

110TH CONGRESS  
2D SESSION

# H. R. 5153

To increase temporarily the conforming loan limits of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation in certain areas, enhance mortgage market liquidity, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 29, 2008

Mr. KANJORSKI introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To increase temporarily the conforming loan limits of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation in certain areas, enhance mortgage market liquidity, 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 “Conforming Loan  
5 Limit Temporary Adjustment Act of 2008”.

1 **SEC. 2. TEMPORARY CONFORMING LOAN LIMIT INCREASE**  
2 **FOR FANNIE MAE AND FREDDIE MAC.**

3 (a) INCREASE OF HIGH COST AREAS LIMITS FOR  
4 HOUSING GSEs.—For mortgages originated during the  
5 period beginning on July 1, 2007, and ending at the end  
6 of December 31, 2008:

7 (1) FANNIE MAE.—With respect to the Federal  
8 National Mortgage Association, notwithstanding sec-  
9 tion 302(b)(2) of the Federal National Mortgage As-  
10 sociation Charter Act (12 U.S.C. 1717(b)(2)), the  
11 limitation on the maximum original principal obliga-  
12 tion of a mortgage that may be purchased by the  
13 Association shall be the higher of—

14 (A) the limitation for 2008 determined  
15 under such section 302(b)(2) for a residence of  
16 the applicable size; or

17 (B) 125 percent of the area median price  
18 for a residence of the applicable size, but in no  
19 case to exceed 175 percent of the limitation for  
20 2008 determined under such section 302(b)(2)  
21 for a residence of the applicable size.

22 (2) FREDDIE MAC.—With respect to the Fed-  
23 eral Home Loan Mortgage Corporation, notwith-  
24 standing section 305(a)(2) of the Federal Home  
25 Loan Mortgage Corporation Act (12 U.S.C.  
26 1454(a)(2)), the limitation on the maximum original

1 principal obligation of a mortgage that may be pur-  
2 chased by the Corporation shall be the higher of—

3 (A) the limitation determined for 2008  
4 under such section 305(a)(2) for a residence of  
5 the applicable size; or

6 (B) 125 percent of the area median price  
7 for a residence of the applicable size, but in no  
8 case to exceed 175 percent of the limitation de-  
9 termined for 2008 under such section 305(a)(2)  
10 for a residence of the applicable size.

11 (b) DETERMINATION OF LIMITS.—The areas and  
12 area median prices used for purposes of the determina-  
13 tions under subsection (a) shall be the areas and area me-  
14 dian prices developed by the Secretary of Housing and  
15 Urban Development in accordance with subsection (f).

16 (c) RULE OF CONSTRUCTION.—A mortgage origi-  
17 nated during the period referred to in subsection (a) that  
18 is eligible for purchase by the Federal National Mortgage  
19 Association or the Federal Home Loan Mortgage Corpora-  
20 tion pursuant to this section shall be eligible for such pur-  
21 chase for the duration of the term of the mortgage, not-  
22 withstanding that such purchase occurs after the expira-  
23 tion of such period.

24 (d) EFFECT ON HOUSING GOALS.—Notwithstanding  
25 any other provision of law, mortgages purchased in ac-

1 cordance with the increased maximum original principal  
2 obligation limitations determined pursuant to this section  
3 shall not be considered in determining performance with  
4 respect to any of the housing goals established under sec-  
5 tion 1332, 1333, or 1334 of the Housing and Community  
6 Development Act of 1992 (12 U.S.C. 4562–4), and shall  
7 not be considered in determining compliance with such  
8 goals pursuant to section 1336 of such Act (12 U.S.C.  
9 4566) and regulations, orders, or guidelines issued there-  
10 under.

11 (e) SENSE OF CONGRESS.—It is the sense of the Con-  
12 gress that the securitization of mortgages by the Federal  
13 National Mortgage Association and the Federal Home  
14 Loan Mortgage Corporation plays an important role in  
15 providing liquidity to the United States housing markets.  
16 Therefore, the Congress encourages the Federal National  
17 Mortgage Association and the Federal Home Loan Mort-  
18 gage Corporation to securitize mortgages acquired under  
19 the increased conforming loan limits established in this  
20 section, to the extent that such securitizations can be ef-  
21 fected in a timely and efficient manner that does not im-  
22 pose additional costs for mortgages originated, purchased,  
23 or securitized under the existing limits or interfere with  
24 the goal of adding liquidity to the market.

1           (f) PUBLICATION OF AREA MEDIAN PRICES AND  
2 LOAN LIMITS.—The Secretary of Housing and Urban De-  
3 velopment shall publish the median house prices and mort-  
4 gage principal obligation limits, as revised pursuant to this  
5 section, for all areas as soon as practicable, but in no case  
6 more than 30 days after the date of the enactment of this  
7 Act. With respect to existing areas for which the Secretary  
8 has not established area median prices before such date  
9 of enactment, the Secretary may rely on existing commer-  
10 cial data in determining area median prices and calcu-  
11 lating such revised principal obligation limits.

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