

AMENDMENT TO H.R. 384
OFFERED BY MR. ISRAEL OF NEW YORK

At the end of title VI, add the following new section:

1 **SEC. 602. MORTGAGE BUY-DOWN PROGRAM FOR HOME**
2 **PURCHASE MORTGAGES.**

3 (a) **IN GENERAL.**—The Secretary of the Treasury
4 shall carry out a program under this section to provide
5 subsidies and financial assistance necessary to reduce in-
6 terest rates on mortgages made for home purchases to af-
7 fordable rates, in accordance in this section.

8 (b) **TERMS.**—Mortgages assisted under the program
9 under this section shall comply with the following require-
10 ments:

11 (1) **30-YEAR HOME PURCHASE MORTGAGES.**—
12 The mortgage shall be made for the purchase, by a
13 qualified home buyer, of a 1- to 4-family residential
14 property and shall have a term to maturity of 30
15 years.

16 (2) **PRINCIPAL RESIDENCES.**—The mortgagor
17 under the mortgage shall occupy the property sub-
18 ject to the mortgage as a principal residence.

19 (3) **AFFORDABLE INTEREST RATES.**—The
20 mortgage shall bear interest at an annual rate of—

1 (A) in the case of mortgages made during
2 the period beginning on the date of the enact-
3 ment of this Act and ending at the end of June
4 30, 2009, 2.99 percent; and

5 (B) in the case of mortgages made during
6 the period beginning on July 1, 2009 and end-
7 ing at the end of December 31, 2009, 3.99 per-
8 cent.

9 (4) MAXIMUM MORTGAGE AMOUNT.—The origi-
10 nal principal obligation of the mortgage shall not ex-
11 ceed the greater of—

12 (A) the limitation in effect, under section
13 305(a)(2) of the Federal Home Loan Mortgage
14 Corporation Act (12 U.S.C. 1454(a)(2)) for a
15 residence of the size of the residence subject to
16 the mortgage for the area in which such resi-
17 dence subject to the mortgage is located, on the
18 maximum amount of the original principal obli-
19 gation of a mortgage that may be purchased by
20 the Federal Home Loan Mortgage Corporation;
21 or

22 (B) the dollar amount limitation on the
23 principal obligation of a mortgage in effect
24 under section 203(b)(2) of the National Hous-
25 ing Act (12 U.S.C. 1709(b)(2)) for a residence

1 of the size of the residence subject to the mort-
2 gage for the area in which such residence sub-
3 ject to the mortgage is located.

4 (c) TREATMENT OF INCOME.—Taxable income that
5 arises due to subsidies or assistance under this section
6 shall be exempt from taxation.

7 (d) TERMINATION.—No mortgage for which a bor-
8 rower has qualified after December 31, 2009, may be as-
9 sisted under the program.

