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(Original Signature of Member)

114TH CONGRESS
1ST SESSION

H. R.

To suspend the current compensation packages for the senior executives of Fannie Mae and Freddie Mac and establish compensation for such positions in accordance with rates of pay for senior employees in the Executive Branch of the Federal Government, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. ROYCE introduced the following bill; which was referred to the Committee on _____

A BILL

To suspend the current compensation packages for the senior executives of Fannie Mae and Freddie Mac and establish compensation for such positions in accordance with rates of pay for senior employees in the Executive Branch of the Federal Government, 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 “Equity in Government
5 Compensation Act of 2015”.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) DIRECTOR.—The term “Director” means
4 the Director of the Federal Housing Finance Agen-
5 cy.

6 (2) EMPLOYEE.—The term “employee” means
7 an employee of an enterprise, except that such term
8 does not include any employee who would be defined
9 as a prevailing rate employee (as defined in section
10 5342(2) of title 5, United States Code) if such em-
11 ployee were employed by an agency (as defined in
12 paragraph (1) of such section).

13 (3) ENTERPRISE.—The term “enterprise”
14 means—

15 (A) the Federal National Mortgage Asso-
16 ciation and any affiliate thereof; and

17 (B) the Federal Home Loan Mortgage
18 Corporation and any affiliate thereof.

19 (4) EXECUTIVE OFFICER.—The term “executive
20 officer” has the same meaning as is given such term
21 in section 1303(12) of the Federal Housing Enter-
22 prises Financial Safety and Soundness Act of 1992
23 (12 U.S.C. 4502(12)).

24 **SEC. 3. REASONABLE PAY FOR EXECUTIVE OFFICERS.**

25 (a) SUSPENSION OF CURRENT COMPENSATION
26 PACKAGES.—The Director shall suspend the compensa-

1 tion packages approved for 2015 for the executive officers
2 of an enterprise and, in lieu of such packages, subject to
3 the limitation under subsection (c), establish a compensa-
4 tion system for the executive officers of such enterprise
5 in accordance with the schedules of compensation and ben-
6 efits established and adjusted pursuant to section 1206
7 of the Financial Institutions Reform, Recovery, and En-
8 forcement Act of 1989 (12 U.S.C. 1833b).

9 (b) **ADDITIONAL REQUIREMENT.**—An executive offi-
10 cer of an enterprise shall be subject to section 111 of the
11 Emergency Economic Stabilization Act of 2008 (12
12 U.S.C. 5221), which relates to executive compensation and
13 corporate governance.

14 (c) **LIMITATION ON COMPENSATION.**—An executive
15 officer of an enterprise whose compensation package is
16 suspended under subsection (a) shall not be compensated
17 more than the highest compensated employee of the Fed-
18 eral Housing Finance Agency.

19 **SEC. 4. COMPENSATION RATE OF EMPLOYEES OF FANNIE**
20 **MAE AND FREDDIE MAC.**

21 (a) **IN GENERAL.**—During any period that an enter-
22 prise is federally chartered under the Federal National
23 Mortgage Association Charter Act (12 U.S.C. 1716 et
24 seq.) or the Federal Home Loan Mortgage Corporation
25 Act (12 U.S.C. 1451 et seq.), the compensation of the po-

1 sitions held by employees shall be in accordance with this
2 section.

3 (b) CONVERSION OF COMPENSATION RATE FOR CUR-
4 RENT EMPLOYEES.—

5 (1) IN GENERAL.—Except for as provided in
6 section 3, effective for pay periods beginning after
7 the date of the enactment of this Act, the Director
8 shall fix the rate of basic compensation of positions
9 held by employees performing services for an enter-
10 prise as of the date of the enactment of this Act in
11 accordance with the General Schedule set forth in
12 section 5332 of title 5, United States Code. In fixing
13 such rate—

14 (A) if the employee is receiving a rate of
15 basic compensation that is less than the min-
16 imum rate of basic compensation of the appro-
17 priate grade of the General Schedule in which
18 his or her position is placed, such employee's
19 rate of basic compensation shall be increased to
20 such minimum rate;

21 (B) if the employee is receiving a rate of
22 basic compensation that is equal to a rate of
23 basic compensation of the appropriate grade of
24 the General Schedule in which his or her posi-
25 tion is placed, such employee's rate of basic

1 compensation shall be equal to that rate of
2 basic compensation of the appropriate grade of
3 the General Schedule;

4 (C) if the employee is receiving a rate of
5 basic compensation that is between 2 rates of
6 basic compensation of the appropriate grade of
7 the General Schedule in which his or her posi-
8 tion is placed, such employee's rate of basic
9 compensation shall be at the higher of those 2
10 rates under the General Schedule; and

11 (D) if the employee is receiving a rate of
12 basic compensation that is in excess of the max-
13 imum rate of basic compensation of the appro-
14 priate grade of the General Schedule in which
15 his or her position is placed, such employee's
16 rate of basic compensation shall be reduced to
17 such maximum rate.

18 (2) NOT CONSIDERED TRANSFERS OR PRO-
19 MOTIONS.—The conversion of positions and employ-
20 ees to the appropriate grades of the General Sched-
21 ule and the initial adjustment of rates of basic com-
22 pensation of those positions and employees provided
23 for by this subsection, shall not be considered to be
24 transfers or promotions within the meaning of sec-

1 tion 5334(b) of title 5, United States Code, and the
2 regulations issued thereunder.

3 (3) CREDIT FOR INCREASE IN COMPENSATION
4 BEFORE ADJUSTMENT.—Each employee performing
5 services for an enterprise on the date of the enact-
6 ment of this Act whose position is converted under
7 this subsection to the General Schedule and who
8 prior to the initial adjustment of his or her rate of
9 basic compensation under paragraph (1) has earned,
10 but has not been credited with, an increase in that
11 rate, shall be granted credit for such increase before
12 his or her rate of basic compensation is initially ad-
13 justed under such paragraph.

14 (4) SERVICE PERFORMED SINCE LAST COM-
15 PENSATION INCREASE.—Each employee performing
16 services for an enterprise on the date of the enact-
17 ment of this Act whose position is converted under
18 this subsection to the General Schedule shall be
19 granted credit, for purposes of his or her first step
20 increase under the General Schedule, for all satisfac-
21 tory service performed since his or her last increase
22 in compensation prior to the initial adjustment of
23 his or her rate of basic compensation under para-
24 graph (1).

1 (5) COMPENSATION INCREASE UNDER THIS
2 SECTION.—An increase in the rate of basic com-
3 pensation by reason of the enactment of paragraph
4 (1) shall not be considered to be an equivalent in-
5 crease with respect to step increases for employees
6 whose positions are converted to the General Sched-
7 ule under authority of this subsection.

8 (c) NEW EMPLOYEES.—Except for as provided in
9 section 3, the grade and rate of basic pay of any individual
10 beginning employment with an enterprise after the date
11 of enactment of this Act shall be fixed in accordance with
12 the General Schedule set forth in section 5332 of title 5,
13 United States Code.

14 **SEC. 5. FANNIE AND FREDDIE EMPLOYEES NOT FEDERAL**
15 **EMPLOYEES.**

16 Any executive officer or employee affected by any pro-
17 vision under sections 3 and 4, respectively, shall not be
18 considered a Federal employee.