

An Act

To provide authority for the Federal Government to purchase and insure certain types of troubled assets for the purposes of providing stability to and preventing disruption in the economy and financial system and protecting taxpayers, to amend the Internal Revenue Code of 1986 to provide incentives for energy production and conservation, to extend certain expiring provisions, to provide individual income tax relief, and for other purposes. <<NOTE: Oct. 3, 2008 - [H.R. 1424]>>

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DIVISION A--EMERGENCY <<NOTE: Emergency Economic Stabilization Act of 2008.>> ECONOMIC STABILIZATION

SECTION 1. <<NOTE: 12 USC 5201 note.>> SHORT TITLE AND TABLE OF CONTENTS.

(a) Short Title.--This division may be cited as the ``Emergency Economic Stabilization Act of 2008''.

(b) Table of Contents.--The table of contents for this division is as follows:

Sec. 1. Short title and table of contents.

Sec. 2. Purposes.

Sec. 3. Definitions.

TITLE I--TROUBLED ASSETS RELIEF PROGRAM

Sec. 101. Purchases of troubled assets.

Sec. 102. Insurance of troubled assets.

Sec. 103. Considerations.

Sec. 104. Financial Stability Oversight Board.

Sec. 105. Reports.

Sec. 106. Rights; management; sale of troubled assets; revenues and sale proceeds.

Sec. 107. Contracting procedures.

Sec. 108. Conflicts of interest.

Sec. 109. Foreclosure mitigation efforts.

Sec. 110. Assistance to homeowners.

Sec. 111. Executive compensation and corporate governance.

Sec. 112. Coordination with foreign authorities and central banks.

Sec. 113. Minimization of long-term costs and maximization of benefits for taxpayers.

Sec. 114. Market transparency.

Sec. 115. Graduated authorization to purchase.

Sec. 116. Oversight and audits.

Sec. 117. Study and report on margin authority.

Sec. 118. Funding.

Sec. 119. Judicial review and related matters.

Sec. 120. Termination of authority.

Sec. 121. Special Inspector General for the Troubled Asset Relief

Program.

- Sec. 122. Increase in statutory limit on the public debt.
- Sec. 123. Credit reform.
- Sec. 124. HOPE for Homeowners amendments.
- Sec. 125. Congressional Oversight Panel.

SEC. 109. <<NOTE: 12 USC 5219.>> FORECLOSURE MITIGATION EFFORTS.

(a) Residential Mortgage Loan Servicing Standards.--To the extent that the Secretary acquires mortgages, mortgage backed securities, and other assets secured by residential real estate, including multifamily housing, the Secretary shall implement a plan that seeks to maximize assistance for homeowners and use the authority of the Secretary to encourage the servicers of the underlying mortgages, considering net present value to the taxpayer, to take advantage of the HOPE for Homeowners Program under section 257 of the National Housing Act or other available programs to minimize foreclosures. In addition, the Secretary may use loan guarantees and credit enhancements to facilitate loan modifications to prevent avoidable foreclosures.

(b) Coordination.--The Secretary shall coordinate with the Corporation, the Board (with respect to any mortgage or mortgage-backed securities or pool of securities held, owned, or controlled by or on behalf of a Federal reserve bank, as provided in section 110(a)(1)(C)), the Federal Housing Finance Agency, the Secretary of Housing and Urban Development, and other Federal Government entities that hold troubled assets to attempt to identify opportunities for the acquisition of classes of troubled assets that will improve the ability of the Secretary to improve the loan modification and

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restructuring process and, **where permissible, to permit bona fide tenants who are current on their rent to remain in their homes under the terms of the lease.** <<NOTE: Residential rental property.>> In the case of a mortgage on a residential rental property, the plan required under this section shall include protecting Federal, State, and local rental subsidies and protections, and ensuring any modification takes into account the need for operating funds to maintain decent and safe conditions at the property.

(c) Consent to Reasonable Loan Modification Requests.--Upon any request arising under existing investment contracts, the Secretary shall consent, where appropriate, and considering net present value to the taxpayer, to reasonable requests for loss mitigation measures, including term extensions, rate reductions, principal write downs, increases in the proportion of loans within a trust or other structure allowed to be modified, or removal of other limitation on modifications.