinquency
9 and loan to value ratios at the time of the
10 sale;

11 “(iii) the number and percentage of
12 owner-occupied properties;

13 “(iv) the number and percentage of
14 loans modified prior to auction or sale;

15 “(v) the number and percentage of
16 loans in foreclosure proceedings at the
17 time of auction or sale; and

18 “(vi) demographic and geographic
19 data, including property locations by cen-
20 sus tract or larger geographic location if
21 necessary to protect personally identifiable
22 information;

23 “(B) the performance of loans after an
24 auction or sale under subsection (a),
25 disaggregated by loan pool, including the initial

1 purchaser, current owner, current servicer, data
2 summarizing any alternatives to foreclosure of-
3 fered and enacted, and data summarizing the
4 data collected under subparagraph (A); and

5 “(C) the results of a fair lending analysis
6 conducted based on the data in subparagraphs
7 (A) and (B) to identify any discriminatory im-
8 pacts or outcomes associated with the auctions
9 or sales.

10 “(c) PENALTIES FOR NONCOMPLIANCE.—The enter-
11 prises may—

12 “(1) forcibly retain loans or properties, without
13 providing compensation, from purchasers that do not
14 meet the requirements under subsection (a)(4); and

15 “(2) enact additional penalties for purchasers
16 described in paragraph (1) that the Director deter-
17 mines have repeatedly not complied with the require-
18 ments under subsection (a)(5), including monetary
19 penalties and prohibition from participating in sales
20 under this section.

21 “(d) REGULATIONS.—The Director shall issue regu-
22 lations defining the terms of permissible auctions or sales
23 in accordance with the requirements in this section.”.

○