

## Amendments to H.R. 384 — TARP Reform and Accountability Act of 2009

### FLOOR SITUATION

Amendments to H.R. 384, the TARP Reform and Accountability Act of 2009, are expected to be considered on the floor of the House on Thursday, January 15, under a structured rule. This Legislative Digest contains a summary of each amendment made in order under the rule. Please see the [Legislative Digest for Wednesday, January 14, 2009](#), for a complete summary of H.R. 384.

### SUMMARY

- 1. Amendment #43, Frank (D-MA)**—Contains the Manager's Amendment which will be offered by Chairman Frank. The text of the amendment is reflected in the [Legislative Digest summary of H.R. 384](#).
- 2. Amendment #13, Matsui (D-CA)/Castor (D-FL)**—Expresses the sense of Congress that any institution receiving aid through TARP funds should be prohibited from initiating or continuing foreclosure proceedings until either the foreclosure mitigation plan or the systemic loan modification plan have been established and are fully operational. The underlying legislation requires the Secretary of Treasury to establish a foreclosure mitigation plan and a systemic loan modification plan to reduce residential foreclosures. The foreclosure moratorium contained in this amendment would not apply if the lending institution participates in an FHA-insured loan modification agreement with the homeowner.  
  
If foreclosure proceedings are barred as a result of this provision, the homeowner would be required to maintain the property and prevent damage or deterioration. Such homeowners would also be required to respond to reasonable inquiries from the creditor.
- 3. Amendment #10, Hensarling (R-TX)**—Strikes a provision in the underlying legislation that grants the Secretary authority to require a government observer to attend the meetings of the board of directors of any institution that has received TARP assistance.
- 4. Amendment #62, Holt (D-NJ)**—Requires that the Secretary, when making purchases with TARP funds, make purchases at the lowest price and maximizes the efficiency of the use of taxpayer resources.

The amendment also requires the Secretary to facilitate an auction of troubled assets owned by institutions that received TARP funding. If the auction did not take place within three months of enactment, the Secretary would be required to report to Congress on why the auction did not take place and what other mechanism the Secretary deems best to value and liquidate such assets.

**5. Amendment #24, Bachmann (R-MN)**—Strikes Title V—which makes numerous changes to the Hope for Homeowners (H4H) program—from the underlying bill. Title V reduces certain fees and costs that lenders are required to pay to participate in the H4H program, making it cheaper for lenders to refinance into FHA-insured loans, while increasing the debt liability that the government must insure.

**6. Amendment #25, Bachmann (R-MN)**—Removes the Secretary's authority under TARP to give financial assistance to the domestic auto industry. The underlying legislation would give Treasury the authority to use TARP funds to provide direct assistance to automobile manufacturers and their financing divisions.

**7. Amendment #14, Patrick Murphy (D-PA)**—Requires the Chairman of the Board of Governors of the Federal Reserve System to issue a report, within in one month of enactment, disclosing:

- The details of the competitive request for proposal process that was used to select the investment managers for the Federal Reserve's Mortgage-Backed Securities (MBS) purchase program;
- All the details of the contracts made between the Federal Reserve and such investment managers, including contract prices; and
- Every step that has been taken to ensure that the investment manager implementing the MBS purchase program is appropriately segregated from other trading activities.

**8. Amendment #2, Myrick (R-NC)**—Prohibits institutions that have received TARP assistance from entering into agreements with a foreign companies to outsource customer service functions, including call-center services.

**9. Amendment #53, Walz (D-MN)**—Directs the Secretary to make the quarterly TARP reports issued by assisted institutions available to the public online. The underlying legislation requires institutions receiving TARP assistance to make quarterly public reports on their use of funds.

**10. Amendment #21, Flake (R-AZ)**—Expands the authority of the TARP Special Inspector General to cover any action taken by the Secretary under the Emergency Economic Stabilization Act (EESA). Under current law, the Inspector General's oversight authority is limited to the purchase, management, and sale of assets by the Secretary.

**11. Amendment #56, Hinchey (D-NY)**—Directs the Secretary to require any institutions that received TARP assistance to inform the Secretary of the precise use of the funds. The Secretary would be required to conduct an analysis of the use of the funds and submit a report containing Treasury's findings, conclusions, and any recommendations for further legislative or administrative action.

#### **STAFF CONTACT**

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