

.....
(Original Signature of Member)

115TH CONGRESS
2D SESSION

H. R. _____

To require the sale of distressed notes and other obligations, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. KELLY of Pennsylvania introduced the following bill; which was referred to the Committee on _____

A BILL

To require the sale of distressed notes and other obligations, 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 “Generating American
5 Income and Infrastructure Now Act”.

6 **SEC. 2. REQUIRED SALE OF DISTRESSED NOTES AND**
7 **OTHER OBLIGATIONS.**

8 (a) IN GENERAL.—

1 (1) COORDINATION OF SALE OF DISTRESSED
2 NOTES.—The Secretary of Agriculture shall sell,
3 under terms established by the Secretary of the
4 Treasury, distressed notes and other obligations held
5 by the Department of Agriculture.

6 (2) DEPOSIT OF PROCEEDS.—Of the proceeds
7 from the sale of the notes and obligations pursuant
8 to paragraph (1)—

9 (A) 50 percent shall be deposited in an ac-
10 count specifically designated for purposes of
11 carrying out infrastructure projects in low-in-
12 come communities (as defined in section 45D(e)
13 of the Internal Revenue Code of 1986); and

14 (B) 50 percent shall be retained in the
15 Treasury for purposes of deficit reduction.

16 (b) TERMS AND PROCEDURES OF SALES.—

17 (1) FAIR MARKET VALUATION.—The Secretary
18 of the Treasury shall consult with the Secretary of
19 Agriculture to establish a fair market valuation for
20 the sale of the distressed notes or other obligations
21 pursuant to this section.

22 (2) NO RECOURSE OR LIABILITY.—The sale of
23 distressed notes or other obligations pursuant to this
24 section shall be on a nonrecourse basis. The Sec-
25 retary of Agriculture and any subsequent purchaser

1 of such notes or other obligations sold on a non-
2 recourse basis shall be relieved of any responsibilities
3 that might have been imposed had the borrower re-
4 mained indebted to the Secretary of Agriculture.

5 (3) CONTRACT PROVISIONS.—The sale of dis-
6 tressed notes or other obligations pursuant to this
7 section shall not alter the terms specified in the note
8 or other obligation.

9 (4) NOTIFICATION; NOTICE AND COMMENT.—
10 Not less than 60 days before the sale of a distressed
11 note or other obligation pursuant to this section, the
12 Secretary of Agriculture shall notify the borrower
13 that the Department of Agriculture intends to sell
14 such note or other obligation.

15 (5) NOTICE AND COMMENT.—During the 60-
16 day period before the sale of a distressed note or
17 other obligation under this section, the Secretary of
18 Agriculture shall provide an opportunity for notice
19 and public comment in a manner that protects the
20 personally identifiable information relating to the
21 borrower.

22 (6) BORROWER OPPORTUNITY TO REFI-
23 NANCE.—A borrower may pay off a distressed note
24 or other obligation at a discount to par value ena-
25 bling the borrower to refinance the note or other ob-

1 ligation through a private market loan within 30
2 days after the borrower receives notification of the
3 intent to sell such note or other obligation pursuant
4 to paragraph (4).

5 (7) BEST PRICE.—The Secretary of Agriculture
6 shall obtain the highest possible return from the
7 sales of distressed notes or other obligations under
8 this section and may conduct sales on a competitive
9 bidding or negotiated process, in amounts suffi-
10 ciently large to assure market interest.

11 (8) FINANCIAL ADVISOR.—In order to assure
12 the highest possible return, the Secretary of Agri-
13 culture may employ public finance advisors from
14 micro-, woman-, and minority-owned businesses, as
15 defined by the Small Business Administration.

16 (9) LOAN SERVICING.—Before selling any dis-
17 tressed note or other obligation under this section,
18 the Secretary of Agriculture shall require persons of-
19 fering to purchase the note or other obligation to
20 demonstrate—

21 (A) an ability or resources to provide such
22 servicing, with respect to the distressed note or
23 other obligation, that the Secretary of the
24 Treasury determines to be necessary to ensure
25 the continued performance on the loan; and

1 (B) the ability to generate capital to pro-
2 vide the borrowers of the distressed notes or
3 other obligations such additional credit as may
4 be necessary in proper servicing of such notes
5 or other obligations.

6 (c) GAO REPORT.—Not later than one year after the
7 date of the enactment of this Act, the Comptroller General
8 of the United States shall submit to Congress a report
9 on the sale of distressed notes or other obligations of the
10 Department of Agriculture under this section. Such report
11 shall include the recommendation of the Comptroller Gen-
12 eral of the United States with respect to whether such a
13 sale should be undertaken by other Federal agencies.