

110TH CONGRESS  
1ST SESSION

# H. R. 3666

To establish a bipartisan commission to perform a comprehensive examination of the current foreclosure and mortgage lending crisis and to make recommendations for legislative and regulatory changes to address such problems.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 25, 2007

Ms. SUTTON introduced the following bill; which was referred to the  
Committee on Financial Services

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## A BILL

To establish a bipartisan commission to perform a comprehensive examination of the current foreclosure and mortgage lending crisis and to make recommendations for legislative and regulatory changes to address such problems.

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 “Foreclosure Prevention  
5 and Homeownership Protection Act”.

1 **SEC. 2. FINDINGS AND PURPOSE.**

2 (a) FINDINGS.—The Congress makes the following  
3 findings:

4 (1) The United States is experiencing a wave of  
5 foreclosures and mortgage lending problems that has  
6 had widespread negative repercussions for world  
7 credit markets, the United States economy, and  
8 neighborhoods and families in the United States.

9 (2) The large number of actors, the complexity  
10 of the transactions involved, and the lack of clear  
11 lines of accountability have revealed numerous op-  
12 portunities to improve legislative and regulatory  
13 oversight of the industries involved.

14 (3) This crisis has caused many Americans to  
15 lose their homes, their jobs, and their financial sta-  
16 bility.

17 (4) The magnitude of this crisis, the likelihood  
18 that foreclosure filings will continue to increase, and  
19 the widespread effects throughout the world econ-  
20 omy make it critically important that a bipartisan  
21 commission undertake a comprehensive examination  
22 of the causes of this crisis, the solutions to the cri-  
23 sis, and the legislative and regulatory changes that  
24 will prevent such a crisis from occurring in the fu-  
25 ture.

1 (b) PURPOSE.—The purpose of this Act is to estab-  
2 lish a Commission to perform a detailed and comprehen-  
3 sive examination of the origins and causes of the current  
4 foreclosure crisis and to issue a report of its findings to  
5 the President and to the Congress, which shall also rec-  
6 ommend legislative and regulatory changes that will assist  
7 homeowners who are currently in danger of losing their  
8 homes, stem the rising tide of foreclosures, and prevent  
9 the occurrence of similar crises in the future.

10 **SEC. 3. ESTABLISHMENT.**

11 There is established a bipartisan commission to be  
12 known as the Commission to Preserve the American  
13 Dream (in this Act referred to as the “Commission”).

14 **SEC. 4. MEMBERSHIP.**

15 (a) MEMBERS.—The Commission shall be composed  
16 of the following individuals or their designees:

17 (1) 1 member shall be appointed by the Speak-  
18 er of the House of Representatives, in consultation  
19 with the majority leader of the Senate, who shall  
20 serve as chairperson of the Commission.

21 (2) The Secretary of Housing and Urban Devel-  
22 opment.

23 (3) The Chairman of the Board of Governors of  
24 the Federal Reserve System.

1           (4) The chief executive officer of the Federal  
2 National Mortgage Association.

3           (5) The chief executive officer of the Federal  
4 Home Loan Mortgage Corporation.

5           (6) 8 additional members or their designees, ap-  
6 pointed in the following manner:

7                   (A) 2 members appointed by the Speaker  
8 of the House of Representatives.

9                   (B) 2 members appointed by the minority  
10 leader of the House of Representatives.

11                   (C) 2 members appointed by the majority  
12 leader of the Senate.

13                   (D) 2 members appointed by the minority  
14 leader of the Senate.

15           (b) CONSULTATION REQUIRED.—The Speaker of the  
16 House of Representatives, the minority leader of the  
17 House of Representatives, the majority leader of the Sen-  
18 ate, and the minority leader of the Senate shall consult  
19 among themselves prior to the appointment of the mem-  
20 bers of the Commission designated in subsection (a)(6) in  
21 order to achieve, to the maximum extent possible, fair and  
22 equitable representation of various points of view with re-  
23 spect to the matters to be studied by the Commission.

24           (c) BACKGROUND.—The members of the Commission  
25 designated in subsection (a)(6) shall have expertise in a

1 broad range of issues, including community housing, con-  
2 sumer lending, real estate finance, economics, mortgage  
3 banking, loan servicing, credit risk assessment, and the  
4 operation of housing finance agencies at the State govern-  
5 ment level.

6 (d) PERIOD OF APPOINTMENT.—

7 (1) IN GENERAL.—Each member of the Com-  
8 mission shall be appointed for the life of the Com-  
9 mission.

10 (2) VACANCIES.—A vacancy on the Commission  
11 shall not affect its powers, but shall be filled in the  
12 same manner as the original appointment was made.

13 (e) QUORUM.—

14 (1) MAJORITY.—A majority of the members of  
15 the Commission shall constitute a quorum, but a  
16 lesser number may hold hearings.

17 (2) APPROVAL ACTIONS.—All recommendations  
18 and reports of the Commission required by this Act  
19 shall be approved only by a majority vote of a  
20 quorum of the Commission.

21 (f) MEETINGS.—

22 (1) FIRST MEETING.—The Speaker of the  
23 House shall call the first meeting of the Commission  
24 not later than—

1 (A) 60 days after the date of enactment of  
2 this Act; or

3 (B) 30 days after the date of the enact-  
4 ment of legislation making appropriations to  
5 carry out this Act.

6 (2) SUBSEQUENT MEETINGS.—Except as pro-  
7 vided in paragraph (1), the Commission shall meet  
8 at the call of the Chairperson.

9 **SEC. 5. DUTIES AND PURPOSE.**

10 (a) ASSESSMENTS.—The Commission shall study and  
11 assess—

12 (1) the adequacy of the existing legal and regu-  
13 latory framework to address the current foreclosure  
14 and mortgage lending crisis and to prevent similar  
15 crises from happening in the future;

16 (2) the role of the States versus the role of the  
17 Federal Government in ensuring homeowners are  
18 protected against unscrupulous lending practices;  
19 and

20 (3) the effects of this crisis on the domestic and  
21 world economies.

22 (b) RECOMMENDATIONS.—The Commission shall  
23 make recommendations of—

24 (1) ways to assist homeowners currently in dan-  
25 ger of losing their homes;

1           (2) ways to encourage lenders and borrowers to  
2           work together to prevent foreclosure; and

3           (3) legislative and regulatory changes that will  
4           provide protection for homeowners against unscrupu-  
5           lous lending practices and strengthen accountability  
6           for those involved in the mortgage lending market.

7 **SEC. 6. POWERS.**

8           (a) HEARINGS.—The Commission or, at its direction,  
9           any subcommittee or member of the Commission, may, for  
10          the purpose of carrying out this Act—

11           (1) hold such public hearings in such cities and  
12           countries, sit and act at such times and places, take  
13           such testimony, receive such evidence, and admin-  
14           ister such oaths as the Commission or such sub-  
15           committee or member considers advisable; and

16           (2) require, by subpoena or otherwise, the at-  
17           tendance and testimony of such witnesses and the  
18           production of such books, records, correspondence,  
19           memoranda, papers, documents, tapes, and materials  
20           as the Commission or such subcommittee or member  
21           considers advisable.

22           (b) ISSUANCE AND ENFORCEMENT OF SUB-  
23          POENAS.—

24           (1) ISSUANCE.—Subpoenas issued under sub-  
25          section (a) shall bear the signature of the Chair-

1 person of the Commission and shall be served by any  
2 person or class of persons designated by the Chair-  
3 person for that purpose.

4 (2) ENFORCEMENT.—In the case of contumacy  
5 or failure to obey a subpoena issued under sub-  
6 section (a), the United States district court for the  
7 judicial district in which the subpoenaed person re-  
8 sides, is served, or may be found may issue an order  
9 requiring such person to appear at any designated  
10 place to testify or to produce documentary or other  
11 evidence. Any failure to obey the order of the court  
12 may be punished by the court as a contempt of that  
13 court.

14 (c) WITNESS ALLOWANCES AND FEES.—Section  
15 1821 of title 28, United States Code, shall apply to wit-  
16 nesses requested or subpoenaed to appear at any hearing  
17 of the Commission. The per diem and mileage allowances  
18 for witnesses shall be paid from funds available to pay the  
19 expenses of the Commission.

20 (d) INFORMATION FROM FEDERAL AGENCIES.—The  
21 Commission may secure directly from any Federal depart-  
22 ment or agency such information as the Commission con-  
23 siders necessary to perform its duties. Upon request of  
24 the Chairperson of the Commission, the head of such de-

1 department or agency shall furnish such information to the  
2 Commission.

3 (e) **POSTAL SERVICES.**—The Commission may use  
4 the United States mails in the same manner and under  
5 the same conditions as other departments and agencies of  
6 the Federal Government.

7 **SEC. 7. PERSONNEL.**

8 (a) **COMPENSATION OF MEMBERS.**—Each member of  
9 the Commission who is not an officer or employee of the  
10 Federal Government shall be compensated at a rate equal  
11 to the daily equivalent of the annual rate of basic pay pre-  
12 scribed for level IV of the Executive Schedule under sec-  
13 tion 5315 of title 5, United States Code, for each day (in-  
14 cluding travel time) during which such member is engaged  
15 in the performance of the duties of the Commission. All  
16 members of the Commission who are officers or employees  
17 of the United States shall serve without compensation in  
18 addition to that received for their services as officers or  
19 employees of the United States.

20 (b) **TRAVEL EXPENSES.**—The members of the Com-  
21 mission shall be allowed travel expenses, including per  
22 diem in lieu of subsistence, at rates authorized for employ-  
23 ees of agencies under subchapter I of chapter 57 of title  
24 5, United States Code, while away from their homes or

1 regular places of business in the performance of services  
2 for the Commission.

3 (c) STAFF.—

4 (1) IN GENERAL.—The Chairperson of the  
5 Commission may, without regard to the civil service  
6 laws and regulations, appoint and terminate the em-  
7 ployment of such personnel as may be necessary to  
8 enable the Commission to perform its duties.

9 (2) COMPENSATION.—The Chairperson of the  
10 Commission may fix the compensation of the per-  
11 sonnel without regard to chapter 51 and subchapter  
12 III of chapter 53 of title 5, United States Code, re-  
13 lating to classification of positions and General  
14 Schedule pay rates, except that the rate of pay for  
15 the personnel may not exceed the rate payable for  
16 level V of the Executive Schedule under section 5316  
17 of such title.

18 (d) DETAIL OF GOVERNMENT EMPLOYEES.—Any  
19 Federal Government employee may be detailed to the  
20 Commission without reimbursement, and such detail shall  
21 be without interruption or loss of civil service status or  
22 privilege.

23 (e) PROCUREMENT OF TEMPORARY AND INTERMIT-  
24 TENT SERVICES.—The Chairperson of the Commission  
25 may procure temporary and intermittent services under

1 section 3109(b) of title 5, United States Code, at rates  
2 for individuals that do not exceed the daily equivalent of  
3 the annual rate of basic pay prescribed for level V of the  
4 Executive Schedule under section 5316 of such title.

5 (f) OTHER ADMINISTRATIVE MATTERS.—The Com-  
6 mission may—

7 (1) enter into agreements with the Adminis-  
8 trator of General Services to procure necessary fi-  
9 nancial and administrative services;

10 (2) enter into contracts to procure supplies,  
11 services, and property; and

12 (3) enter into contracts with Federal, State, or  
13 local agencies, or private institutions or organiza-  
14 tions, for the conduct of research or surveys, the  
15 preparation of reports, and other activities necessary  
16 to enable the Commission to perform its duties.

17 **SEC. 8. REPORT.**

18 (a) IN GENERAL.—Not later than 180 days after the  
19 appointment of the Commission members under section 4,  
20 the Commission shall submit to the President and the  
21 Congress a final report containing a detailed statement  
22 of its findings, together with any recommendations for leg-  
23 islation or administrative action that the Commission con-  
24 siders appropriate, in accordance with the requirements  
25 of section 5.

1 (b) CONSIDERATIONS.—In developing any rec-  
2 ommendations under subsection (a), the Commission shall  
3 consider—

4 (1) the role of the Federal Government in pre-  
5 venting similar crises in the future and its role in as-  
6 sisting homeowners today;

7 (2) ways in which to strengthen accountability  
8 of all actors involved, including homeowners, mort-  
9 gage brokers, lenders, appraisers, State housing  
10 agencies, the Federal Housing Administration, Gov-  
11 ernment-sponsored enterprises, credit rating agen-  
12 cies, investors in collateralized debt obligations, the  
13 Federal Reserve System, and other Federal agencies  
14 with jurisdiction over entities involved with the fore-  
15 closure crisis;

16 (3) the extent to which predatory and abusive  
17 lending practices contributed to the crisis and  
18 whether new legislation is required to curb such  
19 practices;

20 (4) the role of subprime lending practices in  
21 precipitating this crisis; and

22 (5) ways to prevent blight and whether targeted  
23 solutions may be required for neighborhoods that  
24 have been particularly hard hit by the crisis.

1 **SEC. 9. TERMINATION.**

2       The Commission shall terminate upon the expiration  
3 of the 90-day period beginning upon the date on which  
4 the Commission submits its report to the Congress under  
5 section 8(a).

6 **SEC. 10. AUTHORIZATION OF APPROPRIATIONS.**

7       (a) **IN GENERAL.**—There is authorized to be appro-  
8 priated \$3,000,000 to carry out this Act.

9       (b) **AVAILABILITY.**—Any amounts appropriated pur-  
10 suant to this section shall remain available, without fiscal  
11 year limitation, until expended.

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