

**AMENDMENT TO H.R. \_\_\_\_\_**  
**[FHA REFORM ACT OF 2010]**  
**OFFERED BY MR. GARRETT OF NEW JERSEY**

Page 2, after line 12, insert the following new section (and redesignate succeeding sections accordingly):

1 **SEC. 3. INCREASE IN DOWNPAYMENT REQUIRED DURING**  
2 **PERIODS WHEN MMIF DOES NOT COMPLY**  
3 **WITH CAPITAL RATIO REQUIREMENT.**

4 (a) **INCREASED DOWNPAYMENTS.**—Subparagraph  
5 (A) of section 203(b)(9) of the National Housing Act (12  
6 U.S.C. 1709(b)(9)(A)) is amended by inserting before the  
7 period at the end the following: “; except that in the case  
8 of any mortgage insured at any time that the capital ratio  
9 (as such term is defined in section 205(f)(4)) of the Mu-  
10 tual Mortgage Insurance Fund is lower than the percent-  
11 age required under section 205(f)(2), the mortgagor shall  
12 have paid, in cash or its equivalent, on account of the  
13 property an amount equal to not less than 5 percent of  
14 the appraised value of the property or such larger amount  
15 as the Secretary may determine”.

16 (b) **EFFECTIVE DATE.**—The amendment made by  
17 subsection (a) shall apply beginning upon the expiration

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1 of the 6-month period that begins on the date of the enact-  
2 ment of this Act.

