

**AMENDMENT TO COMMITTEE PRINT
OFFERED BY MR. FOSTER OF ILLINOIS**

Page 244, after line 6, insert the following new section:

1 **SEC. 1506. STUDY ON THE MACROECONOMIC EFFECTS OF**
2 **RISK RETENTION REQUIREMENTS.**

3 (a) **STUDY REQUIRED.**—The Chairman of the Finan-
4 cial Services Oversight Council shall carry out a study on
5 the macroeconomic effects of the risk retention require-
6 ments under this subtitle, and the amendments made by
7 this subtitle, with emphasis placed on potential beneficial
8 effects with respect to stabilizing the real estate market.

9 Such study shall include—

10 (1) an analysis of the effects of risk retention
11 on real estate asset price bubbles, including a retro-
12 spective estimate of what fraction of real estate
13 losses may have been averted had such requirements
14 been in force in recent years;

15 (2) an analysis of the feasibility of minimizing
16 real estate price bubbles by proactively adjusting the
17 percentage of risk retention that must be borne by
18 creditors and securitizers of real estate debt, as a
19 function of regional or national market conditions;

1 (3) a comparable analysis for proactively ad-
2 justing mortgage origination requirements;

3 (4) an assessment of whether such proactive ad-
4 justments should be made by an independent regu-
5 lator, or in a formulaic and transparent manner;

6 (5) an assessment of whether such adjustments
7 should take place independently or in concert with
8 monetary policy; and

9 (6) recommendations for implementation and
10 enabling legislation.

11 (b) REPORT.—Not later than the end of the 180-day
12 period beginning on the date of the enactment of this Act,
13 the Chairman of the Financial Services Oversight Council
14 shall issue a report to the Congress containing any find-
15 ings and determinations made in carrying out the study
16 required under subsection (a).

