

106TH CONGRESS
1ST SESSION

H. R. 1776

To expand homeownership in the United States.

IN THE HOUSE OF REPRESENTATIVES

MAY 12, 1999

Mr. LAZIO (for himself and Mr. LEACH) introduced the following bill; which
was referred to the Committee on Banking and Financial Services

A BILL

To expand homeownership in the United States.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “American Homeownership and Economic Opportunity
6 Act of 1999”.

7 (b) TABLE OF CONTENTS.—The table of contents for
8 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. Neighborhood teacher program.
- Sec. 204. Insurance for mortgages to refinance existing home equity conversion mortgages.
- Sec. 205. Report on title I home improvement loan program.

TITLE III—SECTION 8 HOMEOWNERSHIP OPTION

- Sec. 301. Downpayment assistance.

TITLE IV—COMMUNITY DEVELOPMENT BLOCK GRANTS

- Sec. 401. Reauthorization.
- Sec. 402. Prohibition of set-asides.
- Sec. 403. Homeownership for municipal employees.
- Sec. 404. Technical amendment relating to brownfields.
- Sec. 405. 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.

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.

TITLE VII—MANUFACTURED HOUSING IMPROVEMENT

- Sec. 701. Short title and references.
- Sec. 702. Findings and purposes.
- Sec. 703. Definitions.
- Sec. 704. Federal manufactured home construction and safety standards.
- Sec. 705. Abolishment of National Manufactured Home Advisory Council.
- Sec. 706. Public information.
- Sec. 707. Research, testing, development, and training.
- Sec. 708. Fees.
- Sec. 709. Elimination of annual report requirement.
- Sec. 710. Effective date.
- Sec. 711. Savings provision.

TITLE VIII—INDIAN HOUSING HOMEOWNERSHIP

Sec. 801. Lands Title Report Commission.
 Sec. 802. Loan guarantees for Indian housing.

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

Sec. 901. Transfer of unoccupied and substandard HUD-held housing to local
 governments and community development corporations.
 Sec. 902. Technical corrections to the Multifamily Assisted Housing Reform
 and Affordability Act of 1997.

**TITLE X—PRIVATE MORTGAGE INSURANCE CANCELLATION AND
 TERMINATION**

Sec. 1001. Treatment of adjustable rate mortgages.
 Sec. 1002. Treatment of certain modifications.
 Sec. 1003. Residential mortgages and residential mortgage transactions.
 Sec. 1004. Clarification of status of balloon mortgage financing.
 Sec. 1005. Disclosure requirements.

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; and

10 (3) experience with local homeownership pro-
 11 grams has shown that if flexible capital sources are
 12 available, communities possess ample will and cre-
 13 ativity to provide opportunities uniquely designed to
 14 assist their citizens in realizing the American dream
 15 of homeownership.

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

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

4 (2) to expand homeownership through policies
 5 that—

6 (A) promote the ability of the private sec-
 7 tor to produce affordable housing without exces-
 8 sive government regulation;

9 (B) encourage tax incentives, such as the
 10 mortgage interest deduction, at all levels of gov-
 11 ernment; and

12 (C) facilitate the availability of flexible
 13 capital for homeownership opportunities and
 14 provide local governments with increased flexi-
 15 bility under existing Federal programs to facili-
 16 tate homeownership.

17 **TITLE I—REMOVAL OF BAR-**
 18 **RIERS TO HOUSING AFFORD-**
 19 **ABILITY**

20 **SEC. 101. SHORT TITLE.**

21 This title may be cited as the “Housing Affordability
 22 Barrier Removal Act of 1999”.

23 **SEC. 102. HOUSING IMPACT ANALYSIS.**

24 (a) **APPLICABILITY.**—The requirements of this sec-
 25 tion shall apply with respect to—

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

3 (A) has certified that the proposed rule
4 will not, if given force or effect as a final rule,
5 have a significant deleterious impact on housing
6 affordability; and

7 (B) has caused such certification to be
8 published in the Federal Register at the time of
9 publication of general notice of proposed rule-
10 making for the rule, together with a statement
11 providing the factual basis for the certification;
12 and

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

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

18 (B) has caused such certification to be
19 published in the Federal Register at the time of
20 publication of the final rule, together with a
21 statement providing the factual basis for the
22 certification.

23 Any agency making a certification under this subsection
24 shall provide a copy of such certification and the state-

1 ment providing the factual basis for the certification to
2 the Secretary of Housing and Urban Development.

3 (b) STATEMENT OF PROPOSED RULEMAKING.—

4 Whenever an agency publishes general notice of proposed
5 rulemaking for any proposed rule, unless the agency has
6 made a certification under subsection (a), the agency
7 shall—

8 (1) in the notice of proposed rulemaking—

9 (A) state with particularity the text of the
10 proposed rule; and

11 (B) request any interested persons to sub-
12 mit to the agency any written analyses, data,
13 views, and arguments, and any specific alter-
14 natives to the proposed rule that—

15 (i) accomplish the stated objectives of
16 the applicable statutes, in a manner com-
17 parable to the proposed rule;

18 (ii) result in costs to the Federal Gov-
19 ernment equal to or less than the costs re-
20 sulting from the proposed rule; and

21 (iii) result in housing affordability
22 greater than the housing affordability re-
23 sulting from the proposed rule;

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

4 (3) prepare and make available for public com-
5 ment an initial housing impact analysis in accord-
6 ance with the requirements of subsection (c).

7 (c) INITIAL HOUSING IMPACT ANALYSIS.—

8 (1) REQUIREMENTS.—Each initial housing im-
9 pact analysis shall describe the impact of the pro-
10 posed rule on housing affordability. The initial hous-
11 ing impact analysis or a summary shall be published
12 in the Federal Register at the same time as, and to-
13 gether with, the publication of general notice of pro-
14 posed rulemaking for the rule. The agency shall
15 transmit a copy of the initial housing impact anal-
16 ysis to the Secretary of Housing and Urban Develop-
17 ment.

18 (2) MONTHLY HUD LISTING.—On a monthly
19 basis, the Secretary of Housing and Urban Develop-
20 ment shall cause to be published in the Federal Reg-
21 ister, and shall make available through a World
22 Wide Web site of the Department, a listing of all
23 proposed rules for which an initial housing impact
24 analysis was prepared during the preceding month.

1 (3) CONTENTS.—Each initial housing impact
2 analysis required under this subsection shall
3 contain—

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

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

8 (C) a description of and, where feasible, an
9 estimate of the extent to which the proposed
10 rule would increase the cost or reduce the sup-
11 ply of housing or land for residential develop-
12 ment; and

13 (D) an identification, to the extent prac-
14 ticable, of all relevant Federal rules which may
15 duplicate, overlap, or conflict with the proposed
16 rule.

17 (d) PROPOSAL OF LESS DELETERIOUS ALTERNATIVE
18 RULE.—

19 (1) ANALYSIS.—The agency publishing a gen-
20 eral notice of proposed rulemaking shall review any
21 specific analyses and alternatives to the proposed
22 rule which have been submitted to the agency pursu-
23 ant to subsection (b)(2) to determine whether any
24 alternative to the proposed rule—

1 (A) accomplishes the stated objectives of
2 the applicable statutes, in a manner comparable
3 to the proposed rule;

4 (B) results in costs to the Federal Govern-
5 ment equal to or less than the costs resulting
6 from the proposed rule; and

7 (C) results in housing affordability greater
8 than the housing affordability resulting from
9 the proposed rule.

10 (2) NEW NOTICE OF PROPOSED RULE-
11 MAKING.—If the agency determines that an alter-
12 native to the proposed rule meets the requirements
13 under subparagraphs (A) through (C) of paragraph
14 (1), unless the agency provides an explanation on
15 the record for the proposed rule as to why the alter-
16 native should not be implemented, the agency shall
17 incorporate the alternative into the final rule or, at
18 the agency's discretion, issue a new proposed rule
19 which incorporates the alternative.

20 (e) FINAL HOUSING IMPACT ANALYSIS.—

21 (1) REQUIREMENT.—Whenever an agency pro-
22 mulgates a final rule after publication of a general
23 notice of proposed rulemaking, unless the agency has
24 made the certification under subsection (a), the
25 agency shall prepare a final housing impact analysis.

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

3 (A) a succinct statement of the need for,
4 and objectives of, the rule;

5 (B) a summary of the significant issues
6 raised during the public comment period in re-
7 sponse to the initial housing impact analysis, a
8 summary of the assessment of the agency of
9 such issues, and a statement of any changes
10 made in the proposed rule as a result of such
11 comments; and

12 (C) a description of and an estimate of the
13 extent to which the rule will impact housing af-
14 fordability or an explanation of why no such es-
15 timate is available.

16 (3) AVAILABILITY.—The agency shall make
17 copies of the final housing impact analysis available
18 to members of the public and shall publish in the
19 Federal Register such analysis or a summary there-
20 of.

21 (f) AVOIDANCE OF DUPLICATIVE OR UNNECESSARY
22 ANALYSES.—

23 (1) DUPLICATION.—Any Federal agency may
24 perform the analyses required by subsections (c) and
25 (e) in conjunction with or as a part of any other

1 agenda or analysis required by any other law, execu-
2 tive order, directive, or rule if such other analysis
3 satisfies the provisions of such subsections.

4 (2) JOINDER.—In order to avoid duplicative ac-
5 tion, an agency may consider a series of closely re-
6 lated rules as one rule for the purposes of sub-
7 sections (c) and (e).

8 (g) PREPARATION OF ANALYSES.—In complying with
9 the provisions of subsections (c) and (e), an agency may
10 provide either a quantifiable or numerical description of
11 the effects of a proposed rule or alternatives to the pro-
12 posed rule, or more general descriptive statements if quan-
13 tification is not practicable or reliable.

14 (h) EFFECT ON OTHER LAW.—The requirements of
15 subsections (c) and (e) do not alter in any manner stand-
16 ards otherwise applicable by law to agency action.

17 (i) PROCEDURE FOR WAIVER OR DELAY OF COMPLE-
18 TION.—

19 (1) INITIAL HOUSING IMPACT ANALYSIS.—An
20 agency head may waive or delay the completion of
21 some or all of the requirements of subsection (c) by
22 publishing in the Federal Register, not later than
23 the date of publication of the final rule, a written
24 finding, with reasons therefor, that the final rule is
25 being promulgated in response to an emergency that

1 makes compliance or timely compliance with the pro-
2 visions of subsection (a) impracticable.

3 (2) FINAL HOUSING IMPACT ANALYSIS.—An
4 agency head may not waive the requirements of sub-
5 section (e). An agency head may delay the comple-
6 tion of the requirements of subsection (e) for a pe-
7 riod of not more than 180 days after the date of
8 publication in the Federal Register of a final rule by
9 publishing in the Federal Register, not later than
10 such date of publication, a written finding, with rea-
11 sons therefor, that the final rule is being promul-
12 gated in response to an emergency that makes time-
13 ly compliance with the provisions of subsection (e)
14 impracticable. If the agency has not prepared a final
15 housing impact analysis pursuant to subsection (e)
16 within 180 days from the date of publication of the
17 final rule, such rule shall lapse and have no force or
18 effect. Such rule shall not be repromulgated until a
19 final housing impact analysis has been completed by
20 the agency.

21 (j) DEFINITIONS.—For purposes of this section, the
22 following definitions shall apply:

23 (1) HOUSING AFFORDABILITY.—The term
24 “housing affordability” means the quantity of hous-
25 ing that is affordable to families having incomes that

1 do not exceed 150 percent of the median income of
2 families in the area in which the housing is located,
3 with adjustments for smaller and larger families.
4 For purposes of this paragraph, area, median family
5 income for an area, and adjustments for family size
6 shall be determined in the same manner as such fac-
7 tors are determined for purposes of section 3(b)(2)
8 of the United States Housing Act of 1937.

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

13 (A) the Congress;

14 (B) the courts of the United States;

15 (C) the governments of the territories or
16 possessions of the United States;

17 (D) the government of the District of Co-
18 lumbia;

19 (E) agencies composed of representatives
20 of the parties or of representatives of organiza-
21 tions of the parties to the disputes determined
22 by them;

23 (F) courts-martial and military commis-
24 sions;

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

3 (H) functions conferred by—

4 (i) sections 1738, 1739, 1743, and
5 1744 of title 12, United States Code;

6 (ii) chapter 2 of title 41, United
7 States Code;

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

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

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

16 (4) RULE.—The term “rule” means any rule
17 for which the agency publishes a general notice of
18 proposed rulemaking pursuant to section 553(b) of
19 title 5, United States Code, or any other law, includ-
20 ing any rule of general applicability governing grants
21 by an agency to State and local governments for
22 which the agency provides an opportunity for notice
23 and public comment; except that such term does not
24 include a rule of particular applicability relating to
25 rates, wages, corporate or financial structures or re-

1 organizations thereof, prices, facilities, appliances,
2 services, or allowances therefor or to valuations,
3 costs or accounting, or practices relating to such
4 rates, wages, structures, prices, appliances, services,
5 or allowances.

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

9 (k) DEVELOPMENT.—Not later than 1 year after the
10 date of the enactment of this title, the Secretary of Hous-
11 ing and Urban Development shall develop model initial
12 and final housing impact analyses under this section and
13 shall cause such model analyses to be published in the
14 Federal Register. The model analyses shall define the pri-
15 mary elements of a housing impact analysis to instruct
16 other agencies on how to carry out and develop the anal-
17 yses required under subsections (a) and (c).

18 (l) JUDICIAL REVIEW.—

19 (1) DETERMINATION BY AGENCY.—Except as
20 otherwise provided in paragraph (2), any determina-
21 tion by an agency concerning the applicability of any
22 of the provisions of this title to any action of the
23 agency shall not be subject to judicial review.

24 (2) OTHER ACTIONS BY AGENCY.—Any housing
25 impact analysis prepared under subsection (c) or (e)

1 and the compliance or noncompliance of the agency
 2 with the provisions of this title shall not be subject
 3 to judicial review. When an action for judicial review
 4 of a rule is instituted, any housing impact analysis
 5 for such rule shall constitute part of the whole
 6 record of agency action in connection with the re-
 7 view.

8 (3) EXCEPTION.—Nothing in this subsection
 9 bars judicial review of any other impact statement or
 10 similar analysis required by any other law if judicial
 11 review of such statement or analysis is otherwise
 12 provided by law.

13 **SEC. 103. GRANTS FOR REGULATORY BARRIER REMOVAL**
 14 **STRATEGIES.**

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

19 “(a) FUNDING.—There is authorized to be appro-
 20 priated for grants under subsections (b) and (c)
 21 \$15,000,000 for fiscal year 2000 and such sums as may
 22 be necessary for each of fiscal years 2001, 2002, 2003,
 23 and 2004.”.

24 (b) CONSOLIDATION OF STATE AND LOCAL
 25 GRANTS.—Subsection (b) of section 1204 of the Housing

1 and Community Development Act of 1992 (42 U.S.C.
2 12705c(b)) is amended—

3 (1) in the subsection heading, by striking
4 “STATE GRANTS” and inserting “GRANT AUTHOR-
5 ITY”;

6 (2) in the matter preceding paragraph (1), by
7 inserting after “States” the following: “and units of
8 general local government (including consortia of
9 such governments)”;

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

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

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

16 (c) REPEAL OF LOCAL GRANTS PROVISION.—Section
17 1204 of the Housing and Community Development Act
18 of 1992 (42 U.S.C. 12705c) is amended by striking sub-
19 section (c).

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

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

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

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

15 “(f) SELECTION OF GRANTEES.—To the extent
16 amounts are made available to carry out this section, the
17 Secretary shall provide grants on a competitive basis to
18 eligible grantees based on the proposed uses of such
19 amounts, as provided in applications under subsection
20 (e).”.

21 (f) TECHNICAL AMENDMENTS.—Section 107(a)(1) of
22 the Housing and Community Development Act of 1974
23 (42 U.S.C. 5307(a)(1)) is amended—

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

1 (2) by striking subparagraph (H); and
 2 (3) by redesignating subparagraph (I) as sub-
 3 paragraph (H).

4 **SEC. 104. ELIGIBILITY FOR COMMUNITY DEVELOPMENT**
 5 **BLOCK GRANTS.**

6 (a) IN GENERAL.—Section 104(c)(1) of the Housing
 7 and Community Development Act of 1974 (42 U.S.C.
 8 5304(c)(1)) is amended by inserting before the comma the
 9 following: “, which shall include making a good faith effort
 10 to carry out the strategy established under section
 11 105(b)(4) of such Act by the unit of general local govern-
 12 ment to remove barriers to affordable housing”.

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

16 **SEC. 105. REGULATORY BARRIERS CLEARINGHOUSE.**

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

19 (1) in subsection (a)—

20 (A) in the matter preceding paragraph (1),
 21 by striking “receive, collect, process, and assem-
 22 ble” and inserting “serve as a national reposi-
 23 tory to receive, collect, process, assemble, and
 24 disseminate”;

25 (B) in paragraph (1)—

1 (i) by striking “, including” and in-
2 serting “(including”; and

3 (ii) by inserting before the semicolon
4 at the end the following: “), and the preva-
5 lence and effects on affordable housing of
6 such laws, regulations, and policies”;

7 (C) in paragraph (2), by inserting before
8 the semicolon the following: “, including par-
9 ticularly innovative or successful activities,
10 strategies, and plans”; and

11 (D) in paragraph (3), by inserting before
12 the period at the end the following: “, including
13 particularly innovative or successful strategies,
14 activities, and plans”;

15 (2) in subsection (b)—

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

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

20 (C) by adding at the end the following new
21 paragraph:

22 “(3) by making available through a World Wide
23 Web site of the Department, by electronic mail, or
24 otherwise, provide to each housing agency of a unit
25 of general local government that serves an area hav-

1 ing a population greater than 100,000, an index of
2 all State and local strategies and plans submitted
3 under subsection (a) to the clearinghouse, which—

4 “(A) shall describe the types of barriers to
5 affordable housing that the strategy or plan
6 was designed to ameliorate or remove; and

7 “(B) shall, not later than 30 days after
8 submission to the clearinghouse of any new
9 strategy or plan, be updated to include the new
10 strategy or plan submitted.”; and

11 (3) by adding at the end the following new sub-
12 sections:

13 “(c) ORGANIZATION.—The clearinghouse under this
14 section shall be established within the Office of Policy De-
15 velopment of the Department of Housing and Urban De-
16 velopment and shall be under the direction of the Assist-
17 ant Secretary for Policy Development and Research.

18 “(d) TIMING.—The clearinghouse under this section
19 (as amended by section 105 of the Housing Affordability
20 Barrier Removal Act of 1999) shall be established and
21 commence carrying out the functions of the clearinghouse
22 under this section not later than 1 year after the date of
23 the enactment of such Act. The Secretary of Housing and
24 Urban Development may comply with the requirements
25 under this section by reestablishing the clearinghouse that

1 was originally established to comply with this section and
 2 updating and improving such clearinghouse to the extent
 3 necessary to comply with the requirements of this section
 4 as in effect pursuant to the enactment of such Act.”.

5 **TITLE II—HOMEOWNERSHIP**
 6 **THROUGH MORTGAGE INSUR-**
 7 **ANCE AND LOAN GUARAN-**
 8 **TEES**

9 **SEC. 201. STUDY OF MANDATORY INSPECTION REQUIRE-**
 10 **MENT UNDER SINGLE FAMILY HOUSING**
 11 **MORTGAGE INSURANCE PROGRAM.**

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

17 (1) The feasibility of requiring inspections of all
 18 properties purchased with loans insured under such
 19 section.

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

24 (3) The potential impact on the process of buy-
 25 ing a home if inspections of properties purchased

1 with loans insured under such section are required,
2 including the process of buying a home in under-
3 served areas where losses to the Mutual Mortgage
4 Insurance Fund are greatest.

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

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

12 (6) The extent, if any, to which requiring in-
13 spections of properties purchased with loans insured
14 under such section will result in adverse selection of
15 loans insured under such section.

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

21 Not later than the expiration of the 1-year period be-
22 ginning on the date of the enactment of this Act, the
23 Comptroller General shall submit to the Congress a report
24 containing the results of the study and any recommenda-

1 tions with respect to the issues specified under this sec-
2 tion.

3 **SEC. 202. EXTENSION OF LOAN TERM FOR MANUFACTURED**
4 **HOME LOTS.**

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

8 **SEC. 203. NEIGHBORHOOD TEACHER PROGRAM.**

9 (a) SHORT TITLE.—This section may be cited as the
10 “Neighborhood Teachers Act”.

11 (b) CONGRESSIONAL FINDINGS.—The Congress finds
12 that—

13 (1) teachers are an integral part of our commu-
14 nities;

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

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

23 (c) DISCOUNT AND DOWNPAYMENT ASSISTANCE FOR
24 TEACHERS.—Section 204(h) of the National Housing Act
25 (12 U.S.C. 1710(h)) is amended—

1 (1) by redesignating paragraphs (7) through
2 (10) as paragraphs (8) through (11), respectively;
3 and

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

6 “(7) 50 PERCENT DISCOUNT FOR TEACHERS
7 PURCHASING PROPERTIES THAT ARE ELIGIBLE AS-
8 SETS.—

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

20 “(B) PRIMARY RESIDENCE.—An eligible
21 property sold pursuant to a discount under this
22 paragraph shall be used, for not less than the
23 3-year period beginning upon such sale, as the
24 primary residence of a teacher.

1 “(C) SALE METHODS.—The Secretary may
2 sell an eligible property pursuant to a discount
3 under this paragraph—

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

8 “(ii) directly to a purchaser who is a
9 teacher.

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

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

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

1 “(E) MORTGAGE DOWNPAYMENT ASSIST-
2 ANCE.—If a teacher purchases an eligible prop-
3 erty pursuant to a discounted sale price under
4 this paragraph and finances such purchase
5 through a mortgage insured under this title,
6 notwithstanding any provision of section 203
7 the downpayment on such mortgage shall be
8 \$100.

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

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

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

1 “(ii) other information designed to
2 make such teachers and the public aware
3 of the discount and downpayment assist-
4 ance available under this paragraph.

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

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

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

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

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

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

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

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

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

9 **SEC. 204. INSURANCE FOR MORTGAGES TO REFINANCE EX-**
10 **ISTING HOME EQUITY CONVERSION MORT-**
11 **GAGES.**

12 (a) IN GENERAL.—Section 255 of the National
13 Housing Act (12 U.S.C. 1715z–20) is amended—

14 (1) by redesignating subsection (k) as sub-
15 section (l); and

16 (2) by inserting after subsection (j) the fol-
17 lowing new subsection:

18 “(k) INSURANCE AUTHORITY FOR REFINANCINGS.—

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

24 “(2) APPLICABILITY OF REQUIREMENTS.—The
25 provisions of this section shall apply to the insurance

1 of mortgages under this subsection, except that the
2 requirements under subsection (d)(2)(B) (relating to
3 third party counseling) shall not apply to mortgages
4 insured under this subsection.

5 “(3) REDUCED UP-FRONT PREMIUM.—Notwith-
6 standing section 203(c)(2)(A), the single premium
7 payment collected at the time of insurance of a
8 mortgage under this subsection shall be an amount
9 not exceeding 2.0 percent of the difference
10 between—

11 “(A) the maximum amount of insurance
12 benefits payable under subsection (i)(1)(C)
13 under the mortgage insured under this sub-
14 section; and

15 “(B) the maximum amount of insurance
16 benefits payable under subsection (i)(1)(C)
17 under the home equity conversion mortgage
18 that is refinanced and insured under this sub-
19 section.

20 “(4) REFUND OF ORIGINAL UP-FRONT PRE-
21 MIUM.—If, in insuring a mortgage under this sub-
22 section, the Secretary provides to the mortgagor a
23 refund of the full amount of any premium paid in
24 connection with the existing home equity mortgage
25 refinanced under the insured mortgage, paragraph

1 (3) shall not apply and the Secretary shall collect at
2 the time of insurance a single premium payment in
3 accordance with the procedures otherwise applicable
4 to mortgage insurance under this section.”.

5 (b) REGULATIONS.—The Secretary shall issue any
6 final regulations necessary to implement the amendments
7 made by subsection (a), which shall take effect not later
8 than the expiration of the 90-day period beginning on the
9 date of the enactment of this Act. The regulations shall
10 be issued after notice and opportunity for public comment
11 in accordance with the procedure under section 553 of title
12 5, United States Code, applicable to substantive rules
13 (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of
14 such section).

15 **SEC. 205. REPORT ON TITLE I HOME IMPROVEMENT LOAN**
16 **PROGRAM.**

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

1 (b) CONSULTATION.—In developing and determining
 2 recommendations for inclusion in the report under this
 3 section and in preparing the report, the Secretary shall
 4 consult with interested persons, organizations, and enti-
 5 ties, including representatives of the lending industry and
 6 consumer organizations.

7 **TITLE III—SECTION 8**
 8 **HOMEOWNERSHIP OPTION**

9 **SEC. 301. DOWNPAYMENT ASSISTANCE.**

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

13 (1) by redesignating paragraph (7) as para-
 14 graph (8); and

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

17 “(7) DOWNPAYMENT ASSISTANCE.—

18 “(A) AUTHORITY.—A public housing agen-
 19 cy may, in lieu of providing monthly assistance
 20 payments under this subsection on behalf of a
 21 family eligible for such assistance and at the
 22 discretion of the public housing agency, provide
 23 assistance for the family in the form of a single
 24 grant to be used only as a contribution toward
 25 the downpayment required in connection with

1 the purchase of a dwelling for fiscal year 2000
 2 and each fiscal year thereafter to the extent
 3 provided in advance in appropriations Acts.

4 “(B) AMOUNT.—The amount of a down-
 5 payment grant on behalf of an assisted family
 6 may not exceed the amount that is equal to the
 7 sum of the assistance payments that would be
 8 made during the first year of assistance on be-
 9 half of the family, based upon the income of the
 10 family at the time the grant is to be made.”.

11 (b) EFFECTIVE DATE.—The amendments made by
 12 subsection (a) shall take effect immediately after the
 13 amendments made by section 555(c) of the Quality Hous-
 14 ing and Work Responsibility Act of 1998 take effect pur-
 15 suant to such section.

16 **TITLE IV—COMMUNITY** 17 **DEVELOPMENT BLOCK GRANTS**

18 **SEC. 401. REAUTHORIZATION.**

19 The last sentence of section 103 of the Housing and
 20 Community Development Act of 1974 (42 U.S.C. 5303)
 21 is amended to read as follows: “For purposes of assistance
 22 under section 106, there is authorized to be appropriated
 23 \$4,750,000,000 for fiscal year 2000 and such sums as
 24 may be necessary for each of fiscal years 2001, 2002,
 25 2003, and 2004.”.

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. HOMEOWNERSHIP FOR MUNICIPAL EMPLOYEES.**

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

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

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

1 (3) by inserting after paragraph (23) the fol-
2 lowing new paragraph:

3 “(24) provision of direct assistance to facilitate
4 and expand homeownership among uniformed em-
5 ployees (including policemen, firemen, and sanitation
6 and other maintenance workers) of, and teachers
7 who are employees of, the metropolitan city or urban
8 county (or an agency or school district serving such
9 city or county) receiving grant amounts under this
10 title pursuant to section 106(b) or the unit of gen-
11 eral local government (or an agency or school dis-
12 trict serving such unit) receiving such grant
13 amounts pursuant to section 106(d); except that,
14 notwithstanding section 102(a)(20)(B) or any other
15 provision of this title, such assistance may be pro-
16 vided on behalf of such employees whose family in-
17 comes do not exceed 115 percent of the median in-
18 come of the area involved, as determined by the Sec-
19 retary with adjustments for smaller and larger fami-
20 lies; and except that such assistance shall be used
21 only for acquiring principal residences for such em-
22 ployees 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(c)(3).”.

19 **SEC. 404. 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. 405. HOUSING OPPORTUNITIES FOR PERSONS WITH**
8 **AIDS.**

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

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

13 “‘There is authorized to be appropriated to carry out
14 this subtitle \$215,000,000 for fiscal year 2000 and such
15 sums as may be necessary for each of fiscal years 2001,
16 2002, 2003, and 2004.’”.

17 **TITLE V—HOME INVESTMENT**
18 **PARTNERSHIPS PROGRAM**

19 **SEC. 501. REAUTHORIZATION.**

20 Section 205 of the Cranston-Gonzalez National Af-
21 fordable Housing Act (42 U.S.C. 12724) is amended to
22 read as follows:

23 **“SEC. 205. AUTHORIZATION.**

24 “(a) IN GENERAL.—There is authorized to be appro-
25 priated to carry out this title \$1,600,000,000 for fiscal

1 year 2000 and such sums as may be necessary for each
 2 of fiscal years 2001, 2002, 2003, and 2004, of which—

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

6 “(2) not more than \$15,000,000 in each such
 7 fiscal year shall be for activities in support of State
 8 and local housing strategies authorized under sub-
 9 title C.

10 “(b) PROHIBITION OF SET-ASIDES.—Except as pro-
 11 vided in subsection (a) of this section and section
 12 217(a)(3), amounts appropriated pursuant to subsection
 13 (a) of this section or otherwise to carry out this title shall
 14 be used only for formula-based grants allocated pursuant
 15 to section 217 and may not be otherwise used unless the
 16 provision of law providing for such other use specifically
 17 refers to this subsection and specifically states that such
 18 provision modifies or supersedes the provisions of this sub-
 19 section.”.

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

22 (a) CONGRESSIONAL FINDINGS.—Section 202(10) of
 23 the Cranston-Gonzalez National Affordable Housing Act
 24 (42 U.S.C. 12721(10)) is amended by inserting “mutual
 25 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

“(ii) temporarily fails to comply with clause (i) only because of increases in the incomes of existing tenants and actions satisfactory to the Secretary are being taken to ensure that all vacancies in the housing are being filled in accordance with clause (i) until such non-compliance is corrected; and

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

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

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

“(28) The term ‘moderate income families’ means families whose incomes do not exceed the median income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than the median income for 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;”.

8 (b) INCOME TARGETING.—Section 214(2) of the
9 Cranston-Gonzalez National Affordable Housing Act (42
10 U.S.C. 12744(2)) is amended by inserting before the semi-
11 colon the following: “or families described in section
12 215(b)(2)(B)”.

13 (c) ELIGIBLE INVESTMENTS.—Section 212(b) of the
14 Cranston-Gonzalez National Affordable Housing Act (42
15 U.S.C. 12742(b)) is amended by adding at the end the
16 following new sentence: “Notwithstanding the preceding
17 sentence, in the case of homeownership assistance for resi-
18 dences of owners described in section 215(b)(2)(B), funds
19 made available under this subtitle may only be invested
20 (A) to provide amounts for downpayments on mortgages,
21 (B) to pay reasonable closing costs normally associated
22 with the purchase of a residence, (C) to obtain pre- or
23 post-purchase counseling relating to the financial and
24 other obligations of homeownership, or (D) to subsidize
25 mortgage interest rates.”.

1 **TITLE VI—LOCAL**
2 **HOMEOWNERSHIP INITIATIVES**

3 **SEC. 601. REAUTHORIZATION OF NEIGHBORHOOD REIN-**
4 **VESTMENT CORPORATION.**

5 Section 608(a)(1) of the Neighborhood Reinvestment
6 Corporation Act (42 U.S.C. 8107(a)(1)) is amended by
7 striking the first sentence and inserting the following new
8 sentence: “There is authorized to be appropriated to the
9 corporation to carry out this title \$90,000,000 for each
10 of fiscal years 2000 through 2004.”.

11 **SEC. 602. HOMEOWNERSHIP ZONES.**

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

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

16 “(a) **AUTHORITY.**—The Secretary of Housing and
17 Urban Development may make grants to units of general
18 local government to assist homeownership zones. Home-
19 ownership zones are contiguous, geographically defined
20 areas, primarily residential in nature, in which large-scale
21 development projects are designed to reclaim distressed
22 neighborhoods by creating homeownership opportunities
23 for low- and moderate-income families. Projects in home-
24 ownership zones are intended to serve as a catalyst for

1 private investment, business creation, and neighborhood
2 revitalization.

3 “(b) ELIGIBLE ACTIVITIES.—Amounts made avail-
4 able under this section may be used for projects that in-
5 clude any of the following activities in the homeownership
6 zone:

7 “(1) Acquisition, construction, and rehabilita-
8 tion of housing.

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

13 “(3) Direct financial assistance to homebuyers.

14 “(4) Homeownership counseling.

15 “(5) Relocation assistance.

16 “(6) Marketing costs, including affirmative
17 marketing activities.

18 “(7) Other project-related costs.

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

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

24 “(c) APPLICATION.—To be eligible for a grant under
25 this section, a unit of general local government shall sub-

1 mit an application for a homeownership zone grant in such
2 form and in accordance with such procedures as the Sec-
3 retary shall establish.

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

8 “(1) the degree to which the proposed activities
9 will result in the improvement of the economic, so-
10 cial, and physical aspects of the neighborhood and
11 the lives of its residents through the creation of new
12 homeownership opportunities;

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

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

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

19 “(5) the capacity to successfully carry out the
20 plan.

21 “(e) GRANT APPROVAL AMOUNTS.—The Secretary
22 may establish a maximum amount for any grant for any
23 funding round under this section. A grant may not be
24 made in an amount that exceeds the amount that the Sec-

1 retary determines is necessary to fund the project for
2 which the application is made.

3 “(f) PROGRAM REQUIREMENTS.—A homeownership
4 zone proposal shall—

5 “(1) provide for a significant number of new
6 homeownership opportunities that will make a visible
7 improvement in an immediate neighborhood;

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

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

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

15 “(5) incorporate a comprehensive approach to
16 revitalization of the neighborhood;

17 “(6) establish a detailed time-line for com-
18 mencement and completion of construction activities;
19 and

20 “(7) provide for affirmatively furthering fair
21 housing.

22 “(g) INCOME TARGETING.—At least 51 percent of
23 the homebuyers assisted with funds under this section
24 shall have household incomes at or below 80 percent of

1 median income for the area, as determined by the Sec-
2 retary.

3 “(h) ENVIRONMENTAL REVIEW.—For purposes of
4 environmental review, decisionmaking, and action pursu-
5 ant to the National Environmental Policy Act of 1969 and
6 other provisions of law that further the purposes of such
7 Act, a grant under this section shall be treated as assist-
8 ance under the HOME Investment Partnerships Act and
9 shall be subject to the regulations issued by the Secretary
10 to implement section 288 of such Act.

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

21 “(j) AUTHORIZATION.—There is authorized to be ap-
22 propriated to carry out this section \$25,000,000 for fiscal
23 year 2000 and such sums as may be necessary for fiscal
24 year 2001, to remain available until expended.”.

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

2 (a) SENSE OF CONGRESS.—It is the sense of the Con-
3 gress that residential tenancies under lease-to-own provi-
4 sions can facilitate homeownership by low- and moderate-
5 income families and provide opportunities for homeowner-
6 ship for such families who might not otherwise be able
7 to afford homeownership.

8 (b) REPORT.—Not later than the expiration of the
9 3-month period beginning on the date of the enactment
10 of this Act, the Secretary of Housing and Urban Develop-
11 ment shall submit a report to the Congress—

12 (1) analyzing whether lease-to-own provisions
13 can be effectively incorporated within the HOME in-
14 vestment partnerships program, the public housing
15 program, the tenant-based rental assistance program
16 under section 8 of the United States Housing Act of
17 1937, or any other programs of the Department to
18 facilitate homeownership by low- or moderate-income
19 families; and

20 (2) any legislative or administrative changes
21 necessary to alter or amend such programs to allow
22 the use of lease-to-own options to provide home-
23 ownership opportunities.

24 **SEC. 604. LOCAL CAPACITY BUILDING.**

25 Section 4 of the HUD Demonstration Act of 1993
26 (42 U.S.C. 9816 note) is amended—

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

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

8 **SEC. 605. CONSOLIDATED APPLICATION AND PLANNING**
 9 **REQUIREMENT AND SUPER-NOFA.**

10 (a) CONSOLIDATED APPLICATION.—Section 106 of
 11 the Cranston-Gonzalez National Affordable Housing Act
 12 (42 U.S.C. 12706) is amended to read as follows:

13 **“SEC. 106. CONSOLIDATED APPLICATION FOR COMMUNITY**
 14 **PLANNING AND DEVELOPMENT PROGRAMS.**

15 “(a) REQUIREMENT.—The Secretary shall, by regula-
 16 tion, provide for jurisdictions to comply with the planning
 17 and application requirements under the covered programs
 18 under subsection (b) by submitting to the Secretary, for
 19 a program year, a single consolidated submission under
 20 this section that complies with the requirements for plan-
 21 ning and application submissions under the laws relating
 22 to the covered programs and shall serve, for the jurisdic-
 23 tion, as the planning document and an application for
 24 funding under the covered programs.

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

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

6 “(2) The community development block grant
7 program under title I of the Housing and Commu-
8 nity Development Act of 1974 (42 U.S.C. 5301 et
9 seq.).

10 “(3) The economic development initiative pro-
11 gram under section 108(q) of the Housing and Com-
12 munity Development Act of 1974 (42 U.S.C.
13 5308(q)).

14 “(4) The emergency shelter grants program
15 under subtitle B of title IV of the Stewart B.
16 McKinney Homeless Assistance Act (42 U.S.C.
17 11371 et seq.).

18 “(5) The housing opportunities for persons with
19 AIDS program under subtitle D of title VIII of the
20 Cranston-Gonzalez National Affordable Housing Act
21 (42 U.S.C. 12901 et seq.).

22 “(c) PROGRAM YEAR.—In establishing requirements
23 for a consolidated submission under this section, the Sec-
24 retary shall provide for a consolidated program year,

1 which shall comply with the various application and review
2 deadlines under the covered programs.

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

11 “(e) CONSISTENCY.—The Secretary shall, by regula-
12 tion or otherwise, as deemed by the Secretary to be appro-
13 priate, require any application for housing assistance
14 under title II of this Act, assistance under the Housing
15 and Community Development Act of 1974, or assistance
16 under the Stewart B. McKinney Homeless Assistance Act,
17 to contain or be accompanied by a certification by an ap-
18 propriate State or local public official that the proposed
19 housing activities are consistent with the housing strategy
20 of the jurisdiction to be served.”.

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

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

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

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

8 “(2) simplifies the application process for fund-
9 ing under such programs by providing for applica-
10 tion under various covered programs through a sin-
11 gle, unified application;

12 “(3) promotes comprehensive approaches to
13 housing and community development by providing
14 for applicants to identify coordination of efforts
15 under various covered programs; and

16 “(4) clearly informs prospective applicants of
17 the general and specific requirements under law for
18 applying for funding under such programs.

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

23 “(1) Housing and community development pro-
24 grams.

25 “(2) Economic development and empowerment
26 programs.

1 “(3) Targeted housing assistance and homeless
2 assistance programs.”.

3 **TITLE VII—MANUFACTURED** 4 **HOUSING IMPROVEMENT**

5 **SEC. 701. SHORT TITLE AND REFERENCES.**

6 (a) SHORT TITLE.—This title may be cited as the
7 “Manufactured Housing Improvement Act”.

8 (b) REFERENCES.—Whenever in this title an amend-
9 ment is expressed in terms of an amendment to, or repeal
10 of, a section or other provision, the reference shall be con-
11 sidered to be made to that section or other provision of
12 the National Manufactured Housing Construction and
13 Safety Standards Act of 1974 (42 U.S.C. 5401 et seq.).

14 **SEC. 702. FINDINGS AND PURPOSES.**

15 Section 602 (42 U.S.C. 5401) is amended to read as
16 follows:

17 “FINDINGS AND PURPOSES

18 “SEC. 602. (a) FINDINGS.—The Congress finds
19 that—

20 “(1) manufactured housing plays a vital role in
21 meeting the housing needs of the Nation; and

22 “(2) manufactured homes provide a significant
23 resource for affordable homeownership and rental
24 housing accessible to all Americans.

25 “(b) PURPOSES.—The purposes of this title are—

1 “(1) to facilitate the acceptance of the quality,
2 durability, safety, and affordability of manufactured
3 housing within the Department of Housing and
4 Urban Development;

5 “(2) to facilitate the availability of affordable
6 manufactured homes and to increase homeownership
7 for all Americans;

8 “(3) to provide for the establishment of prac-
9 tical, uniform, and, to the extent possible, perform-
10 ance-based Federal construction standards;

11 “(4) to encourage innovative and cost-effective
12 construction techniques;

13 “(5) to protect owners of manufactured homes
14 from unreasonable risk of personal injury and prop-
15 erty damage;

16 “(6) to establish a balanced consensus process
17 for the development, revision, and interpretation of
18 Federal construction and safety standards for manu-
19 factured homes and related regulations for the en-
20 forcement of such standards;

21 “(7) to ensure uniform and effective enforce-
22 ment of Federal construction and safety standards
23 for manufactured homes; and

24 “(8) to ensure that the public interest in, and
25 need for, affordable manufactured housing is duly

1 considered in all determinations relating to the Fed-
2 eral standards and their enforcement.”.

3 **SEC. 703. DEFINITIONS.**

4 (a) IN GENERAL.—Section 603 (42 U.S.C. 5402) is
5 amended—

6 (1) in paragraph (2), by striking “dealer” and
7 inserting “retailer”;

8 (2) in paragraph (12), by striking “and” at the
9 end;

10 (3) in paragraph (13), by striking the period at
11 the end and inserting a semicolon; and

12 (4) by adding at the end the following new
13 paragraphs:

14 “(14) ‘administering organization’ means the
15 recognized, voluntary, private sector, consensus
16 standards body with specific experience in developing
17 model residential building codes and standards in-
18 volving all disciplines regarding construction and
19 safety that administers the consensus standards de-
20 velopment process;

21 “(15) ‘consensus committee’ means the com-
22 mittee established under section 604(a)(3);

23 “(16) ‘consensus standards development proc-
24 ess’ means the process by which additions, revisions,
25 and interpretations to the Federal manufactured

1 home construction and safety standards and enforce-
2 ment regulations shall be developed and rec-
3 ommended to the Secretary by the consensus com-
4 mittee;

5 “(17) ‘primary inspection agency’ means a
6 State agency or private organization that has been
7 approved by the Secretary to act as a design ap-
8 proval primary inspection agency or a production in-
9 spection primary inspection agency, or both;

10 “(18) ‘design approval primary inspection agen-
11 cy’ means a State agency or private organization
12 that has been approved by the Secretary to evaluate
13 and either approve or disapprove manufactured
14 home designs and quality control procedures;

15 “(19) ‘production inspection primary inspection
16 agency’ means a State agency or private organiza-
17 tion that has been approved by the Secretary to
18 evaluate the ability of manufactured home manufac-
19 turing plants to comply with approved quality con-
20 trol procedures and with the Federal manufactured
21 home construction and safety standards promulgated
22 hereunder; and

23 “(20) ‘monitoring’—

24 “(A) means the process of periodic review
25 of the primary inspection agencies, by the Sec-

1 retary or by a State agency under an approved
2 State plan pursuant to section 623, in accord-
3 ance with regulations recommended by the con-
4 sensus committee and promulgated in accord-
5 ance with section 604(b), which process shall be
6 for the purpose of ensuring that the primary in-
7 spection agencies are discharging their duties
8 under this title; and

9 “(B) may include the periodic inspection of
10 retail locations for transit damage, label tam-
11 pering, and retailer compliance with this title.”.

12 (b) CONFORMING AMENDMENTS.—The National
13 Manufactured Housing Construction and Safety Stand-
14 ards Act of 1974 is amended—

15 (1) in section 613 (42 U.S.C. 5412), by striking
16 “dealer” each place it appears and inserting “re-
17 tailer”;

18 (2) in section 614(f) (42 U.S.C. 5413(f)), by
19 striking “dealer” each place it appears and inserting
20 “retailer”;

21 (3) in section 615 (42 U.S.C. 5414)—

22 (A) in subsection (b)(1), by striking “deal-
23 er” and inserting “retailer”;

1 (B) in subsection (b)(3), by striking “deal-
 2 er or dealers” and inserting “retailer or retail-
 3 ers”; and

4 (C) in subsections (d) and (f), by striking
 5 “dealers” each place it appears and inserting
 6 “retailers”;

7 (4) in section 616 (42 U.S.C. 5415), by striking
 8 “dealer” and inserting “retailer”; and
 9 (5) in section 623(c)(9), by striking “dealers”
 10 and inserting “retailers”.

11 **SEC. 704. FEDERAL MANUFACTURED HOME CONSTRUC-**
 12 **TION AND SAFETY STANDARDS.**

13 Section 604 (42 U.S.C. 5403) is amended—

14 (1) by striking subsections (a) and (b) and in-
 15 serting the following new subsections:

16 “(a) ESTABLISHMENT.—

17 “(1) AUTHORITY.—The Secretary shall estab-
 18 lish, by order, appropriate Federal manufactured
 19 home construction and safety standards, each of
 20 which—

21 “(A) shall—

22 “(i) be reasonable and practical;

23 “(ii) meet high standards of protec-
 24 tion consistent with the enumerated pur-
 25 poses of this title; and

1 “(iii) where appropriate, be perform-
2 ance-based and objectively stated; and

3 “(B) except as provided in subsection (b),
4 shall be established in accordance with the con-
5 sensus standards development process.

6 “(2) CONSENSUS STANDARDS AND REGU-
7 LATORY DEVELOPMENT PROCESS.—

8 “(A) INITIAL AGREEMENT.—Not later
9 than 180 days after the date of enactment of
10 the Manufactured Housing Improvement Act,
11 the Secretary shall enter into a contract with
12 an administering organization. The contractual
13 agreement shall—

14 “(i) terminate on the date on which a
15 contract is entered into under subpara-
16 graph (B); and

17 “(ii) require the administering organi-
18 zation to—

19 “(I) appoint the initial members
20 of the consensus committee under
21 paragraph (3);

22 “(II) administer the consensus
23 standards development process until
24 the termination of that agreement;
25 and

1 “(III) administer the consensus
2 development and interpretation proc-
3 ess for procedural and enforcement
4 regulations and regulations specifying
5 the permissible scope and conduct of
6 monitoring until the termination of
7 that agreement.

8 “(B) COMPETITIVELY PROCURED CON-
9 TRACT.—Upon the expiration of the 4-year pe-
10 riod beginning on the date on which all mem-
11 bers of the consensus committee are appointed
12 under paragraph (3), the Secretary shall, using
13 competitive procedures (as such term is defined
14 in section 4 of the Office of Federal Procure-
15 ment Policy Act), enter into a competitively
16 awarded contract with an administering organi-
17 zation. The administering organization shall ad-
18 minister the consensus process for the develop-
19 ment and interpretation of the Federal stand-
20 ards, the procedural and enforcement regula-
21 tions and regulations specifying the permissible
22 scope and conduct of monitoring in accordance
23 with this title.

24 “(C) PERFORMANCE REVIEW.—The
25 Secretary—

1 “(i) shall periodically review the per-
2 formance of the administering organiza-
3 tion; and

4 “(ii) may replace the administering
5 organization with another qualified tech-
6 nical or building code organization, pursu-
7 ant to competitive procedures, if the Sec-
8 retary determines in writing that the ad-
9 ministering organization is not fulfilling
10 the terms of the agreement or contract to
11 which the administering organization is
12 subject or upon the expiration of the
13 agreement or contract.

14 “(3) CONSENSUS COMMITTEE.—

15 “(A) PURPOSE.—There is established a
16 committee to be known as the ‘consensus com-
17 mittee’, which shall, in accordance with this
18 title—

19 “(i) provide periodic recommendations
20 to the Secretary to adopt, revise, and inter-
21 pret the Federal manufactured housing
22 construction and safety standards in ac-
23 cordance with this subsection;

24 “(ii) provide periodic recommenda-
25 tions to the Secretary to adopt, revise, and

1 interpret the procedural and enforcement
2 regulations, including regulations speci-
3 fying the permissible scope and conduct of
4 monitoring in accordance with this sub-
5 section; and

6 “(iii) be organized and carry out its
7 business in a manner that guarantees a
8 fair opportunity for the expression and
9 consideration of various positions and for
10 public participation.

11 “(B) MEMBERSHIP.—The consensus com-
12 mittee shall be composed of—

13 “(i) 25 voting members appointed,
14 subject to approval by the Secretary, by
15 the administering organization from among
16 individuals who are qualified by back-
17 ground and experience to participate in the
18 work of the consensus committee; and

19 “(ii) 1 member appointed by the Sec-
20 retary to represent the Secretary on the
21 consensus committee, who shall be a non-
22 voting member.

23 “(C) DISAPPROVAL.—The Secretary may
24 disapprove, in writing with the reasons set

1 forth, the appointment of an individual under
2 subparagraph (B)(i).

3 “(D) SELECTION PROCEDURES AND RE-
4 QUIREMENTS.—Each member shall be ap-
5 pointed in accordance with the selection proce-
6 dures, which shall be established by the Sec-
7 retary and which shall be based on the proce-
8 dures for consensus committees promulgated by
9 the American National Standards Institute (or
10 successor organization), except that the Amer-
11 ican National Standards Institute interest cat-
12 egories shall be modified for purposes of this
13 paragraph to ensure equal representation on
14 the consensus committee of the following inter-
15 est categories:

16 “(i) HOME PRODUCERS.—Five per-
17 sons representing manufacturers of manu-
18 factured homes.

19 “(ii) OTHER BUSINESS INTERESTS.—
20 Five persons representing other business
21 interests involved in the manufactured
22 housing industry such as retailers, install-
23 ers, lenders, insurers, suppliers of prod-
24 ucts, and community owners. The business
25 interests represented in this category shall

1 not be owned or controlled by manufactur-
2 ers represented under clause (i).

3 “(iii) CONSUMERS.—Five persons rep-
4 resenting homeowners and consumer inter-
5 ests, such as consumer organizations, com-
6 munity organizations, recognized consumer
7 leaders, and owners and occupants of man-
8 ufactured homes.

9 “(iv) PUBLIC OFFICIALS.—Five per-
10 sons who are State or local officials such
11 as building code enforcement or inspection
12 officials, fire marshals, and including rep-
13 resentatives of State administrative agen-
14 cies.

15 “(v) GENERAL INTEREST.—Five per-
16 sons representing the public such as archi-
17 tects, engineers, homebuilders, academi-
18 cians, and developers.

19 “(E) ADDITIONAL QUALIFICATIONS.—An
20 individual appointed under clause (iii), (iv), or
21 (v) of subparagraph (D) shall not have—

22 “(i) a significant financial interest in
23 any segment of the manufactured housing
24 industry; or

1 “(ii) a significant relationship to any
2 person engaged in the manufactured hous-
3 ing industry.

4 “(F) MEETINGS.—

5 “(i) NOTICE; OPEN TO PUBLIC.—The
6 consensus committee shall provide advance
7 notice of each meeting of the consensus
8 committee to the Secretary and publish ad-
9 vance notice of each such meeting in the
10 Federal Register. All meetings of the con-
11 sensus committee shall be open to the pub-
12 lic.

13 “(ii) REIMBURSEMENT.—Members of
14 the consensus committee in attendance at
15 the meetings shall be reimbursed for their
16 actual expenses as authorized by section
17 5703 of title 5, United States Code, for
18 persons employed intermittently in Govern-
19 ment service.

20 “(G) INAPPLICABILITY OF OTHER LAWS.—

21 “(i) ADVISORY COMMITTEE ACT.—The
22 consensus committee shall not be consid-
23 ered to be an advisory committee for pur-
24 poses of the Federal Advisory Committee
25 Act.

1 “(ii) TITLE 18.—The members of the
2 consensus committee shall not be subject
3 to section 203, 205, 207, or 208 of title
4 18, United States Code, to the extent of
5 their proper participation as members of
6 the consensus committee.

7 “(iii) ETHICS IN GOVERNMENT ACT
8 OF 1978.—The Ethics in Government Act
9 of 1978 shall not apply to members of the
10 consensus committee to the extent of their
11 proper participation as members of the
12 consensus committee.

13 “(H) ADMINISTRATION.—The consensus
14 committee and the administering organization
15 shall—

16 “(i) operate in conformance with the
17 procedures established by the American
18 National Standards Institute for the devel-
19 opment and coordination of American Na-
20 tional Standards; and

21 “(ii) apply to the American National
22 Standards Institute and take such other
23 actions as may be necessary to obtain ac-
24 creditation from the American National
25 Standards Institute.

1 “(I) STAFF.—The administering organiza-
2 tion shall, upon the request of the consensus
3 committee, provide reasonable staff resources to
4 the consensus committee. Upon a showing of
5 need, the Secretary shall furnish technical sup-
6 port to any of the various interest categories on
7 the consensus committee.

8 “(J) DATE OF INITIAL APPOINTMENTS.—
9 The initial appointments of all of the members
10 of the consensus committee shall be completed
11 not later than 90 days after the date on which
12 an administration agreement under paragraph
13 (2)(A) is completed with the administering or-
14 ganization.

15 “(4) REVISIONS OF STANDARDS.—

16 “(A) IN GENERAL.—Beginning on the date
17 on which all members of the consensus com-
18 mittee are appointed under paragraph (3), the
19 consensus committee shall, not less than once
20 during each 2-year period—

21 “(i) consider revisions to the Federal
22 manufactured home construction and safe-
23 ty standards; and

24 “(ii) submit proposed revised stand-
25 ards and regulations to the Secretary in

1 the form of a proposed rule, including an
2 economic analysis.

3 “(B) PUBLICATION OF PROPOSED REVISED
4 STANDARDS.—

5 “(i) PUBLICATION BY SECRETARY.—

6 The consensus committee shall provide a
7 proposed revised standard under subpara-
8 graph (A)(ii) to the Secretary who shall,
9 not later than 30 days after receipt, pub-
10 lish such proposed revised standard in the
11 Federal Register for notice and comment.
12 Unless clause (ii) applies, the Secretary
13 shall provide an opportunity for public
14 comment on such proposed revised stand-
15 ard and any such comments shall be sub-
16 mitted directly to the consensus committee
17 without delay.

18 “(ii) PUBLICATION OF REJECTED
19 PROPOSED REVISED STANDARD.—If the
20 Secretary rejects the proposed revised
21 standard, the Secretary shall publish the
22 rejected proposed revised standard in the
23 Federal Register with the reasons for re-
24 jection and any recommended modifica-
25 tions set forth.

1 “(C) PRESENTATION OF PUBLIC COM-
2 MENTS; PUBLICATION OF RECOMMENDED REVI-
3 SIONS.—

4 “(i) PRESENTATION.—Any public
5 comments, views, and objections to a pro-
6 posed revised standard published under
7 subparagraph (B) shall be presented by
8 the Secretary to the consensus committee
9 upon their receipt and in the manner re-
10 ceived, in accordance with procedures es-
11 tablished by the American National Stand-
12 ards Institute.

13 “(ii) PUBLICATION BY THE SEC-
14 RETARY.—The consensus committee shall
15 provide to the Secretary any revisions pro-
16 posed by the consensus committee, which
17 the Secretary shall, not later than 7 cal-
18 endar days after receipt, cause to be pub-
19 lished in the Federal Register as a notice
20 of the recommended revisions of the con-
21 sensus committee to the standard, a notice
22 of the submission of the recommended re-
23 visions to the Secretary, and a description
24 of the circumstances under which the pro-

posed revised standards could become effective.

“(iii) PUBLICATION OF REJECTED PROPOSED REVISED STANDARD.—If the Secretary rejects the proposed revised standard, the Secretary shall publish the rejected proposed revised standard in the Federal Register with the reasons for rejection and any recommended modifications set forth.

“(5) REVIEW BY THE SECRETARY.—

“(A) IN GENERAL.—The Secretary shall either adopt, modify, or reject a standard, as submitted by the consensus committee under paragraph (4)(A).

“(B) TIMING.—Not later than 12 months after the date on which a standard is submitted to the Secretary by the consensus committee, the Secretary shall take action regarding such standard under subparagraph (C).

“(C) PROCEDURES.—If the Secretary—

“(i) adopts a standard recommended by the consensus committee, the Secretary shall—

1 “(I) issue a final order without
2 further rulemaking; and

3 “(II) cause the final order to be
4 published in the Federal Register;

5 “(ii) determines that any standard
6 should be rejected, the Secretary shall—

7 “(I) reject the standard; and

8 “(II) cause to be published in the
9 Federal Register a notice to that ef-
10 fect, together with the reason or rea-
11 sons for rejecting the proposed stand-
12 ard; or

13 “(iii) determines that a standard rec-
14 ommended by the consensus committee
15 should be modified, the Secretary shall—

16 “(I) cause the proposed modified
17 standard to be published in the Fed-
18 eral Register, together with an expla-
19 nation of the reason or reasons for the
20 determination of the Secretary; and

21 “(II) provide an opportunity for
22 public comment in accordance with
23 section 553 of title 5, United States
24 Code.

1 “(D) FINAL ORDER.—Any final standard
2 under this paragraph shall become effective
3 pursuant to subsection (c).

4 “(6) FAILURE TO ACT.—If the Secretary fails
5 to take final action under paragraph (5) and to pub-
6 lish notice of the action in the Federal Register be-
7 fore the expiration of the 12-month period beginning
8 on the date on which the proposed standard is sub-
9 mitted to the Secretary under paragraph (4)(A)—

10 “(A) the recommendations of the con-
11 sensus committee—

12 “(i) shall be considered to have been
13 adopted by the Secretary; and

14 “(ii) shall take effect upon the expira-
15 tion of the 180-day period that begins
16 upon the conclusion of such 12-month pe-
17 riod; and

18 “(B) not later than 10 days after the expi-
19 ration of such 12-month period, the Secretary
20 shall cause to be published in the Federal Reg-
21 ister a notice of the failure of the Secretary to
22 act, the revised standard, and the effective date
23 of the revised standard, which notice shall be
24 deemed to be an order of the Secretary approv-

1 ing the revised standards proposed by the con-
2 sensus committee.

3 “(b) OTHER ORDERS.—

4 “(1) REGULATIONS.—The Secretary may issue
5 procedural and enforcement regulations as necessary
6 to implement the provisions of this title. The con-
7 sensus committee may submit to the Secretary pro-
8 posed procedural and enforcement regulations and
9 recommendations for the revision of such regula-
10 tions.

11 “(2) INTERPRETATIVE BULLETINS.—The Sec-
12 retary may issue interpretative bulletins to clarify
13 the meaning of any Federal manufactured home
14 construction and safety standard or procedural and
15 enforcement regulation. The consensus committee
16 may submit to the Secretary proposed interpretative
17 bulletins to clarify the meaning of any Federal man-
18 ufactured home construction and safety standard or
19 procedural and enforcement regulation.

20 “(3) REVIEW BY CONSENSUS COMMITTEE.—Be-
21 fore issuing a procedural or enforcement regulation
22 or an interpretative bulletin—

23 “(A) the Secretary shall—

1 “(i) submit the proposed procedural
2 or enforcement regulation or interpretative
3 bulletin to the consensus committee; and

4 “(ii) provide the consensus committee
5 with a period of 120 days to submit writ-
6 ten comments to the Secretary on the pro-
7 posed procedural or enforcement regulation
8 or the interpretative bulletin; and

9 “(B) if the Secretary rejects any signifi-
10 cant comment provided by the consensus com-
11 mittee under subparagraph (A), the Secretary
12 shall provide a written explanation of the rea-
13 sons for the rejection to the consensus com-
14 mittee; and

15 “(C) following compliance with subpara-
16 graphs (A) and (B), the Secretary shall—

17 “(i) cause the proposed regulation or
18 interpretative bulletin and the consensus
19 committee’s written comments along with
20 the Secretary’s response thereto to be pub-
21 lished in the Federal Register; and

22 “(ii) provide an opportunity for public
23 comment in accordance with section 553 of
24 title 5, United States Code.

1 “(4) REQUIRED ACTION.—The Secretary shall
2 act on any proposed regulation or interpretative bul-
3 letin submitted by the consensus committee by ap-
4 proving or rejecting the proposal within 120 days
5 from the date the proposal is received by the Sec-
6 retary. The Secretary shall either—

7 “(A) approve the proposal and cause the
8 proposed regulation or interpretative bulletin to
9 be published for public comment in accordance
10 with section 553 of title 5, United States Code;
11 or

12 “(B) reject the proposed regulation or in-
13 terpretative bulletin and—

14 “(i) provide a written explanation of
15 the reasons for rejection to the consensus
16 committee; and

17 “(ii) cause the proposed regulation
18 and the written explanation for the rejec-
19 tion to be published in the Federal Reg-
20 ister.

21 “(5) EMERGENCY ORDERS.—If the Secretary
22 determines, in writing, that such action is necessary
23 in order to respond to an emergency which jeopard-
24 izes the public health or safety, or to address an
25 issue on which the Secretary determines that the

1 consensus committee has not made a timely rec-
2 ommendation, following a request by the Secretary,
3 the Secretary may issue an order that is not devel-
4 oped under the procedures set forth in subsection
5 (a) or in this subsection, if the Secretary—

6 “(A) provides to the consensus committee
7 a written description and sets forth the reasons
8 why emergency action is necessary and all sup-
9 porting documentation; and

10 “(B) issues and publishes the order in the
11 Federal Register.

12 “(6) CHANGES.—Any statement of policies,
13 practices, or procedures relating to construction and
14 safety standards, inspections, monitoring, or other
15 enforcement activities which constitutes a statement
16 of general or particular applicability and future off-
17 set and decisions to implement, interpret, or pre-
18 scribe law of policy by the Secretary is subject to the
19 provisions of subsection (a) or (b) of this subsection.
20 Any change adopted in violation of the provisions of
21 subsection (a) or (b) of this subsection is void.

22 “(7) TRANSITION.—Until the date that the con-
23 sensus committee is appointed pursuant to section
24 704(a)(3), the Secretary may issue proposed orders

1 that are not developed under the procedures set
2 forth in this section for new and revised standards.”;

3 (2) in subsection (d), by adding at the end the
4 following: “Federal preemption under this subsection
5 shall be broadly and liberally construed to ensure
6 that disparate State or local requirements or stand-
7 ards do not affect the uniformity and comprehen-
8 siveness of the standards promulgated hereunder.

9 (3) by striking subsection (e);

10 (4) in subsection (f), by striking the subsection
11 designation and all of the matter that precedes para-
12 graph (1) and inserting the following:

13 “(e) CONSIDERATIONS IN ESTABLISHING AND IN-
14 TERPRETING STANDARDS AND REGULATIONS.—The con-
15 sensus committee, in recommending standards, regula-
16 tions, and interpretations, and the Secretary, in estab-
17 lishing standards or regulations, or issuing interpretations
18 under this section, shall—”;

19 (5) by striking subsection (g);

20 (6) in the first sentence of subsection (j), by
21 striking “subsection (f)” and inserting “subsection
22 (e)”; and

23 (7) by redesignating subsections (h), (i), and
24 (j), as subsections (f), (g), and (h), respectively.

1 **SEC. 705. ABOLISHMENT OF NATIONAL MANUFACTURED**
2 **HOME ADVISORY COUNCIL.**

3 Section 605 (42 U.S.C. 5404) is hereby repealed.

4 **SEC. 706. PUBLIC INFORMATION.**

5 Section 607 (42 U.S.C. 5406) is amended—

6 (1) in subsection (a)—

7 (A) by inserting “to the Secretary” after
8 “submit”; and

9 (B) by adding at the end the following:

10 “The Secretary shall submit such cost and
11 other information to the consensus committee
12 for evaluation.”;

13 (2) in subsection (d), by inserting “, the con-
14 sensus committee,” after “public”; and

15 (3) by striking subsection (c) and redesignating
16 subsections (d) and (e) as subsections (c) and (d),
17 respectively.

18 **SEC. 707. RESEARCH, TESTING, DEVELOPMENT, AND TRAIN-**
19 **ING.**

20 (a) IN GENERAL.—Section 608(a) (42 U.S.C.
21 5407(a)) is amended—

22 (1) in paragraph (2), by striking “and” at the
23 end;

24 (2) in paragraph (3), by striking the period at
25 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. 708. 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. 709. ELIMINATION OF ANNUAL REPORT REQUIRE-**
14 **MENT.**

15 The National Manufactured Housing Construction
16 and Safety Standards Act of 1974 is amended—

17 (1) by striking section 626 (42 U.S.C. 5425);
18 and

19 (2) by redesignating sections 627 and 628 (42
20 U.S.C. 5426, 5401 note) as sections 626 and 627,
21 respectively.

22 **SEC. 710. EFFECTIVE DATE.**

23 The amendments made by this title shall take effect
24 on the date of enactment of this Act, except that the
25 amendments shall have no effect on any order or interpre-

1 tative bulletin that is published as a proposed rule pursu-
2 ant to section 553 of title 5, United States Code, on or
3 before such date.

4 **SEC. 711. SAVINGS PROVISION.**

5 (a) STANDARDS AND REGULATIONS.—The Federal
6 manufactured home construction and safety standards (as
7 such term is defined in section 603 of the National Manu-
8 factured Housing Construction and Safety Standards Act
9 of 1974) and all regulations pertaining thereto in effect
10 immediately before the date of the enactment of this Act
11 shall apply until the effective date of a standard or regula-
12 tion modifying or superseding the existing standard or
13 regulation which is promulgated under subsection (a) or
14 (b) of section 604 of the National Manufactured Housing
15 Construction and Safety Standards Act of 1974, as
16 amended by this title.

17 (b) CONTRACTS.—Any contract awarded pursuant to
18 a Request for Proposal issued before the date of enact-
19 ment of this Act shall remain in effect for a period of 2
20 years from the date of enactment of this Act or for the
21 remainder of the contract term, whichever period is short-
22 er.

1 **TITLE VIII—INDIAN HOUSING**
2 **HOMEOWNERSHIP**

3 **SEC. 801. LANDS TITLE REPORT COMMISSION.**

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

14 (b) MEMBERSHIP.—

15 (1) APPOINTMENT.—The Commission shall be
16 composed of 12 members, appointed not later than
17 90 days after the date of the enactment of this Act
18 as follows:

19 (A) 4 members shall be appointed by the
20 President.

21 (B) 4 members shall be appointed by the
22 Chairperson of the Committee on Banking and
23 Financial Services of the House of Representa-
24 tives.

1 (C) 4 members shall be appointed by the
2 Chairperson of the Committee on Banking,
3 Housing, and Urban Affairs of the Senate.

4 (2) QUALIFICATIONS.—

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

9 (B) EXPERIENCE IN LAND TITLE MAT-
10 TERS.—All members of the Commission shall
11 have experience in and knowledge of land title
12 matters relating to Indian trust lands.

13 (3) CHAIRPERSON.—The Chairperson of the
14 Commission shall be one of the members of the
15 Commission appointed under paragraph (1)(C), as
16 elected by the members of the Commission.

17 (4) VACANCIES.—Any vacancy on the Commis-
18 sion shall not affect its powers, but shall be filled in
19 the manner in which the original appointment was
20 made.

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

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

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

14 (1) to ensure prompt and accurate responses to
15 requests for title status reports;

16 (2) to eliminate any backlog of requests for title
17 status reports; and

18 (3) to ensure that the administration of the sys-
19 tem will not in any way impair or restrict the ability
20 of Native Americans to obtain conventional loans for
21 purchase of residences located on Indian trust lands,
22 including any actions necessary to ensure that the
23 system will promptly be able to meet future demands
24 for certified title status reports, taking into account

1 the anticipated complexity and volume of such re-
2 quests.

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

10 (f) POWERS.—

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

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

22 (3) OBTAINING OFFICIAL DATA.—The Commis-
23 sion may secure directly from any department or
24 agency of the United States information necessary
25 to enable it to carry out this section. Upon request

1 of the Chairperson of the Commission, the head of
2 that department or agency shall furnish that infor-
3 mation to the Commission.

4 (4) **MAILS.**—The Commission may use the
5 United States mails in the same manner and under
6 the same conditions as other departments and agen-
7 cies of the United States.

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

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

22 (g) **AUTHORIZATION OF APPROPRIATIONS.**—To carry
23 out this section, there is authorized to be appropriated
24 \$500,000. Such sums shall remain available until ex-
25 pended.

1 (h) TERMINATION.—The Commission shall terminate
2 1 year after the date of the initial meeting of the Commis-
3 sion.

4 **SEC. 802. LOAN GUARANTEES FOR INDIAN HOUSING.**

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

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

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

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

1 **TITLE IX—TRANSFER OF UNOC-**
 2 **CUPIED AND SUBSTANDARD**
 3 **HUD-HELD HOUSING TO**
 4 **LOCAL GOVERNMENTS AND**
 5 **COMMUNITY DEVELOPMENT**
 6 **CORPORATIONS**

7 **SEC. 901. 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 to a unit of general local
5 government having jurisdiction for the area in which
6 the property is located or to a community develop-
7 ment corporation which operates within such a unit
8 of general local government in accordance with this
9 subsection, but only to the extent that units of gen-
10 eral local government and community development
11 corporations consent to transfer and the Secretary
12 determines that such transfer is practicable.

13 “(2) QUALIFIED HUD PROPERTIES.—For pur-
14 poses of this subsection, the term ‘qualified HUD
15 property’ means any property that is owned by the
16 Secretary and is—

17 “(A) an unoccupied multifamily housing
18 project;

19 “(B) a substandard multifamily housing
20 project; or

21 “(C) an unoccupied single family property
22 that—

23 “(i) has been determined by the Sec-
24 retary not to be an eligible property under

1 section 204(h) of the National Housing
2 Act (12 U.S.C. 1710(h)); or

3 “(ii) is an eligible property under such
4 section 204(h), but—

5 “(I) is not subject to a specific
6 sale agreement under such section;
7 and

8 “(II) has been determined by the
9 Secretary to be inappropriate for con-
10 tinued inclusion in the program under
11 such section 204(h) pursuant to para-
12 graph (10) of such section.

13 “(3) TIMING.—The Secretary shall establish
14 procedures that provide for—

15 “(A) time deadlines for transfers under
16 this subsection;

17 “(B) notification to units of general local
18 government and community development cor-
19 porations of qualified HUD properties in their
20 jurisdictions;

21 “(C) such units and corporations to ex-
22 press interest in the transfer under this sub-
23 section of such properties;

24 “(D) a right of first refusal for transfer of
25 qualified HUD properties to such units and cor-

1 porations, under which the Secretary shall ac-
2 cept an offer to purchase such a property made
3 by such a unit or corporation during a period
4 established by the Secretary, but in the case of
5 an offer made by a community development cor-
6 poration only if the offer provides for purchase
7 on a cost recovery basis; and

8 “(E) a written explanation, to any unit of
9 general local government or community develop-
10 ment corporation making an offer to purchase
11 a qualified HUD property under this subsection
12 that is not accepted, of the reason that such
13 offer was not acceptable.

14 “(4) OTHER DISPOSITION.—With respect to
15 any qualified HUD property, if the Secretary does
16 not receive an acceptable offer to purchase the prop-
17 erty pursuant to the procedure established under
18 paragraph (3), the Secretary shall dispose of the
19 property to the unit of general local government in
20 which property is located or to community develop-
21 ment corporations located in such unit of general
22 local government on a negotiated, competitive bid, or
23 other basis, on such terms as the Secretary deems
24 appropriate.

1 “(5) SATISFACTION OF INDEBTEDNESS.—Be-
2 fore transferring ownership of any qualified HUD
3 property pursuant to this subsection, the Secretary
4 shall satisfy any indebtedness incurred in connection
5 with the property to be transferred, by canceling the
6 indebtedness.

7 “(6) DETERMINATION OF STATUS OF PROP-
8 ERTIES.—To ensure compliance with the require-
9 ments of this subsection, the Secretary shall take the
10 following actions:

11 “(A) UPON ENACTMENT.—Upon the enact-
12 ment of the American Homeownership and Eco-
13 nomic Opportunity Act of 1999, the Secretary
14 shall promptly assess each residential property
15 owned by the Secretary to determine whether
16 such property is a qualified HUD property.

17 “(B) UPON ACQUISITION.—Upon acquiring
18 any residential property, the Secretary shall
19 promptly determine whether the property is a
20 qualified HUD property.

21 “(C) UPDATES.—The Secretary shall peri-
22 odically reassess the residential properties
23 owned by the Secretary to determine whether
24 any such properties have become qualified
25 HUD properties.

1 “(7) TENANT LEASES.—This subsection shall
2 not affect the terms or the enforceability of any con-
3 tract or lease entered into with respect to any resi-
4 dential property before the date that such property
5 becomes a qualified HUD property.

6 “(8) USE OF PROPERTY.—Property transferred
7 under this subsection shall be used only for appro-
8 priate neighborhood revitalization efforts, including
9 homeownership, rental units, commercial space, and
10 parks, consistent with local zoning regulations, local
11 building codes, and subdivision regulations and re-
12 strictions of record.

13 “(9) INAPPLICABILITY TO PROPERTIES MADE
14 AVAILABLE FOR HOMELESS.—Notwithstanding any
15 other provision of this subsection, this subsection
16 shall not apply to any properties that the Secretary
17 determines are to be made available for use by the
18 homeless pursuant to subpart E of part 291 of title
19 24, Code of Federal Regulations, during the period
20 that the properties are so available.

21 “(10) PROTECTION OF EXISTING CONTRACTS.—
22 This subsection may not be construed to alter, af-
23 fect, or annul any legally binding obligations entered
24 into with respect to a qualified HUD property before
25 the property becomes a qualified HUD property.

1 “(11) DEFINITIONS.—For purposes of this sub-
2 section, the following definitions shall apply:

3 “(A) COMMUNITY DEVELOPMENT COR-
4 PORATION.—The term ‘community development
5 corporation’ means a nonprofit organization
6 whose primary purpose is to promote commu-
7 nity development by providing housing opportu-
8 nities for low-income families.

9 “(B) COST RECOVERY BASIS.—The term
10 ‘cost recovery basis’ means, with respect to any
11 sale of a residential property by the Secretary,
12 that the purchase price paid by the purchaser
13 is equal to or greater than or equal to the costs
14 incurred by the Secretary in connection with
15 such property during the period beginning on
16 the date on which the Secretary acquires title to
17 the property and ending on the date on which
18 the sale is consummated.

19 “(C) MULTIFAMILY HOUSING PROJECT.—
20 The term ‘multifamily housing project’ has the
21 meaning given the term in section 203 of the
22 Housing and Community Development Amend-
23 ments of 1978.

24 “(D) RESIDENTIAL PROPERTY.—The term
25 ‘residential property’ means a property that is

1 a multifamily housing project or a single family
2 property.

3 “(E) SECRETARY.—The term ‘Secretary’
4 means the Secretary of Housing and Urban De-
5 velopment.

6 “(F) SEVERE PHYSICAL PROBLEMS.—The
7 term ‘severe physical problems’ means, with re-
8 spect to a dwelling unit, that the unit—

9 “(i) lacks hot or cold piped water, a
10 flush toilet, or both a bathtub and a show-
11 er in the unit, for the exclusive use of that
12 unit;

13 “(ii) on not less than 3 separate occa-
14 sions during the preceding winter months,
15 was uncomfortably cold for a period of
16 more than 6 consecutive hours due to a
17 malfunction of the heating system for the
18 unit;

19 “(iii) has no functioning electrical
20 service, exposed wiring, any room in which
21 there is not a functioning electrical outlet,
22 or has experienced 3 or more blown fuses
23 or tripped circuit breakers during the pre-
24 ceding 90-day period;

1 “(iv) is accessible through a public
2 hallway in which there are no working
3 light fixtures, loose or missing steps or
4 railings, and no elevator; or

5 “(v) has severe maintenance problems,
6 including water leaks involving the roof,
7 windows, doors, basement, or pipes or
8 plumbing fixtures, holes or open cracks in
9 walls or ceilings, severe paint peeling or
10 broken plaster, and signs of rodent infesta-
11 tion.

12 “(G) SINGLE FAMILY PROPERTY.—The
13 term ‘single family property’ means a 1- to 4-
14 family residence.

15 “(H) SUBSTANDARD.—The term ‘sub-
16 standard’ means, with respect to a multifamily
17 housing project, that 25 percent or more of the
18 dwelling units in the project have severe phys-
19 ical problems.

20 “(I) UNIT OF GENERAL LOCAL GOVERN-
21 MENT.—The term ‘unit of general local govern-
22 ment’ has the meaning given such term in sec-
23 tion 102(a) of the Housing and Community De-
24 velopment Act of 1974.

1 “(J) UNOCCUPIED.—The term ‘unoccu-
 2 pied’ means, with respect to a residential prop-
 3 erty, that the unit of general local government
 4 having jurisdiction over the area in which the
 5 project is located has certified in writing that
 6 the property is not inhabited.

7 “(12) REGULATIONS.—

8 “(A) INTERIM.—Not later than 30 days
 9 after the date of the enactment of the American
 10 Homeownership and Economic Opportunity Act
 11 of 1999, the Secretary shall issue such interim
 12 regulations as are necessary to carry out this
 13 subsection.

14 “(B) FINAL.—Not later than 60 days after
 15 the date of the enactment of the American
 16 Homeownership and Economic Opportunity Act
 17 of 1999, the Secretary shall issue such final
 18 regulations as are necessary to carry out this
 19 subsection.”.

20 **SEC. 902. TECHNICAL CORRECTIONS TO THE MULTIFAMILY**
 21 **ASSISTED HOUSING REFORM AND AFFORD-**
 22 **ABILITY ACT OF 1997.**

23 (a) SECTION 8 CONTRACT RENEWAL POLICY FOR
 24 FISCAL YEAR 2000 AND SUBSEQUENT YEARS.—Section
 25 524 of the Multifamily Assisted Housing Reform and Af-

1 fordability Act of 1997 (42 U.S.C. 1437 note; 111 Stat.
2 1408–1409) is amended—

3 (1) in subsection (a)(2), by inserting after
4 “Notwithstanding paragraph (1)” the following:
5 “and subject to section 516 of this subtitle”;

6 (2) in subsection (a)(2)(B), by striking “and fi-
7 nancing” and inserting “and the primary financing”;
8 and

9 (3) by inserting at the end the following new
10 subsections:

11 “(b) INAPPLICABILITY TO PROJECTS SUBJECT TO
12 RESTRUCTURING.—This section shall not apply to
13 projects restructured under this subtitle.

14 “(c) SAVINGS PROVISIONS.—Upon the repeal of this
15 subtitle pursuant to section 579, the provisions of sections
16 512(2) and 516 (as in effect immediately before such re-
17 peal) shall apply with respect to this section.”.

18 (b) REPEAL OF CONTRACT RENEWAL AUTHORITY
19 UNDER SECTION 405(a).—Section 405(a) of the Balanced
20 Budget Downpayment Act, I (42 U.S.C. 1437f note; 110
21 Stat. 44–45), is hereby repealed.

22 (c) EXEMPTIONS FROM RESTRUCTURING.—Section
23 514(h)(1) of the Multifamily Assisted Housing Reform
24 and Affordability Act of 1997 (42 U.S.C. 1437 note; 111
25 Stat. 1396) is amended to read as follows:

1 “(1) the primary financing for the project was
2 provided by a unit of State government or a unit of
3 general local government (or an agency or instru-
4 mentality of either) and the primary financing in-
5 volves mortgage insurance under the National Hous-
6 ing Act, such that implementation of a mortgage re-
7 structuring and rental assistance sufficiency plan
8 under this Act would be in conflict with applicable
9 law or agreements governing such financing;”.

10 (d) MANDATORY RENEWAL OF PROJECT-BASED AS-
11 SISTANCE.—Section 515(c)(1) of the Multifamily Assisted
12 Housing Reform and Affordability Act of 1997 (42 U.S.C.
13 1437 note; 111 Stat. 1397) is amended by inserting “or”
14 after the semicolon at the end of subparagraph (B).

15 (e) PARTIAL PAYMENTS OF CLAIMS.—Section 541 of
16 the National Housing Act (12 U.S.C. 1735f–19) is
17 amended—

18 (1) by striking “1978 or” and inserting “1978)
19 or”; and

20 (2) by striking “)))” and inserting “))”.

1 **TITLE X—PRIVATE MORTGAGE**
2 **INSURANCE CANCELLATION**
3 **AND TERMINATION**

4 **SEC. 1001. TREATMENT OF ADJUSTABLE RATE MORT-**
5 **GAGES.**

6 (a) DEFINITIONS.—Section 2 of the Homeowners
7 Protection Act of 1998 (12 U.S.C. 4901) is amended—

8 (1) in paragraph (2)(B), by striking clause (i)
9 and inserting the following new clause:

10 “(i) is scheduled to reach 80 percent
11 of the original value of the property secur-
12 ing the loan, based solely on the amortiza-
13 tion schedule then in effect and irrespec-
14 tive of the outstanding balance for that
15 mortgage on that date; or”;

16 (2) in paragraph (12), by striking “primary”
17 and inserting “principal”;

18 (3) in paragraph (13), by striking “primary”
19 and inserting “principal”;

20 (4) in paragraph (16), by striking subpara-
21 graph (B) and inserting the following new subpara-
22 graph:

23 “(B) with respect to an adjustable rate
24 mortgage, the date on which the principal bal-
25 ance of the mortgage is scheduled to reach 78

1 percent of the original value of the property se-
2 curing the loan, based solely on the amortiza-
3 tion schedule then in effect and irrespective of
4 the outstanding balance for that mortgage on
5 that date.”;

6 (5) by redesignating paragraphs (2) through
7 (16), as amended by the preceding provisions of this
8 subsection, as paragraphs (3) through (17), respec-
9 tively; and

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

12 “(2) AMORTIZATION SCHEDULE.—The term
13 ‘amortization schedule’ means, with respect to an
14 adjustable rate mortgage, the schedule that is cre-
15 ated at the time a residential mortgage transaction
16 is consummated and the schedule established with
17 respect to each subsequent change date, which the
18 mortgagee uses to determine the amount of principal
19 and interest that is due at regular intervals to retire
20 the balance and accrued interest over the remaining
21 amortization period of the loan. Such amortization
22 schedules shall be prepared at such times as the
23 mortgagor’s interest rate or payment is calculated or
24 recalculated under, and in accordance with, the cal-
25 culation methodology set forth in the credit terms to

1 which the parties to the mortgage are legally bound,
2 and taking into account, if applicable under such
3 credit terms, the actual outstanding balance of the
4 mortgage (including any prepayments of or additions
5 to principal) at the time of the recalculation. The
6 amortization schedule developed at the time of the
7 most recent interest rate change or payment recal-
8 culation will be the only amortization schedule used
9 to determine whether the loan will reach the can-
10 cellation date, termination date, or the date estab-
11 lished in section 3(g)(1)(B)(ii) before the next pay-
12 ment recalculation or interest rate change date.”.

13 (b) EXCEPTIONS FOR HIGH RISK LOANS.—Section
14 3(f)(1)(B) of the Homeowners Protection Act of 1998 (12
15 U.S.C. 4902(f)(1)(B)) is amended by striking clause (ii)
16 and inserting the following new clause:

17 “(ii) with respect to an adjustable
18 rate mortgage, on the date on which the
19 principal balance of the mortgage is sched-
20 uled to reach 77 percent of the original
21 value of the property securing the loan,
22 based solely on the amortization schedule
23 then in effect and irrespective of the out-
24 standing balance for that mortgage on that
25 date.”.

1 **SEC. 1002. TREATMENT OF CERTAIN MODIFICATIONS.**

2 (a) IN GENERAL.—Section 3 of the Homeowners
3 Protection Act of 1998 (12 U.S.C. 4902) is amended—

4 (1) by redesignating subsections (d) through (f)
5 as subsections (e) through (g), respectively; and

6 (2) by inserting after subsection (c) the fol-
7 lowing new subsection:

8 “(d) TREATMENT OF MODIFICATIONS.—The termi-
9 nation date, cancellation date, and date upon which final
10 termination is reached with regard to residential mortgage
11 transactions may be reset, at the option of the mortgagee,
12 if the mortgagor and mortgagee agree to a modification
13 to the terms of the note or mortgage. The mortgagee will
14 reset the termination date, cancellation date, and final ter-
15 mination according to subsections (a), (b), and (c) using
16 the modified terms of the note. A recording of the modified
17 mortgage or note is not required under this subsection.”.

18 (b) CONFORMING AMENDMENTS.—Section 4(a) of
19 the Homeowners Protection Act of 1998 (12 U.S.C.
20 4903(a)) is amended—

21 (1) in paragraph (1)—

22 (A) in the matter preceding subparagraph

23 (A), by striking “section 3(f)(1)” and inserting

24 “section 3(g)(1)”;

1 (B) in subparagraph (A)(ii)(IV), by striking
 2 “section 3(f)” and inserting “section 3(g)”;
 3 and

4 (C) in subparagraph (B)(iii), by striking
 5 “section 3(f)” and inserting “section 3(g)”; and

6 (2) in paragraph (2), by striking “section
 7 3(f)(1)” and inserting “section 3(g)(1)”.

8 **SEC. 1003. RESIDENTIAL MORTGAGES AND RESIDENTIAL**
 9 **MORTGAGE TRANSACTIONS.**

10 (a) TERMINATION OF PRIVATE MORTGAGE INSUR-
 11 ANCE.—Section 3 of the Homeowners Protection Act of
 12 1998 (12 U.S.C. 4902) is amended—

13 (1) in subsection (c), by inserting “on residen-
 14 tial mortgage transactions” after “imposed”; and

15 (2) in subsection (g) (as so redesignated by sec-
 16 tion 1002(a)(1) of this Act)—

17 (A) in paragraph (1), in the matter pre-
 18 ceding subparagraph (A), by striking “mort-
 19 gage or”;

20 (B) in paragraph (2), by striking “mort-
 21 gage or”; and

22 (C) in paragraph (3), by striking “mort-
 23 gage or” and inserting “residential mortgage or
 24 residential”.

1 (b) DISCLOSURE REQUIREMENTS.—Section 4(a) of
2 the Homeowners Protection Act of 1998 (12 U.S.C.
3 4903(a)) is amended—

4 (1) in paragraph (1)—

5 (A) by striking “mortgage or” the first
6 place it appears; and

7 (B) by striking “mortgage or” the second
8 place it appears and inserting “residential”;
9 and

10 (2) in paragraph (2), by striking “mortgage or”
11 and inserting “residential”.

12 (c) DISCLOSURE REQUIREMENTS FOR LENDER-PAID
13 MORTGAGE INSURANCE.—Section 6 of the Homeowners
14 Protection Act of 1998 (12 U.S.C. 4905) is amended—

15 (1) in subsection (c)—

16 (A) in the matter preceding paragraph (1),
17 by striking “a residential mortgage or”;

18 (B) in paragraph (1)(B), by inserting
19 “transaction” after “residential mortgage” each
20 place it appears; and

21 (C) in paragraph (2), by inserting “trans-
22 action” after “residential mortgage”; and

23 (2) in subsection (d), by inserting “transaction”
24 after “residential mortgage”.

1 **SEC. 1004. CLARIFICATION OF STATUS OF BALLOON MORT-**
2 **GAGE FINANCING.**

3 Section 2(1) of the Homeowners Protection Act of
4 1998 (12 U.S.C. 4901(1)) is amended by adding at the
5 end the following new sentence: “A residential mortgage
6 that does not fully amortize over the term of the obligation
7 and contains a conditional right to refinance the
8 unamortized principal at the end of the term shall be con-
9 sidered to be an adjustable rate mortgage for purposes
10 of this Act on the basis of the rate change that may occur
11 at the end of the term if the borrower exercises the condi-
12 tional right to refinance.”.

13 **SEC. 1005. DISCLOSURE REQUIREMENTS.**

14 (a) INCLUSION IN OTHER ANNUAL NOTICES.—Sec-
15 tion 4(c) of the Homeowners Protection Act of 1998 (12
16 U.S.C. 4903(c)) is amended by striking “subsection (b)
17 and paragraphs (1)(B) and (3) of subsection (a)” and in-
18 serting “subsections (a)(3) and (b)”.

19 (b) STANDARDIZED FORMS.—Section 4(d) of the
20 Homeowners Protection Act of 1998 (12 U.S.C. 4903(d))
21 is amended by inserting before the period at the end the
22 following: “, which disclosures shall relate to the mortga-
23 gor’s rights under this Act”.

○