

112TH CONGRESS
1ST SESSION

H. R. 1754

To permanently increase the conforming loan limits for the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association and the FHA maximum mortgage amount limitations.

IN THE HOUSE OF REPRESENTATIVES

MAY 5, 2011

Mr. GARY G. MILLER of California (for himself and Mr. SHERMAN) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To permanently increase the conforming loan limits for the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association and the FHA maximum mortgage amount limitations.

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 Equal Ac-
5 cess to Mortgage Finance Programs Act”.

6 **SEC. 2. PERMANENT CONFORMING LOAN LIMIT INCREASE**

7 **FOR FREDDIE MAC AND FANNIE MAE.**

8 (a) FREDDIE MAC.—

1 (1) INCREASE.—Paragraph (2) of section
2 305(a) of the Federal Home Loan Mortgage Cor-
3 poration Act (12 U.S.C. 1454(a)(2)) is amended—

4 (A) by inserting “(A)” after “(2)”;

5 (B) in the first sentence, by redesignating
6 clauses (A) through (C) as clauses (i) through
7 (iii), respectively;

8 (C) in the second sentence, by striking
9 “clause (A)” and inserting “clause (i)”;

10 (D) in the last sentence—

11 (i) by striking “115 percent” each
12 place such term appears and inserting
13 “125 percent”; and

14 (ii) by striking “150 percent” and in-
15 serting “175 percent”.

16 (2) DISCRETIONARY AUTHORITY TO LIMIT DE-
17 CREASES.—Paragraph (2) of section 305(a) of the
18 Federal Home Loan Mortgage Corporation Act (12
19 U.S.C. 1454(a)(2)), as amended by paragraph (1),
20 is further amended by adding at the end the fol-
21 lowing new subparagraph:

22 “(B) Notwithstanding the calculation of the limita-
23 tion on the maximum original principal obligation of a
24 mortgage that may be purchased by the Corporation for
25 an area pursuant to the last sentence of subparagraph

1 (A), if any recalculation of the local median home price
2 for any area would otherwise result in a decrease in the
3 maximum original principal limitation for any size resi-
4 dence in any such area, the Director of the Federal Hous-
5 ing Finance Agency may prevent or limit a decrease in
6 such limitation from taking place for any such area. In
7 taking such action, the Director shall consider such fac-
8 tors as market dislocations caused by a decrease in such
9 limitation, the extent of the median home price decline,
10 and the causes for such reduction in median home price.”.

11 (b) FANNIE MAE.—

12 (1) INCREASE.—Paragraph (2) of section
13 302(b) of the Federal National Mortgage Associa-
14 tion Charter Act (12 U.S.C. 1717(b)(2)) is amend-
15 ed—

16 (A) by inserting “(A)” after “(2)”;

17 (B) in the second sentence, by redesign-
18 ating clauses (A) through (C) as clauses (i)
19 through (iii), respectively;

20 (C) in the third sentence, by striking
21 “clause (A)” and inserting “clause (i)”;

22 (D) in the last sentence—

23 (i) by striking “115 percent” each
24 place such term appears and inserting
25 “125 percent”; and

1 (ii) by striking “150 percent” and in-
2 serting “175 percent”.

3 (2) DISCRETIONARY AUTHORITY TO LIMIT DE-
4 CREASES.—Paragraph (2) of section 302(b) of the
5 Federal National Mortgage Association Charter Act
6 (12 U.S.C. 1717(b)(2)), as amended by paragraph
7 (1), is further amended by adding at the end the fol-
8 lowing new subparagraph:

9 “(B) Notwithstanding the calculation of the limita-
10 tion on the maximum original principal obligation of a
11 mortgage that may be purchased by the corporation for
12 an area pursuant to the last sentence of subparagraph
13 (A), if any recalculation of the local median home price
14 for any area would otherwise result in a decrease in the
15 maximum original principal limitation for any size resi-
16 dence in any such area, the Director of the Federal Hous-
17 ing Finance Agency may prevent or limit a decrease in
18 such limitation from taking place for any such area. In
19 taking such action, the Director shall consider such fac-
20 tors as market dislocations caused by a decrease in such
21 limitation, the extent of the median home price decline,
22 and the causes for such reduction in median home price.”.

1 **SEC. 3. PERMANENT LOAN LIMIT INCREASE FOR FHA.**

2 (a) INCREASE.—Subparagraph (A) of section
3 203(b)(2) of the National Housing Act (12 U.S.C.
4 1709(b)(2)(A)) is amended—

5 (1) in clause (i) by striking “115 percent” and
6 inserting “125 percent”; and

7 (2) in clause (ii) by striking “150 percent” and
8 inserting “175 percent”.

9 (b) DISCRETIONARY AUTHORITY TO LIMIT DE-
10 CREASES.—Subparagraph (A) of section 203(b)(2) of the
11 National Housing Act (12 U.S.C. 1709(b)(2)(A)) is
12 amended by inserting after “; and” at the end the fol-
13 lowing: “except that notwithstanding the calculation of the
14 maximum dollar amount limitation for any area pursuant
15 to clause (i) of this subparagraph, if any recalculation of
16 the local median home price for any area would otherwise
17 result in a decrease in the maximum dollar amount limita-
18 tion for any size residence in any such area, the Secretary,
19 considering such factors as market dislocations caused by
20 a decrease in such dollar amount limitation, the extent of
21 the median home price decline, and the causes for such
22 reduction in median home price, may prevent or limit a
23 decrease in such dollar amount limitation from taking
24 place for any such area; and”.

1 **SEC. 4. EXISTING LOAN LIMITS.**

2 This Act may not be construed to affect the loan lim-
3 its for the Federal Home Loan Mortgage Corporation or
4 the Federal National Mortgage Association in effect under
5 section 146 of the Continuing Appropriations Act, 2011
6 (Public Law 111–242; 124 Stat. 2615) or the FHA mort-
7 gage amount limitations in effect under section 145 of
8 such Act.

9 **SEC. 5. EFFECTIVE DATE.**

10 The amendments made by this Act shall take effect
11 on October 1, 2011.

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