

[Discussion Draft]**AMENDMENT TO H.R. 1852****OFFERED BY MR. FRANK OF MASSACHUSETTS**

Page 42, strike lines 8 through 18 and insert the following new section:

1 **SEC. 23. USE OF FHA SAVINGS FOR COSTS OF MORTGAGE**
2 **INSURANCE, HOUSING COUNSELING, AND AF-**
3 **FORDABLE HOUSING GRANT FUND.**

4 (a) IN GENERAL.—There is authorized to be appro-
5 priated for each fiscal year an amount equal to the net
6 increase for such fiscal year in, except as provided in sub-
7 section (b), the negative credit subsidy for the mortgage
8 insurance programs under title II of the National Housing
9 Act resulting from this Act and the amendments made by
10 this Act, for the following purposes in the following
11 amounts:

12 (1) SINGLE FAMILY HOUSING MORTGAGE IN-
13 SURANCE.—For each fiscal year, for costs (as such
14 term is defined in section 502 of the Federal Credit
15 Reform Act of 1990 (2 U.S.C. 661a)) of mortgage
16 insurance provided pursuant to section 203(b) of the
17 National Housing Act (12 U.S.C. 1709(b)), the ad-
18 ditional amount (not including any costs of such

1 mortgage insurance resulting from this Act or the
2 amendments made by this Act), if any, necessary to
3 ensure that the credit subsidy cost of such mortgage
4 insurance for such fiscal year is \$0.

5 (2) HOUSING COUNSELING.—For each of fiscal
6 years 2008 through 2012, the amount needed to in-
7 crease funding, for the housing counseling program
8 under section 106 of the Housing and Urban Devel-
9 opment Act of 1968 (12 U.S.C. 1701x), in connec-
10 tion with homebuyers and homeowners with mort-
11 gages insured under title II of the National Housing
12 Act, from the amount appropriated for the preceding
13 fiscal year to \$100,000,000.

14 (3) AFFORDABLE HOUSING FUND.—For each
15 fiscal year, for an affordable housing fund available
16 for use only for grants to provide affordable rental
17 housing and affordable homeownership opportunities
18 for low-income families, the amount remaining under
19 this section after amounts are made available for
20 such fiscal year in accordance with paragraphs (1)
21 and (2).

22 (b) EXCLUSION OF EARNINGS FROM THE SINGLE
23 FAMILY MORTGAGE INSURANCE PROGRAM.—With respect
24 to a fiscal year, the negative credit subsidy determined
25 under subsection (a) shall not include the negative credit

1 subsidy cost for such fiscal year, if any, for mortgage in-
2 surance provided pursuant to section 203(b) of the Na-
3 tional Housing Act.