

**AMENDMENT TO H.R. 5830**

**OFFERED BY MR. NEUGEBAUER OF TEXAS**

Page 10, line 23, strike “All” and insert the following: “Except as provided in clause (vi), all”.

Page 14, after line 12, insert the following:

1                   “(vi)    SUBORDINATION    CERTIFI-  
2                   CATES.—The Oversight Board may provide  
3                   that—

4                               “(I) the holder of the existing  
5                   senior mortgage on the residence shall  
6                   receive a negative equity interest in  
7                   the form of a noninterest bearing  
8                   claim, on the property securing the  
9                   mortgage under this section, that is  
10                  subordinate only to the mortgage in-  
11                  sured under this section and is equal  
12                  to the amount of the discount between  
13                  the mortgage insured under this sec-  
14                  tion and the unpaid balance on the  
15                  senior existing mortgage, which shall  
16                  be evidenced by a subordination cer-

1 tificate as the Oversight Board shall  
2 provide; and

3 “(II) upon any sale of the prop-  
4 erty securing the mortgage insured  
5 under this section by the mortgagor,  
6 any appreciation in the value of the  
7 property, as reflected in the sale price,  
8 that exceeds the amount paid to the  
9 holder of the existing senior mortgage  
10 with the proceeds of the mortgage in-  
11 sured under this section shall be pay-  
12 able to the holder of the subordination  
13 certificate pursuant to subclause (I),  
14 in an amount up to the full amount of  
15 the interest evidenced by such certifi-  
16 cate, and any sale proceeds exceeding  
17 such amount shall accrue to the mort-  
18 gagor.”.

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