

.....  
(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.