

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
To H.R. 1776**

OFFERED BY MR. LAZIO

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

2 (a) SHORT TITLE.—This Act may be cited as the
**3 “American Homeownership and Economic Opportunity
4 Act of 2000”.**

5 (b) TABLE OF CONTENTS.—The table of contents for
6 this Act is as follows:

Sec. 1. Short title and table of contents.

Sec. 2. Findings and purpose.

TITLE I—REMOVAL OF BARRIERS TO HOUSING AFFORDABILITY

Sec. 101. Short title.

Sec. 102. Housing impact analysis.

Sec. 103. Grants for regulatory barrier removal strategies.

Sec. 104. Eligibility for community development block grants.

Sec. 105. Regulatory barriers clearinghouse.

**TITLE II—HOMEOWNERSHIP THROUGH MORTGAGE INSURANCE
AND LOAN GUARANTEES**

Sec. 201. Study of mandatory inspection requirement under single family housing mortgage insurance program.

Sec. 202. Extension of loan term for manufactured home lots.

Sec. 203. Downpayment simplification.

Sec. 204. Reduced downpayment requirements for loans for teachers and uniformed municipal employees.

Sec. 205. Neighborhood teacher program.

Sec. 206. Law enforcement officer homeownership pilot program.

Sec. 207. Home equity conversion mortgages.

Sec. 208. Preventing fraud in rehabilitation loan program.

Sec. 209. Community development financial institution risk-sharing demonstration.

Sec. 210. FHA insurance for hybrid ARMs.

Sec. 211. Report on title I home improvement loan program.

TITLE III—SECTION 8 HOMEOWNERSHIP OPTION

- Sec. 301. Downpayment assistance.
- Sec. 302. Pilot program for homeownership assistance for disabled families.
- Sec. 303. Funding for pilot program.

TITLE IV—COMMUNITY DEVELOPMENT BLOCK GRANTS

- Sec. 401. Reauthorization.
- Sec. 402. Prohibition of set-asides.
- Sec. 403. Public services cap.
- Sec. 404. Homeownership for municipal employees.
- Sec. 405. Technical amendment relating to brownfields.
- Sec. 406. CDBG special purpose grants.
- Sec. 407. Income eligibility.
- Sec. 408. Housing opportunities for persons with AIDS.

TITLE V—HOME INVESTMENT PARTNERSHIPS PROGRAM

- Sec. 501. Reauthorization.
- Sec. 502. Eligibility of limited equity cooperatives and mutual housing associations.
- Sec. 503. Leveraging affordable housing investment through local loan pools.
- Sec. 504. Loan guarantees.
- Sec. 505. Homeownership for municipal employees.
- Sec. 506. Use of section 8 assistance by “grand-families” to rent dwelling units in assisted projects.
- Sec. 507. Administrative costs.

TITLE VI—LOCAL HOMEOWNERSHIP INITIATIVES

- Sec. 601. Reauthorization of Neighborhood Reinvestment Corporation.
- Sec. 602. Homeownership zones.
- Sec. 603. Lease-to-own.
- Sec. 604. Local capacity building.
- Sec. 605. Consolidated application and planning requirement and super-NOFA.
- Sec. 606. Assistance for self-help housing providers.
- Sec. 607. Housing counseling organizations.
- Sec. 608. Community lead information centers and lead-safe housing.

TITLE VII—NATIVE AMERICAN HOUSING HOMEOWNERSHIP

- Sec. 701. Lands Title Report Commission.
- Sec. 702. Loan guarantees.
- Sec. 703. Native American housing assistance.

TITLE VIII—TRANSFER OF UNOCCUPIED AND SUBSTANDARD HUD-HELD HOUSING TO LOCAL GOVERNMENTS AND COMMUNITY DEVELOPMENT CORPORATIONS

- Sec. 801. Transfer of unoccupied and substandard HUD-held housing to local governments and community development corporations.

TITLE IX—PRIVATE MORTGAGE INSURANCE CANCELLATION AND TERMINATION

- Sec. 901. Short title.
- Sec. 902. Changes in amortization schedule.

- Sec. 903. Deletion of ambiguous references to residential mortgages.
- Sec. 904. Cancellation rights after cancellation date.
- Sec. 905. Clarification of cancellation and termination issues and lender paid mortgage insurance disclosure requirements.
- Sec. 906. Definitions.

TITLE X—RURAL HOUSING HOMEOWNERSHIP

- Sec. 1001. Promissory note requirement under housing repair loan program.
- Sec. 1002. Limited partnership eligibility for farm labor housing loans.
- Sec. 1003. Project accounting records and practices.
- Sec. 1004. Definition of rural area.
- Sec. 1005. Operating assistance for migrant farmworkers projects.
- Sec. 1006. Multifamily rental housing loan guarantee program.
- Sec. 1007. Enforcement provisions.
- Sec. 1008. Amendments to title 18 of the United States Code.

TITLE XI—MANUFACTURED HOUSING IMPROVEMENT

- Sec. 1101. Short title and references.
- Sec. 1102. Findings and purposes.
- Sec. 1103. Definitions.
- Sec. 1104. Federal manufactured home construction and safety standards.
- Sec. 1105. Abolishment of National Manufactured Home Advisory Council; manufactured home installation.
- Sec. 1106. Public information.
- Sec. 1107. Research, testing, development, and training.
- Sec. 1108. Fees.
- Sec. 1109. Dispute resolution.
- Sec. 1110. Elimination of annual report requirement.
- Sec. 1111. Effective date.
- Sec. 1112. Savings provision.

1 **SEC. 2. FINDINGS AND PURPOSE.**

2 (a) FINDINGS.—The Congress finds that—

3 (1) the priorities of our Nation should include
4 expanding homeownership opportunities by providing
5 access to affordable housing that is safe, clean, and
6 healthy;

7 (2) our Nation has an abundance of conven-
8 tional capital sources available for homeownership fi-
9 nancing;

10 (3) experience with local homeownership pro-
11 grams has shown that if flexible capital sources are

1 available, communities possess ample will and cre-
2 ativity to provide opportunities uniquely designed to
3 assist their citizens in realizing the American dream
4 of homeownership; and

5 (4) each consumer should be afforded every rea-
6 sonable opportunity to access mortgage credit, to ob-
7 tain the lowest cost mortgages for which the con-
8 sumer can qualify, to know the true cost of the
9 mortgage, to be free of regulatory burdens, and to
10 know what factors underlie a lender's decision re-
11 garding the consumer's mortgage.

12 (b) PURPOSE.—It is the purpose of this Act—

13 (1) to encourage and facilitate homeownership
14 by families in the United States who are not other-
15 wise able to afford homeownership; and

16 (2) to expand homeownership through policies
17 that—

18 (A) promote the ability of the private sec-
19 tor to produce affordable housing without exces-
20 sive government regulation;

21 (B) encourage tax incentives, such as the
22 mortgage interest deduction, at all levels of gov-
23 ernment; and

24 (C) facilitate the availability of flexible
25 capital for homeownership opportunities and

1 provide local governments with increased flexi-
2 bility under existing Federal programs to facili-
3 tate homeownership.

4 **TITLE I—REMOVAL OF BAR-**
5 **RIERS TO HOUSING AFFORD-**
6 **ABILITY**

7 **SEC. 101. SHORT TITLE.**

8 This title may be cited as the “Housing Affordability
9 Barrier Removal Act of 2000”.

10 **SEC. 102. HOUSING IMPACT ANALYSIS.**

11 (a) APPLICABILITY.—Except as provided in sub-
12 section (b), the requirements of this section shall apply
13 with respect to—

14 (1) any proposed rule, unless the agency pro-
15 mulgating the rule—

16 (A) has certified that the proposed rule
17 will not, if given force or effect as a final rule,
18 have a significant deleterious impact on housing
19 affordability; and

20 (B) has caused such certification to be
21 published in the Federal Register at the time of
22 publication of general notice of proposed rule-
23 making for the rule, together with a statement
24 providing the factual basis for the certification;
25 and

1 (2) any final rule, unless the agency promul-
2 gating the rule—

3 (A) has certified that the rule will not, if
4 given force or effect, have a significant deleter-
5 ious impact on housing affordability; and

6 (B) has caused such certification to be
7 published in the Federal Register at the time of
8 publication of the final rule, together with a
9 statement providing the factual basis for the
10 certification.

11 Any agency making a certification under this subsection
12 shall provide a copy of such certification and the state-
13 ment providing the factual basis for the certification to
14 the Secretary of Housing and Urban Development.

15 (b) EXCEPTION FOR CERTAIN BANKING RULES.—
16 The requirements of this section shall not apply to any
17 proposed or final rule relating to—

18 (1) the operations, safety, or soundness of—

19 (A) federally insured depository institu-
20 tions or any affiliate of such an institution (as
21 such term is defined in section 2(k) of the Bank
22 Holding Company Act of 1956 (12 U.S.C.
23 1841(k));

24 (B) credit unions;

25 (C) the Federal home loan banks;

1 (D) the enterprises (as such term is de-
2 fined in section 1303 of the Housing and Com-
3 munity Development Act of 1992 (12 U.S.C.
4 4502);

5 (E) a Farm Credit System institution; or

6 (F) foreign banks or their branches, agen-
7 cies, commercial lending companies, or rep-
8 resentative offices that operate in the United
9 States, or any affiliate of a foreign bank (as
10 such terms are defined in section 1 of the Inter-
11 national Banking Act of 1978 (12 U.S.C.
12 3101); or

13 (2) the payments system or the protection of
14 deposit insurance funds or the Farm Credit Insur-
15 ance Fund.

16 (c) STATEMENT OF PROPOSED RULEMAKING.—

17 Whenever an agency publishes general notice of proposed
18 rulemaking for any proposed rule, unless the agency has
19 made a certification under subsection (a), the agency
20 shall—

21 (1) in the notice of proposed rulemaking—

22 (A) state with particularity the text of the
23 proposed rule; and

24 (B) request any interested persons to sub-
25 mit to the agency any written analyses, data,

1 views, and arguments, and any specific alter-
2 natives to the proposed rule that—

3 (i) accomplish the stated objectives of
4 the applicable statutes, in a manner com-
5 parable to the proposed rule;

6 (ii) result in costs to the Federal Gov-
7 ernment equal to or less than the costs re-
8 sulting from the proposed rule; and

9 (iii) result in housing affordability
10 greater than the housing affordability re-
11 sulting from the proposed rule;

12 (2) provide an opportunity for interested per-
13 sons to take the actions specified under paragraph
14 (1)(B) before promulgation of the final rule; and

15 (3) prepare and make available for public com-
16 ment an initial housing impact analysis in accord-
17 ance with the requirements of subsection (d).

18 (d) INITIAL HOUSING IMPACT ANALYSIS.—

19 (1) REQUIREMENTS.—Each initial housing im-
20 pact analysis shall describe the impact of the pro-
21 posed rule on housing affordability. The initial hous-
22 ing impact analysis or a summary shall be published
23 in the Federal Register at the same time as, and to-
24 gether with, the publication of general notice of pro-
25 posed rulemaking for the rule. The agency shall

1 transmit a copy of the initial housing impact anal-
2 ysis to the Secretary of Housing and Urban Devel-
3 opment.

4 (2) MONTHLY HUD LISTING.—On a monthly
5 basis, the Secretary of Housing and Urban Develop-
6 ment shall cause to be published in the Federal Reg-
7 ister, and shall make available through a World
8 Wide Web site of the Department, a listing of all
9 proposed rules for which an initial housing impact
10 analysis was prepared during the preceding month.

11 (3) CONTENTS.—Each initial housing impact
12 analysis required under this subsection shall
13 contain—

14 (A) a description of the reasons why action
15 by the agency is being considered;

16 (B) a succinct statement of the objectives
17 of, and legal basis for, the proposed rule;

18 (C) a description of and, where feasible, an
19 estimate of the extent to which the proposed
20 rule would increase the cost or reduce the sup-
21 ply of housing or land for residential develop-
22 ment; and

23 (D) an identification, to the extent prac-
24 ticable, of all relevant Federal rules which may

1 duplicate, overlap, or conflict with the proposed
2 rule.

3 (e) PROPOSAL OF LESS DELETERIOUS ALTERNATIVE
4 RULE.—

5 (1) ANALYSIS.—The agency publishing a gen-
6 eral notice of proposed rulemaking shall review any
7 specific analyses and alternatives to the proposed
8 rule which have been submitted to the agency pursu-
9 ant to subsection (c)(2) to determine whether any al-
10 ternative to the proposed rule—

11 (A) accomplishes the stated objectives of
12 the applicable statutes, in a manner comparable
13 to the proposed rule;

14 (B) results in costs to the Federal Govern-
15 ment equal to or less than the costs resulting
16 from the proposed rule; and

17 (C) results in housing affordability greater
18 than the housing affordability resulting from
19 the proposed rule.

20 (2) NEW NOTICE OF PROPOSED RULE-
21 MAKING.—If the agency determines that an alter-
22 native to the proposed rule meets the requirements
23 under subparagraphs (A) through (C) of paragraph
24 (1), unless the agency provides an explanation on
25 the record for the proposed rule as to why the alter-

1 native should not be implemented, the agency shall
2 incorporate the alternative into the final rule or, at
3 the agency's discretion, issue a new proposed rule
4 which incorporates the alternative.

5 (f) FINAL HOUSING IMPACT ANALYSIS.—

6 (1) REQUIREMENT.—Whenever an agency pro-
7 mulgates a final rule after publication of a general
8 notice of proposed rulemaking, unless the agency has
9 made the certification under subsection (a), the
10 agency shall prepare a final housing impact analysis.

11 (2) CONTENTS.—Each final housing impact
12 analysis shall contain—

13 (A) a succinct statement of the need for,
14 and objectives of, the rule;

15 (B) a summary of the significant issues
16 raised during the public comment period in re-
17 sponse to the initial housing impact analysis, a
18 summary of the assessment of the agency of
19 such issues, and a statement of any changes
20 made in the proposed rule as a result of such
21 comments; and

22 (C) a description of and an estimate of the
23 extent to which the rule will impact housing af-
24 fordability or an explanation of why no such es-
25 timate is available.

1 (3) AVAILABILITY.—The agency shall make
2 copies of the final housing impact analysis available
3 to members of the public and shall publish in the
4 Federal Register such analysis or a summary there-
5 of.

6 (g) AVOIDANCE OF DUPLICATIVE OR UNNECESSARY
7 ANALYSES.—

8 (1) DUPLICATION.—Any Federal agency may
9 perform the analyses required by subsections (d) and
10 (f) in conjunction with or as a part of any other
11 agenda or analysis required by any other law, execu-
12 tive order, directive, or rule if such other analysis
13 satisfies the provisions of such subsections.

14 (2) JOINDER.—In order to avoid duplicative ac-
15 tion, an agency may consider a series of closely re-
16 lated rules as one rule for the purposes of sub-
17 sections (d) and (f).

18 (h) PREPARATION OF ANALYSES.—In complying with
19 the provisions of subsections (d) and (f), an agency may
20 provide either a quantifiable or numerical description of
21 the effects of a proposed rule or alternatives to the pro-
22 posed rule, or more general descriptive statements if quan-
23 tification is not practicable or reliable.

1 (i) EFFECT ON OTHER LAW.—The requirements of
2 subsections (d) and (f) do not alter in any manner stand-
3 ards otherwise applicable by law to agency action.

4 (j) PROCEDURE FOR WAIVER OR DELAY OF COMPLE-
5 TION.—

6 (1) INITIAL HOUSING IMPACT ANALYSIS.—An
7 agency head may waive or delay the completion of
8 some or all of the requirements of subsection (d) by
9 publishing in the Federal Register, not later than
10 the date of publication of the final rule, a written
11 finding, with reasons therefor, that the final rule is
12 being promulgated in response to an emergency that
13 makes compliance or timely compliance with the pro-
14 visions of subsection (a) impracticable.

15 (2) FINAL HOUSING IMPACT ANALYSIS.—An
16 agency head may not waive the requirements of sub-
17 section (f). An agency head may delay the comple-
18 tion of the requirements of subsection (f) for a pe-
19 riod of not more than 180 days after the date of
20 publication in the Federal Register of a final rule by
21 publishing in the Federal Register, not later than
22 such date of publication, a written finding, with rea-
23 sons therefor, that the final rule is being promul-
24 gated in response to an emergency that makes time-
25 ly compliance with the provisions of subsection (f)

1 impracticable. If the agency has not prepared a final
2 housing impact analysis pursuant to subsection (f)
3 within 180 days from the date of publication of the
4 final rule, such rule shall lapse and have no force or
5 effect. Such rule shall not be repromulgated until a
6 final housing impact analysis has been completed by
7 the agency.

8 (k) DEFINITIONS.—For purposes of this section, the
9 following definitions shall apply:

10 (1) HOUSING AFFORDABILITY.—The term
11 “housing affordability” means the quantity of hous-
12 ing that is affordable to families having incomes that
13 do not exceed 150 percent of the median income of
14 families in the area in which the housing is located,
15 with adjustments for smaller and larger families.
16 For purposes of this paragraph, area, median family
17 income for an area, and adjustments for family size
18 shall be determined in the same manner as such fac-
19 tors are determined for purposes of section 3(b)(2)
20 of the United States Housing Act of 1937.

21 (2) AGENCY.—The term “agency” means each
22 authority of the Government of the United States,
23 whether or not it is within or subject to review by
24 another agency, but does not include—

25 (A) the Congress;

1 (B) the courts of the United States;

2 (C) the governments of the territories or
3 possessions of the United States;

4 (D) the government of the District of Co-
5 lumbia;

6 (E) agencies composed of representatives
7 of the parties or of representatives of organiza-
8 tions of the parties to the disputes determined
9 by them;

10 (F) courts-martial and military commis-
11 sions;

12 (G) military authority exercised in the field
13 in time of war or in occupied territory; or

14 (H) functions conferred by—

15 (i) sections 1738, 1739, 1743, and
16 1744 of title 12, United States Code;

17 (ii) chapter 2 of title 41, United
18 States Code;

19 (iii) subchapter II of chapter 471 of
20 title 49, United States Code; or

21 (iv) sections 1884, 1891–1902, and
22 former section 1641(b)(2), of title 50, ap-
23 pendix, United States Code.

1 (3) FAMILIES.—The term “families” has the
2 meaning given such term in section 3 of the United
3 States Housing Act of 1937.

4 (4) RULE.—The term “rule” means any rule
5 for which the agency publishes a general notice of
6 proposed rulemaking pursuant to section 553(b) of
7 title 5, United States Code, or any other law, includ-
8 ing any rule of general applicability governing grants
9 by an agency to State and local governments for
10 which the agency provides an opportunity for notice
11 and public comment; except that such term does not
12 include a rule of particular applicability relating to
13 rates, wages, corporate or financial structures or re-
14 organizations thereof, prices, facilities, appliances,
15 services, or allowances therefor or to valuations,
16 costs or accounting, or practices relating to such
17 rates, wages, structures, prices, appliances, services,
18 or allowances.

19 (5) SIGNIFICANT.—The term “significant”
20 means increasing consumers’ cost of housing by
21 more than \$100,000,000 per year.

22 (1) DEVELOPMENT.—Not later than 1 year after the
23 date of the enactment of this title, the Secretary of Hous-
24 ing and Urban Development shall develop model initial
25 and final housing impact analyses under this section and

1 shall cause such model analyses to be published in the
2 Federal Register. The model analyses shall define the pri-
3 mary elements of a housing impact analysis to instruct
4 other agencies on how to carry out and develop the anal-
5 yses required under subsections (a) and (d).

6 (m) JUDICIAL REVIEW.—

7 (1) DETERMINATION BY AGENCY.—Except as
8 otherwise provided in paragraph (2), any determina-
9 tion by an agency concerning the applicability of any
10 of the provisions of this title to any action of the
11 agency shall not be subject to judicial review.

12 (2) OTHER ACTIONS BY AGENCY.—Any housing
13 impact analysis prepared under subsection (d) or (f)
14 and the compliance or noncompliance of the agency
15 with the provisions of this title shall not be subject
16 to judicial review. When an action for judicial review
17 of a rule is instituted, any housing impact analysis
18 for such rule shall constitute part of the whole
19 record of agency action in connection with the re-
20 view.

21 (3) EXCEPTION.—Nothing in this subsection
22 bars judicial review of any other impact statement or
23 similar analysis required by any other law if judicial
24 review of such statement or analysis is otherwise
25 provided by law.

1 **SEC. 103. GRANTS FOR REGULATORY BARRIER REMOVAL**
2 **STRATEGIES.**

3 (a) AUTHORIZATION OF APPROPRIATIONS.—Sub-
4 section (a) of section 1204 of the Housing and Community
5 Development Act of 1992 (42 U.S.C. 12705c(a)) is
6 amended to read as follows:

7 “(a) FUNDING.—There is authorized to be appro-
8 priated for grants under subsections (b) and (c)
9 \$15,000,000 for fiscal year 2001 and such sums as may
10 be necessary for each of fiscal years 2002, 2003, 2004,
11 and 2005.”.

12 (b) CONSOLIDATION OF STATE AND LOCAL
13 GRANTS.—Subsection (b) of section 1204 of the Housing
14 and Community Development Act of 1992 (42 U.S.C.
15 12705c(b)) is amended—

16 (1) in the subsection heading, by striking
17 “STATE GRANTS” and inserting “GRANT AUTHOR-
18 ITY”;

19 (2) in the matter preceding paragraph (1), by
20 inserting after “States” the following: “and units of
21 general local government (including consortia of
22 such governments)”;

23 (3) in paragraph (3), by striking “a State pro-
24 gram to reduce State and local” and inserting
25 “State, local, or regional programs to reduce”;

1 (4) in paragraph (4), by inserting “or local”
2 after “State”; and

3 (5) in paragraph (5), by striking “State”.

4 (c) REPEAL OF LOCAL GRANTS PROVISION.—Section
5 1204 of the Housing and Community Development Act
6 of 1992 (42 U.S.C. 12705c) is amended by striking sub-
7 section (c).

8 (d) APPLICATION AND SELECTION.—The last sen-
9 tence of section 1204(e) of the Housing and Community
10 Development Act of 1992 (42 U.S.C. 12705c(e)) is
11 amended—

12 (1) by striking “and for the selection of units
13 of general local government to receive grants under
14 subsection (f)(2); and

15 (2) by inserting before the period at the end the
16 following: “and such criteria shall require that grant
17 amounts be used in a manner consistent with the
18 strategy contained in the comprehensive housing af-
19 fordability strategy for the jurisdiction pursuant to
20 section 105(b)(4) of the Cranston-Gonzalez National
21 Affordable Housing Act”.

22 (e) SELECTION OF GRANTEES.—Subsection (f) of
23 section 1204 of the Housing and Community Development
24 Act of 1992 (42 U.S.C. 12705c(f)) is amended to read
25 as follows:

1 “(f) SELECTION OF GRANTEES.—To the extent
2 amounts are made available to carry out this section, the
3 Secretary shall provide grants on a competitive basis to
4 eligible grantees based on the proposed uses of such
5 amounts, as provided in applications under subsection
6 (e).”.

7 (f) TECHNICAL AMENDMENTS.—Section 107(a)(1) of
8 the Housing and Community Development Act of 1974
9 (42 U.S.C. 5307(a)(1)) is amended—

10 (1) in subparagraph (G), by inserting “and”
11 after the semicolon at the end;

12 (2) by striking subparagraph (H); and

13 (3) by redesignating subparagraph (I) as sub-
14 paragraph (H).

15 **SEC. 104. ELIGIBILITY FOR COMMUNITY DEVELOPMENT**
16 **BLOCK GRANTS.**

17 (a) IN GENERAL.—Section 104(c)(1) of the Housing
18 and Community Development Act of 1974 (42 U.S.C.
19 5304(c)(1)) is amended by inserting before the comma the
20 following: “, which shall include making a good faith effort
21 to carry out the strategy established under section
22 105(b)(4) of such Act by the unit of general local govern-
23 ment to remove barriers to affordable housing”.

1 (b) RULE OF CONSTRUCTION.—The amendment
2 made by subsection (a) may not be construed to create
3 any new private right of action.

4 **SEC. 105. REGULATORY BARRIERS CLEARINGHOUSE.**

5 Section 1205 of the Housing and Community Devel-
6 opment Act of 1992 (42 U.S.C. 12705d) is amended—

7 (1) in subsection (a)—

8 (A) in the matter preceding paragraph (1),
9 by striking “receive, collect, process, and assem-
10 ble” and inserting “serve as a national reposi-
11 tory to receive, collect, process, assemble, and
12 disseminate”;

13 (B) in paragraph (1)—

14 (i) by striking “, including” and in-
15 serting “(including”;

16 (ii) by inserting before the semicolon
17 at the end the following: “), and the preva-
18 lence and effects on affordable housing of
19 such laws, regulations, and policies”;

20 (C) in paragraph (2), by inserting before
21 the semicolon the following: “, including par-
22 ticularly innovative or successful activities,
23 strategies, and plans”;

24 (D) in paragraph (3), by inserting before
25 the period at the end the following: “, including

1 particularly innovative or successful strategies,
2 activities, and plans”;

3 (2) in subsection (b)—

4 (A) in paragraph (1), by striking “and” at
5 the end;

6 (B) in paragraph (2), by striking the pe-
7 riod at the end and inserting “; and”; and

8 (C) by adding at the end the following new
9 paragraph:

10 “(3) by making available through a World Wide
11 Web site of the Department, by electronic mail, or
12 otherwise, provide to each housing agency of a unit
13 of general local government that serves an area hav-
14 ing a population greater than 100,000, an index of
15 all State and local strategies and plans submitted
16 under subsection (a) to the clearinghouse, which—

17 “(A) shall describe the types of barriers to
18 affordable housing that the strategy or plan
19 was designed to ameliorate or remove; and

20 “(B) shall, not later than 30 days after
21 submission to the clearinghouse of any new
22 strategy or plan, be updated to include the new
23 strategy or plan submitted.”; and

24 (3) by adding at the end the following new sub-
25 sections:

1 “(c) ORGANIZATION.—The clearinghouse under this
2 section shall be established within the Office of Policy De-
3 velopment of the Department of Housing and Urban De-
4 velopment and shall be under the direction of the Assist-
5 ant Secretary for Policy Development and Research.

6 “(d) TIMING.—The clearinghouse under this section
7 (as amended by section 105 of the Housing Affordability
8 Barrier Removal Act of 2000) shall be established and
9 commence carrying out the functions of the clearinghouse
10 under this section not later than 1 year after the date of
11 the enactment of such Act. The Secretary of Housing and
12 Urban Development may comply with the requirements
13 under this section by reestablishing the clearinghouse that
14 was originally established to comply with this section and
15 updating and improving such clearinghouse to the extent
16 necessary to comply with the requirements of this section
17 as in effect pursuant to the enactment of such Act.”.

1 **TITLE II—HOMEOWNERSHIP**
2 **THROUGH MORTGAGE INSUR-**
3 **ANCE AND LOAN GUARAN-**
4 **TEES**

5 **SEC. 201. STUDY OF MANDATORY INSPECTION REQUIRE-**
6 **MENT UNDER SINGLE FAMILY HOUSING**
7 **MORTGAGE INSURANCE PROGRAM.**

8 The Comptroller General of the United States shall
9 conduct a study regarding the inspection of properties
10 purchased with loans insured under section 203 of the Na-
11 tional Housing Act. The study shall evaluate the following
12 issues:

13 (1) The feasibility of requiring inspections of all
14 properties purchased with loans insured under such
15 section.

16 (2) The level of financial losses or savings to
17 the Mutual Mortgage Insurance Fund that are likely
18 to occur if inspections are required on properties
19 purchased with loans insured under such section.

20 (3) The potential impact on the process of buy-
21 ing a home if inspections of properties purchased
22 with loans insured under such section are required,
23 including the process of buying a home in under-
24 served areas where losses to the Mutual Mortgage
25 Insurance Fund are greatest.

1 (4) The difference, if any, in the quality of
2 homes purchased with loans insured under such sec-
3 tion that are inspected before purchase and such
4 homes that are not inspected before purchase.

5 (5) The cost to homebuyers of requiring inspec-
6 tions before purchase of properties with loans in-
7 sured under such section.

8 (6) The extent, if any, to which requiring in-
9 spections of properties purchased with loans insured
10 under such section will result in adverse selection of
11 loans insured under such section.

12 (7) The extent of homebuyer knowledge regard-
13 ing property inspections and the extent to which
14 such knowledge affects the decision of homebuyers
15 to opt for or against having a property inspection
16 before purchasing a home.

17 (8) The impact of the Homebuyer Protection
18 Plan implemented by the Department of Housing
19 and Urban Development on the number of apprais-
20 ers authorized to appraise homes with mortgages in-
21 sured under section 203 of the National Housing
22 Act.

23 (9) The cost to homebuyers incurred as a result
24 of the Homebuyer Protection plan, taking into con-

1 sideration, among other factors, an increase in ap-
2 praisal fees.

3 (10) The benefit or adverse impact of the
4 Homebuyer Protection Plan on minority home-
5 buyers.

6 (11) The extent to which the appraisal require-
7 ments of the Homebuyer Protection Plan conflict
8 with State laws regarding appraisals and home in-
9 spections.

10 Not later than the expiration of the 1-year period be-
11 ginning on the date of the enactment of this Act, the
12 Comptroller General shall submit to the Congress a report
13 containing the results of the study and any recommenda-
14 tions with respect to the issues specified under this sec-
15 tion.

16 **SEC. 202. EXTENSION OF LOAN TERM FOR MANUFACTURED**
17 **HOME LOTS.**

18 Section 2(b)(3)(E) of the National Housing Act (12
19 U.S.C. 1703(b)(3)(E)) is amended by striking “fifteen”
20 and inserting “twenty”.

21 **SEC. 203. DOWNPAYMENT SIMPLIFICATION.**

22 (a) IN GENERAL.—Section 203(b) of the National
23 Housing Act (12 U.S.C. 1709(b)) is amended—

24 (1) in paragraph (2)—

1 (A) in subparagraph (A), by realigning the
2 matter that precedes clause (ii) an additional 2
3 ems from the left margin;

4 (B) in the matter that follows subpara-
5 graph (B)(iii)—

6 (i) by striking the 6th sentence (relat-
7 ing to the increases for costs of solar en-
8 ergy systems) and all that follows through
9 the end of the penultimate undesignated
10 paragraph; and

11 (ii) by striking the 2d and 3rd sen-
12 tences of such matter; and

13 (C) by striking subparagraph (B);

14 (2) by transferring and inserting subparagraph
15 (A) of paragraph (10) after subparagraph (A) of
16 paragraph (2) and amending such subparagraph by
17 striking all of the matter that precedes clause (i)
18 and inserting the following:

19 “(B) not to exceed an amount equal to the
20 sum of—”;

21 (3) by transferring and inserting the last undes-
22 igned paragraph of paragraph (2) (relating to dis-
23 closure notice) after subsection (e), realigning such
24 transferred paragraph so as to be flush with the left
25 margin, and amending such transferred paragraph

1 by inserting “(f) DISCLOSURE OF OTHER MORT-
2 GAGE PRODUCTS.—” before “In conjunction”;

3 (4) by transferring and inserting the sentence
4 that constitutes the text of paragraph (10)(B) after
5 the period at the end of the first sentence that fol-
6 lows subparagraph (B) (relating to the definition of
7 “area”); and

8 (5) by striking paragraph (10) (as amended by
9 the preceding provisions this section).

10 (b) CONFORMING AMENDMENTS.—Section 245 of the
11 National Housing Act (12 U.S.C. 1715z–10) is
12 amended—

13 (1) in subsection (a), by striking “, or if the
14 mortgagor” and all that follows through “case of
15 veterans”; and

16 (2) in subsection (b)(3), by striking “, or, if
17 the” and all that follows through “for veterans.”.

18 **SEC. 204. REDUCED DOWNPAYMENT REQUIREMENTS FOR**
19 **LOANS FOR TEACHERS AND UNIFORMED MU-**
20 **NICIPAL EMPLOYEES.**

21 (a) IN GENERAL.—Section 203(b) of the National
22 Housing Act (12 U.S.C. 1709(b)), as amended by section
23 203 of this Act, is further amended by adding at the end
24 the following new paragraph:

1 “(10) REDUCED DOWNPAYMENT REQUIRE-
2 MENTS FOR TEACHERS AND UNIFORMED MUNICIPAL
3 EMPLOYEES.—

4 “(A) IN GENERAL.—Notwithstanding para-
5 graph (2), in the case of a mortgage described
6 in subparagraph (B)—

7 “(i) the mortgage shall involve a prin-
8 cipal obligation in an amount that does not
9 exceed the sum of 99 percent of the ap-
10 praised value of the property and the total
11 amount of initial service charges, ap-
12 praisal, inspection, and other fees (as the
13 Secretary shall approve) paid in connection
14 with the mortgage;

15 “(ii) no other provision of this sub-
16 section limiting the principal obligation of
17 the mortgage based upon a percentage of
18 the appraised value of the property subject
19 to the mortgage shall apply; and

20 “(iii) the matter in paragraph (9) that
21 precedes the first proviso shall not apply
22 and the mortgage shall be executed by a
23 mortgagor who shall have paid on account
24 of the property at least 1 percent of the

1 cost of acquisition (as determined by the
2 Secretary) in cash or its equivalent.”.

3 “(B) MORTGAGES COVERED.—A mortgage
4 described in this subparagraph is a mortgage—

5 “(i) under which the mortgagor is an
6 individual who—

7 “(I) is employed on a full-time
8 basis as (aa) a teacher or adminis-
9 trator in a public or private school
10 that provides elementary or secondary
11 education, as determined under State
12 law, except that secondary education
13 shall not include any education be-
14 yond grade 12, or (bb) a public safety
15 officer (as such term is defined in sec-
16 tion 1204 of the Omnibus Crime Con-
17 trol and Safe Streets Act of 1968 (42
18 U.S.C. 3796b), except that such term
19 shall not include any officer serving a
20 public agency of the Federal Govern-
21 ment); and

22 “(II) has not, during the 12-
23 month period ending upon the insur-
24 ance of the mortgage, had any present
25 ownership interest in a principal resi-

1 dence located in the jurisdiction de-
2 scribed in clause (ii); and

3 “(ii) made for a property that is lo-
4 cated within the jurisdiction of—

5 “(I) in the case of a mortgage of
6 a mortgagor described in clause
7 (i)(I)(aa), the local educational agency
8 (as such term is defined in section
9 14101 of the Elementary and Sec-
10 ondary Education Act of 1965 (20
11 U.S.C. 8801)) for the school in which
12 the mortgagor is employed (or, in the
13 case of a mortgagor employed in a
14 private school, the local educational
15 agency having jurisdiction for the area
16 in which the private school is located);
17 or

18 “(II) in the case of a mortgage of
19 a mortgagor described in clause
20 (i)(I)(bb), the jurisdiction served by
21 the public law enforcement agency,
22 firefighting agency, or rescue or am-
23 bulance agency that employs the
24 mortgagor.”.

1 (b) DEFERRAL AND REDUCTION OF UP-FRONT PRE-
2 MIUM.—Section 203(c) of the National Housing Act (12
3 U.S.C. 1709(c)(2)) is amended—

4 (1) in paragraph (2), in the matter preceding
5 subparagraph (A), by striking “Notwithstanding”
6 and inserting “Except as provided in paragraph (3)
7 and notwithstanding”; and

8 (2) by adding at the end the following new
9 paragraph:

10 “(3) DEFERRAL AND REDUCTION OF UP-FRONT PRE-
11 MIUM.—In the case of any mortgage described in sub-
12 section (b)(10)(B):

13 “(A) Paragraph (2)(A) of this subsection (relat-
14 ing to collection of up-front premium payments)
15 shall not apply.

16 “(B) If, at any time during the 5-year period
17 beginning on the date of the insurance of the mort-
18 gage, the mortgagor ceases to be employed as de-
19 scribed in subsection (b)(10)(B)(i)(I) or pays the
20 principal obligation of the mortgage in full, the Sec-
21 retary shall at such time collect a single premium
22 payment in an amount equal to the amount of the
23 single premium payment that, but for this para-
24 graph, would have been required under paragraph
25 (2)(A) of this subsection with respect to the mort-

1 gage, as reduced by 20 percent of such amount for
2 each successive 12-month period completed during
3 such 5-year period before such cessation or prepay-
4 ment occurs.”.

5 **SEC. 205. NEIGHBORHOOD TEACHER PROGRAM.**

6 (a) **SHORT TITLE.**—This section may be cited as the
7 “Neighborhood Teachers Act”.

8 (b) **CONGRESSIONAL FINDINGS.**—The Congress finds
9 that—

10 (1) teachers are an integral part of our commu-
11 nities;

12 (2) other than families, teachers are often the
13 most important mentors to children, providing them
14 with the values and skills for self-fulfillment in adult
15 life; and

16 (3) the Neighborhood Teachers Act recognizes
17 the value teachers bring to community and family
18 life and is designed to encourage and reward teach-
19 ers that serve in our most needy communities.

20 (c) **DISCOUNT AND DOWNPAYMENT ASSISTANCE FOR**
21 **TEACHERS.**—Section 204(h) of the National Housing Act
22 (12 U.S.C. 1710(h)) is amended—

23 (1) by redesignating paragraphs (7) through
24 (10) as paragraphs (8) through (11), respectively;
25 and

1 (2) by inserting after paragraph (6) the fol-
2 lowing new paragraph:

3 “(7) 50 PERCENT DISCOUNT FOR TEACHERS
4 PURCHASING PROPERTIES THAT ARE ELIGIBLE AS-
5 SETS.—

6 “(A) DISCOUNT.—A property that is an el-
7 igible asset and is sold, during fiscal years 2000
8 through 2004, to a teacher for use in accord-
9 ance with subparagraph (B) shall be sold at a
10 price that is equal to 50 percent of the ap-
11 praised value of the eligible property (as deter-
12 mined in accordance with paragraph (6)(B)). In
13 the case of a property eligible for both a dis-
14 count under this paragraph and a discount
15 under paragraph (6), the discount under para-
16 graph (6) shall not apply.

17 “(B) PRIMARY RESIDENCE.—An eligible
18 property sold pursuant to a discount under this
19 paragraph shall be used, for not less than the
20 3-year period beginning upon such sale, as the
21 primary residence of a teacher.

22 “(C) SALE METHODS.—The Secretary may
23 sell an eligible property pursuant to a discount
24 under this paragraph—

1 “(i) to a unit of general local govern-
2 ment or nonprofit organization (pursuant
3 to paragraph (4) or otherwise), for resale
4 or transfer to a teacher; or

5 “(ii) directly to a purchaser who is a
6 teacher.

7 “(D) RESALE.—In the case of any pur-
8 chase by a unit of general local government or
9 nonprofit organization of an eligible property
10 sold at a discounted price under this paragraph,
11 the sale agreement under paragraph (8) shall—

12 “(i) require the purchasing unit of
13 general local government or nonprofit or-
14 ganization to provide the full benefit of the
15 discount to the teacher obtaining the prop-
16 erty; and

17 “(ii) in the case of a purchase involv-
18 ing multiple eligible assets, any of which is
19 such an eligible property, designate the
20 specific eligible property or properties to be
21 subject to the requirements of subpara-
22 graph (B).

23 “(E) MORTGAGE DOWNPAYMENT ASSIST-
24 ANCE.—If a teacher purchases an eligible prop-
25 erty pursuant to a discounted sale price under

1 this paragraph and finances such purchase
2 through a mortgage insured under this title,
3 notwithstanding any provision of section 203
4 the downpayment on such mortgage shall be
5 \$100.

6 “(F) PREVENTION OF UNDUE PROFIT.—
7 The Secretary shall issue regulations to prevent
8 undue profit from the resale of eligible prop-
9 erties in violation of the requirement under sub-
10 paragraph (B).

11 “(G) AWARENESS PROGRAM.—From funds
12 made available for salaries and expenses for the
13 Office of Policy Support of the Department of
14 Housing and Urban Development, each field of-
15 fice of the Department shall make available to
16 elementary schools and secondary schools with-
17 in the jurisdiction of the field office and to the
18 public—

19 “(i) a list of eligible properties located
20 within the jurisdiction of the field office
21 that are available for purchase by teachers
22 under this paragraph; and

23 “(ii) other information designed to
24 make such teachers and the public aware

1 of the discount and downpayment assist-
2 ance available under this paragraph.

3 “(H) DEFINITIONS.—For the purposes of
4 this paragraph, the following definitions shall
5 apply:

6 “(i) The terms ‘elementary school’
7 and ‘secondary school’ have the meaning
8 given such terms in section 14101 of the
9 Elementary and Secondary Education Act
10 of 1965 (20 U.S.C. 8801).

11 “(ii) The term ‘eligible property’
12 means an eligible asset described in para-
13 graph (2)(A) of this subsection.

14 “(iii) The term ‘teacher’ means an in-
15 dividual who is employed on a full-time
16 basis as a teacher in an elementary or sec-
17 ondary school.”.

18 (d) CONFORMING AMENDMENTS.—Section 204(h) of
19 the National Housing Act (12 U.S.C. 1710(h)) is
20 amended—

21 (1) in paragraph (4)(B)(ii), by striking “para-
22 graph (7)” and inserting “paragraph (8)”;

23 (2) in paragraph (5)(B)(i), by striking “para-
24 graph (7)” and inserting “paragraph (8)”; and

1 (3) in paragraph (6)(A), by striking “paragraph
2 (8)” and inserting “paragraph (9)”.

3 (e) REGULATIONS.—Not later than 90 days after the
4 date of the enactment of this Act, the Secretary shall issue
5 regulations to implement the amendments made by this
6 section.

7 **SEC. 206. LAW ENFORCEMENT OFFICER HOMEOWNERSHIP**
8 **PILOT PROGRAM.**

9 (a) ASSISTANCE FOR LAW ENFORCEMENT OFFI-
10 CERS.—The Secretary of Housing and Urban Develop-
11 ment shall carry out a pilot program in accordance with
12 this section to assist Federal, State, and local law enforce-
13 ment officers purchasing homes in locally-designated high-
14 crime areas.

15 (b) ELIGIBILITY.—To be eligible for assistance under
16 this section, a law enforcement officer shall—

17 (1) have completed not less than 6 months of
18 service as a law enforcement officer as of the date
19 that the law enforcement officer applies for such as-
20 sistance; and

21 (2) agree, in writing, to use the residence pur-
22 chased with such assistance as the primary residence
23 of the law enforcement officer for not less than 3
24 years after the date of purchase.

1 (c) MORTGAGE ASSISTANCE.—If a law enforcement
2 officer purchases a home in locally-designated high-crime
3 area and finances such purchase through a mortgage in-
4 sured under title II of the National Housing Act (12
5 U.S.C. 1707 et seq.), notwithstanding any provision of
6 section 203 or any other provision of the National Hous-
7 ing Act, the following shall apply:

8 (1) DOWNPAYMENT.—

9 (A) IN GENERAL.—There shall be no
10 downpayment required if the purchase price of
11 the property is not more than the reasonable
12 value of the property, as determined by the Sec-
13 retary.

14 (B) PURCHASE PRICE EXCEEDS VALUE.—

15 If the purchase price of the property exceeds
16 the reasonable value of the property, as deter-
17 mined by the Secretary, the required downpay-
18 ment shall be the difference between such rea-
19 sonable value and the purchase price.

20 (2) CLOSING COSTS.—The closing costs and
21 origination fee for such mortgage may be included in
22 the loan amount.

23 (3) INSURANCE PREMIUM PAYMENT.—There
24 shall be 1 insurance premium payment due on the
25 mortgage. Such insurance premium payment—

1 (A) shall be equal to 1 percent of the loan
2 amount;

3 (B) shall be due and considered earned by
4 the Secretary at the time of the loan closing;
5 and

6 (C) may be included in the loan amount
7 and paid from the loan proceeds.

8 (d) LOCALLY-DESIGNATED HIGH-CRIME AREA.—

9 (1) IN GENERAL.—Any unit of local govern-
10 ment may request that the Secretary designate any
11 area within the jurisdiction of that unit of local gov-
12 ernment as a locally-designated high-crime area for
13 purposes of this section if the proposed area—

14 (A) has a crime rate that is significantly
15 higher than the crime rate of the non-des-
16 igned area that is within the jurisdiction of
17 the unit of local government; and

18 (B) has a population that is not more than
19 25 percent of the total population of area with-
20 in the jurisdiction of the unit of local govern-
21 ment.

22 (2) DEADLINE FOR CONSIDERATION OF RE-
23 QUEST.—Not later than 60 days after receiving a re-
24 quest under paragraph (1), the Secretary shall ap-
25 prove or disapprove the request.

1 (e) LAW ENFORCEMENT OFFICER.—For purposes of
2 this section, the term “law enforcement officer” has such
3 meaning as the Secretary shall provide, except that such
4 term shall include any individual who is employed as an
5 officer in a correctional institution.”.

6 (f) SUNSET.—The Secretary shall not approve any
7 application for assistance under this section that is re-
8 ceived by the Secretary after the expiration of the 3-year
9 period beginning on the date that the Secretary first
10 makes available assistance under the pilot program under
11 this section.

12 **SEC. 207. HOME EQUITY CONVERSION MORTGAGES.**

13 (a) INSURANCE FOR MORTGAGES TO REFINANCE EX-
14 ISTING HECMS.—

15 (1) IN GENERAL.—Section 255 of the National
16 Housing Act (12 U.S.C. 1715z-20) is amended—

17 (A) by redesignating subsection (k) as sub-
18 section (m); and

19 (B) by inserting after subsection (j) the
20 following new subsection:

21 “(k) INSURANCE AUTHORITY FOR REFINANCINGS.—

22 “(1) IN GENERAL.—The Secretary may, upon
23 application by a mortgagee, insure under this sub-
24 section any mortgage given to refinance an existing

1 home equity conversion mortgage insured under this
2 section.

3 “(2) ANTI-CHURNING DISCLOSURE.—The Sec-
4 retary shall, by regulation, require that the mort-
5 gagee of a mortgage insured under this subsection,
6 provide to the mortgagor, within an appropriate time
7 period and in a manner established in such regula-
8 tions, a good faith estimate of: (A) the total cost of
9 the refinancing; and (B) the increase in the mortga-
10 gor’s principal limit as measured by the estimated
11 initial principal limit on the mortgage to be insured
12 under this subsection less the current principal limit
13 on the home equity conversion mortgage that is
14 being refinanced and insured under this subsection.

15 “(3) WAIVER OF COUNSELING REQUIRE-
16 MENT.—The mortgagor under a mortgage insured
17 under this subsection may waive the applicability,
18 with respect to such mortgage, of the requirements
19 under subsection (d)(2)(B) (relating to third party
20 counseling), but only if—

21 “(A) the mortgagor has received the disclo-
22 sure required under paragraph (2);

23 “(B) the increase in the principal limit de-
24 scribed in paragraph (2) exceeds the amount of
25 the total cost of refinancing (as described in

1 such paragraph) by an amount to be deter-
2 mined by the Secretary; and

3 “(C) the time between the closing of the
4 original home equity conversion mortgage that
5 is refinanced through the mortgage insured
6 under this subsection and the application for a
7 refinancing mortgage insured under this sub-
8 section does not exceed 5 years.

9 “(4) CREDIT FOR PREMIUMS PAID.—Notwith-
10 standing section 203(c)(2)(A), the Secretary may re-
11 duce the amount of the single premium payment
12 otherwise collected under such section at the time of
13 the insurance of a mortgage refinanced and insured
14 under this subsection. The amount of the single pre-
15 mium for mortgages refinanced under this sub-
16 section shall be determined by the Secretary based
17 on the actuarial study required under paragraph (5).

18 “(5) ACTUARIAL STUDY.—Not later than 180
19 days after the date of the enactment of the Amer-
20 ican Homeownership and Economic Opportunity Act
21 of 2000, the Secretary shall conduct an actuarial
22 analysis to determine the adequacy of the insurance
23 premiums collected under the program under this
24 subsection with respect to—

1 “(A) a reduction in the single premium
2 payment collected at the time of the insurance
3 of a mortgage refinanced and insured under
4 this subsection;

5 “(B) the establishment of a single national
6 limit on the benefits of insurance under sub-
7 section (g) (relating to limitation on insurance
8 authority); and

9 “(C) the combined effect of reduced insur-
10 ance premiums and a single national limitation
11 on insurance authority.

12 “(6) FEES.—The Secretary may establish a
13 limit on the origination fee that may be charged to
14 a mortgagor under a mortgage insured under this
15 subsection, except that such limitation shall provide
16 that the origination fee may be fully financed with
17 the mortgage and shall include any fees paid to cor-
18 respondent mortgagees approved by the Secretary.
19 The Secretary shall prohibit the charging of any
20 broker fees in connection with mortgages insured
21 under this subsection.”.

22 “(2) REGULATIONS.—The Secretary shall issue
23 any final regulations necessary to implement the
24 amendments made by paragraph (1) of this sub-
25 section, which shall take effect not later than the ex-

1 piration of the 180-day period beginning on the date
2 of the enactment of this Act. The regulations shall
3 be issued after notice and opportunity for public
4 comment in accordance with the procedure under
5 section 553 of title 5, United States Code, applicable
6 to substantive rules (notwithstanding subsections
7 (a)(2), (b)(B), and (d)(3) of such section).

8 (b) HOUSING COOPERATIVES.—Section 255(b) of the
9 National Housing Act (12 U.S.C. 1715z–20(b)) is
10 amended—

11 (1) in paragraph (2), by striking “‘mortgage’”;
12 and

13 (2) by adding at the end the following new
14 paragraphs:

15 “(4) MORTGAGE.—The term ‘mortgage’ means
16 a first mortgage or first lien on real estate, in fee
17 simple, on all stock allocated to a dwelling in a resi-
18 dential cooperative housing corporation, or on a
19 leasehold—

20 “(A) under a lease for not less than 99
21 years that is renewable; or

22 “(B) under a lease having a period of not
23 less than 10 years to run beyond the maturity
24 date of the mortgage.

1 “(B) FIRST MORTGAGE.—The term ‘first mort-
2 gage’ means such classes of first liens as are com-
3 monly given to secure advances on, or the unpaid
4 purchase price of, real estate or all stock allocated
5 to a dwelling unit in a residential cooperative hous-
6 ing corporation, under the laws of the State in which
7 the real estate or dwelling unit is located, together
8 with the credit instruments, if any, secured there-
9 by.”.

10 (c) WAIVER OF UP-FRONT PREMIUMS FOR MORT-
11 GAGES USED FOR COSTS OF LONG-TERM CARE INSUR-
12 ANCE OR HEALTH CARE.—Section 255 of the National
13 Housing Act (12 U.S.C. 1715z–20) is amended by insert-
14 ing after subsection (k) (as added by subsection (a) of this
15 section) the following new subsection:

16 “(l) WAIVER OF UP-FRONT PREMIUMS.—

17 “(1) MORTGAGES TO FUND LONG-TERM CARE
18 INSURANCE.—In the case of any mortgage insured
19 under this section under which the total amount (ex-
20 cept as provided in paragraph (3)) of all future pay-
21 ments described in subsection (b)(3) will be used
22 only for costs of a qualified long-term care insurance
23 contract (as such term is defined in section 7702B
24 of the Internal Revenue Code of 1986 (26 U.S.C.
25 7702B)) that covers the mortgagor or members of

1 the household residing in the property that is subject
2 to the mortgage, notwithstanding section 203(c)(2),
3 the Secretary shall not charge or collect the single
4 premium payment otherwise required under subpara-
5 graph (A) of such section to be paid at the time of
6 insurance.

7 “(2) MORTGAGES TO FUND HEALTH CARE
8 COSTS.—In the case of any mortgage insured under
9 this section under which the future payments de-
10 scribed in subsection (b)(3) will be used only for
11 costs for health care services (as such term is de-
12 fined by the Secretary) for the mortgagor or mem-
13 bers of the household residing in the property that
14 is subject to the mortgage and comply with limita-
15 tions on such payments, as shall be established by
16 the Secretary and based upon the purposes of this
17 subsection and the accumulated equity of the mort-
18 gator in the property, notwithstanding section
19 203(c)(2), the Secretary shall not charge or collect
20 the single premium payment otherwise required
21 under subparagraph (A) of such section to be paid
22 at the time of insurance.

23 “(3) AUTHORITY TO REFINANCE EXISTING
24 MORTGAGE AND FINANCE CLOSING COSTS.—A mort-
25 gage described in paragraphs (1) or (2) may provide

1 financing of amounts that are used to satisfy out-
2 standing mortgage obligations (in accordance with
3 such limitations as the Secretary shall prescribe) any
4 amounts used for initial service charges, appraisal,
5 inspection, and other fees (as approved by the Sec-
6 retary) in connection with such mortgage, and the
7 amount of future payments described in subsection
8 (b)(3) under the mortgage shall be reduced accord-
9 ingly.”.

10 (d) STUDY OF SINGLE NATIONAL MORTGAGE
11 LIMIT.—The Secretary of Housing and Urban Develop-
12 ment shall conduct an actuarially based study of the ef-
13 fects of establishing, for mortgages insured under section
14 255 of the National Housing Act (12 U.S.C. 1715z–20),
15 a single maximum mortgage amount limitation in lieu of
16 applicability of section 203(b)(2) of such Act (12 U.S.C.
17 1709(b)(2)). The study shall—

18 (1) examine the effects of establishing such lim-
19 itation at different dollar amounts; and

20 (2) examine the effects of such various limita-
21 tions on—

22 (A) the risks to the General Insurance
23 Fund established under section 519 of such
24 Act;

1 (B) the mortgage insurance premiums that
2 would be required to be charged to mortgagors
3 to ensure actuarial soundness of such Fund;
4 and

5 (C) take into consideration the various ap-
6 proaches to providing credit to borrowers who
7 refinance home equity conversion mortgages in-
8 sured under section 255 of such Act.

9 Not later than 180 days after the date of the enactment
10 of this Act, the Secretary shall complete the study under
11 this subsection and submit a report describing the study
12 and the results of the study to the Committee on Banking
13 and Financial Services of the House of Representatives
14 and to the Committee on Banking, Housing, and Urban
15 Affairs of the Senate.

16 **SEC. 208. PREVENTING FRAUD IN REHABILITATION LOAN**
17 **PROGRAM.**

18 (a) IN GENERAL.—Section 203(k) of the National
19 Housing Act (12 U.S.C. 1709(k)) is amended by adding
20 at the end the following new paragraph:

21 “(7) PREVENTION OF FRAUD.—To prevent fraud
22 under the program for loan insurance authorized under
23 this subsection, the Secretary shall, by regulation, take the
24 following actions:

1 “(A) PROHIBITION OF IDENTITY OF INTER-
2 EST.—The Secretary shall prohibit any identity-of-
3 interest, as such term is defined by the Secretary,
4 between any of the following parties involved in a
5 loan insured under this subsection: the borrower (in-
6 cluding, in the case of a borrower that is a nonprofit
7 organization, any member of the board of directors
8 or the staff of the organization), the lender, any con-
9 sultant, any real estate agent, any property inspec-
10 tor, and any appraiser. Nothing in this subpara-
11 graph may be construed to prohibit or restrict, or
12 authorize the Secretary to prohibit or restrict, the
13 functioning of a affiliated business arrangement that
14 complies with the requirements under section 8(c)(4)
15 of the Real Estate Settlement Procedures Act of
16 1974 (12 U.S.C. 2607(c)(4)).

17 “(B) NONPROFIT PARTICIPATION.—The Sec-
18 retary shall establish minimum standards for a non-
19 profit organization to participate in the program,
20 which shall include—

21 “(i) requiring such an organization to dis-
22 close to the Secretary its taxpayer identification
23 number and evidence sufficient to indicate that
24 the organization is an organization described in
25 section 501(c) of the Internal Revenue Code of

1 1986 that is exempt from taxation under sub-
2 title A of such Code;

3 “(ii) requiring that the board of directors
4 of such an organization be comprised only of in-
5 dividuals who do not receive any compensation
6 or other thing of value by reason of their serv-
7 ice on the board and who have no personal fi-
8 nancial interest in the rehabilitation project of
9 the organization that is financed with the loan
10 insured under this subsection;

11 “(iii) requiring such an organization to
12 submit to the Secretary financial statements of
13 the organization for the most recent 2 years,
14 which have been prepared by a party that is un-
15 affiliated with the organization and is qualified
16 to prepare financial statements;

17 “(iv) limiting to 10 the number of loans
18 that are insured under this subsection, made to
19 any single such organization, and, at any one
20 time, have an outstanding balance of principal
21 or interest, except that the Secretary may in-
22 crease such numerical limitation on a case-by-
23 case basis for good cause shown; and

24 “(v) requiring such an organization to have
25 been certified by the Secretary as meeting the

1 requirements under this subsection and other-
2 wise eligible to participate in the program not
3 more than 2 years before obtaining a loan in-
4 sured under this section.

5 “(C) COMPLETION OF WORK.—The Secretary
6 shall prohibit any lender making a loan insured
7 under this subsection from disbursing the final pay-
8 ment of loan proceeds unless the lender has received
9 affirmation, from the borrower under the loan, both
10 in writing and pursuant to an interview in person or
11 over the telephone, that the rehabilitation activities
12 financed by the loan have been satisfactorily com-
13 pleted.

14 “(D) CONSULTANT STANDARDS.—The Sec-
15 retary shall require that any consultant, as such
16 term is defined by the Secretary, who is involved in
17 a home inspection, site visit, or preparation of bids
18 with respect to any loan insured under this section
19 shall meet such standards established by the Sec-
20 retary to ensure accurate inspections and prepara-
21 tion of bids.

22 “(E) CONTRACTOR QUALIFICATION.—The Sec-
23 retary shall require, in the case of any loan that is
24 insured under this subsection and involves rehabili-
25 tation with a cost of \$25,000 or more, that the con-

1 tractor or other person performing or supervising
2 the rehabilitation activities financed by the loan
3 shall—

4 “(i) be certified by a nationally recognized
5 organization as meeting industry standards for
6 quality of workmanship, training, and con-
7 tinuing education, including financial manage-
8 ment;

9 “(ii) be licensed to conduct such activities
10 by the State or unit of general local government
11 in which the rehabilitation activities are being
12 completed; or

13 “(iii) be bonded or provide such equivalent
14 protection, as the Secretary may require.”.

15 (b) REPORT ON ACTIVITY OF NONPROFIT ORGANIZA-
16 TIONS UNDER PROGRAM.—Not later than 60 days after
17 the date of the enactment of this Act, the Secretary of
18 Housing and Urban Development shall submit a report
19 to the Congress regarding the participation of nonprofit
20 organizations under the rehabilitation loan program under
21 section 203(k) of the National Housing Act (12 U.S.C.
22 1709(k)). The report shall—

23 (1) determine and describe the extent of partici-
24 pation in the program by such organizations;

1 (2) identify and compare the default and claim
2 rates for loans made under the program to nonprofit
3 organizations and to owner-occupier participants;

4 (3) analyze the impact, on such organizations
5 and the program, of prohibiting such organizations
6 from participating in the program; and

7 (4) identify other opportunities for such organi-
8 zations to acquire financing or credit enhancement
9 for rehabilitation activities.

10 (c) REGULATIONS.—The Secretary of Housing and
11 Urban Development shall issue final regulations and any
12 other administrative orders or notices necessary to carry
13 out the provisions of this section and the amendments
14 made by this section not later than 120 days after the
15 date of the enactment of this Act.

16 **SEC. 209. COMMUNITY DEVELOPMENT FINANCIAL INSTITU-**
17 **TION RISK-SHARING DEMONSTRATION.**

18 Section 249 of the National Housing Act (12 U.S.C.
19 1715z-14) is amended—

20 (1) by striking the section heading and insert-
21 ing the following:

22 “RISK SHARING-DEMONSTRATION”;

23 (2) by striking “reinsurance” each place such
24 term appears and insert “risk-sharing”;

25 (3) in subsection (a)—

1 (A) in the first sentence, by striking “pri-
2 vate mortgage insurers” and inserting “insured
3 community development financial institutions”;
4 and

5 (B) in the second sentence—

6 (i) by striking “two” and inserting
7 “4”; and

8 (ii) by striking “March 15, 1988” and
9 inserting “the expiration of the 5-year pe-
10 riod beginning on the date of the enact-
11 ment of the American Homeownership and
12 Economic Opportunity Act of 2000”;

13 (4) in subsection (b)—

14 (A) by striking “private mortgage insur-
15 ance companies” each place such term appears
16 and inserting “insured community development
17 financial institutions”;

18 (B) in the first sentence, by striking
19 “which have been determined to be qualified in-
20 surers under section 302(b)(2)(C)”;

21 (C) by striking paragraph (1) and insert-
22 ing the following new paragraph:

23 “(1) assume the first loss on any mortgage in-
24 sured pursuant to section 203(b), 234, or 245 that
25 covers a one- to four-family dwelling and is included

1 in the program under this section, up to the percent-
2 age of loss that is set forth in the risk-sharing con-
3 tract;” and

4 (D) in paragraph (2)—

5 (i) by striking “carry out (under ap-
6 propriate delegation) such” and inserting
7 “delegate underwriting;” and

8 (ii) by striking “function” and insert-
9 ing “functions”;

10 (5) in subsection (c)—

11 (A) in the first sentence—

12 (i) by striking “of” the first place it
13 appears and insert “for”;

14 (ii) by striking “insurance reserves”
15 and inserting “loss reserves”; and

16 (iii) by striking “such insurance” and
17 inserting “such reserves”; and

18 (B) in the second sentence, by striking
19 “private mortgage insurance company” and in-
20 serting “insured community development finan-
21 cial institution”;

22 (6) in subsection (d), by striking “private mort-
23 gage insurance company” and inserting “insured
24 community development financial institution”; and

1 (7) by adding at the end the following new sub-
2 section:

3 “(e) INSURED COMMUNITY DEVELOPMENT FINAN-
4 CIAL INSTITUTIONS.—For purposes of this section, the
5 term “insured community development financial institu-
6 tion” means a community development financial institu-
7 tion, as such term is defined in section 103 of Reigle Com-
8 munity Development and Regulatory Improvement Act of
9 1994 (12 U.S.C. 4702) that is an insured depository insti-
10 tution (as such term is defined in section 3 of the Federal
11 Deposit Insurance Act (12 U.S.C. 1813)) or an insured
12 credit union (as such term is defined in section 101 of
13 the Federal Credit Union Act (12 U.S.C. 1752)).”.

14 **SEC. 210. FHA INSURANCE FOR HYBRID ARMS.**

15 (a) IN GENERAL.—Section 251 of the National
16 Housing Act (12 U.S.C. 1715z–16) is amended—

17 (1) in subsection (a), by inserting “IN GEN-
18 ERAL.—” after “(a)”;

19 (2) by striking subsection (b) and inserting the
20 following new subsection:

21 “(b) DISCLOSURE.—In the case of any loan applica-
22 tion for a mortgage to be insured under any provision of
23 this section, the Secretary shall require that the prospec-
24 tive mortgagee for the mortgage shall, at the time of loan
25 application, make available to the prospective mortgagor

1 a written explanation of the features of an adjustable rate
2 mortgage consistent with the disclosure requirements ap-
3 plicable to variable rate mortgages secured by a principal
4 dwelling under the Truth in Lending Act (15 U.S.C. 1601
5 et seq.).”;

6 (3) in subsection (c), by inserting “LIMITATION
7 ON INSURANCE AUTHORITY.—” after “(c)”; and

8 (4) by adding at the end the following new sub-
9 section:

10 “(d) HYBRID ARMS.—The Secretary may insure
11 under this subsection a mortgage that—

12 “(1) has an effective rate of interest that shall
13 be—

14 “(A) fixed for a period of not less than the
15 first 3 years of the mortgage term;

16 “(B) initially adjusted by the mortgagee
17 upon the expiration of such period and annually
18 thereafter; and

19 “(C) in the case of the initial interest rate
20 adjustment, shall be subject to the limitation
21 under clause (2) of the last sentence of sub-
22 section (a) (relating to prohibiting annual in-
23 creases of more than 1 percent) only if the in-
24 terest rate remains fixed for 5 or fewer years;
25 and

1 “(2) otherwise meets the requirements for in-
2 surance under subsection (a) that are not incon-
3 sistent with the requirements under paragraph (1)
4 of this subsection.”.

5 (b) IMPLEMENTATION.—The Secretary of Housing
6 and Urban Development may implement section 251(d) of
7 the National Housing Act (12 U.S.C. 1715z–16(d)), as
8 added by subsection (a) of this section, in advance of rule-
9 making.

10 **SEC. 211. REPORT ON TITLE I HOME IMPROVEMENT LOAN**
11 **PROGRAM.**

12 (a) IN GENERAL.—Not later than 1 year after the
13 date of the enactment of this Act, the Secretary of Hous-
14 ing and Urban Development shall submit a report to the
15 Congress containing recommendations for improvements
16 to the property improvement loan insurance program
17 under title I of the National Housing Act, including im-
18 provements designed to address problems relating to home
19 improvement contractors obtaining loans on behalf of
20 homeowners.

21 (b) CONSULTATION.—In developing and determining
22 recommendations for inclusion in the report under this
23 section and in preparing the report, the Secretary shall
24 consult with interested persons, organizations, and enti-

1 ties, including representatives of the lending industry, the
2 home improvement industry, and consumer organizations.

3 **TITLE III—SECTION 8**
4 **HOMEOWNERSHIP OPTION**

5 **SEC. 301. DOWNPAYMENT ASSISTANCE.**

6 (a) AMENDMENTS.—Section 8(y) of the United
7 States Housing Act of 1937 (42 U.S.C. 1437f(y)) is
8 amended—

9 (1) by redesignating paragraph (7) as para-
10 graph (8); and

11 (2) by inserting after paragraph (6) the fol-
12 lowing new paragraph:

13 “(7) DOWNPAYMENT ASSISTANCE.—

14 “(A) AUTHORITY.—A public housing agen-
15 cy may, in lieu of providing monthly assistance
16 payments under this subsection on behalf of a
17 family eligible for such assistance and at the
18 discretion of the public housing agency, provide
19 assistance for the family in the form of a single
20 grant to be used only as a contribution toward
21 the downpayment required in connection with
22 the purchase of a dwelling for fiscal year 2000
23 and each fiscal year thereafter to the extent
24 provided in advance in appropriations Acts.

1 (2) demonstrates that the disabled family has
2 income from employment or other sources (including
3 public assistance), as determined in accordance with
4 requirements of the Secretary, that is not less than
5 twice the payment standard established by the public
6 housing agency (or such other amount as may be es-
7 tablished by the Secretary);

8 (3) except as provided by the Secretary, dem-
9 onstrates at the time the disabled family initially re-
10 ceives tenant-based assistance under this section
11 that one or more adult members of the disabled fam-
12 ily have achieved employment for the period as the
13 Secretary shall require;

14 (4) participates in a homeownership and hous-
15 ing counseling program provided by the agency; and

16 (5) meets any other initial or continuing re-
17 quirements established by the public housing agency
18 in accordance with requirements established by the
19 Secretary.

20 (b) DETERMINATION OF AMOUNT OF ASSISTANCE.—

21 (1) IN GENERAL.—

22 (A) MONTHLY EXPENSES NOT EXCEEDING
23 PAYMENT STANDARD.—If the monthly home-
24 ownership expenses, as determined in accord-
25 ance with requirements established by the Sec-

1 retary, do not exceed the payment standard, the
2 monthly assistance payment shall be the
3 amount by which the homeownership expenses
4 exceed the highest of the following amounts,
5 rounded to the nearest dollar:

6 (i) 30 percent of the monthly adjusted
7 income of the disabled family.

8 (ii) 10 percent of the monthly income
9 of the disabled family.

10 (iii) If the disabled family is receiving
11 payments for welfare assistance from a
12 public agency, and a portion of those pay-
13 ments, adjusted in accordance with the ac-
14 tual housing costs of the disabled family, is
15 specifically designated by that agency to
16 meet the housing costs of the disabled fam-
17 ily, the portion of those payments that is
18 so designated.

19 (B) MONTHLY EXPENSES EXCEED PAY-
20 MENT STANDARD.—If the monthly homeowner-
21 ship expenses, as determined in accordance with
22 requirements established by the Secretary, ex-
23 ceed the payment standard, the monthly assist-
24 ance payment shall be the amount by which the
25 applicable payment standard exceeds the high-

1 est of the amounts under clauses (i), (ii), and
2 (iii) of subparagraph (A).

3 (2) CALCULATION OF AMOUNT.—

4 (A) LOW-INCOME FAMILIES.—A disabled
5 family that is a low-income family shall be eligi-
6 ble to receive 100 percent of the amount cal-
7 culated under paragraph (1).

8 (B) INCOME BETWEEN 81 AND 89 PERCENT
9 OF MEDIAN.—A disabled family whose income
10 is between 81 and 89 percent of the median for
11 the area shall be eligible to receive 66 percent
12 of the amount calculated under paragraph (1).

13 (C) INCOME BETWEEN 90 AND 99 PERCENT
14 OF MEDIAN.—A disabled family whose income
15 is between 90 and 99 percent of the median for
16 the area shall be eligible to receive 33 percent
17 of the amount calculated under paragraph (1).

18 (D) INCOME MORE THAN 99 PERCENT OF
19 MEDIAN.—A disabled family whose income is
20 more than 99 percent of the median for the
21 area shall not be eligible to receive assistance
22 under this section.

23 (e) INSPECTIONS AND CONTRACT CONDITIONS.—

1 (1) IN GENERAL.—Each contract for the pur-
2 chase of a dwelling unit to be assisted under this
3 section shall—

4 (A) provide for pre-purchase inspection of
5 the dwelling unit by an independent profes-
6 sional; and

7 (B) require that any cost of necessary re-
8 pairs be paid by the seller.

9 (2) ANNUAL INSPECTIONS NOT REQUIRED.—
10 The requirement under subsection (o)(8)(A)(ii) of
11 the United States Housing Act of 1937 for annual
12 inspections shall not apply to dwelling units assisted
13 under this section.

14 (d) OTHER AUTHORITY OF THE SECRETARY.—The
15 Secretary may—

16 (1) limit the term of assistance for a disabled
17 family assisted under this section;

18 (2) provide assistance for a disabled family for
19 the entire term of a mortgage for a dwelling unit if
20 the disabled family remains eligible for such assist-
21 ance for such term; and

22 (3) modify the requirements of this section as
23 the Secretary determines to be necessary to make
24 appropriate adaptations for lease-purchase agree-
25 ments.

1 (e) ASSISTANCE PAYMENTS SENT TO LENDER.—The
2 Secretary shall remit assistance payments under this sec-
3 tion directly to the mortgagee of the dwelling unit pur-
4 chased by the disabled family receiving such assistance
5 payments.

6 (f) INAPPLICABILITY OF CERTAIN PROVISIONS.—As-
7 sistance under this section shall not be subject to the re-
8 quirements of the following provisions:

9 (1) Subsection (c)(3)(B) of section 8 of the
10 United States Housing Act of 1937.

11 (2) Subsection (d)(1)(B)(i) of section 8 of the
12 United States Housing Act of 1937.

13 (3) Any other provisions of section 8 of the
14 United States Housing Act of 1937 governing max-
15 imum amounts payable to owners and amounts pay-
16 able by assisted families.

17 (4) Any other provisions of section 8 of the
18 United States Housing Act of 1937 concerning con-
19 tracts between public housing agencies and owners.

20 (5) Any other provisions of the United States
21 Housing Act of 1937 that are inconsistent with the
22 provisions of this section.

23 (g) REVERSION TO RENTAL STATUS.—

24 (1) FHA-INSURED MORTGAGES.—If a disabled
25 family receiving assistance under this section for

1 purchase of a dwelling unit defaults under a mort-
2 gage for the dwelling unit insured by the Secretary
3 under the National Housing Act, the disabled family
4 may not continue to receive rental assistance under
5 section 8 of the United States Housing Act of 1937
6 unless the disabled family—

7 (A) transfers to the Secretary marketable
8 title to the dwelling unit;

9 (B) moves from the dwelling unit within
10 the period established or approved by the Sec-
11 retary; and

12 (C) agrees that any amounts the disabled
13 family is required to pay to reimburse the es-
14 crow account under section 23(d)(3) of the
15 United States Housing Act of 1937 may be de-
16 ducted by the public housing agency from the
17 assistance payment otherwise payable on behalf
18 of the disabled family.

19 (2) OTHER MORTGAGES.—If a disabled family
20 receiving assistance under this section defaults
21 under a mortgage not insured under the National
22 Housing Act, the disabled family may not continue
23 to receive rental assistance under section 8 of the
24 United States Housing Act of 1937 unless it com-
25 plies with requirements established by the Secretary.

1 (3) ALL MORTGAGES.—A disabled family receiv-
2 ing assistance under this section that defaults under
3 a mortgage may not receive assistance under this
4 section for occupancy of another dwelling unit owned
5 by 1 or more members of the disabled family.

6 (4) EXCEPTION.—This subsection shall not
7 apply if the Secretary determines that the disabled
8 family receiving assistance under this section de-
9 faulted under a mortgage due to catastrophic med-
10 ical reasons.

11 (h) REGULATIONS.—As soon as practicable after the
12 date of the enactment of this Act, the Secretary shall issue
13 regulations to implement this section. Such regulations
14 may not prohibit any public housing agency providing ten-
15 ant-based assistance on behalf of an eligible family under
16 section 8 of the United States Housing Act of 1937 from
17 participating in the pilot program under this section.

18 (i) DEFINITION OF DISABLED FAMILY.—For the
19 purposes of this section, the term “disabled family” has
20 the meaning given the term “person with disabilities” in
21 section 811(k)(2) of the Cranston-Gonzalez National Af-
22 fordable Housing Act (42 U.S.C. 8013(k)(2)).

23 **SEC. 303. FUNDING FOR PILOT PROGRAMS.**

24 (a) AUTHORIZATION OF APPROPRIATIONS.—There is
25 authorized to be appropriated \$2,000,000 for fiscal year

1 2001 for assistance in connection with the existing home-
2 ownership pilot programs carried out under the dem-
3 onstration program authorized under to section 555(b) of
4 the Quality Housing and Work Responsibility Act of 1998
5 (Public Law 105–276; 112 Stat. 2613).

6 (b) USE.—Subject to subsection (c), amounts made
7 available pursuant to this section shall be used only
8 through such homeownership pilot programs to provide,
9 on behalf of families participating in such programs,
10 amounts for downpayments in connection with dwellings
11 purchased by such families using assistance made avail-
12 able under section 8(y) of the United States Housing Act
13 of 1937 (42 U.S.C. 1437f(y)). No such downpayment
14 grant may exceed 20 percent of the appraised value of the
15 dwelling purchased with assistance under such section
16 8(y).

17 (c) MATCHING REQUIREMENT.—The amount of as-
18 sistance made available under this section for any existing
19 homeownership pilot program may not exceed twice the
20 amount donated from sources other than this section for
21 use under the program for assistance described in sub-
22 section (b). Amounts donated from other sources may in-
23 clude amounts from State housing finance agencies and
24 Neighborhood Housing Services of America.

1 **TITLE IV—COMMUNITY**
2 **DEVELOPMENT BLOCK GRANTS**

3 **SEC. 401. REAUTHORIZATION.**

4 (a) AUTHORIZATION OF APPROPRIATIONS.—The last
5 sentence of section 103 of the Housing and Community
6 Development Act of 1974 (42 U.S.C. 5303) is amended
7 to read as follows: “For purposes of assistance under sec-
8 tion 106, there is authorized to be appropriated
9 \$4,900,000,000 for fiscal year 2001 and such sums as
10 may be necessary for each of fiscal years 2002, 2003,
11 2004, and 2005.”.

12 (b) ENTITLEMENT GRANTS.—

13 (1) IN GENERAL.—Section 102(a)(5)(B) of the
14 Housing and Community Development Act of 1974
15 (42 U.S.C. 5302(a)(5)(B)) is amended—

16 (A) by inserting “(I)” after “(iii)”; and

17 (B) by inserting before the period at the
18 end the following: “, or (II) has a population in
19 its unincorporated areas of not less than
20 450,000, except that a town or township which
21 is designated as a city pursuant to this sub-
22 clause shall have only its unincorporated areas
23 considered as a city for purposes of this title.”

24 (2) TREATMENT AS SEPARATE FROM URBAN
25 COUNTIES.—Section 102(d) of the Housing and

1 Community Development Act of 1974 (42 U.S.C.
2 5302(d)) is amended—

3 “(A) by inserting “(1)” after “(d)”;

4 “(B) by adding at the end the following
5 new paragraph:

6 “(2) Notwithstanding paragraph (1), a town or town-
7 ship that is classified as a city by reason of subclause (II)
8 of section 102(a)(5)(B)(iii) shall be treated, for purposes
9 of eligibility for a grant under section 106(b)(1) from
10 amounts made available for a fiscal year beginning after
11 the date of the enactment of the American Homeowner-
12 ship and Economic Opportunity Act of 2000, as an entity
13 separate from the urban county in which it is located.”.

14 (3) ELIGIBILITY OF CERTAIN URBAN COUN-
15 TIES.—Section 102(a)(6) of the Housing and Com-
16 munity Development Act of 1974 (42 U.S.C.
17 5302(a)(6)) is amended—

18 (1) in subparagraph (D)—

19 (A) in clause (v), by striking “or” at the
20 end;

21 (B) in clause (vi), by striking the period at
22 the end and inserting “; or”; and

23 (C) by adding at the end the following new
24 subparagraph:

1 “(vii)(I) has consolidated its government
2 with one or more municipal governments, such
3 that within the county boundaries there are no
4 unincorporated areas, (II) has a population of
5 not less than 650,000, over which the consoli-
6 dated government has the authority to under-
7 take essential community development and
8 housing assistance activities, (III) for more
9 than 10 years, has been classified as an entitle-
10 ment area for purposes of allocating and dis-
11 tributing funds under section 106, and (IV) as
12 of the date of the enactment of this clause, has
13 over 90 percent of the county’s population with-
14 in the jurisdiction of the consolidated govern-
15 ment.”; and

16 (2) by adding at the end the following new sub-
17 paragraph:

18 “(F) Notwithstanding any other provision of
19 this paragraph, any county that was classified as an
20 urban county pursuant to subparagraph (A) for fis-
21 cal year 1999, includes 10 cities each having a popu-
22 lation of less than 50,000, and has a population in
23 its unincorporated areas of 190,000 or more but less
24 than 200,000 as of March 6, 2000, shall thereafter
25 remain classified as an urban county.”.

1 **SEC. 402. PROHIBITION OF SET-ASIDES.**

2 Section 103 of the Housing and Community Develop-
3 ment Act of 1974 (42 U.S.C. 5303), as amended by sec-
4 tion 401 of this Act, is further amended—

5 (1) by inserting after “SEC. 103.” the fol-
6 lowing: “(a) IN GENERAL.—”; and

7 (2) by adding at the end the following new sub-
8 section:“

9 “(b) PROHIBITION OF SET-ASIDES.—Except as pro-
10 vided in paragraphs (1) and (2) of section 106(a) and sec-
11 tion 107, amounts appropriated pursuant to subsection (a)
12 of this section or otherwise to carry out this title (other
13 than section 108) shall be used only for formula-based
14 grants allocated pursuant to section 106 and may not be
15 otherwise used unless the provision of law providing for
16 such other use specifically refers to this subsection and
17 specifically states that such provision modifies or super-
18 sedes the provisions of this subsection.”.

19 **SEC. 403. PUBLIC SERVICES CAP.**

20 Section 105(a)(8) of the Housing and Community
21 Development Act of 1974 (42 U.S.C. 5305(a)(8)) is
22 amended by striking “fiscal years 1993” and all that fol-
23 lows through “unit of general local government” and in-
24 serting the following: “fiscal years 1993 through 2005 to
25 the City of Los Angeles, the County of Los Angeles, or
26 any other unit of general local government located in the

1 County of Los Angeles, such city, such county, or each
2 such unit of general local government, respectively.”

3 **SEC. 404. HOMEOWNERSHIP FOR MUNICIPAL EMPLOYEES.**

4 (a) ELIGIBLE ACTIVITIES.—Section 105(a) of the
5 Housing and Community Development Act of 1974 (42
6 U.S.C. 5305(a)) is amended—

7 (1) in paragraph (22)(C), by striking “and” at
8 the end;

9 (2) in paragraph (23), by striking the period at
10 the end and inserting a semicolon; and

11 (3) by inserting after paragraph (23) the fol-
12 lowing new paragraph:

13 “(24) provision of direct assistance to facilitate
14 and expand homeownership among uniformed em-
15 ployees (including policemen, firemen, and sanitation
16 and other maintenance workers) of, and teachers
17 who are employees of, the metropolitan city or urban
18 county (or an agency or school district serving such
19 city or county) receiving grant amounts under this
20 title pursuant to section 106(b) or the unit of gen-
21 eral local government (or an agency or school dis-
22 trict serving such unit) receiving such grant
23 amounts pursuant to section 106(d); except that
24 such assistance may only be provided on behalf of
25 such employees who are first-time homebuyers under

1 the meaning given such term in section 104(14) of
2 the Cranston-Gonzalez National Affordable Housing
3 Act (42 U.S.C. 12704(14)), except that, for pur-
4 poses of this paragraph, such section shall be ap-
5 plied by substituting “section 105(a)(24) of the
6 Housing and Community Development Act of 1974”
7 for “title II”; except that, notwithstanding section
8 102(a)(20)(B) or any other provision of this title,
9 such assistance may be provided on behalf of such
10 employees whose family incomes do not exceed 115
11 percent of the median income of the area involved,
12 as determined by the Secretary with adjustments for
13 smaller and larger families; except that, with respect
14 only to such areas that the Secretary determines
15 have high housing costs, taking into consideration
16 median house prices and median family incomes for
17 the area, such income limitation shall be 150 percent
18 of the median income of the area involved, as deter-
19 mined by the Secretary with adjustments for smaller
20 and larger families; and except that such assistance
21 shall be used only for acquiring principal residences
22 for such employees by—
23 “(A) providing amounts for downpayments
24 on mortgages;

1 “(B) paying reasonable closing costs nor-
2 mally associated with the purchase of a resi-
3 dence;

4 “(C) obtaining pre- or post-purchase coun-
5 seling relating to the financial and other obliga-
6 tions of homeownership; or

7 “(D) subsidizing mortgage interest rates;”.

8 (b) PRIMARY OBJECTIVES.—Section 105(c) of the
9 Housing and Community Development Act of 1974 (42
10 U.S.C. 5305(c)) is amended by adding at the end the fol-
11 lowing new paragraph:

12 “(5) HOMEOWNERSHIP ASSISTANCE FOR MUNICIPAL
13 EMPLOYEES.—Notwithstanding any other provision of this
14 title, any assisted activity described in subsection (a)(24)
15 of this section shall be considered, for purposes of this
16 title, to benefit persons of low and moderate income and
17 to be directed toward the objective under section
18 101(e)(3).”.

19 **SEC. 405. TECHNICAL AMENDMENT RELATING TO**
20 **BROWNFIELDS.**

21 Section 105(a) of the Housing and Community De-
22 velopment Act of 1974 (42 U.S.C. 5305(a)), as amended
23 by section 403 of this Act, is further amended—

24 (1) in paragraph (25), by striking the period
25 and inserting “; and”; and

1 (2) by adding at the end the following new
2 paragraph:

3 “(26) environmental cleanup and economic de-
4 velopment activities related to Brownfields projects
5 in conjunction with the appropriate environmental
6 regulatory agencies.”.

7 **SEC. 406. CDBG SPECIAL PURPOSE GRANTS.**

8 Section 107(a)(1) of the Housing and Community
9 Development Act of 1974 (42 U.S.C. 5307(a)(1)) is
10 amended—

11 (1) in the matter preceding subparagraph (A)—

12 (A) by striking “\$60,000,000” and insert-
13 ing “\$75,000,000”; and

14 (B) by striking “subsection (b)” and in-
15 serting “this section”; and

16 (2) by striking subparagraph (G) and inserting
17 the following new subparagraph:

18 “(G) in fiscal year 2001—

19 “(i) \$15,000,000 shall be available for
20 a grant to the City of Youngstown, Ohio,
21 for the construction of a community center
22 in such city; and

23 “(ii) \$2,000,000 shall be available for
24 a grant to the City of Youngstown, Ohio,
25 for the renovation and refurbishing of the

1 Sports Complex (formerly known as South
2 Field House) in such city;”.

3 **SEC. 407. INCOME ELIGIBILITY.**

4 (a) IN GENERAL.—In addition to the exceptions
5 granted pursuant to section 590 of the Quality Housing
6 and Work Responsibility Act of 1998 (42 U.S.C. 5301
7 note), the Secretary of Housing and Urban Development
8 shall, for not less than 10 other jurisdictions that are met-
9 ropolitan cities or urban counties for purposes of title I
10 of the Housing and Community Development Act of 1974,
11 grant exceptions not later than 90 days after the date of
12 the enactment of this Act for such jurisdictions that pro-
13 vide that—

14 (1) for purposes of the HOME investment part-
15 nerships program under title II of the Cranston-
16 Gonzalez National Affordable Housing Act, the limi-
17 tation based on percentage of median income that is
18 applicable under section 104(10), 214(1)(A), or
19 215(a)(1)(A) for any area of the jurisdiction shall be
20 the numerical percentage that is specified in such
21 section; and

22 (2) for purposes of the community development
23 block grant program under title I of the Housing
24 and Community Development Act of 1974, the limi-
25 tation based on percentage of median income that is

1 applicable pursuant to section 102(a)(20) for any
2 area within the State or unit of general local govern-
3 ment shall be the numerical percentage that is speci-
4 fied in subparagraph (A) of such section.

5 (b) SELECTION.—In selecting the jurisdictions for
6 which to grant such exceptions, the Secretary shall con-
7 sider the relative median income of such jurisdictions and
8 shall give preference to jurisdictions with the highest hous-
9 ing costs.

10 **SEC. 408. HOUSING OPPORTUNITIES FOR PERSONS WITH**
11 **AIDS.**

12 Section 863 of the Cranston-Gonzalez National Af-
13 fordable Housing Act (42 U.S.C. 12912) is amended to
14 read as follows:

15 **“SEC. 863. AUTHORIZATION OF APPROPRIATIONS.**

16 “There is authorized to be appropriated to carry out
17 this subtitle \$260,000,000 for fiscal year 2001 and such
18 sums as may be necessary for each of fiscal years 2002,
19 2003, 2004, and 2005.”.

20 **TITLE V—HOME INVESTMENT**
21 **PARTNERSHIPS PROGRAM**

22 **SEC. 501. REAUTHORIZATION.**

23 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
24 205 of the Cranston-Gonzalez National Affordable Hous-
25 ing Act (42 U.S.C. 12724) is amended to read as follows:

1 **“SEC. 205. AUTHORIZATION.**

2 “(a) IN GENERAL.—There is authorized to be appro-
3 priated to carry out this title \$1,650,000,000 for fiscal
4 year 2001 and such sums as may be necessary for each
5 of fiscal years 2002, 2003, 2004, and 2005, of which—

6 “(1) not more than \$25,000,000 in each such
7 fiscal year shall be for community housing partner-
8 ship activities authorized under section 233; and

9 “(2) not more than \$15,000,000 in each such
10 fiscal year shall be for activities in support of State
11 and local housing strategies authorized under sub-
12 title C, of which, in each of fiscal years 2001 and
13 2002, \$3,000,000 shall be for funding grants under
14 section 246.

15 “(b) PROHIBITION OF SET-ASIDES.—Except as pro-
16 vided in subsection (a) of this section and section
17 217(a)(3), amounts appropriated pursuant to subsection
18 (a) of this section or otherwise to carry out this title shall
19 be used only for formula-based grants allocated pursuant
20 to section 217 and may not be otherwise used unless the
21 provision of law providing for such other use specifically
22 refers to this subsection and specifically states that such
23 provision modifies or supersedes the provisions of this sub-
24 section.”.

25 (b) ALLOCATIONS OF AMOUNTS.—Section 104(19) of
26 the Cranston-Gonzalez National Affordable Housing Act

1 (42 U.S.C. 12704(19)) is amended by adding at the end
2 the following: “The term ‘city’ shall have the meaning
3 given such term in section 102(a)(5)(B) of such Act. A
4 town or township that is classified as a city by reason of
5 subclause (II) of section 102(a)(5)(A)(B)(iii) of such Act
6 shall be treated, notwithstanding section 102(d)(1) of such
7 Act, as an entity separate from the urban county in which
8 it is located for purposes of allocation of amounts under
9 section 217 of this Act to units of general local govern-
10 ment from amounts made available for any fiscal year be-
11 ginning after the date of the enactment of the American
12 Homeownership and Economic Opportunity Act of
13 2000.”.

14 (c) PILOT PROGRAM FOR DEVELOPING REGIONAL
15 HOUSING STRATEGIES.—Subtitle C of title II of the Cran-
16 ston-Gonzalez National Affordable Housing Act (42
17 U.S.C. 12781 et seq.) is amended by adding at the end
18 the following new section:

19 **“SEC. 246. PILOT PROGRAM FOR DEVELOPING COM-**
20 **PREHENSIVE REGIONAL HOUSING AFFORD-**
21 **ABILITY STRATEGIES.**

22 “(a) AUTHORITY.—The Secretary may, using any
23 amounts made available for grants under this section,
24 make not more than 3 grants for each of fiscal years 2001
25 and 2002 to consortia of units of general local government

1 described in subsection (b) for costs of developing and im-
2 plementing comprehensive housing affordability strategies
3 on a regional basis.

4 “(b) **ELIGIBLE CONSORTIA.**—A consortium of units
5 of general local government described in this subsection
6 is a consortium that—

7 “(1) is eligible under section 216(2) to be
8 deemed a unit of general local government for pur-
9 poses of this title; and

10 “(2) consists of multiple units of general local
11 government; and

12 “(3) contains only units of general local govern-
13 ment that are geographically contiguous.

14 “(c) **MULTI-STATE REQUIREMENT.**—In each fiscal
15 year in which grants are made under this section, not less
16 than one of the consortia that receives a grant shall be
17 a consortium described in subsection (b) that includes
18 units of general local government from 2 or more States.”.

19 **SEC. 502. ELIGIBILITY OF LIMITED EQUITY COOPERATIVES**
20 **AND MUTUAL HOUSING ASSOCIATIONS.**

21 (a) **CONGRESSIONAL FINDINGS.**—Section 202(10) of
22 the Cranston-Gonzalez National Affordable Housing Act
23 (42 U.S.C. 12721(10)) is amended by inserting “mutual
24 housing associations,” after “limited equity cooperatives,”.

1 (b) DEFINITIONS.—Section 104 of the Cranston-
2 Gonzalez National Affordable Housing Act (42 U.S.C.
3 12704) is amended—

4 (1) by redesignating paragraph (23) as para-
5 graph (22);

6 (2) by redesignating paragraph (24) (relating to
7 the definition of “insular area”) as paragraph (23);
8 and

9 (3) by adding at the end the following new
10 paragraphs:

11 “(26) The term ‘limited equity cooperative’
12 means a cooperative housing corporation which, in a
13 manner determined by the Secretary to be accept-
14 able, restricts income eligibility of purchasers of
15 membership shares of stock in the cooperative cor-
16 poration or the initial and resale price of such
17 shares, or both, so that the shares remain available
18 and affordable to low-income families.

19 “(27) The term ‘mutual housing association’
20 means a private entity that—

21 “(A) is organized under State law;

22 “(B) is described in section 501(c) of the
23 Internal Revenue Code of 1986 and exempt
24 from taxation under section 501(a) of such
25 Code;

1 “(C) owns, manages, and continuously de-
2 velops affordable housing by providing long-
3 term housing for low- and moderate-income
4 families;

5 “(D) provides that eligible families who
6 purchase membership interests in the associa-
7 tion shall have a right to residence in a dwelling
8 unit in the housing during the period that they
9 hold such membership interest; and

10 “(E) provides for the residents of such
11 housing to participate in the ongoing manage-
12 ment of the housing.”.

13 (c) ELIGIBILITY.—Section 215 of the Cranston-Gon-
14 zalez National Affordable Housing Act (42 U.S.C. 12745)
15 is amended—

16 (1) in subsection (b), by adding after and below
17 paragraph (4) the following:

18 “Housing that is owned by a limited equity cooperative
19 or a mutual housing association may be considered by a
20 participating jurisdiction to be housing for homeownership
21 for purposes of this title to the extent that ownership or
22 membership in such a cooperative or association, respec-
23 tively, constitutes homeownership under State or local
24 laws.”; and

1 (2) in subsection (a), by adding at the end the
2 following new paragraph:

3 “(6) LIMITED EQUITY COOPERATIVES AND MU-
4 TUAL HOUSING ASSOCIATIONS.—Housing that is
5 owned by a limited equity cooperative or a mutual
6 housing association may be considered by a partici-
7 pating jurisdiction to be rental housing for purposes
8 of this title to the extent that ownership or member-
9 ship in such a cooperative or association, respec-
10 tively, constitutes rental of a dwelling under State or
11 local laws.”.

12 **SEC. 503. LEVERAGING AFFORDABLE HOUSING INVEST-**
13 **MENT THROUGH LOCAL LOAN POOLS.**

14 (a) ELIGIBLE INVESTMENTS.—Section 212(b) of the
15 Cranston-Gonzalez National Affordable Housing Act (42
16 U.S.C. 12742(b)) is amended by inserting after “interest
17 subsidies” the following: “, advances to provide reserves
18 for loan pools or to provide partial loan guarantees,”.

19 (b) TIMELY INVESTMENT OF TRUST FUNDS.—Sec-
20 tion 218(e) of the Cranston-Gonzalez National Affordable
21 Housing Act (42 U.S.C. 12748) is amended to read as
22 follows:

23 “(e) INVESTMENT WITHIN 15 DAYS.—

24 “(1) IN GENERAL.—The participating jurisdic-
25 tion shall, not later than 15 days after funds are

1 drawn from the jurisdiction's HOME Investment
2 Trust Fund, invest such funds, together with any in-
3 terest earned thereon, in the affordable housing for
4 which the funds were withdrawn.

5 “(2) LOAN POOLS.—In the case of a partici-
6 pating jurisdiction that withdraws Trust Fund
7 amounts for investment in the form of an advance
8 for reserves or partial loan guarantees under a pro-
9 gram providing such credit enhancement for loans
10 for affordable housing, the amounts shall be consid-
11 ered to be invested for purposes of paragraph (1)
12 upon the completion of both of the following actions:

13 “(A) Control of the amounts is transferred
14 to the program.

15 “(B) The jurisdiction and the entity oper-
16 ating the program enter into a written agree-
17 ment that—

18 “(i) provides that such funds may be
19 used only in connection with such program;

20 “(ii) defines the terms and conditions
21 of the loan pool reserve or partial loan
22 guarantees; and

23 “(iii) provides that such entity shall
24 ensure that amounts from non-Federal
25 sources have been contributed, or are com-

1 mitted for contribution, to the pool avail-
2 able for loans for affordable housing that
3 will be backed by such reserves or loan
4 guarantees in an amount equal to 10 times
5 the amount invested from Trust Fund
6 amounts.”.

7 (c) EXPIRATION OF RIGHT TO WITHDRAW FUNDS.—
8 Section 218(g) of the Cranston-Gonzalez National Afford-
9 able Housing Act (42 U.S.C. 12748(g)) is amended to
10 read as follows:

11 “(g) EXPIRATION OF RIGHT TO DRAW FUNDS.—

12 “(1) IN GENERAL.—If any funds becoming
13 available to a participating jurisdiction under this
14 title are not placed under binding commitment to af-
15 fordable housing within 24 months after the last day
16 of the month in which such funds are deposited in
17 the jurisdiction’s HOME Investment Trust Fund,
18 the jurisdiction’s right to draw such funds from the
19 HOME Investment Trust Fund shall expire. The
20 Secretary shall reduce the line of credit in the par-
21 ticipating jurisdiction’s HOME Investment Trust
22 Fund by the expiring amount and shall reallocate
23 the funds by formula in accordance with section
24 217(d).

1 “(2) LOAN POOLS.—In the case of a partici-
2 pating jurisdiction that withdraws Trust Fund
3 amounts for investment in the manner provided
4 under subsection (e)(2), the amounts shall be consid-
5 ered to be placed under binding commitment to af-
6 fordable housing for purposes of paragraph (1) of
7 this subsection at the time that the amounts are ob-
8 ligated for use under, and are subject to, a written
9 agreement described in subsection (e)(2)(B).”.

10 (d) TREATMENT OF MIXED INCOME LOAN POOLS AS
11 AFFORDABLE HOUSING.—

12 (1) IN GENERAL.—Section 215 of the Cran-
13 ston-Gonzalez National Affordable Housing Act (42
14 U.S.C. 12745) is amended by adding at the end the
15 following new subsection:

16 “(c) LOAN POOLS.—Notwithstanding subsections (a)
17 and (b), housing financed using amounts invested as pro-
18 vided in section 218(e)(2) shall qualify as affordable hous-
19 ing only if the housing complies with the following require-
20 ments:

21 “(1) In the case of housing that is for
22 homeownership—

23 “(A) of the units financed with amounts so
24 invested—

1 “(i) not less than 75 percent are prin-
2 cipal residences of owners whose families
3 qualify as low-income families—

4 “(I) in the case of a contract to
5 purchase existing housing, at the time
6 of purchase;

7 “(II) in the case of a lease-pur-
8 chase agreement for existing housing
9 or for housing to be constructed, at
10 the time the agreement is signed; or

11 “(III) in the case of a contract to
12 purchase housing to be constructed, at
13 the time the contract is signed;

14 “(ii) all are principal residences of
15 owners whose families qualify as moderate-
16 income families—

17 “(I) in the case of a contract to
18 purchase existing housing, at the time
19 of purchase;

20 “(II) in the case of a lease-pur-
21 chase agreement for existing housing
22 or for housing to be constructed, at
23 the time the agreement is signed; or

1 “(III) in the case of a contract to
2 purchase housing to be constructed, at
3 the time the contract is signed; and

4 “(iii) all comply with paragraphs (3)
5 and (4) of subsection (b), except that para-
6 graph (3) shall be applied for purposes of
7 this clause by substituting ‘subsection
8 (c)(2)(B)’ and ‘low- and moderate-income
9 homebuyers’ for ‘paragraph (2)’ and ‘low-
10 income homebuyers’, respectively; and

11 “(B) units made available for purchase
12 only by families who qualify as low-income fam-
13 ilies shall have an initial purchase price that
14 complies with the requirements of subsection
15 (b)(1).

16 “(2) In the case of housing that is for rental,
17 the housing—

18 “(A) complies with subparagraphs (D)
19 through (F) of subsection (a)(1);

20 “(B)(i) has not less than 75 percent of the
21 units occupied by households that qualify as
22 low-income families and is occupied only by
23 households that qualify as moderate-income
24 families; or

1 “(ii) temporarily fails to comply with
2 clause (i) only because of increases in the in-
3 comes of existing tenants and actions satisfac-
4 tory to the Secretary are being taken to ensure
5 that all vacancies in the housing are being filled
6 in accordance with clause (i) until such non-
7 compliance is corrected; and

8 “(C) bears rents, in the case of units made
9 available for occupancy only by households that
10 qualify as low-income families, that comply with
11 the requirements of subsection (a)(1)(A).

12 Paragraphs (4) and (5) of subsection (a) shall apply
13 to housing that is subject to this subsection.”.

14 (2) DEFINITION.—Section 104 of the Cranston-
15 Gonzalez National Affordable Housing Act (42
16 U.S.C. 12704), as amended by section 502 of this
17 Act, is further amended by adding at the end the
18 following new paragraph:

19 “(28) The term ‘moderate income families’
20 means families whose incomes do not exceed the me-
21 dian income for the area, as determined by the Sec-
22 retary with adjustments for smaller and larger fami-
23 lies, except that the Secretary may establish income
24 ceilings higher or lower than the median income for
25 the area on the basis of the Secretary’s findings that

1 such variations are necessary because of prevailing
2 levels of construction costs or fair market rents, or
3 unusually high or low family incomes.”.

4 **SEC. 504. LOAN GUARANTEES.**

5 Subtitle A of title II of the Cranston-Gonzalez Na-
6 tional Affordable Housing Act (42 U.S.C. 12741 et seq.)
7 is amended by adding at the end the following new section:

8 **“SEC. 227. LOAN GUARANTEES.**

9 “(a) **AUTHORITY.**—The Secretary may, upon such
10 terms and conditions as the Secretary may prescribe,
11 guarantee and make commitments to guarantee, only to
12 such extent or in such amounts as provided in appropria-
13 tions Acts, the notes or other obligations issued by eligible
14 participating jurisdictions or by public agencies designated
15 by and acting on behalf of eligible participating jurisdic-
16 tions for purposes of financing (including credit enhance-
17 ments and debt service reserves) the acquisition, new con-
18 struction, reconstruction, or moderate or substantial reha-
19 bilitation of affordable housing (including real property ac-
20 quisition, site improvement, conversion, and demolition),
21 and other related expenses (including financing costs and
22 relocation expenses of any displaced persons, families,
23 businesses, or organizations). Housing funded under this
24 section shall meet the requirements of this subtitle.

1 “(b) REQUIREMENTS.—Notes or other obligations
2 guaranteed under this section shall be in such form and
3 denominations, have such maturities, and be subject to
4 such conditions as may be prescribed by the Secretary.
5 The Secretary may not deny a guarantee under this sec-
6 tion on the basis of the proposed repayment period for
7 the note or other obligation, unless the period is more than
8 20 years or the Secretary determines that the period oth-
9 erwise causes the guarantee to constitute an unacceptable
10 financial risk.

11 “(c) LIMITATION ON TOTAL NOTES AND OBLIGA-
12 TIONS.—The Secretary may not guarantee or make a com-
13 mitment to guarantee any note or other obligation if the
14 total outstanding notes or obligations guaranteed under
15 this section on behalf of the participating jurisdiction
16 issuing the note or obligation (excluding any amount
17 defeased under a contract entered into under subsection
18 (e)(1)) would thereby exceed an amount equal to 5 times
19 the amount of the participating jurisdiction’s latest alloca-
20 tion under section 217.

21 “(d) USE OF PROGRAM FUNDS.—Notwithstanding
22 any other provision of this subtitle, funds allocated to the
23 participating jurisdiction under this subtitle (including
24 program income derived therefrom) are authorized for use
25 in the payment of principal and interest due on the notes

1 or other obligations guaranteed pursuant to this section
2 and the payment of such servicing, underwriting, or other
3 issuance or collection charges as may be specified by the
4 Secretary.

5 “(e) SECURITY.—To assure the full repayment of
6 notes or other obligations guaranteed under this section,
7 and payment of the issuance or collection charges specified
8 by the Secretary under subsection (d), and as a prior con-
9 dition for receiving such guarantees, the Secretary shall
10 require the participating jurisdiction (and its designated
11 public agency issuer, if any) to—

12 “(1) enter into a contract, in a form acceptable
13 to the Secretary, for repayment of such notes or
14 other obligations and the other specified charges;

15 “(2) pledge as security for such repayment any
16 allocation for which the participating jurisdiction
17 may become eligible under this subtitle; and

18 “(3) furnish, at the discretion of the Secretary,
19 such other security as may be deemed appropriate
20 by the Secretary in making such guarantees, which
21 may include increments in local tax receipts gen-
22 erated by the housing assisted under this section or
23 disposition proceeds from the sale of land or hous-
24 ing.

1 “(f) REPAYMENT AUTHORITY.—The Secretary may,
2 notwithstanding any other provision of this subtitle or any
3 other Federal, State, or local law, apply allocations
4 pledged pursuant to subsection (e) to any repayments due
5 the United States as a result of such guarantees.

6 “(g) FULL FAITH AND CREDIT.—The full faith and
7 credit of the United States is pledged to the payment of
8 all guarantees made under this section. Any such guar-
9 antee made by the Secretary shall be conclusive evidence
10 of the eligibility of the notes or other obligations for such
11 guarantee with respect to principal and interest, and the
12 validity of any such guarantee so made shall be incontest-
13 able in the hands of a holder of the guaranteed obligations.

14 “(h) TAX STATUS.—With respect to any obligation
15 guaranteed pursuant to this section, the guarantee and
16 the obligation shall be designed in a manner such that the
17 interest paid on such obligation shall be included in gross
18 income for purposes of the Internal Revenue Code of
19 1986.

20 “(i) MONITORING.—The Secretary shall monitor the
21 use of guarantees under this section by eligible partici-
22 pating jurisdictions. If the Secretary finds that 50 percent
23 of the aggregate guarantee authority for any fiscal year
24 has been committed, the Secretary may impose limitations

1 on the amount of guarantees any 1 participating jurisdic-
2 tion may receive during that fiscal year.

3 “(j) GUARANTEE OF TRUST CERTIFICATES.—

4 “(1) AUTHORITY.—The Secretary may, upon
5 such terms and conditions as the Secretary deems
6 appropriate, guarantee the timely payment of the
7 principal of and interest on such trust certificates or
8 other obligations as may—

9 “(A) be offered by the Secretary or by any
10 other offeror approved for purposes of this sub-
11 section by the Secretary; and

12 “(B) be based on and backed by a trust or
13 pool composed of notes or other obligations
14 guaranteed or eligible for guarantee by the Sec-
15 retary under this section.

16 “(2) FULL FAITH AND CREDIT.—To the same
17 extent as provided in subsection (g), the full faith
18 and credit of the United States is pledged to the
19 payment of all amounts which may be required to be
20 paid under any guarantee by the Secretary under
21 this subsection.

22 “(3) SUBROGATION.—In the event the Sec-
23 retary pays a claim under a guarantee issued under
24 this section, the Secretary shall be subrogated fully
25 to the rights satisfied by such payment.

1 “(4) OTHER POWERS AND RIGHTS.—No State
2 or local law, and no Federal law, shall preclude or
3 limit the exercise by the Secretary of—

4 “(A) the power to contract with respect to
5 public offerings and other sales of notes, trust
6 certificates, and other obligations guaranteed
7 under this section, upon such terms and condi-
8 tions as the Secretary deems appropriate;

9 “(B) the right to enforce, by any means
10 deemed appropriate by the Secretary, any such
11 contract; and

12 “(C) the Secretary’s ownership rights, as
13 applicable, in notes, certificates or other obliga-
14 tions guaranteed under this section, or consti-
15 tuting the trust or pool against which trust cer-
16 tificates or other obligations guaranteed under
17 this section are offered.

18 “(k) AGGREGATE LIMITATION.—The total amount of
19 outstanding obligations guaranteed on a cumulative basis
20 by the Secretary under this section shall not at any time
21 exceed \$2,000,000,000.”.

22 **SEC. 505. HOMEOWNERSHIP FOR MUNICIPAL EMPLOYEES.**

23 (a) ELIGIBLE ACTIVITIES.—Paragraph (2) of section
24 215(b) of the Cranston-Gonzalez National Affordable

1 Housing Act (42 U.S.C. 12745(b)(2)) is amended to read
2 as follows:

3 “(2) is the principal residence of an owner
4 who—

5 “(A) is a member of a family that qualifies
6 as a low-income family—

7 “(i) in the case of a contract to pur-
8 chase existing housing, at the time of pur-
9 chase;

10 “(ii) in the case of a lease-purchase
11 agreement for existing housing or for hous-
12 ing to be constructed, at the time the
13 agreement is signed; or

14 “(iii) in the case of a contract to pur-
15 chase housing to be constructed, at the
16 time the contract is signed; or

17 “(B)(i) is a uniformed employee (which
18 shall include policemen, firemen, and sanitation
19 and other maintenance workers) or a teacher
20 who is an employee, of the participating juris-
21 diction (or an agency or school district serving
22 such jurisdiction) that is investing funds made
23 available under this subtitle to support home-
24 ownership of the residence; and

1 “(ii) is a member of a family whose in-
2 come, at the time referred to in clause (i), (ii),
3 or (iii) of subparagraph (A), as appropriate,
4 and as determined by the Secretary with ad-
5 justments for smaller and larger families, does
6 not exceed 115 percent of the median income of
7 the area, except that, with respect only to such
8 areas that the Secretary determines have high
9 housing costs, taking into consideration median
10 house prices and median family incomes for the
11 area, such income limitation shall be 150 per-
12 cent of the median income of the area, as deter-
13 mined by the Secretary with adjustments for
14 smaller and larger families;”.

15 (b) INCOME TARGETING.—Section 214(2) of the
16 Cranston-Gonzalez National Affordable Housing Act (42
17 U.S.C. 12744(2)) is amended by inserting before the semi-
18 colon the following: “or families described in section
19 215(b)(2)(B)”.

20 (c) ELIGIBLE INVESTMENTS.—Section 212(b) of the
21 Cranston-Gonzalez National Affordable Housing Act (42
22 U.S.C. 12742(b)) is amended by adding at the end the
23 following new sentence: “Notwithstanding the preceding
24 sentence, in the case of homeownership assistance for resi-
25 dences of owners described in section 215(b)(2)(B), funds

1 made available under this subtitle may only be invested
2 (A) to provide amounts for downpayments on mortgages,
3 (B) to pay reasonable closing costs normally associated
4 with the purchase of a residence, (C) to obtain pre- or
5 post-purchase counseling relating to the financial and
6 other obligations of homeownership, or (D) to subsidize
7 mortgage interest rates.”.

8 **SEC. 506. USE OF SECTION 8 ASSISTANCE BY “GRAND-FAMI-**
9 **LIES” TO RENT DWELLING UNITS IN AS-**
10 **SISTED PROJECTS.**

11 Section 215(a) of the Cranston-Gonzalez National
12 Affordable Housing Act (42 U.S.C. 12745(a)), as amend-
13 ed by the preceding provisions of this Act, is further
14 amended by adding at the end the following new para-
15 graph:

16 “(7) WAIVER OF QUALIFYING RENT.—

17 “(A) IN GENERAL.—For the purpose of
18 providing affordable housing appropriate for
19 families described in subparagraph (B), the
20 Secretary may, upon the application of the
21 project owner, waive the applicability of sub-
22 paragraph (A) of paragraph (1) with respect to
23 a dwelling unit if—

24 “(i) the unit is occupied by such a
25 family, on whose behalf tenant-based as-

1 assistance is provided under section 8 of the
2 United States Housing Act of 1937 (42
3 U.S.C. 1437f);

4 “(ii) the rent for the unit is not great-
5 er than the existing fair market rent for
6 comparable units in the area, as estab-
7 lished by the Secretary under section 8 of
8 the United States Housing Act of 1937;
9 and

10 “(iii) the Secretary determines that
11 the waiver, together with waivers under
12 this paragraph for other dwelling units in
13 the project, will result in the use of
14 amounts described in clause (iii) in an ef-
15 fective manner that will improve the provi-
16 sion of affordable housing for such fami-
17 lies.

18 “(B) ELIGIBLE FAMILIES.—A family de-
19 scribed in this subparagraph is a family that
20 consists of at least one elderly person (who is
21 the head of household) and one or more of such
22 person’s grand children, great grandchildren,
23 great nieces, great nephews, or great great
24 grandchildren (as defined by the Secretary), but
25 does not include any parent of such grand-

1 children, great grandchildren, great nieces,
2 great nephews, or great great grandchildren.
3 Such term includes any such grandchildren,
4 great grandchildren, great nieces, great neph-
5 ews, or great great grandchildren who have
6 been legally adopted by such elderly person.”.

7 **SEC. 507. ADMINISTRATIVE COSTS.**

8 Section 212(c) of the Cranston-Gonzalez National Af-
9 fordable Housing Act (42 U.S.C. 12742(c)) is amended
10 by adding at the end the following new sentence: “A par-
11 ticipating jurisdiction may use amounts made available
12 under this subsection for a fiscal year for administrative
13 and planning costs by amortizing the costs of administra-
14 tion and planning activities under this subtitle over the
15 entire duration of such activities.”.

16 **TITLE VI—LOCAL**
17 **HOMEOWNERSHIP INITIATIVES**

18 **SEC. 601. REAUTHORIZATION OF NEIGHBORHOOD REIN-**
19 **VESTMENT CORPORATION.**

20 Section 608(a)(1) of the Neighborhood Reinvestment
21 Corporation Act (42 U.S.C. 8107(a)(1)) is amended by
22 striking the first sentence and inserting the following new
23 sentence: “There is authorized to be appropriated to the
24 corporation to carry out this title \$90,000,000 for fiscal

1 year 2001 and such sums as may be necessary for each
2 of fiscal years 2002 through 2005.”.

3 **SEC. 602. HOMEOWNERSHIP ZONES.**

4 Section 186 of the Housing and Community Develop-
5 ment Act of 1992 (42 U.S.C. 12898a) is amended to read
6 as follows:

7 **“SEC. 186. HOMEOWNERSHIP ZONE GRANTS.**

8 “(a) **AUTHORITY.**—The Secretary of Housing and
9 Urban Development may make grants to units of general
10 local government to assist homeownership zones. Home-
11 ownership zones are contiguous, geographically defined
12 areas, primarily residential in nature, in which large-scale
13 development projects are designed to reclaim distressed
14 neighborhoods by creating homeownership opportunities
15 for low- and moderate-income families. Projects in home-
16 ownership zones are intended to serve as a catalyst for
17 private investment, business creation, and neighborhood
18 revitalization.

19 “(b) **ELIGIBLE ACTIVITIES.**—Amounts made avail-
20 able under this section may be used for projects that in-
21 clude any of the following activities in the homeownership
22 zone:

23 “(1) Acquisition, construction, and rehabilita-
24 tion of housing.

1 “(2) Site acquisition and preparation, including
2 demolition, construction, reconstruction, or installa-
3 tion of public and other site improvements and utili-
4 ties directly related to the homeownership zone.

5 “(3) Direct financial assistance to homebuyers.

6 “(4) Homeownership counseling.

7 “(5) Relocation assistance.

8 “(6) Marketing costs, including affirmative
9 marketing activities.

10 “(7) Other project-related costs.

11 “(8) Reasonable administrative costs (up to 5
12 percent of the grant amount).

13 “(9) Other housing-related activities proposed
14 by the applicant as essential to the success of the
15 homeownership zone and approved by the Secretary.

16 “(c) APPLICATION.—To be eligible for a grant under
17 this section, a unit of general local government shall sub-
18 mit an application for a homeownership zone grant in such
19 form and in accordance with such procedures as the Sec-
20 retary shall establish.

21 “(d) SELECTION CRITERIA.—The Secretary shall se-
22 lect applications for funding under this section through
23 a national competition, using selection criteria established
24 by the Secretary, which shall include—

1 “(1) the degree to which the proposed activities
2 will result in the improvement of the economic, so-
3 cial, and physical aspects of the neighborhood and
4 the lives of its residents through the creation of new
5 homeownership opportunities;

6 “(2) the levels of distress in the homeownership
7 zone as a whole, and in the immediate neighborhood
8 of the project for which assistance is requested;

9 “(3) the financial soundness of the plan for fi-
10 nancing homeownership zone activities;

11 “(4) the leveraging of other resources; and

12 “(5) the capacity to successfully carry out the
13 plan.

14 “(e) GRANT APPROVAL AMOUNTS.—The Secretary
15 may establish a maximum amount for any grant for any
16 funding round under this section. A grant may not be
17 made in an amount that exceeds the amount that the Sec-
18 retary determines is necessary to fund the project for
19 which the application is made.

20 “(f) PROGRAM REQUIREMENTS.—A homeownership
21 zone proposal shall—

22 “(1) provide for a significant number of new
23 homeownership opportunities that will make a visible
24 improvement in an immediate neighborhood;

1 “(2) not be inconsistent with such planning and
2 design principles as may be prescribed by the Sec-
3 retary;

4 “(3) be designed to stimulate additional invest-
5 ment in that area;

6 “(4) provide for partnerships with persons or
7 entities in the private and nonprofit sectors;

8 “(5) incorporate a comprehensive approach to
9 revitalization of the neighborhood;

10 “(6) establish a detailed time-line for com-
11 mencement and completion of construction activities;
12 and

13 “(7) provide for affirmatively furthering fair
14 housing.

15 “(g) INCOME TARGETING.—At least 51 percent of
16 the homebuyers assisted with funds under this section
17 shall have household incomes at or below 80 percent of
18 median income for the area, as determined by the Sec-
19 retary.

20 “(h) ENVIRONMENTAL REVIEW.—For purposes of
21 environmental review, decisionmaking, and action pursu-
22 ant to the National Environmental Policy Act of 1969 and
23 other provisions of law that further the purposes of such
24 Act, a grant under this section shall be treated as assist-
25 ance under the HOME Investment Partnerships Act and

1 shall be subject to the regulations issued by the Secretary
2 to implement section 288 of such Act.

3 “(i) REVIEW, AUDIT, AND REPORTING.—The Sec-
4 retary shall make such reviews and audits and establish
5 such reporting requirements as may be necessary or ap-
6 propriate to determine whether the grantee has carried out
7 its activities in a timely manner and in accordance with
8 the requirements of this section. The Secretary may ad-
9 just, reduce, or withdraw amounts made available, or take
10 other action as appropriate, in accordance with the Sec-
11 retary’s performance reviews and audits under this sec-
12 tion.

13 “(j) AUTHORIZATION.—There is authorized to be ap-
14 propriated to carry out this section \$25,000,000 for fiscal
15 year 2001 and such sums as may be necessary for fiscal
16 year 2002, to remain available until expended.”.

17 **SEC. 603. LEASE-TO-OWN.**

18 (a) SENSE OF CONGRESS.—It is the sense of the Con-
19 gress that residential tenancies under lease-to-own provi-
20 sions can facilitate homeownership by low- and moderate-
21 income families and provide opportunities for homeowner-
22 ship for such families who might not otherwise be able
23 to afford homeownership.

24 (b) REPORT.—Not later than the expiration of the
25 3-month period beginning on the date of the enactment

1 of this Act, the Secretary of Housing and Urban Develop-
2 ment shall submit a report to the Congress—

3 (1) analyzing whether lease-to-own provisions
4 can be effectively incorporated within the HOME in-
5 vestment partnerships program, the public housing
6 program, the tenant-based rental assistance program
7 under section 8 of the United States Housing Act of
8 1937, or any other programs of the Department to
9 facilitate homeownership by low- or moderate-income
10 families; and

11 (2) any legislative or administrative changes
12 necessary to alter or amend such programs to allow
13 the use of lease-to-own options to provide home-
14 ownership opportunities.

15 **SEC. 604. LOCAL CAPACITY BUILDING.**

16 Section 4 of the HUD Demonstration Act of 1993
17 (42 U.S.C. 9816 note) is amended—

18 (1) in subsection (a), by inserting “National
19 Association of Housing Partnerships,” after “Hu-
20 manity,”; and

21 (2) in subsection (e), by striking “\$25,000,000”
22 and all that follows and inserting “, for each fiscal
23 year, such sums as may be necessary to carry out
24 this section.”.

1 **SEC. 605. CONSOLIDATED APPLICATION AND PLANNING**
2 **REQUIREMENT AND SUPER-NOFA.**

3 (a) CONSOLIDATED APPLICATION.—Section 106 of
4 the Cranston-Gonzalez National Affordable Housing Act
5 (42 U.S.C. 12706) is amended to read as follows:

6 **“SEC. 106. CONSOLIDATED APPLICATION FOR COMMUNITY**
7 **PLANNING AND DEVELOPMENT PROGRAMS.**

8 “(a) REQUIREMENT.—The Secretary shall, by regula-
9 tion, provide for jurisdictions to comply with the planning
10 and application requirements under the covered programs
11 under subsection (b) by submitting to the Secretary, for
12 a program year, a single consolidated submission under
13 this section that complies with the requirements for plan-
14 ning and application submissions under the laws relating
15 to the covered programs and shall serve, for the jurisdic-
16 tion, as the planning document and an application for
17 funding under the covered programs.

18 “(b) COVERED PROGRAMS.—The covered programs
19 under this subsection are the following programs:

20 “(1) The HOME investment partnerships pro-
21 gram under title II of this Act (42 U.S.C. 12721 et
22 seq.).

23 “(2) The community development block grant
24 program under title I of the Housing and Commu-
25 nity Development Act of 1974 (42 U.S.C. 5301 et
26 seq.).

1 “(3) The economic development initiative pro-
2 gram under section 108(q) of the Housing and Com-
3 munity Development Act of 1974 (42 U.S.C.
4 5308(q)).

5 “(4) The emergency shelter grants program
6 under subtitle B of title IV of the Stewart B.
7 McKinney Homeless Assistance Act (42 U.S.C.
8 11371 et seq.).

9 “(5) The housing opportunities for persons with
10 AIDS program under subtitle D of title VIII of the
11 Cranston-Gonzalez National Affordable Housing Act
12 (42 U.S.C. 12901 et seq.).

13 “(c) PROGRAM YEAR.—In establishing requirements
14 for a consolidated submission under this section, the Sec-
15 retary shall provide for a consolidated program year,
16 which shall comply with the various application and review
17 deadlines under the covered programs.

18 “(d) ADEQUACY OF EXISTING REGULATIONS.—The
19 regulations of the Secretary relating to consolidated sub-
20 missions for community planning and development pro-
21 grams, part 91 of title 24, Code of Federal Regulations,
22 as in effect on March 1, 1999, shall be considered to be
23 sufficient to comply with this section, except to the extent
24 that the program referred to in paragraph (3) of sub-
25 section (b) is not covered by such regulations.

1 “(e) CONSISTENCY.—The Secretary shall, by regula-
2 tion or otherwise, as deemed by the Secretary to be appro-
3 priate, require any application for housing assistance
4 under title II of this Act, assistance under the Housing
5 and Community Development Act of 1974, or assistance
6 under the Stewart B. McKinney Homeless Assistance Act,
7 to contain or be accompanied by a certification by an ap-
8 propriate State or local public official that the proposed
9 housing activities are consistent with the housing strategy
10 of the jurisdiction to be served.”.

11 (b) SUPER-NOFA.—The Department of Housing
12 and Urban Development Act is amended by inserting after
13 section 12 (42 U.S.C. 3537a) the following new section:

14 **“SEC. 13. NOTICE OF FUNDING AVAILABILITY.**

15 “(a) REQUIREMENT.—In making amounts for a fiscal
16 year under the covered programs under subsection (b)
17 available to applicants, the Secretary shall issue a consoli-
18 dated notice of funding availability that—

19 “(1) applies to as many of the covered pro-
20 grams as the Secretary determines is practicable;

21 “(2) simplifies the application process for fund-
22 ing under such programs by providing for applica-
23 tion under various covered programs through a sin-
24 gle, unified application;

1 “(3) promotes comprehensive approaches to
2 housing and community development by providing
3 for applicants to identify coordination of efforts
4 under various covered programs; and

5 “(4) clearly informs prospective applicants of
6 the general and specific requirements under law for
7 applying for funding under such programs.

8 “(b) COVERED PROGRAMS.—The covered programs
9 under this subsection are the programs that are adminis-
10 tered by the Secretary and identified by the Secretary for
11 purposes of this section, in the following areas:

12 “(1) Housing and community development pro-
13 grams.

14 “(2) Economic development and empowerment
15 programs.

16 “(3) Targeted housing assistance and homeless
17 assistance programs.”.

18 **SEC. 606. ASSISTANCE FOR SELF-HELP HOUSING PRO-**
19 **VIDERS.**

20 (a) REAUTHORIZATION.—Subsection (p) of section
21 11 of the Housing Opportunity Program Extension Act
22 of 1996 (42 U.S.C. 12805 note) is amended to read as
23 follows:

24 “(p) AUTHORIZATION OF APPROPRIATIONS.—There
25 is authorized to be appropriated to carry out this section

1 \$25,000,000 for fiscal year 2001 and such sums as may
2 be necessary for each of fiscal years 2002 and 2003.”.

3 (b) ELIGIBLE EXPENSES.—Section 11(d)(2)(A) of
4 the Housing Opportunity Program Extension Act of 1996
5 (42 U.S.C. 12805 note) is amended by inserting before
6 the period at the end the following: “, which may include
7 reimbursing an organization, consortium, or affiliate, upon
8 approval of any required environmental review, for
9 nongrant amounts of the organization, consortium, or af-
10 filiate advanced before such review to acquire land”.

11 (c) DEADLINE FOR RECAPTURE OF FUNDS.—Section
12 11 of the Housing Opportunity Program Extension Act
13 of 1996 (42 U.S.C. 12805 note) is amended—

14 (1) in subsection (i)(5)—

15 (A) by striking “if the organization or con-
16 sortia has not used any grant amounts” and in-
17 serting “the Secretary shall recapture any grant
18 amounts provided to the organization or con-
19 sortia that are not used”;

20 (B) by striking “(or,” and inserting “, ex-
21 cept that such period shall be 36 months”; and

22 (C) by striking “within 36 months), the
23 Secretary shall recapture such unused
24 amounts” and inserting “and in the case of a
25 grant amounts provided to a local affiliate of

1 the organization or consortia that is developing
2 5 or more dwellings in connection with such
3 grant amounts”; and

4 (2) in subsection (j), by inserting after “carry
5 out this section” the following: “and grant amounts
6 provided to a local affiliate of the organization or
7 consortia that is developing 5 or more dwellings in
8 connection with such grant amounts”.

9 (d) **TECHNICAL CORRECTIONS.**—Section 11 of the
10 Housing Opportunity Program Extension Act of 1996 (42
11 U.S.C. 12805 note) is amended—

12 (1) in subsection (b)(4), by striking “Habitat
13 for Humanity International, its affiliates, and
14 other”; and

15 (2) in subsection (e)(2), by striking “consoria”
16 and inserting “consortia”.

17 **SEC. 607. HOUSING COUNSELING ORGANIZATIONS.**

18 Section 106 of the Housing and Urban Development
19 Act of 1968 (12 U.S.C. 1701x) is amended—

20 (1) in subsection (a)(1)(ii), by inserting “and
21 cooperative housing” before the semicolon at the
22 end; and

23 (2) in subsection (c)—

24 (A) in paragraph (1)—

1 (i) in subparagraph (A), by striking
2 “and” at the end;

3 (ii) in subparagraph (B), by striking
4 the period at the end and inserting a semi-
5 colon; and

6 (iii) by adding at the end the fol-
7 lowing new subparagraph:

8 “(C) to the National Cooperative Bank De-
9 velopment Corporation—

10 “(i) to provide homeownership coun-
11 seling to eligible homeowners that is spe-
12 cifically designed to relate to ownership
13 under cooperative housing arrangements;
14 and

15 “(ii) to assist in the establishment
16 and operation of well-managed and viable
17 cooperative housing boards.”;

18 (B) in paragraph (4)(A), by inserting be-
19 fore the semicolon at the end the following: “or,
20 in the case of a home loan made to finance the
21 purchase of stock or membership in a coopera-
22 tive ownership housing corporation, by the stock
23 or membership interest”; and

24 (C) in paragraph (6)(C), by adding before
25 the period at the end the following: “and in-

1 cludes a loan that is secured by a first lien
2 given in accordance with the laws of the State
3 where the property is located and that is made
4 to finance the purchase of stock or membership
5 in a cooperative ownership housing corporation
6 the permanent occupancy of dwelling units of
7 which is restricted to members of such corpora-
8 tion, where the purchase of such stock or mem-
9 bership will entitle the purchaser to the perma-
10 nent occupancy of 1 of such units”.

11 **SEC. 608. COMMUNITY LEAD INFORMATION CENTERS AND**
12 **LEAD-SAFE HOUSING.**

13 Section 1011(e) of the Residential Lead-Based Paint
14 Hazard Reduction Act of 1992 (42 U.S.C. 4852(e)) is
15 amended—

16 (1) in paragraph (7), by inserting “, which may
17 include leasing of lead-safe temporary housing” be-
18 fore the semicolon at the end;

19 (2) in paragraph (9), by striking “and” at the
20 end;

21 (3) by redesignating paragraph (10) as para-
22 graph (11); and

23 (4) by inserting after paragraph (9) the fol-
24 lowing new paragraph:

1 “(10) provide accessible centralized information
2 regarding a variety of residential lead-based paint
3 poisoning prevention services to the community that
4 such services are intended to benefit; and”.

5 **TITLE VII—NATIVE AMERICAN**
6 **HOUSING HOMEOWNERSHIP**

7 **SEC. 701. LANDS TITLE REPORT COMMISSION.**

8 (a) ESTABLISHMENT.—Subject to sums being pro-
9 vided in advance in appropriations Acts, there is estab-
10 lished a Commission to be known as the Lands Title Re-
11 port Commission (hereafter in this section referred to as
12 the “Commission”) to facilitate home loan mortgages on
13 Indian trust lands. The Commission will be subject to
14 oversight by the Committee on Banking and Financial
15 Services of the House of Representatives and the Com-
16 mittee on Banking, Housing, and Urban Affairs of the
17 Senate.

18 (b) MEMBERSHIP.—

19 (1) APPOINTMENT.—The Commission shall be
20 composed of 12 members, appointed not later than
21 90 days after the date of the enactment of this Act
22 as follows:

23 (A) 4 members shall be appointed by the
24 President.

1 (B) 4 members shall be appointed by the
2 Chairperson of the Committee on Banking and
3 Financial Services of the House of Representa-
4 tives.

5 (C) 4 members shall be appointed by the
6 Chairperson of the Committee on Banking,
7 Housing, and Urban Affairs of the Senate.

8 (2) QUALIFICATIONS.—

9 (A) MEMBERS OF TRIBES.—At all times,
10 not less than 8 of the members of the Commis-
11 sion shall be members of federally recognized
12 Indian tribes.

13 (B) EXPERIENCE IN LAND TITLE MAT-
14 TERS.—All members of the Commission shall
15 have experience in and knowledge of land title
16 matters relating to Indian trust lands.

17 (3) CHAIRPERSON.—The Chairperson of the
18 Commission shall be one of the members of the
19 Commission appointed under paragraph (1)(C), as
20 elected by the members of the Commission.

21 (4) VACANCIES.—Any vacancy on the Commis-
22 sion shall not affect its powers, but shall be filled in
23 the manner in which the original appointment was
24 made.

1 (5) TRAVEL EXPENSES.—Members of the Com-
2 mission shall serve without pay, but each member
3 shall receive travel expenses, including per diem in
4 lieu of subsistence, in accordance with sections 5702
5 and 5703 of title 5, United States Code.

6 (c) INITIAL MEETING.—The Chairperson of the Com-
7 mission shall call the initial meeting of the Commission.
8 Such meeting shall be held within 30 days after the Chair-
9 person of the Commission determines that sums sufficient
10 for the Commission to carry out its duties under this Act
11 have been appropriated for such purpose.

12 (d) DUTIES.—The Commission shall analyze the sys-
13 tem of the Bureau of Indian Affairs of the Department
14 of the Interior for maintaining land ownership records and
15 title documents and issuing certified title status reports
16 relating to Indian trust lands and, pursuant to such anal-
17 ysis, determine how best to improve or replace the
18 system—

19 (1) to ensure prompt and accurate responses to
20 requests for title status reports;

21 (2) to eliminate any backlog of requests for title
22 status reports; and

23 (3) to ensure that the administration of the sys-
24 tem will not in any way impair or restrict the ability
25 of Native Americans to obtain conventional loans for

1 purchase of residences located on Indian trust lands,
2 including any actions necessary to ensure that the
3 system will promptly be able to meet future demands
4 for certified title status reports, taking into account
5 the anticipated complexity and volume of such re-
6 quests.

7 (e) REPORT.—Not later than the date of the termi-
8 nation of the Commission under subsection (h), the Com-
9 mission shall submit a report to the Committee on Bank-
10 ing and Financial Services of the House of Representa-
11 tives and the Committee on Banking, Housing, and Urban
12 Affairs of the Senate describing the analysis and deter-
13 minations made pursuant to subsection (d).

14 (f) POWERS.—

15 (1) HEARINGS AND SESSIONS.—The Commis-
16 sion may, for the purpose of carrying out this sec-
17 tion, hold hearings, sit and act at times and places,
18 take testimony, and receive evidence as the Commis-
19 sion considers appropriate.

20 (2) STAFF OF FEDERAL AGENCIES.—Upon re-
21 quest of the Commission, the head of any Federal
22 department or agency may detail, on a reimbursable
23 basis, any of the personnel of that department or
24 agency to the Commission to assist it in carrying out
25 its duties under this section.

1 (3) OBTAINING OFFICIAL DATA.—The Commis-
2 sion may secure directly from any department or
3 agency of the United States information necessary
4 to enable it to carry out this section. Upon request
5 of the Chairperson of the Commission, the head of
6 that department or agency shall furnish that infor-
7 mation to the Commission.

8 (4) MAILS.—The Commission may use the
9 United States mails in the same manner and under
10 the same conditions as other departments and agen-
11 cies of the United States.

12 (5) ADMINISTRATIVE SUPPORT SERVICES.—
13 Upon the request of the Commission, the Adminis-
14 trator of General Services shall provide to the Com-
15 mission, on a reimbursable basis, the administrative
16 support services necessary for the Commission to
17 carry out its duties under this section.

18 (6) STAFF.—The Commission may appoint per-
19 sonnel as it considers appropriate, subject to the
20 provisions of title 5, United States Code, governing
21 appointments in the competitive service, and shall
22 pay such personnel in accordance with the provisions
23 of chapter 51 and subchapter III of chapter 53 of
24 that title relating to classification and General
25 Schedule pay rates.

1 (g) AUTHORIZATION OF APPROPRIATIONS.—To carry
2 out this section, there is authorized to be appropriated
3 \$500,000. Such sums shall remain available until ex-
4 pended.

5 (h) TERMINATION.—The Commission shall terminate
6 1 year after the date of the initial meeting of the Commis-
7 sion.

8 **SEC. 702. LOAN GUARANTEES.**

9 Section 184(i) of the Housing and Community Devel-
10 opment Act of 1992 (12 U.S.C. 1715z–13a(i)) is
11 amended—

12 (1) in paragraph (5), by striking subparagraph
13 (C) and inserting the following new subparagraph:

14 “(C) LIMITATION ON OUTSTANDING AG-
15 GREGATE PRINCIPAL AMOUNT.—Subject to the
16 limitations in subparagraphs (A) and (B), the
17 Secretary may enter into commitments to guar-
18 antee loans under this section in each fiscal
19 year with an aggregate outstanding principal
20 amount not exceeding such amount as may be
21 provided in appropriation Acts for such fiscal
22 year.”; and

23 (2) in paragraph (7), by striking “each of fiscal
24 years 1997, 1998, 1999, 2000, and 2001” and in-
25 serting “each fiscal year”.

1 **SEC. 703. NATIVE AMERICAN HOUSING ASSISTANCE.**

2 (a) RESTRICTION ON WAIVER AUTHORITY.—

3 (1) IN GENERAL.—Section 101(b)(2) of the Na-
4 tive American Housing Assistance and Self-Deter-
5 mination Act of 1996 (25 U.S.C. 4111(b)(2)) is
6 amended by striking “if the Secretary” and all that
7 follows through the period at the end and inserting
8 the following: “for a period of not more than 90
9 days, if the Secretary determines that an Indian
10 tribe has not complied with, or is unable to comply
11 with, those requirements due to exigent cir-
12 cumstances beyond the control of the Indian tribe.”.

13 (2) LOCAL COOPERATION AGREEMENT.—Sec-
14 tion 101(c) of the Native American Housing Assist-
15 ance and Self-Determination Act of 1996 (25 U.S.C.
16 4111(c)) is amended by adding at the end the fol-
17 lowing: “The Secretary may waive the requirements
18 of this subsection and subsection (d) if the recipient
19 has made a good faith effort to fulfill the require-
20 ments of this subsection and subsection (d) and
21 agrees to make payments in lieu of taxes to the ap-
22 propriate taxing authority in an amount consistent
23 with the requirements of subsection (d)(2) until such
24 time as the matter of making such payments has
25 been resolved in accordance with subsection (d).”.

1 (b) ASSISTANCE TO FAMILIES THAT ARE NOT LOW-
2 INCOME.—Section 102(c) of the Native American Housing
3 Assistance and Self-Determination Act of 1996 (25 U.S.C.
4 4112(c)) is amended by adding at the end the following:

5 “(6) CERTAIN FAMILIES.—With respect to as-
6 sistance provided under section 201(b)(2) by a re-
7 cipient to Indian families that are not low-income
8 families, evidence that there is a need for housing
9 for each such family during that period that cannot
10 reasonably be met without such assistance.”.

11 (c) ELIMINATION OF WAIVER AUTHORITY FOR
12 SMALL TRIBES.—Section 102 of the Native American
13 Housing Assistance and Self-Determination Act of 1996
14 (25 U.S.C. 4112) is amended—

15 (1) by striking subsection (f); and

16 (2) by redesignating subsection (g) as sub-
17 section (f).

18 (d) ENVIRONMENTAL COMPLIANCE.—Section 105 of
19 the Native American Housing Assistance and Self-Deter-
20 mination Act of 1996 (25 U.S.C. 4115) is amended by
21 adding at the end the following:

22 “(d) ENVIRONMENTAL COMPLIANCE.—The Secretary
23 may waive the requirements under this section if the Sec-
24 retary determines that a failure on the part of a recipient
25 to comply with provisions of this section—

1 “(1) will not frustrate the goals of the National
2 Environmental Policy Act of 1969 (42 U.S.C. 4331
3 et seq.) or any other provision of law that furthers
4 the goals of that Act;

5 “(2) does not threaten the health or safety of
6 the community involved by posing an immediate or
7 long-term hazard to residents of that community;

8 “(3) is a result of inadvertent error, including
9 an incorrect or incomplete certification provided
10 under subsection (c)(1); and

11 “(4) may be corrected through the sole action
12 of the recipient.”.

13 (e) ELIGIBILITY OF LAW ENFORCEMENT OFFICERS
14 FOR HOUSING ASSISTANCE.—Section 201(b) of the Na-
15 tive American Housing Assistance and Self-Determination
16 Act of 1996 (25 U.S.C. 4131(b)) is amended—

17 (1) in paragraph (1), by striking “paragraph
18 (2)” and inserting “paragraphs (2) and (4)”;

19 (2) by redesignating paragraphs (4) and (5) as
20 paragraphs (5) and (6), respectively; and

21 (3) by inserting after paragraph (3) the fol-
22 lowing new paragraph:

23 “(4) LAW ENFORCEMENT OFFICERS.—A recipi-
24 ent may provide housing or housing assistance pro-
25 vided through affordable housing activities assisted

1 with grant amounts under this Act for a law en-
2 forcement officer on an Indian reservation or other
3 Indian area, if—

4 “(A) the officer—

5 “(i) is employed on a full-time basis
6 by the Federal Government or a State,
7 county, or tribal government; and

8 “(ii) in implementing such full-time
9 employment, is sworn to uphold, and make
10 arrests for, violations of Federal, State,
11 county, or tribal law; and

12 “(B) the recipient determines that the
13 presence of the law enforcement officer on the
14 Indian reservation or other Indian area may
15 deter crime.”.

16 (f) OVERSIGHT.—

17 (1) REPAYMENT.—Section 209 of the Native
18 American Housing Assistance and Self-Determina-
19 tion Act of 1996 (25 U.S.C. 4139) is amended to
20 read as follows:

21 **“SEC. 209. NONCOMPLIANCE WITH AFFORDABLE HOUSING**
22 **REQUIREMENT.**

23 “If a recipient uses grant amounts to provide afford-
24 able housing under this title, and at any time during the
25 useful life of the housing the recipient does not comply

1 with the requirement under section 205(a)(2), the Sec-
2 retary shall take appropriate action under section
3 401(a).”.

4 (2) AUDITS AND REVIEWS.—Section 405 of the
5 Native American Housing Assistance and Self-De-
6 termination Act of 1996 (25 U.S.C. 4165) is amend-
7 ed to read as follows:

8 **“SEC. 405. REVIEW AND AUDIT BY SECRETARY.**

9 “(a) REQUIREMENTS UNDER CHAPTER 75 OF TITLE
10 31, UNITED STATES CODE.—An entity designated by an
11 Indian tribe as a housing entity shall be treated, for pur-
12 poses of chapter 75 of title 31, United States Code, as
13 a non-Federal entity that is subject to the audit require-
14 ments that apply to non-Federal entities under that chap-
15 ter.

16 “(b) ADDITIONAL REVIEWS AND AUDITS.—

17 “(1) IN GENERAL.—In addition to any audit or
18 review under subsection (a), to the extent the Sec-
19 retary determines such action to be appropriate, the
20 Secretary may conduct an audit or review of a re-
21 cipient in order to—

22 “(A) determine whether the recipient—

23 “(i) has carried out—

24 “(I) eligible activities in a timely
25 manner; and

1 “(II) eligible activities and cer-
2 tification in accordance with this Act
3 and other applicable law;

4 “(ii) has a continuing capacity to
5 carry out eligible activities in a timely
6 manner; and

7 “(iii) is in compliance with the Indian
8 housing plan of the recipient; and

9 “(B) verify the accuracy of information
10 contained in any performance report submitted
11 by the recipient under section 404.

12 “(2) ON-SITE VISITS.—To the extent prac-
13 ticable, the reviews and audits conducted under this
14 subsection shall include on-site visits by the appro-
15 priate official of the Department of Housing and
16 Urban Development.

17 “(c) REVIEW OF REPORTS.—

18 “(1) IN GENERAL.—The Secretary shall provide
19 each recipient that is the subject of a report made
20 by the Secretary under this section notice that the
21 recipient may review and comment on the report
22 during a period of not less than 30 days after the
23 date on which notice is issued under this paragraph.

1 “(2) PUBLIC AVAILABILITY.—After taking into
2 consideration any comments of the recipient under
3 paragraph (1), the Secretary—

4 “(A) may revise the report; and

5 “(B) not later than 30 days after the date
6 on which those comments are received, shall
7 make the comments and the report (with any
8 revisions made under subparagraph (A)) readily
9 available to the public.

10 “(d) EFFECT OF REVIEWS.—Subject to section
11 401(a), after reviewing the reports and audits relating to
12 a recipient that are submitted to the Secretary under this
13 section, the Secretary may adjust the amount of a grant
14 made to a recipient under this Act in accordance with the
15 findings of the Secretary with respect to those reports and
16 audits.”.

17 (g) ALLOCATION FORMULA.—Section 302(d)(1) of
18 the Native American Housing Assistance and Self-Deter-
19 mination Act of 1996 (25 U.S.C. 4152(d)(1)) is
20 amended—

21 (1) by striking “The formula,” and inserting
22 the following:

23 “(A) IN GENERAL.—Except with respect to
24 an Indian tribe described in subparagraph (B),
25 the formula”; and

1 (2) by adding at the end the following:

2 “(B) CERTAIN INDIAN TRIBES.—With re-
3 spect to fiscal year 2001 and each fiscal year
4 thereafter, for any Indian tribe with an Indian
5 housing authority that owns or operates fewer
6 than 250 public housing units, the formula
7 shall provide that if the amount provided for a
8 fiscal year in which the total amount made
9 available for assistance under this Act is equal
10 to or greater than the amount made available
11 for fiscal year 1996 for assistance for the oper-
12 ation and modernization of the public housing
13 referred to in subparagraph (A), then the
14 amount provided to that Indian tribe as mod-
15 ernization assistance shall be equal to the aver-
16 age annual amount of funds provided to the In-
17 dian tribe (other than funds provided as emer-
18 gency assistance) under the assistance program
19 under section 14 of the United States Housing
20 Act of 1937 (42 U.S.C. 1437*l*) for the period
21 beginning with fiscal year 1992 and ending
22 with fiscal year 1997.”.

23 (h) HEARING REQUIREMENT.—Section 401(a) of the
24 Native American Housing Assistance and Self-Determina-
25 tion Act of 1996 (25 U.S.C. 4161(a)) is amended—

1 (1) by redesignating paragraphs (1) through
2 (4) as subparagraphs (A) through (D), respectively,
3 and realigning such subparagraphs (as so redesign-
4 ated) so as to be indented 4 ems from the left mar-
5 gin;

6 (2) by striking “Except as provided” and in-
7 serting the following:

8 “(1) IN GENERAL.—Except as provided”;

9 (3) by striking “If the Secretary takes an ac-
10 tion under paragraph (1), (2), or (3)” and inserting
11 the following:

12 “(2) CONTINUANCE OF ACTIONS.—If the Sec-
13 retary takes an action under subparagraph (A), (B),
14 or (C) of paragraph (1)”;

15 (4) by adding at the end the following:

16 “(3) EXCEPTION FOR CERTAIN ACTIONS.—

17 “(A) IN GENERAL.—Notwithstanding any
18 other provision of this subsection, if the Sec-
19 retary makes a determination that the failure of
20 a recipient of assistance under this Act to com-
21 ply substantially with any material provision (as
22 that term is defined by the Secretary) of this
23 Act is resulting, and would continue to result,
24 in a continuing expenditure of Federal funds in
25 a manner that is not authorized by law, the

1 Secretary may take an action described in para-
2 graph (1)(C) before conducting a hearing.

3 “(B) PROCEDURAL REQUIREMENT.—If the
4 Secretary takes an action described in subpara-
5 graph (A), the Secretary shall—

6 “(i) provide notice to the recipient at
7 the time that the Secretary takes that ac-
8 tion; and

9 “(ii) conduct a hearing not later than
10 60 days after the date on which the Sec-
11 retary provides notice under clause (i).

12 “(C) DETERMINATION.—Upon completion
13 of a hearing under this paragraph, the Sec-
14 retary shall make a determination regarding
15 whether to continue taking the action that is
16 the subject of the hearing, or take another ac-
17 tion under this subsection.”.

18 (i) PERFORMANCE AGREEMENT TIME LIMIT.—Sec-
19 tion 401(b) of the Native American Housing Assistance
20 and Self-Determination Act of 1996 (25 U.S.C. 4161(b))
21 is amended—

22 (1) by striking “If the Secretary” and inserting
23 the following:

24 “(1) IN GENERAL.—If the Secretary”;

1 (2) by striking “(1) is not” and inserting the
2 following:

3 “(A) is not”;

4 (3) by striking “(2) is a result” and inserting
5 the following:

6 “(B) is a result”;

7 (4) in the flush material following paragraph
8 (1)(B), as redesignated by paragraph (3) of this
9 subsection—

10 (A) by realigning such material so as to be
11 indented 2 ems from the left margin; and

12 (B) by inserting before the period at the
13 end the following: “, if the recipient enters into
14 a performance agreement with the Secretary
15 that specifies the compliance objectives that the
16 recipient will be required to achieve by the ter-
17 mination date of the performance agreement”;
18 and

19 (5) by adding at the end the following:

20 “(2) PERFORMANCE AGREEMENT.—The period
21 of a performance agreement described in paragraph
22 (1) shall be for 1 year.

23 “(3) REVIEW.—Upon the termination of a per-
24 formance agreement entered into under paragraph

1 (1), the Secretary shall review the performance of
2 the recipient that is a party to the agreement.

3 “(4) EFFECT OF REVIEW.—If, on the basis of
4 a review under paragraph (3), the Secretary deter-
5 mines that the recipient—

6 “(A) has made a good faith effort to meet
7 the compliance objectives specified in the agree-
8 ment, the Secretary may enter into an addi-
9 tional performance agreement for the period
10 specified in paragraph (2); and

11 “(B) has failed to make a good faith effort
12 to meet applicable compliance objectives, the
13 Secretary shall determine the recipient to have
14 failed to comply substantially with this Act, and
15 the recipient shall be subject to an action under
16 subsection (a).”.

17 (j) REFERENCE.—Section 104(b)(1) of the Native
18 American Housing Assistance and Self-Determination Act
19 of 1996 (25 U.S.C. 4114(b)(1)) is amended by striking
20 “Davis-Bacon Act (40 U.S.C. 276a–276a–5)” and insert-
21 ing “Act of March 3, 1931 (commonly known as the
22 Davis-Bacon Act; chapter 411; 46 Stat. 1494; 40 U.S.C
23 276a et seq.)”.

24 (k) TECHNICAL AND CONFORMING AMENDMENTS.—

1 (1) TABLE OF CONTENTS.—Section 1(b) of the
2 Native American Housing Assistance and Self-De-
3 termination Act of 1996 (25 U.S.C. 4101 note) is
4 amended in the table of contents—

5 (A) by striking the item relating to section
6 206; and

7 (B) by striking the item relating to section
8 209 and inserting the following:

“209. Noncompliance with affordable housing requirement.”.

9 (2) CERTIFICATION OF COMPLIANCE WITH SUB-
10 SIDY LAYERING REQUIREMENTS.—Section 206 of
11 the Native American Housing Assistance and Self-
12 Determination Act of 1996 (25 U.S.C. 4136) is re-
13 pealed.

14 (3) TERMINATIONS.—Section 502(a) of the Na-
15 tive American Housing Assistance and Self-Deter-
16 mination Act of 1996 (25 U.S.C. 4181(a)) is amend-
17 ed by adding at the end the following: “Any housing
18 that is the subject of a contract for tenant-based as-
19 sistance between the Secretary and an Indian hous-
20 ing authority that is terminated under this section
21 shall, for the following fiscal year and each fiscal
22 year thereafter, be considered to be a dwelling unit
23 under section 302(b)(1).”.

1 **TITLE VIII—TRANSFER OF UN-**
2 **OCCUPIED AND SUB-**
3 **STANDARD HUD-HELD HOUS-**
4 **ING TO LOCAL GOVERN-**
5 **MENTS AND COMMUNITY DE-**
6 **VELOPMENT CORPORATIONS**

7 **SEC. 801. TRANSFER OF UNOCCUPIED AND SUBSTANDARD**
8 **HUD-HELD HOUSING TO LOCAL GOVERN-**
9 **MENTS AND COMMUNITY DEVELOPMENT**
10 **CORPORATIONS.**

11 Section 204 of the Departments of Veterans Affairs
12 and Housing and Urban Development, and Independent
13 Agencies Appropriations Act, 1997 (12 U.S.C. 1715z–
14 11a) is amended—

15 (1) by striking “FLEXIBLE AUTHORITY” and
16 inserting “DISPOSITION OF HUD-OWNED PROP-
17 ERTIES. (a) FLEXIBLE AUTHORITY FOR MULTI-
18 FAMILY PROJECTS.—”; and

19 (2) by adding at the end the following new sub-
20 section:

21 “(b) TRANSFER OF UNOCCUPIED AND SUBSTANDARD
22 HOUSING TO LOCAL GOVERNMENTS AND COMMUNITY
23 DEVELOPMENT CORPORATIONS.—

24 “(1) TRANSFER AUTHORITY.—Notwithstanding
25 the authority under subsection (a) and the last sen-

1 tence of section 204(g) of the National Housing Act
2 (12 U.S.C. 1710(g)), the Secretary of Housing and
3 Urban Development shall transfer ownership of any
4 qualified HUD property, subject to the requirements
5 of this section, to a unit of general local government
6 having jurisdiction for the area in which the prop-
7 erty is located or to a community development cor-
8 poration which operates within such a unit of gen-
9 eral local government in accordance with this sub-
10 section, but only to the extent that units of general
11 local government and community development cor-
12 porations consent to transfer and the Secretary de-
13 termines that such transfer is practicable.

14 “(2) QUALIFIED HUD PROPERTIES.—For pur-
15 poses of this subsection, the term ‘qualified HUD
16 property’ means any property for which, as of the
17 date that notification of the property is first made
18 under paragraph (3)(B), not less than 6 months
19 have elapsed since the later of the date that the
20 property was acquired by the Secretary or the date
21 that the property was determined to be unoccupied
22 or substandard, that is owned by the Secretary and
23 is—

24 “(A) an unoccupied multifamily housing
25 project;

1 “(B) a substandard multifamily housing
2 project; or

3 “(C) an unoccupied single family property
4 that—

5 “(i) has been determined by the Sec-
6 retary not to be an eligible property under
7 section 204(h) of the National Housing
8 Act (12 U.S.C. 1710(h)); or

9 “(ii) is an eligible property under such
10 section 204(h), but—

11 “(I) is not subject to a specific
12 sale agreement under such section;
13 and

14 “(II) has been determined by the
15 Secretary to be inappropriate for con-
16 tinued inclusion in the program under
17 such section 204(h) pursuant to para-
18 graph (10) of such section.

19 “(3) TIMING.—The Secretary shall establish
20 procedures that provide for—

21 “(A) time deadlines for transfers under
22 this subsection;

23 “(B) notification to units of general local
24 government and community development cor-

1 porations of qualified HUD properties in their
2 jurisdictions;

3 “(C) such units and corporations to ex-
4 press interest in the transfer under this sub-
5 section of such properties;

6 “(D) a right of first refusal for transfer of
7 qualified HUD properties to units of general
8 local government and community development
9 corporations, under which—

10 “(i) the Secretary shall establish a pe-
11 riod during which the Secretary may not
12 transfer such properties except to such
13 units and corporations;

14 “(ii) the Secretary shall offer qualified
15 HUD properties that are single family
16 properties for purchase by units of general
17 local government at a cost of \$1 for each
18 property, but only to the extent that the
19 costs to the Federal Government of dis-
20 posal at such price do not exceed the costs
21 to the Federal Government of disposing of
22 property subject to the procedures for sin-
23 gle family property established by the Sec-
24 retary pursuant to the authority under the

1 last sentence of section 204(g) of the Na-
2 tional Housing Act (12 U.S.C. 1710(g));

3 “(iii) the Secretary may accept an
4 offer to purchase a property made by a
5 community development corporation only if
6 the offer provides for purchase on a cost
7 recovery basis; and

8 “(iv) the Secretary shall accept an
9 offer to purchase such a property that is
10 made during such period by such a unit or
11 corporation and that complies with the re-
12 quirements of this paragraph;

13 “(E) a written explanation, to any unit of
14 general local government or community develop-
15 ment corporation making an offer to purchase
16 a qualified HUD property under this subsection
17 that is not accepted, of the reason that such
18 offer was not acceptable.

19 “(4) OTHER DISPOSITION.—With respect to
20 any qualified HUD property, if the Secretary does
21 not receive an acceptable offer to purchase the prop-
22 erty pursuant to the procedure established under
23 paragraph (3), the Secretary shall dispose of the
24 property to the unit of general local government in
25 which property is located or to community develop-

1 ment corporations located in such unit of general
2 local government on a negotiated, competitive bid, or
3 other basis, on such terms as the Secretary deems
4 appropriate.

5 “(5) SATISFACTION OF INDEBTEDNESS.—Be-
6 fore transferring ownership of any qualified HUD
7 property pursuant to this subsection, the Secretary
8 shall satisfy any indebtedness incurred in connection
9 with the property to be transferred, by canceling the
10 indebtedness.

11 “(6) DETERMINATION OF STATUS OF PROP-
12 ERTIES.—To ensure compliance with the require-
13 ments of this subsection, the Secretary shall take the
14 following actions:

15 “(A) UPON ENACTMENT.—Upon the enact-
16 ment of the American Homeownership and Eco-
17 nomic Opportunity Act of 2000, the Secretary
18 shall promptly assess each residential property
19 owned by the Secretary to determine whether
20 such property is a qualified HUD property.

21 “(B) UPON ACQUISITION.—Upon acquiring
22 any residential property, the Secretary shall
23 promptly determine whether the property is a
24 qualified HUD property.

1 “(C) UPDATES.—The Secretary shall peri-
2 odically reassess the residential properties
3 owned by the Secretary to determine whether
4 any such properties have become qualified
5 HUD properties.

6 “(7) TENANT LEASES.—This subsection shall
7 not affect the terms or the enforceability of any con-
8 tract or lease entered into with respect to any resi-
9 dential property before the date that such property
10 becomes a qualified HUD property.

11 “(8) USE OF PROPERTY.—Property transferred
12 under this subsection shall be used only for appro-
13 priate neighborhood revitalization efforts, including
14 homeownership, rental units, commercial space, and
15 parks, consistent with local zoning regulations, local
16 building codes, and subdivision regulations and re-
17 strictions of record.

18 “(9) INAPPLICABILITY TO PROPERTIES MADE
19 AVAILABLE FOR HOMELESS.—Notwithstanding any
20 other provision of this subsection, this subsection
21 shall not apply to any properties that the Secretary
22 determines are to be made available for use by the
23 homeless pursuant to subpart E of part 291 of title
24 24, Code of Federal Regulations, during the period
25 that the properties are so available.

1 “(10) PROTECTION OF EXISTING CONTRACTS.—

2 This subsection may not be construed to alter, af-
3 fect, or annul any legally binding obligations entered
4 into with respect to a qualified HUD property before
5 the property becomes a qualified HUD property.

6 “(11) DEFINITIONS.—For purposes of this sub-
7 section, the following definitions shall apply:

8 “(A) COMMUNITY DEVELOPMENT COR-
9 PORATION.—The term ‘community development
10 corporation’ means a nonprofit organization
11 whose primary purpose is to promote commu-
12 nity development by providing housing opportu-
13 nities for low-income families.

14 “(B) COST RECOVERY BASIS.—The term
15 ‘cost recovery basis’ means, with respect to any
16 sale of a residential property by the Secretary,
17 that the purchase price paid by the purchaser
18 is equal to or greater than the sum of (i) the
19 appraised value of the property, as determined
20 in accordance with such requirements as the
21 Secretary shall establish, and (ii) the costs in-
22 curred by the Secretary in connection with such
23 property during the period beginning on the
24 date on which the Secretary acquires title to the

1 property and ending on the date on which the
2 sale is consummated.

3 “(C) MULTIFAMILY HOUSING PROJECT.—
4 The term ‘multifamily housing project’ has the
5 meaning given the term in section 203 of the
6 Housing and Community Development Amend-
7 ments of 1978.

8 “(D) RESIDENTIAL PROPERTY.—The term
9 ‘residential property’ means a property that is
10 a multifamily housing project or a single family
11 property.

12 “(E) SECRETARY.—The term ‘Secretary’
13 means the Secretary of Housing and Urban De-
14 velopment.

15 “(F) SEVERE PHYSICAL PROBLEMS.—The
16 term ‘severe physical problems’ means, with re-
17 spect to a dwelling unit, that the unit—

18 “(i) lacks hot or cold piped water, a
19 flush toilet, or both a bathtub and a show-
20 er in the unit, for the exclusive use of that
21 unit;

22 “(ii) on not less than 3 separate occa-
23 sions during the preceding winter months,
24 was uncomfortably cold for a period of
25 more than 6 consecutive hours due to a

1 malfunction of the heating system for the
2 unit;

3 “(iii) has no functioning electrical
4 service, exposed wiring, any room in which
5 there is not a functioning electrical outlet,
6 or has experienced 3 or more blown fuses
7 or tripped circuit breakers during the pre-
8 ceding 90-day period;

9 “(iv) is accessible through a public
10 hallway in which there are no working
11 light fixtures, loose or missing steps or
12 railings, and no elevator; or

13 “(v) has severe maintenance problems,
14 including water leaks involving the roof,
15 windows, doors, basement, or pipes or
16 plumbing fixtures, holes or open cracks in
17 walls or ceilings, severe paint peeling or
18 broken plaster, and signs of rodent infesta-
19 tion.

20 “(G) SINGLE FAMILY PROPERTY.—The
21 term ‘single family property’ means a 1- to 4-
22 family residence.

23 “(H) SUBSTANDARD.—The term ‘sub-
24 standard’ means, with respect to a multifamily
25 housing project, that 25 percent or more of the

1 dwelling units in the project have severe phys-
2 ical problems.

3 “(I) UNIT OF GENERAL LOCAL GOVERN-
4 MENT.—The term ‘unit of general local govern-
5 ment’ has the meaning given such term in sec-
6 tion 102(a) of the Housing and Community De-
7 velopment Act of 1974.

8 “(J) UNOCCUPIED.—The term ‘unoccu-
9 pied’ means, with respect to a residential prop-
10 erty, that the unit of general local government
11 having jurisdiction over the area in which the
12 project is located has certified in writing that
13 the property is not inhabited.

14 “(12) REGULATIONS.—

15 “(A) INTERIM.—Not later than 30 days
16 after the date of the enactment of the American
17 Homeownership and Economic Opportunity Act
18 of 2000, the Secretary shall issue such interim
19 regulations as are necessary to carry out this
20 subsection.

21 “(B) FINAL.—Not later than 60 days after
22 the date of the enactment of the American
23 Homeownership and Economic Opportunity Act
24 of 2000, the Secretary shall issue such final

1 regulations as are necessary to carry out this
2 subsection.”.

3 **TITLE IX—PRIVATE MORTGAGE**
4 **INSURANCE CANCELLATION**
5 **AND TERMINATION**

6 **SECTION 901. SHORT TITLE.**

7 This title may be cited as the “Private Mortgage In-
8 surance Technical Corrections and Clarification Act”.

9 **SEC. 902. CHANGES IN AMORTIZATION SCHEDULE.**

10 (a) TREATMENT OF ADJUSTABLE RATE MORT-
11 GAGES.—The Homeowners Protection Act of 1998 (12
12 U.S.C. 4901 et seq.) is amended—

13 (1) in section 2—

14 (A) in paragraph (2)(B)(i), by striking
15 “amortization schedules” and inserting “the
16 amortization schedule then in effect”;

17 (B) in paragraph (16)(B), by striking
18 “amortization schedules” and inserting “the
19 amortization schedule then in effect”;

20 (C) by redesignating paragraphs (6)
21 through (16) (as amended by the preceding pro-
22 visions of this paragraph) as paragraphs (8)
23 through (18), respectively; and

24 (D) by inserting after paragraph (5) the
25 following new paragraph:

1 “(6) AMORTIZATION SCHEDULE THEN IN EF-
2 FECT.—The term ‘amortization schedule then in ef-
3 fect’ means, with respect to an adjustable rate mort-
4 gage, a schedule established at the time at which the
5 residential mortgage transaction is consummated or,
6 if such schedule has been changed or recalculated, is
7 the most recent schedule under the terms of the note
8 or mortgage, which shows—

9 “(A) the amount of principal and interest
10 that is due at regular intervals to retire the
11 principal balance and accrued interest over the
12 remaining amortization period of the loan; and

13 “(B) the unpaid balance of the loan after
14 each such scheduled payment is made.”; and

15 (2) in section 3(f)(1)(B)(ii), by striking “amor-
16 tization schedules” and inserting “the amortization
17 schedule then in effect”.

18 (b) TREATMENT OF BALLOON MORTGAGES.—Para-
19 graph (1) of section 2 of the Homeowners Protection Act
20 of 1998 (12 U.S.C. 4901(1)) is amended by adding at the
21 end the following new sentence: “A residential mortgage
22 that (A) does not fully amortize over the term of the obli-
23 gation, and (B) contains a conditional right to refinance
24 or modify the unamortized principal at the maturity date

1 of the term, shall be considered to be an adjustable rate
2 mortgage for purposes of this Act.”.

3 (c) TREATMENT OF LOAN MODIFICATIONS.—

4 (1) IN GENERAL.—Section 3 of the Home-
5 owners Protection Act of 1998 (12 U.S.C. 4902) is
6 amended—

7 (A) by redesignating subsections (d)
8 through (f) as subsections (e) through (g), re-
9 spectively; and

10 (B) by inserting after subsection (c) the
11 following new subsection:

12 “(d) TREATMENT OF LOAN MODIFICATIONS.—If a
13 mortgagor and mortgagee (or holder of the mortgage)
14 agree to a modification of the terms or conditions of a
15 loan pursuant to a residential mortgage transaction, the
16 cancellation date, termination date, or final termination
17 shall be recalculated to reflect the modified terms and con-
18 ditions of such loan.”.

19 (2) CONFORMING AMENDMENTS.—Section 4(a)
20 of the Homeowners Protection Act of 1998 (12
21 U.S.C. 4903(a)) is amended—

22 (A) in paragraph (1)—

23 (i) in the matter preceding subpara-
24 graph (A), by striking “section 3(f)(1)”
25 and inserting “section 3(g)(1)”;

1 (ii) in subparagraph (A)(ii)(IV), by
2 striking “section 3(f)” and inserting “sec-
3 tion 3(g)”;

4 (iii) in subparagraph (B)(iii), by strik-
5 ing “section 3(f)” and inserting “section
6 3(g)”;

7 (B) in paragraph (2), by striking “section
8 3(f)(1)” and inserting “section 3(g)(1)”.

9 **SEC. 903. DELETION OF AMBIGUOUS REFERENCES TO RESI-**
10 **DENTIAL MORTGAGES.**

11 (a) **TERMINATION OF PRIVATE MORTGAGE INSUR-**
12 **ANCE.**—Section 3 of the Homeowners Protection Act of
13 1998 (12 U.S.C. 4902) is amended—

14 (1) in subsection (c), by inserting “on residen-
15 tial mortgage transactions” after “imposed”;

16 (2) in subsection (g) (as so redesignated by sec-
17 tion 902(c)(1)(A) of this title)—

18 (A) in paragraph (1), in the matter pre-
19 ceding subparagraph (A), by striking “mort-
20 gage or”;

21 (B) in paragraph (2), by striking “mort-
22 gage or”;

23 (C) in paragraph (3), by striking “mort-
24 gage or” and inserting “residential mortgage or
25 residential”.

1 (b) DISCLOSURE REQUIREMENTS.—Section 4 of the
2 Homeowners Protection Act of 1998 (12 U.S.C. 4903(a))
3 is amended—

4 (1) in subsection (a)—

5 (A) in paragraph (1)—

6 (i) by striking “mortgage or” the first
7 place it appears; and

8 (ii) by striking “mortgage or” the sec-
9 ond place it appears and inserting “resi-
10 dential”; and

11 (B) in paragraph (2), by striking “mort-
12 gage or” and inserting “residential”;

13 (2) in subsection (c), by striking “paragraphs
14 (1)(B) and (3) of subsection (a)” and inserting
15 “subsection (a)(3)”; and

16 (3) in subsection (d), by inserting before the pe-
17 riod at the end the following: “, which disclosures
18 shall relate to the mortgagor’s rights under this
19 Act”.

20 (c) DISCLOSURE REQUIREMENTS FOR LENDER-PAID
21 MORTGAGE INSURANCE.—Section 6 of the Homeowners
22 Protection Act of 1998 (12 U.S.C. 4905) is amended—

23 (1) in subsection (c)—

24 (A) in the matter preceding paragraph (1),
25 by striking “a residential mortgage or”; and

1 (B) in paragraph (2), by inserting “trans-
2 action” after “residential mortgage”; and
3 (2) in subsection (d), by inserting “transaction”
4 after “residential mortgage”.

5 **SEC. 904. CANCELLATION RIGHTS AFTER CANCELLATION**
6 **DATE.**

7 Section 3 of the Homeowners Protection Act of 1998
8 (12 U.S.C. 4902) is amended—

9 (1) in subsection (a)—

10 (A) in the matter preceding paragraph (1),
11 by inserting after “cancellation date” the fol-
12 lowing: “or any later date that the mortgagor
13 fulfills all of the requirements under paragraphs
14 (1) through (4)”;

15 (B) in paragraph (2), by striking “and” at
16 the end;

17 (C) by redesignating paragraph (3) as
18 paragraph (4); and

19 (D) by inserting after paragraph (2) the
20 following new paragraph:

21 “(3) is current on the payments required by the
22 terms of the residential mortgage transaction; and”;
23 and

24 (2) in subsection (e)(1)(B) (as so redesignated
25 by section 902(c)(1)(A) of this title), by striking

1 “subsection “(a)(3)” and inserting “subsection
2 (a)(4)”.

3 **SEC. 905. CLARIFICATION OF CANCELLATION AND TERMI-**
4 **NATION ISSUES AND LENDER PAID MORT-**
5 **GAGE INSURANCE DISCLOSURE REQUIRE-**
6 **MENTS.**

7 (a) GOOD PAYMENT HISTORY.—Section 2(4) of the
8 Homeowners Protection Act of 1998 (12 U.S.C. 4901(4))
9 is amended—

10 (1) in subparagraph (A)—

11 (A) by inserting “the later of (i)” before
12 “the date”; and

13 (ii) by inserting “, or (ii) the date
14 that the mortgagor submits a request for
15 cancellation under section 3(a)(1)” before
16 the semicolon; and

17 (B) in subparagraph (B)—

18 (i) by inserting “the later of (i)” be-
19 fore “the date”; and

20 (ii) by inserting “, or (ii) the date
21 that the mortgagor submits a request for
22 cancellation under section 3(a)(1)” before
23 the period at the end.

1 (b) AUTOMATIC TERMINATION.—Paragraph (2) of
2 section 3(b) of the Homeowners Protection Act of 1998
3 (12 U.S.C. 4902(b)(2)) is amended to read as follows:

4 “(2) if the mortgagor is not current on the ter-
5 mination date, on the first day of the first month be-
6 ginning after the date that the mortgagor becomes
7 current on the payments required by the terms of
8 the residential mortgage transaction.”

9 (c) PREMIUM PAYMENTS.—Section 3 of the Home-
10 owners Protection Act of 1998 (12 U.S.C. 4902) is
11 amended by adding at the end the following new sub-
12 section:

13 “(h) ACCRUED OBLIGATION FOR PREMIUM PAY-
14 MENTS.—The cancellation or termination under this sec-
15 tion of the private mortgage insurance of a mortgagor
16 shall not affect the rights of any mortgagee, servicer, or
17 mortgage insurer to enforce any obligation of such mort-
18 gagor for premium payments accrued prior to the date on
19 which such cancellation or termination occurred.”.

20 **SEC. 906. DEFINITIONS.**

21 (a) REFINANCED.—Section 6(c)(1)(B)(ii) of the
22 Homeowners Protection Act of 1998 (12 U.S.C.
23 4905(c)(1)(B)(ii)) is amended by inserting after “refi-
24 nanced” the following: “(under the meaning given such
25 term in the regulations issued by the Board of Governors

1 of the Federal Reserve System to carry out the Truth in
2 Lending Act (15 U.S.C. 1601 et seq.)”).

3 (b) MIDPOINT OF THE AMORTIZATION PERIOD.—
4 Section 2 of the Homeowners Protection Act of 1998 (12
5 U.S.C. 4901) is amended by inserting after paragraph (6)
6 (as added by section 2(a)(1)(D) of this Act) the following
7 new paragraph:

8 “(7) MIDPOINT OF THE AMORTIZATION PE-
9 RIOD.—The term “midpoint of the amortization pe-
10 riod” means, with respect to a residential mortgage
11 transaction, the point in time that is halfway
12 through the period that begins upon the first day of
13 the amortization period established at the time a
14 residential mortgage transaction is consummated
15 and ends upon the completion of the entire period
16 over which the mortgage is scheduled to be amor-
17 tized.”.

18 (c) ORIGINAL VALUE.—Section 2(12) of the Home-
19 owners Protection Act of 1998 (12 U.S.C. 4901(10)) (as
20 so redesignated by section 902(a)(1)(C) of this Act) is
21 amended—

22 (1) by inserting “transaction” after “a residen-
23 tial mortgage”; and

24 (2) by adding at the end the following new sen-
25 tence: “In the case of a residential mortgage trans-

1 action for refinancing the principal residence of the
2 mortgagor, such term means only the appraised
3 value relied upon by the mortgagee to approve the
4 refinance transaction.”.

5 (d) **PRINCIPAL RESIDENCE.**—Section 2 of the Home-
6 owners Protection Act of 1998 (12 U.S.C. 4901) is
7 amended—

8 (1) in paragraph (14) (as so redesignated by
9 section 902(a)(1)(C) of this Act) by striking “pri-
10 mary” and inserting “principal”; and

11 (2) in paragraph (15) (as so redesignated by
12 section 902(a)(1)(C) of this Act) by striking “pri-
13 mary” and inserting “principal”;

14 **TITLE X—RURAL HOUSING**
15 **HOMEOWNERSHIP**

16 **SEC. 1001. PROMISSORY NOTE REQUIREMENT UNDER**
17 **HOUSING REPAIR LOAN PROGRAM.**

18 The fourth sentence of section 504(a) of the Housing
19 Act of 1949 (42 U.S.C. 1474(a)) is amended by striking
20 “\$2,500” and inserting “\$7,500”.

21 **SEC. 1002. LIMITED PARTNERSHIP ELIGIBILITY FOR FARM**
22 **LABOR HOUSING LOANS.**

23 The first sentence of section 514(a) of the Housing
24 Act of 1949 (42 U.S.C. 1484(a)) is amended by striking

1 “nonprofit limited partnership” and inserting “limited
2 partnership”.

3 **SEC. 1003. PROJECT ACCOUNTING RECORDS AND PRAC-**
4 **TICES.**

5 Section 515 of the Housing Act of 1949 (42 U.S.C.
6 1485) is amended by striking subsection (z) and inserting
7 the following new subsections:

8 “(z) ACCOUNTING AND RECORDKEEPING REQUIRE-
9 MENTS.—

10 “(1) ACCOUNTING STANDARDS.—The Secretary
11 shall require that borrowers in programs authorized
12 by this section maintain accounting records in ac-
13 cordance with generally accepted accounting prin-
14 ciples for all projects that receive funds from loans
15 made or guaranteed by the Secretary under this sec-
16 tion.

17 “(2) RECORD RETENTION REQUIREMENTS.—
18 The Secretary shall require that borrowers in pro-
19 grams authorized by this section retain for a period
20 of not less than 6 years and make available to the
21 Secretary in a manner determined by the Secretary,
22 all records required to be maintained under this sub-
23 section and other records identified by the Secretary
24 in applicable regulations.

1 “(aa) DOUBLE DAMAGES FOR UNAUTHORIZED USE
2 OF HOUSING PROJECTS ASSETS AND INCOME.—

3 “(1) ACTION TO RECOVER ASSETS OR IN-
4 COME.—

5 “(A) IN GENERAL.—The Secretary may re-
6 quest the Attorney General to bring an action
7 in a United States district court to recover any
8 assets or income used by any person in violation
9 of the provisions of a loan made or guaranteed
10 by the Secretary under this section or in viola-
11 tion of any applicable statute or regulation.

12 “(B) IMPROPER DOCUMENTATION.—For
13 purposes of this subsection, a use of assets or
14 income in violation of the applicable loan, loan
15 guarantee, statute, or regulation shall include
16 any use for which the documentation in the
17 books and accounts does not establish that the
18 use was made for a reasonable operating ex-
19 pense or necessary repair of the project or for
20 which the documentation has not been main-
21 tained in accordance with the requirements of
22 the Secretary and in reasonable condition for
23 proper audit.

24 “(C) DEFINITION.—For the purposes of
25 this subsection, the term ‘person’ means—

1 “(i) any individual or entity that bor-
2 rows funds in accordance with programs
3 authorized by this section;

4 “(ii) any individual or entity holding
5 25 percent or more interest of any entity
6 that borrows funds in accordance with pro-
7 grams authorized by this section; and

8 “(iii) any officer, director, or partner
9 of an entity that borrows funds in accord-
10 ance with programs authorized by this sec-
11 tion.

12 “(2) AMOUNT RECOVERABLE.—

13 “(A) IN GENERAL.—In any judgment fa-
14 vorable to the United States entered under this
15 subsection, the Attorney General may recover
16 double the value of the assets and income of the
17 project that the court determines to have been
18 used in violation of the provisions of a loan
19 made or guaranteed by the Secretary under this
20 section or any applicable statute or regulation,
21 plus all costs related to the action, including
22 reasonable attorney and auditing fees.

23 “(B) APPLICATION OF RECOVERED
24 FUNDS.—Notwithstanding any other provision
25 of law, the Secretary may use amounts recov-

1 ered under this subsection for activities author-
2 ized under this section and such funds shall re-
3 main available for such use until expended.

4 “(3) TIME LIMITATION.—Notwithstanding any
5 other provision of law, an action under this sub-
6 section may be commenced at any time during the
7 6-year period beginning on the date that the Sec-
8 retary discovered or should have discovered the vio-
9 lation of the provisions of this section or any related
10 statutes or regulations.

11 “(4) CONTINUED AVAILABILITY OF OTHER
12 REMEDIES.—The remedy provided in this subsection
13 is in addition to and not in substitution of any other
14 remedies available to the Secretary or the United
15 States.”.

16 **SEC. 1004. DEFINITION OF RURAL AREA.**

17 The second sentence of section 520 of the Housing
18 Act of 1949 (42 U.S.C. 1490) is amended by striking
19 “year 2000” and inserting “year 2010”.

20 **SEC. 1005. OPERATING ASSISTANCE FOR MIGRANT FARM-**
21 **WORKERS PROJECTS.**

22 The last sentence of section 521(a)(5)(A) of the
23 Housing Act of 1949 (42 U.S.C. 1490a(a)(5)(A)) is
24 amended by striking “project” and inserting “tenant or
25 unit”.

1 **SEC. 1006. MULTIFAMILY RENTAL HOUSING LOAN GUAR-**
2 **ANTEE PROGRAM.**

3 Section 538 of the Housing Act of 1949 (42 U.S.C.
4 1490p-2) is amended—

5 (1) in subsection (c), by inserting “an Indian
6 organization,” after “thereof,”;

7 (2) in subsection (f), by striking paragraph (1)
8 and inserting the following new paragraph:

9 “(1) be made for a period of not less than 25
10 nor greater than 40 years from the date the loan
11 was made and may provide for amortization of the
12 loan over a period of not to exceed 40 years with a
13 final payment of the balance due at the end of the
14 loan term;”;

15 (3) in subsection (i)(2), by striking “(A) con-
16 veyance to the Secretary” and all that follows
17 through “(C) assignment” and inserting “(A) sub-
18 mission to the Secretary of a claim for payment
19 under the guarantee, and (B) assignment”;

20 (4) in subsection (s), by adding at the end the
21 following new subsection:

22 “(4) INDIAN ORGANIZATION.—The term ‘Indian
23 organization’ means the governing body of an Indian
24 tribe, band, group, pueblo, or community, including
25 native villages or native groups, as defined by the
26 Alaska Claims Settlement Act (43 U.S.C. 1601 et

1 seq.), (including corporations organized by the
2 Kenai, Juneau, Sitka, and Kodiak) which is eligible
3 for services from the Bureau of Indian Affairs or an
4 entity established or recognized by the governing
5 body for the purpose of financing economic develop-
6 ment.”;

7 (5) in subsection (t), by inserting before the pe-
8 riod at the end the following: “to provide guarantees
9 under this section for eligible loans having an aggre-
10 gate principal amount of \$500,000,000”;

11 (6) by striking subsection (l);

12 (7) by redesignating subsections (m) through
13 (u) as subsections (l) through (t), respectively;

14 (8) by adding at the end the following new sub-
15 sections:

16 “(u) FEE AUTHORITY.—

17 “(1) IN GENERAL.—Any amounts collected by
18 the Secretary pursuant to the fees charged to lend-
19 ers for loan guarantees issued under this section
20 shall be used to offset costs (as defined by section
21 502 of the Congressional Budget Act of 1974 (2
22 U.S.C. 661a)) of loan guarantees made under this
23 section.

24 “(2) EXCESS FUNDS.—Any fees described in
25 paragraph (1) collected in excess of the amount re-

1 quired in paragraph (1) during a fiscal year, shall
2 be available to the Secretary, without further appro-
3 priation and without fiscal year limitation, for use
4 by the Secretary for costs of administering (includ-
5 ing monitoring) program activities authorized pursu-
6 ant to this section and shall be in addition to other
7 funds made available for this purpose.

8 “(v) DEFAULTS OF LOANS SECURED BY RESERVA-
9 TION LANDS.—In the event of a default involving a loan
10 to an Indian tribe or tribal corporation made under this
11 section which is secured by an interest in land within such
12 tribe’s reservation (as determined by the Secretary of the
13 Interior), including a community in Alaska incorporated
14 by the Secretary of the Interior pursuant to the Indian
15 Reorganization Act (25 U.S.C. 461 et seq.), the lender
16 shall only pursue liquidation after offering to transfer the
17 account to an eligible tribal member, the tribe, or the In-
18 dian housing authority serving the tribe. If the lender sub-
19 sequently proceeds to liquidate the account, the lender
20 shall not sell, transfer, or otherwise dispose of or alienate
21 the property except to one of the entities described in the
22 preceding sentence.”.

1 **SEC. 1007. ENFORCEMENT PROVISIONS.**

2 (a) IN GENERAL.—Title V of the Housing Act of
3 1949 (42 U.S.C. 1471 et seq.) is amended by adding after
4 section 542 the following:

5 **“SEC. 543. ENFORCEMENT PROVISIONS.**

6 “(a) EQUITY SKIMMING.—

7 “(1) CRIMINAL PENALTY.—Whoever, as an
8 owner, agent, employee, or manager, or is otherwise
9 in custody, control, or possession of property that is
10 security for a loan made or guaranteed under this
11 title, willfully uses, or authorizes the use, of any part
12 of the rents, assets, proceeds, income, or other funds
13 derived from such property, for any purpose other
14 than to meet actual, reasonable, and necessary ex-
15 penses of the property, or for any other purpose not
16 authorized by this title or the regulations adopted
17 pursuant to this title, shall be fined under title 18,
18 United States Code, or imprisoned not more than 5
19 years, or both.

20 “(2) CIVIL SANCTIONS.—An entity or individual
21 who as an owner, operator, employee, or manager, or
22 who acts as an agent for a property that is security
23 for a loan made or guaranteed under this title where
24 any part of the rents, assets, proceeds, income, or
25 other funds derived from such property are used for
26 any purpose other than to meet actual, reasonable,

1 and necessary expenses of the property, or for any
2 other purpose not authorized by this title or the reg-
3 ulations adopted pursuant to this title, shall be sub-
4 ject to a fine of not more than \$25,000 per viola-
5 tion. The sanctions provided in this paragraph may
6 be imposed in addition to any other civil sanctions
7 or civil monetary penalties authorized by law.

8 “(b) CIVIL MONETARY PENALTIES.—

9 “(1) IN GENERAL.—The Secretary may, after
10 notice and opportunity for a hearing, impose a civil
11 monetary penalty in accordance with this subsection
12 against any individual or entity, including its own-
13 ers, officers, directors, general partners, limited
14 partners, or employees, who knowingly and materi-
15 ally violate, or participate in the violation of, the
16 provisions of this title, the regulations issued by the
17 Secretary pursuant to this title, or agreements made
18 in accordance with this title, by—

19 “(A) submitting information to the Sec-
20 retary that is false;

21 “(B) providing the Secretary with false
22 certifications;

23 “(C) failing to submit information re-
24 quested by the Secretary in a timely manner;

1 “(D) failing to maintain the property sub-
2 ject to loans made or guaranteed under this
3 title in good repair and condition, as deter-
4 mined by the Secretary;

5 “(E) failing to provide management for a
6 project which received a loan made or guaran-
7 teed under this title that is acceptable to the
8 Secretary; or

9 “(F) failing to comply with the provisions
10 of applicable civil rights statutes and regula-
11 tions.

12 “(2) CONDITIONS FOR RENEWAL OR EXTEN-
13 SION.—The Secretary may require that expiring loan
14 or assistance agreements entered into under this
15 title shall not be renewed or extended unless the
16 owner executes an agreement to comply with addi-
17 tional conditions prescribed by the Secretary, or exe-
18 cutes a new loan or assistance agreement in the
19 form prescribed by the Secretary.

20 “(3) AMOUNT.—

21 “(A) IN GENERAL.—The amount of a civil
22 monetary penalty imposed under this subsection
23 shall not exceed the greater of—

24 “(i) twice the damages the Depart-
25 ment of Agriculture, the guaranteed lend-

1 er, or the project that is secured for a loan
2 under this section suffered or would have
3 suffered as a result of the violation; or

4 “(ii) \$50,000 per violation.

5 “(B) DETERMINATION.—In determining
6 the amount of a civil monetary penalty under
7 this subsection, the Secretary shall take into
8 consideration—

9 “(i) the gravity of the offense;

10 “(ii) any history of prior offenses by
11 the violator (including offenses occurring
12 prior to the enactment of this section);

13 “(iii) the ability of the violator to pay
14 the penalty;

15 “(iv) any injury to tenants;

16 “(v) any injury to the public;

17 “(vi) any benefits received by the vio-
18 lator as a result of the violation;

19 “(vii) deterrence of future violations;

20 and

21 “(viii) such other factors as the Sec-
22 retary may establish by regulation.

23 “(4) PAYMENT OF PENALTIES.—No payment of
24 a penalty assessed under this section may be made
25 from funds provided under this title or from funds

1 of a project which serve as security for a loan made
2 or guaranteed under this title.

3 “(5) REMEDIES FOR NONCOMPLIANCE.—

4 “(A) JUDICIAL INTERVENTION.—If a per-
5 son or entity fails to comply with a final deter-
6 mination by the Secretary imposing a civil mon-
7 etary penalty under this subsection, the Sec-
8 retary may request the Attorney General of the
9 United States to bring an action in an appro-
10 priate United States district court to obtain a
11 monetary judgment against such individual or
12 entity and such other relief as may be available.
13 The monetary judgment may, in the court’s dis-
14 cretion, include the attorney’s fees and other
15 expenses incurred by the United States in con-
16 nection with the action.

17 “(B) REVIEWABILITY OF DETERMINA-
18 TION.—In an action under this paragraph, the
19 validity and appropriateness of a determination
20 by the Secretary imposing the penalty shall not
21 be subject to review.”.

22 (b) CONFORMING AMENDMENT.—Section 514 of the
23 Housing Act of 1949 (42 U.S.C. 1484) is amended by
24 striking subsection (j).

1 **SEC. 1008. AMENDMENTS TO TITLE 18 OF THE UNITED**
2 **STATES CODE.**

3 (a) **MONEY LAUNDERING.**—Section 1956(e)(7)(D) of
4 title 18, United States Code, is amended by inserting “any
5 violation of section 543(a)(1) of the Housing Act of 1949
6 (relating to equity skimming),” after “coupons having a
7 value of not less than \$5,000,”.

8 (b) **OBSTRUCTION OF FEDERAL AUDITS.**—Section
9 1516(a) of title 18, United States Code, is amended by
10 inserting “or relating to any property that is security for
11 a loan that is made or guaranteed under title V of the
12 Housing Act of 1949,” before “shall be fined under this
13 title”.

14 **TITLE XI—MANUFACTURED**
15 **HOUSING IMPROVEMENT**

16 **SEC. 1101. SHORT TITLE AND REFERENCES.**

17 (a) **SHORT TITLE.**—This title may be cited as the
18 “Manufactured Housing Improvement Act”.

19 (b) **REFERENCES.**—Whenever in this title an amend-
20 ment is expressed in terms of an amendment to, or repeal
21 of, a section or other provision, the reference shall be con-
22 sidered to be made to that section or other provision of
23 the National Manufactured Housing Construction and
24 Safety Standards Act of 1974 (42 U.S.C. 5401 et seq.).

1 **SEC. 1102. FINDINGS AND PURPOSES.**

2 Section 602 (42 U.S.C. 5401) is amended to read as
3 follows:

4 “FINDINGS AND PURPOSES

5 “SEC. 602. (a) FINDINGS.—The Congress finds
6 that—

7 “(1) manufactured housing plays a vital role in
8 meeting the housing needs of the Nation; and

9 “(2) manufactured homes provide a significant
10 resource for affordable homeownership and rental
11 housing accessible to all Americans.

12 “(b) PURPOSES.—The purposes of this title are—

13 “(1) to facilitate the acceptance of the quality,
14 durability, safety, and affordability of manufactured
15 housing within the Department of Housing and
16 Urban Development;

17 “(2) to facilitate the availability of affordable
18 manufactured homes and to increase homeownership
19 for all Americans;

20 “(3) to provide for the establishment of prac-
21 tical, uniform, and, to the extent possible, perform-
22 ance-based Federal construction standards;

23 “(4) to encourage innovative and cost-effective
24 construction techniques;

1 “(5) to protect owners of manufactured homes
2 from unreasonable risk of personal injury and prop-
3 erty damage;

4 “(6) to establish a balanced consensus process
5 for the development, revision, and interpretation of
6 Federal construction and safety standards for manu-
7 factured homes and related regulations for the en-
8 forcement of such standards;

9 “(7) to ensure uniform and effective enforce-
10 ment of Federal construction and safety standards
11 for manufactured homes; and

12 “(8) to ensure that the public interest in, and
13 need for, affordable manufactured housing is duly
14 considered in all determinations relating to the Fed-
15 eral standards and their enforcement.”.

16 **SEC. 1103. DEFINITIONS.**

17 (a) IN GENERAL.—Section 603 (42 U.S.C. 5402) is
18 amended—

19 (1) in paragraph (2), by striking “dealer” and
20 inserting “retailer”;

21 (2) in paragraph (12), by striking “and” at the
22 end;

23 (3) in paragraph (13), by striking the period at
24 the end and inserting a semicolon; and

1 (4) by adding at the end the following new
2 paragraphs:

3 “(14) ‘administering organization’ means the
4 recognized, voluntary, private sector, consensus
5 standards body with specific experience in developing
6 model residential building codes and standards in-
7 volving all disciplines regarding construction and
8 safety that administers the consensus standards de-
9 velopment process;

10 “(15) ‘consensus committee’ means the com-
11 mittee established under section 604(a)(3);

12 “(16) ‘consensus standards development proc-
13 ess’ means the process by which additions, revisions,
14 and interpretations to the Federal manufactured
15 home construction and safety standards and enforce-
16 ment regulations shall be developed and rec-
17 ommended to the Secretary by the consensus com-
18 mittee;

19 “(17) ‘primary inspection agency’ means a
20 State agency or private organization that has been
21 approved by the Secretary to act as a design ap-
22 proval primary inspection agency or a production in-
23 spection primary inspection agency, or both;

24 “(18) ‘design approval primary inspection agen-
25 cy’ means a State agency or private organization

1 that has been approved by the Secretary to evaluate
2 and either approve or disapprove manufactured
3 home designs and quality control procedures;

4 “(19) ‘production inspection primary inspection
5 agency’ means a State agency or private organiza-
6 tion that has been approved by the Secretary to
7 evaluate the ability of manufactured home manufac-
8 turing plants to comply with approved quality con-
9 trol procedures and with the Federal manufactured
10 home construction and safety standards promulgated
11 hereunder;

12 “(20) ‘installation standards’ means reasonable
13 specifications for the installation of a manufactured
14 home, at the place of occupancy, to ensure proper
15 siting, the joining of all sections of the home, and
16 the installation of stabilization, support, or anchor-
17 ing systems; and

18 “(21) ‘monitoring’—

19 “(A) means the process of periodic review
20 of the primary inspection agencies, by the Sec-
21 retary or by a State agency under an approved
22 State plan pursuant to section 623, in accord-
23 ance with regulations recommended by the con-
24 sensus committee and promulgated in accord-
25 ance with section 604(b), which process shall be

1 for the purpose of ensuring that the primary in-
2 spection agencies are discharging their duties
3 under this title; and

4 “(B) may include the periodic inspection of
5 retail locations for transit damage, label tam-
6 pering, and retailer compliance with this title.”.

7 (b) CONFORMING AMENDMENTS.—The National
8 Manufactured Housing Construction and Safety Stand-
9 ards Act of 1974 is amended—

10 (1) in section 613 (42 U.S.C. 5412), by striking
11 “dealer” each place it appears and inserting “re-
12 tailer”;

13 (2) in section 614(f) (42 U.S.C. 5413(f)), by
14 striking “dealer” each place it appears and inserting
15 “retailer”;

16 (3) in section 615 (42 U.S.C. 5414)—

17 (A) in subsection (b)(1), by striking “deal-
18 er” and inserting “retailer”;

19 (B) in subsection (b)(3), by striking “deal-
20 er or dealers” and inserting “retailer or retail-
21 ers”; and

22 (C) in subsections (d) and (f), by striking
23 “dealers” each place it appears and inserting
24 “retailers”;

1 (4) in section 616 (42 U.S.C. 5415), by striking
2 “dealer” and inserting “retailer”; and
3 (5) in section 623(c)(9), by striking “dealers”
4 and inserting “retailers”.

5 **SEC. 1104. FEDERAL MANUFACTURED HOME CONSTRUC-**
6 **TION AND SAFETY STANDARDS.**

7 Section 604 (42 U.S.C. 5403) is amended—

8 (1) by striking subsections (a) and (b) and in-
9 serting the following new subsections:

10 “(a) ESTABLISHMENT.—

11 “(1) AUTHORITY.—The Secretary shall estab-
12 lish, by order, appropriate Federal manufactured
13 home construction and safety standards, each of
14 which—

15 “(A) shall—

16 “(i) be reasonable and practical;

17 “(ii) meet high standards of protec-
18 tion consistent with the enumerated pur-
19 poses of this title; and

20 “(iii) where appropriate, be perform-
21 ance-based and objectively stated; and

22 “(B) except as provided in subsection (b),
23 shall be established in accordance with the con-
24 sensus standards development process.

1 “(2) CONSENSUS STANDARDS AND REGU-
2 LATORY DEVELOPMENT PROCESS.—

3 “(A) INITIAL AGREEMENT.—Not later
4 than 180 days after the date of enactment of
5 the Manufactured Housing Improvement Act,
6 the Secretary shall enter into a contract with
7 an administering organization. The contractual
8 agreement shall—

9 “(i) terminate on the date on which a
10 contract is entered into under subpara-
11 graph (B); and

12 “(ii) require the administering organi-
13 zation to—

14 “(I) appoint the initial members
15 of the consensus committee under
16 paragraph (3);

17 “(II) administer the consensus
18 standards development process until
19 the termination of that agreement;
20 and

21 “(III) administer the consensus
22 development and interpretation proc-
23 ess for procedural and enforcement
24 regulations and regulations specifying
25 the permissible scope and conduct of

1 monitoring until the termination of
2 that agreement.

3 “(B) COMPETITIVELY PROCURED CON-
4 TRACT.—Upon the expiration of the 4-year pe-
5 riod beginning on the date on which all mem-
6 bers of the consensus committee are appointed
7 under paragraph (3), the Secretary shall, using
8 competitive procedures (as such term is defined
9 in section 4 of the Office of Federal Procure-
10 ment Policy Act), enter into a competitively
11 awarded contract with an administering organi-
12 zation. The administering organization shall ad-
13 minister the consensus process for the develop-
14 ment and interpretation of the Federal stand-
15 ards, the procedural and enforcement regula-
16 tions and regulations specifying the permissible
17 scope and conduct of monitoring in accordance
18 with this title.

19 “(C) PERFORMANCE REVIEW.—The
20 Secretary—

21 “(i) shall periodically review the per-
22 formance of the administering organiza-
23 tion; and

24 “(ii) may replace the administering
25 organization with another qualified tech-

1 nical or building code organization, pursu-
2 ant to competitive procedures, if the Sec-
3 retary determines in writing that the ad-
4 ministering organization is not fulfilling
5 the terms of the agreement or contract to
6 which the administering organization is
7 subject or upon the expiration of the
8 agreement or contract.

9 “(3) CONSENSUS COMMITTEE.—

10 “(A) PURPOSE.—There is established a
11 committee to be known as the ‘consensus com-
12 mittee’, which shall, in accordance with this
13 title—

14 “(i) provide periodic recommendations
15 to the Secretary to adopt, revise, and inter-
16 pret the Federal manufactured housing
17 construction and safety standards in ac-
18 cordance with this subsection;

19 “(ii) provide periodic recommenda-
20 tions to the Secretary to adopt, revise, and
21 interpret the procedural and enforcement
22 regulations, including regulations speci-
23 fying the permissible scope and conduct of
24 monitoring in accordance with this sub-
25 section; and

1 “(iii) be organized and carry out its
2 business in a manner that guarantees a
3 fair opportunity for the expression and
4 consideration of various positions and for
5 public participation.

6 “(B) MEMBERSHIP.—The consensus com-
7 mittee shall be composed of—

8 “(i) 21 voting members appointed,
9 subject to approval by the Secretary, by
10 the administering organization from among
11 individuals who are qualified by back-
12 ground and experience to participate in the
13 work of the consensus committee; and

14 “(ii) 1 member appointed by the Sec-
15 retary to represent the Secretary on the
16 consensus committee, who shall be a non-
17 voting member.

18 “(C) DISAPPROVAL.—The Secretary may
19 disapprove, in writing with the reasons set
20 forth, the appointment of an individual under
21 subparagraph (B)(i).

22 “(D) SELECTION PROCEDURES AND RE-
23 QUIREMENTS.—Each member shall be ap-
24 pointed in accordance with the selection proce-
25 dures, which shall be established by the Sec-

1 retary and which shall be based on the proce-
2 dures for consensus committees promulgated by
3 the American National Standards Institute (or
4 successor organization), to ensure equal rep-
5 resentation on the consensus committee of the
6 following interest categories:

7 “(i) PRODUCERS.—7 producers or re-
8 tailers of manufactured housing.

9 “(ii) USERS.—7 persons representing
10 consumer interests, such as consumer or-
11 ganizations, recognized consumer leaders,
12 and owners who are residents of manufac-
13 tured homes.

14 “(iii) GENERAL INTEREST AND PUB-
15 LIC OFFICIALS.—7 general interest and
16 public official members.

17 “(E) BALANCING OF INTERESTS.—

18 “(i) IN GENERAL.—In order to
19 achieve a proper balance of interests on
20 the consensus committee—

21 “(I) the administering organiza-
22 tion in its appointments shall ensure
23 that all directly and materially af-
24 fected interests have the opportunity
25 for fair and equitable participation

1 without dominance by any single in-
2 terest; and

3 “(II) the Secretary may reject
4 the appointment of any 1 or more in-
5 dividuals in order to ensure that there
6 is not dominance by any single inter-
7 est.

8 “(ii) DOMINANCE DEFINED.—In this
9 subparagraph, the term ‘dominance’ means
10 a position or exercise of dominant author-
11 ity, leadership, or influence by reason of
12 superior leverage, strength, or representa-
13 tion.

14 “(F) ADDITIONAL QUALIFICATIONS.—

15 “(i) FINANCIAL INDEPENDENCE.—No
16 individual appointed under subparagraph
17 (D)(ii) shall have, and 3 of individuals ap-
18 pointed under subparagraph (D)(iii) shall
19 not have—

20 “(I) a significant financial inter-
21 est in any segment of the manufac-
22 tured housing industry; or

23 “(II) a significant relationship to
24 any person engaged in the manufac-
25 tured housing industry.

1 “(ii) POST-EMPLOYMENT BAN.—An
2 individual appointed under clause (ii) or
3 (iii) of subparagraph (D) shall be subject
4 to a ban disallowing compensation from
5 the manufactured housing industry during
6 the period of, and for the 1-year period
7 after, membership of that individual on the
8 consensus committee.

9 “(G) MEETINGS.—

10 “(i) NOTICE; OPEN TO PUBLIC.—The
11 consensus committee shall provide advance
12 notice of each meeting of the consensus
13 committee to the Secretary and publish ad-
14 vance notice of each such meeting in the
15 Federal Register. All meetings of the con-
16 sensus committee shall be open to the pub-
17 lic.

18 “(ii) REIMBURSEMENT.—Members of
19 the consensus committee in attendance at
20 the meetings shall be reimbursed for their
21 actual expenses as authorized by section
22 5703 of title 5, United States Code, for
23 persons employed intermittently in Govern-
24 ment service.

25 “(H) INAPPLICABILITY OF OTHER LAWS.—

1 “(i) ADVISORY COMMITTEE ACT.—The
2 consensus committee shall not be consid-
3 ered to be an advisory committee for pur-
4 poses of the Federal Advisory Committee
5 Act.

6 “(ii) TITLE 18.—The members of the
7 consensus committee shall not be subject
8 to section 203, 205, 207, or 208 of title
9 18, United States Code, to the extent of
10 their proper participation as members of
11 the consensus committee.

12 “(iii) ETHICS IN GOVERNMENT ACT
13 OF 1978.—The Ethics in Government Act
14 of 1978 shall not apply to members of the
15 consensus committee to the extent of their
16 proper participation as members of the
17 consensus committee.

18 “(I) ADMINISTRATION.—The consensus
19 committee and the administering organization
20 shall—

21 “(i) operate in conformance with the
22 procedures established by the American
23 National Standards Institute for the devel-
24 opment and coordination of American Na-
25 tional Standards; and

1 “(ii) apply to the American National
2 Standards Institute and take such other
3 actions as may be necessary to obtain ac-
4 creditation from the American National
5 Standards Institute.

6 “(J) STAFF.—The administering organiza-
7 tion shall, upon the request of the consensus
8 committee, provide reasonable staff resources to
9 the consensus committee. Upon a showing of
10 need, the Secretary shall furnish technical sup-
11 port to any of the various interest categories on
12 the consensus committee.

13 “(K) DATE OF INITIAL APPOINTMENTS.—
14 The initial appointments of all of the members
15 of the consensus committee shall be completed
16 not later than 90 days after the date on which
17 an administration agreement under paragraph
18 (2)(A) is completed with the administering or-
19 ganization.

20 “(4) REVISIONS OF STANDARDS.—

21 “(A) IN GENERAL.—Beginning on the date
22 on which all members of the consensus com-
23 mittee are appointed under paragraph (3), the
24 consensus committee shall, not less than once
25 during each 2-year period—

1 “(i) consider revisions to the Federal
2 manufactured home construction and safe-
3 ty standards; and

4 “(ii) submit proposed revised stand-
5 ards and regulations, if approved in a vote
6 of the consensus committee by two-thirds
7 of the members, to the Secretary in the
8 form of a proposed rule, including an eco-
9 nomic analysis.

10 “(B) PUBLICATION OF PROPOSED REVISED
11 STANDARDS.—

12 “(i) PUBLICATION BY SECRETARY.—

13 The consensus committee shall provide a
14 proposed revised standard under subpara-
15 graph (A)(ii) to the Secretary who shall,
16 not later than 30 days after receipt, pub-
17 lish such proposed revised standard in the
18 Federal Register for notice and comment.
19 Unless clause (ii) applies, the Secretary
20 shall provide an opportunity for public
21 comment on such proposed revised stand-
22 ard and any such comments shall be sub-
23 mitted directly to the consensus committee
24 without delay.

1 “(ii) PUBLICATION OF REJECTED
2 PROPOSED REVISED STANDARD.—If the
3 Secretary rejects the proposed revised
4 standard, the Secretary shall publish the
5 rejected proposed revised standard in the
6 Federal Register with the reasons for re-
7 jection and any recommended modifica-
8 tions set forth.

9 “(C) PRESENTATION OF PUBLIC COM-
10 MENTS; PUBLICATION OF RECOMMENDED REVI-
11 SIONS.—

12 “(i) PRESENTATION.—Any public
13 comments, views, and objections to a pro-
14 posed revised standard published under
15 subparagraph (B) shall be presented by
16 the Secretary to the consensus committee
17 upon their receipt and in the manner re-
18 ceived, in accordance with procedures es-
19 tablished by the American National Stand-
20 ards Institute.

21 “(ii) PUBLICATION BY THE SEC-
22 RETARY.—The consensus committee shall
23 provide to the Secretary any revisions pro-
24 posed by the consensus committee, which
25 the Secretary shall, not later than 7 cal-

1 endar days after receipt, cause to be pub-
2 lished in the Federal Register as a notice
3 of the recommended revisions of the con-
4 sensus committee to the standard, a notice
5 of the submission of the recommended re-
6 visions to the Secretary, and a description
7 of the circumstances under which the pro-
8 posed revised standards could become ef-
9 fective.

10 “(iii) PUBLICATION OF REJECTED
11 PROPOSED REVISED STANDARD.—If the
12 Secretary rejects the proposed revised
13 standard, the Secretary shall publish the
14 rejected proposed revised standard in the
15 Federal Register with the reasons for re-
16 jection and any recommended modifica-
17 tions set forth.

18 “(5) REVIEW BY THE SECRETARY.—

19 “(A) IN GENERAL.—The Secretary shall
20 either adopt, modify, or reject a standard, as
21 submitted by the consensus committee under
22 paragraph (4)(A).

23 “(B) TIMING.—Not later than 12 months
24 after the date on which a standard is submitted
25 to the Secretary by the consensus committee,

1 the Secretary shall take action regarding such
2 standard under subparagraph (C).

3 “(C) PROCEDURES.—If the Secretary—

4 “(i) adopts a standard recommended
5 by the consensus committee, the Secretary
6 shall—

7 “(I) issue a final order without
8 further rulemaking; and

9 “(II) cause the final order to be
10 published in the Federal Register;

11 “(ii) determines that any standard
12 should be rejected, the Secretary shall—

13 “(I) reject the standard; and

14 “(II) cause to be published in the
15 Federal Register a notice to that ef-
16 fect, together with the reason or rea-
17 sons for rejecting the proposed stand-
18 ard; or

19 “(iii) determines that a standard rec-
20 ommended by the consensus committee
21 should be modified, the Secretary shall—

22 “(I) cause the proposed modified
23 standard to be published in the Fed-
24 eral Register, together with an expla-

1 nation of the reason or reasons for the
2 determination of the Secretary; and

3 “(II) provide an opportunity for
4 public comment in accordance with
5 section 553 of title 5, United States
6 Code.

7 “(D) FINAL ORDER.—Any final standard
8 under this paragraph shall become effective
9 pursuant to subsection (c).

10 “(6) FAILURE TO ACT.—If the Secretary fails
11 to take final action under paragraph (5) and to pub-
12 lish notice of the action in the Federal Register be-
13 fore the expiration of the 12-month period beginning
14 on the date on which the proposed standard is sub-
15 mitted to the Secretary under paragraph (4)(A)—

16 “(A) the recommendations of the con-
17 sensus committee—

18 “(i) shall be considered to have been
19 adopted by the Secretary; and

20 “(ii) shall take effect upon the expira-
21 tion of the 180-day period that begins
22 upon the conclusion of such 12-month pe-
23 riod; and

24 “(B) not later than 10 days after the expi-
25 ration of such 12-month period, the Secretary

1 shall cause to be published in the Federal Reg-
2 ister a notice of the failure of the Secretary to
3 act, the revised standard, and the effective date
4 of the revised standard, which notice shall be
5 deemed to be an order of the Secretary approv-
6 ing the revised standards proposed by the con-
7 sensus committee.

8 “(b) OTHER ORDERS.—

9 “(1) REGULATIONS.—The Secretary may issue
10 procedural and enforcement regulations as necessary
11 to implement the provisions of this title. The con-
12 sensus committee may submit to the Secretary pro-
13 posed procedural and enforcement regulations and
14 recommendations for the revision of such regula-
15 tions.

16 “(2) INTERPRETATIVE BULLETINS.—The Sec-
17 retary may issue interpretative bulletins to clarify
18 the meaning of any Federal manufactured home
19 construction and safety standard or procedural and
20 enforcement regulation. The consensus committee
21 may submit to the Secretary proposed interpretative
22 bulletins to clarify the meaning of any Federal man-
23 ufactured home construction and safety standard or
24 procedural and enforcement regulation.

1 “(3) REVIEW BY CONSENSUS COMMITTEE.—Be-
2 fore issuing a procedural or enforcement regulation
3 or an interpretative bulletin—

4 “(A) the Secretary shall—

5 “(i) submit the proposed procedural
6 or enforcement regulation or interpretative
7 bulletin to the consensus committee; and

8 “(ii) provide the consensus committee
9 with a period of 120 days to submit writ-
10 ten comments to the Secretary on the pro-
11 posed procedural or enforcement regulation
12 or the interpretative bulletin; and

13 “(B) if the Secretary rejects any signifi-
14 cant comment provided by the consensus com-
15 mittee under subparagraph (A), the Secretary
16 shall provide a written explanation of the rea-
17 sons for the rejection to the consensus com-
18 mittee; and

19 “(C) following compliance with subpara-
20 graphs (A) and (B), the Secretary shall—

21 “(i) cause the proposed regulation or
22 interpretative bulletin and the consensus
23 committee’s written comments along with
24 the Secretary’s response thereto to be pub-
25 lished in the Federal Register; and

1 “(ii) provide an opportunity for public
2 comment in accordance with section 553 of
3 title 5, United States Code.

4 “(4) REQUIRED ACTION.—The Secretary shall
5 act on any proposed regulation or interpretative bul-
6 letin submitted by the consensus committee by ap-
7 proving or rejecting the proposal within 120 days
8 from the date the proposal is received by the Sec-
9 retary. The Secretary shall either—

10 “(A) approve the proposal and cause the
11 proposed regulation or interpretative bulletin to
12 be published for public comment in accordance
13 with section 553 of title 5, United States Code;
14 or

15 “(B) reject the proposed regulation or in-
16 terpretative bulletin and—

17 “(i) provide a written explanation of
18 the reasons for rejection to the consensus
19 committee; and

20 “(ii) cause the proposed regulation
21 and the written explanation for the rejec-
22 tion to be published in the Federal Reg-
23 ister.

24 “(5) EMERGENCY ORDERS.—If the Secretary
25 determines, in writing, that such action is necessary

1 in order to respond to an emergency which jeopard-
2 izes the public health or safety, or to address an
3 issue on which the Secretary determines that the
4 consensus committee has not made a timely rec-
5 ommendation, following a request by the Secretary,
6 the Secretary may issue an order that is not devel-
7 oped under the procedures set forth in subsection
8 (a) or in this subsection, if the Secretary—

9 “(A) provides to the consensus committee
10 a written description and sets forth the reasons
11 why emergency action is necessary and all sup-
12 porting documentation; and

13 “(B) issues and publishes the order in the
14 Federal Register.

15 “(6) CHANGES.—Any statement of policies,
16 practices, or procedures relating to construction and
17 safety standards, inspections, monitoring, or other
18 enforcement activities which constitutes a statement
19 of general or particular applicability and future off-
20 set and decisions to implement, interpret, or pre-
21 scribe law of policy by the Secretary is subject to the
22 provisions of subsection (a) or (b) of this subsection.
23 Any change adopted in violation of the provisions of
24 subsection (a) or (b) of this subsection is void.

1 “(7) TRANSITION.—Until the date that the con-
2 sensus committee is appointed pursuant to section
3 1104(a)(3), the Secretary may issue proposed orders
4 that are not developed under the procedures set
5 forth in this section for new and revised standards.”;

6 (2) in subsection (d), by adding at the end the
7 following: “Federal preemption under this subsection
8 shall be broadly and liberally construed to ensure
9 that disparate State or local requirements or stand-
10 ards do not affect the uniformity and comprehen-
11 siveness of the standards promulgated hereunder nor
12 the Federal superintendence of the manufactured
13 housing industry as established by this title. Subject
14 to section 605, there is reserved to each State the
15 right to establish standards for the stabilizing and
16 support systems of manufactured homes sited within
17 that State, and for the foundations on which manu-
18 factured homes sited within that State are installed,
19 and the right to enforce compliance with such stand-
20 ards, except that such standards shall be consistent
21 with the purposes of this title and shall be consistent
22 with the design of the manufacturer.

23 (3) by striking subsection (e);

1 (4) in subsection (f), by striking the subsection
2 designation and all of the matter that precedes para-
3 graph (1) and inserting the following:

4 “(e) CONSIDERATIONS IN ESTABLISHING AND IN-
5 TERPRETING STANDARDS AND REGULATIONS.—The con-
6 sensus committee, in recommending standards, regula-
7 tions, and interpretations, and the Secretary, in estab-
8 lishing standards or regulations, or issuing interpretations
9 under this section, shall—”;

10 (5) by striking subsection (g);

11 (6) in the first sentence of subsection (j), by
12 striking “subsection (f)” and inserting “subsection
13 (e)”; and

14 (7) by redesignating subsections (h), (i), and
15 (j), as subsections (f), (g), and (h), respectively.

16 **SEC. 1105. ABOLISHMENT OF NATIONAL MANUFACTURED**
17 **HOME ADVISORY COUNCIL; MANUFACTURED**
18 **HOME INSTALLATION.**

19 (a) IN GENERAL.—Section 605 (42 U.S.C. 5404) is
20 amended to read as follows:

21 **“SEC. 605. MANUFACTURED HOME INSTALLATION.**

22 **“(a) PROVISION OF INSTALLATION DESIGN AND IN-**
23 **STRUCTIONS.—A manufacturer shall provide with each**
24 **manufactured home, design and instructions for the in-**

1 stallation of the manufactured home that have been ap-
2 proved by a design approval primary inspection agency.

3 “(b) MODEL MANUFACTURED HOME INSTALLATION
4 STANDARDS.—

5 “(1) PROPOSED MODEL STANDARDS.—Not later
6 than 18 months after the date on which the initial
7 appointments of all of the members of the consensus
8 committee are completed, the consensus committee
9 shall develop and submit to the Secretary proposed
10 model manufactured home installation standards,
11 which shall, to the maximum extent possible, taking
12 into account the factors described in section 604(e),
13 be consistent with—

14 “(A) the home designs that have been ap-
15 proved by a design approval primary inspection
16 agency; and

17 “(B) the designs and instructions for the
18 installation of manufactured homes provided by
19 manufacturers under subsection (a).

20 “(2) ESTABLISHMENT OF MODEL STAND-
21 ARDS.—Not later than 12 months after receiving the
22 proposed model standards submitted under para-
23 graph (1), the Secretary shall develop and establish
24 model manufactured home installation standards,
25 which shall be consistent with—

1 “(A) the home designs that have been ap-
2 proved by a design approval primary inspection
3 agency; and

4 “(B) the designs and instructions for the
5 installation of manufactured homes provided by
6 manufacturers under subsection (a).

7 “(3) FACTORS FOR CONSIDERATION.—

8 “(A) CONSENSUS COMMITTEE.—In devel-
9 oping the proposed model standards under
10 paragraph (1), the consensus committee shall
11 consider the factors described in section 604(e).

12 “(B) SECRETARY.—In developing and es-
13 tablishing the model standards under paragraph
14 (2), the Secretary shall consider the factors de-
15 scribed in section 604(e).

16 “(c) MANUFACTURED HOME INSTALLATION PRO-
17 GRAMS.—

18 “(1) PROTECTION OF MANUFACTURED HOUS-
19 ING RESIDENTS DURING INITIAL PERIOD.—During
20 the 5-year period beginning on the date of enact-
21 ment of the Manufactured Housing Improvement
22 Act, no State or manufacturer may establish or im-
23 plement any installation standards that, in the de-
24 termination of the Secretary, provide less protection
25 to the residents of manufactured homes than the

1 protection provided by the installation standards in
2 effect with respect to the State or manufacturer, as
3 applicable, on the date of enactment of the Manufac-
4 tured Housing Improvement Act. After establish-
5 ment of model standards under subsection (b)(2), a
6 design approval primary inspection agency may not
7 give such approval unless a design and instruction
8 provides equal or greater protection than the protec-
9 tion provided under such model standards.

10 “(2) INSTALLATION STANDARDS.—

11 “(A) ESTABLISHMENT OF INSTALLATION
12 PROGRAM.—Not later than the expiration of the
13 5-year period described in paragraph (1), the
14 Secretary shall establish an installation pro-
15 gram that meets the requirements of paragraph
16 (3) for the enforcement of installation stand-
17 ards in each State described in subparagraph
18 (B).

19 “(B) IMPLEMENTATION OF INSTALLATION
20 PROGRAM.—Beginning on the expiration of the
21 5-year period described in paragraph (1), the
22 Secretary shall implement the installation pro-
23 gram established under subparagraph (A) in
24 each State that does not have an installation

1 program established by State law that meets
2 the requirements of paragraph (3).

3 “(C) CONTRACTING OUT OF IMPLEMENTA-
4 TION.—In carrying out subparagraph (B), the
5 Secretary may contract with an appropriate
6 agent to implement the installation program es-
7 tablished under that subparagraph, except that
8 such agent shall not be a person or entity other
9 than a government, nor an affiliate or sub-
10 sidiary of such a person or entity, that has en-
11 tered into a contract with the Secretary to im-
12 plement any other regulatory program under
13 this title.

14 “(3) REQUIREMENTS.—An installation program
15 meets the requirements of this paragraph if it is a
16 program regulating the installation of manufactured
17 homes that includes—

18 “(A) installation standards that, in the de-
19 termination of the Secretary, provide protection
20 to the residents of manufactured homes that
21 equals or exceeds the protection provided to
22 those residents by—

23 “(i) the model manufactured home in-
24 stallation standards established under sub-
25 section (b); or

1 “(ii) the designs and instructions pro-
2 vided by manufacturers under subsection
3 (a), if the Secretary determines that such
4 designs and instructions provide protection
5 to the residents of the manufactured home
6 that equals or exceeds the protection pro-
7 vided by the model manufactured home in-
8 stallation standards established under sub-
9 section (b);

10 “(B) the training and licensing of manu-
11 factured home installers; and

12 “(C) inspection of the installation of manu-
13 factured homes.”.

14 (b) CONFORMING AMENDMENTS.—Section 623(c)
15 (42 U.S.C. 5422(c)) is amended—

16 (1) in paragraph (10), by striking “and” at the
17 end;

18 (2) by redesignating paragraph (11) as para-
19 graph (13); and

20 (3) by inserting after paragraph (10) the fol-
21 lowing:

22 “(11) with respect to any State plan submitted
23 on or after the expiration of the 5-year period begin-
24 ning on the date of enactment of the Manufactured
25 Housing Improvement Act, provides for an installa-

1 tion program established by State law that meets
2 the requirements of section 605(c)(3);”.

3 **SEC. 1106. PUBLIC INFORMATION.**

4 Section 607 (42 U.S.C. 5406) is amended—

5 (1) in subsection (a)—

6 (A) by inserting “to the Secretary” after
7 “submit”; and

8 (B) by adding at the end the following:
9 “The Secretary shall submit such cost and
10 other information to the consensus committee
11 for evaluation.”;

12 (2) in subsection (d), by inserting “, the con-
13 sensus committee,” after “public”; and

14 (3) by striking subsection (c) and redesignating
15 subsections (d) and (e) as subsections (c) and (d),
16 respectively.

17 **SEC. 1107. RESEARCH, TESTING, DEVELOPMENT, AND**
18 **TRAINING.**

19 (a) IN GENERAL.—Section 608(a) (42 U.S.C.
20 5407(a)) is amended—

21 (1) in paragraph (2), by striking “and” at the
22 end;

23 (2) in paragraph (3), by striking the period at
24 the end and inserting a semicolon; and

1 (3) by adding at the end the following new
2 paragraphs:

3 “(4) encouraging the government sponsored
4 housing entities to actively develop and implement
5 secondary market securitization programs for FHA
6 manufactured home loans and those of other loan
7 programs, as appropriate, thereby promoting the
8 availability of affordable manufactured homes to in-
9 crease homeownership for all people in the United
10 States; and

11 “(5) reviewing the programs for FHA manufac-
12 tured home loans and developing any changes to
13 such programs to promote the affordability of manu-
14 factured homes, including changes in loan terms,
15 amortization periods, regulations, and procedures.”.

16 (b) DEFINITIONS.—Section 608 (42 U.S.C. 5407) is
17 amended by adding at the end the following new sub-
18 section:

19 “(c) DEFINITIONS.—For purposes of this section, the
20 following definitions shall apply:

21 “(1) GOVERNMENT SPONSORED HOUSING ENTI-
22 TIES.—The term ‘government sponsored housing en-
23 tities’ means the Government National Mortgage As-
24 sociation of the Department of Housing and Urban
25 Development, the Federal National Mortgage Asso-

1 ciation, and the Federal Home Loan Mortgage Cor-
2 poration.

3 “(2) FHA MANUFACTURED HOME LOANS.—The
4 term ‘FHA manufactured home loan’ means a loan
5 that—

6 “(A) is insured under title I of the Na-
7 tional Housing Act and is made for the purpose
8 of financing alterations, repairs, or improve-
9 ments on or in connection with an existing
10 manufactured home, the purchase of a manu-
11 factured home, the purchase of a manufactured
12 home and a lot on which to place the home, or
13 the purchase only of a lot on which to place a
14 manufactured home; or

15 “(B) otherwise insured under the National
16 Housing Act and made for or in connection
17 with a manufactured home.”.

18 **SEC. 1108. FEES.**

19 Section 620 (42 U.S.C. 5419) is amended to read as
20 follows:

21 “AUTHORITY TO ESTABLISH FEES

22 “SEC. 620. (a) IN GENERAL.—In carrying out in-
23 spections under this title, in developing standards and reg-
24 ulations pursuant to section 604, and in facilitating the
25 acceptance of the affordability and availability of manufac-

1 tured housing within the Department, the Secretary
2 may—

3 “(1) establish and collect from manufactured
4 home manufacturers such reasonable fees as may be
5 necessary to offset the expenses incurred by the Sec-
6 retary in connection with carrying out the respon-
7 sibilities of the Secretary under this title,
8 including—

9 “(A) conducting inspections and moni-
10 toring;

11 “(B) providing funding to States for the
12 administration and implementation of approved
13 State plans under section 623, including rea-
14 sonable funding for cooperative educational and
15 training programs designed to facilitate uniform
16 enforcement under this title; these funds may
17 be paid directly to the States or may be paid
18 or provided to any person or entity designated
19 to receive and disburse such funds by coopera-
20 tive agreements among participating States,
21 provided that such person or entity is not other-
22 wise an agent of the Secretary under this title;

23 “(C) providing the funding for a noncareer
24 administrator and Federal staff personnel for
25 the manufactured housing program;

1 “(D) administering the consensus com-
2 mittee as set forth in section 604; and

3 “(E) facilitating the acceptance of the
4 quality, durability, safety, and affordability of
5 manufactured housing within the Department;
6 and

7 “(2) use any fees collected under paragraph (1)
8 to pay expenses referred to in paragraph (1), which
9 shall be exempt and separate from any limitations
10 on the Department of Housing and Urban Develop-
11 ment regarding full-time equivalent positions and
12 travel.

13 “(b) CONTRACTORS.—When using fees under this
14 section, the Secretary shall ensure that separate and inde-
15 pendent contractors are retained to carry out monitoring
16 and inspection work and any other work that may be dele-
17 gated to a contractor under this title.

18 “(c) PROHIBITED USE.—Fees collected under sub-
19 section (a) shall not be used for any purpose or activity
20 not specifically authorized by this title unless such activity
21 was already engaged in by the Secretary prior to the date
22 of enactment of this title.

23 “(d) MODIFICATION.—Any fee established by the
24 Secretary under this section shall only be modified pursu-

1 ant to rulemaking in accordance with section 553 of title
2 5, United States Code.

3 “(e) APPROPRIATION AND DEPOSIT OF FEES.—

4 “(1) IN GENERAL.—There is established in the
5 Treasury of the United States a fund to be known
6 as the ‘Manufactured Housing Fees Trust Fund’ for
7 deposit of all fees collected pursuant to subsection
8 (a). These fees shall be held in trust for use only as
9 provided in this title.

10 “(2) APPROPRIATION.—Such fees shall be avail-
11 able for expenditure only to the extent approved in
12 an annual appropriation Act.”.

13 **SEC. 1109. DISPUTE RESOLUTION.**

14 Section 623(c) (42 U.S.C. 5422(c)), as amended by
15 section 5(b) of this Act, is amended by inserting after
16 paragraph (11) (as added by section 5(b) of this Act) the
17 following:

18 “(12) with respect to any State plan submitted
19 on or after the expiration of the 5-year period begin-
20 ning on the date of enactment of the Manufactured
21 Housing Improvement Act, provides for a dispute
22 resolution program for the timely resolution of dis-
23 putes between manufacturers, retailers, and install-
24 ers of manufactured homes regarding responsibility,
25 and for the issuance of appropriate orders, for the

1 correction or repair of defects in manufactured
2 homes that are reported during the 1-year period be-
3 ginning on the date of installation; and”;

4 (2) by adding at the end the following:

5 “(g) ENFORCEMENT OF DISPUTE RESOLUTION
6 STANDARDS.—

7 “(1) ESTABLISHMENT OF DISPUTE RESOLU-
8 TION PROGRAM.—Not later than the expiration of
9 the 5-year period beginning on the date of enact-
10 ment of the Manufactured Housing Improvement
11 Act, the Secretary shall establish a dispute resolu-
12 tion program that meets the requirements of sub-
13 section (c)(12) for dispute resolution in each State
14 described in paragraph (2).

15 “(2) IMPLEMENTATION OF DISPUTE RESOLU-
16 TION PROGRAM.—Beginning on the expiration of the
17 5-year period described in paragraph (1), the Sec-
18 retary shall implement the dispute resolution pro-
19 gram established under paragraph (1) in each State
20 that has not established a dispute resolution pro-
21 gram that meets the requirements of subsection
22 (c)(12).

23 “(3) CONTRACTING OUT OF IMPLEMENTA-
24 TION.—In carrying out paragraph (2), the Secretary
25 may contract with an appropriate agent to imple-

1 **SEC. 1112. SAVINGS PROVISION.**

2 (a) STANDARDS AND REGULATIONS.—The Federal
3 manufactured home construction and safety standards (as
4 such term is defined in section 603 of the National Manu-
5 factured Housing Construction and Safety Standards Act
6 of 1974) and all regulations pertaining thereto in effect
7 immediately before the date of the enactment of this Act
8 shall apply until the effective date of a standard or regula-
9 tion modifying or superseding the existing standard or
10 regulation which is promulgated under subsection (a) or
11 (b) of section 604 of the National Manufactured Housing
12 Construction and Safety Standards Act of 1974, as
13 amended by this title.

14 (b) CONTRACTS.—Any contract awarded pursuant to
15 a Request for Proposal issued before the date of enact-
16 ment of this Act shall remain in effect for a period of 2
17 years from the date of enactment of this Act or for the
18 remainder of the contract term, whichever period is short-
19 er.