

Union Calendar No. 327

109TH CONGRESS
2^D SESSION

H. R. 5527

[Report No. 109-572]

To extend the authority of the Secretary of Housing and Urban Development to restructure mortgages and rental assistance for certain assisted multi-family housing.

IN THE HOUSE OF REPRESENTATIVES

JUNE 6, 2006

Mr. NEY (for himself, Ms. WATERS, Mr. GERLACH, and Mr. FRANK of Massachusetts) introduced the following bill; which was referred to the Committee on Financial Services

JULY 17, 2006

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

A BILL

To extend the authority of the Secretary of Housing and Urban Development to restructure mortgages and rental assistance for certain assisted multifamily housing.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “~~Mark-to-Market Ex-~~
3 ~~tension Act of 2006~~”.

4 **SEC. 2. REAUTHORIZATION.**

5 Section 579 of the Multifamily Assisted Housing Re-
6 form and Affordability Act of 1997 (42 U.S.C. 1437f
7 note) is amended—

8 (1) in subsection (a)(1), by striking “October 1,
9 2006” and inserting “October 1, 2011”; and

10 (2) in subsection (b), by striking “October 1,
11 2006” and inserting “October 1, 2011”.

12 **SECTION 1. SHORT TITLE.**

13 *This Act may be cited as the “Mark-to-Market Exten-*
14 *sion Act of 2006”.*

15 **SEC. 2. REAUTHORIZATION.**

16 *Section 579 of the Multifamily Assisted Housing Re-*
17 *form and Affordability Act of 1997 (42 U.S.C. 1437f note)*
18 *is amended—*

19 (1) *in subsection (a)(1), by striking “October 1,*
20 *2006” and inserting “October 1, 2011”; and*

21 (2) *in subsection (b), by striking “October 1,*
22 *2006” and inserting “October 1, 2011”.*

23 **SEC. 3. EXCEPTION RENTS.**

24 *Section 514(g)(2)(A) of the Multifamily Assisted Hous-*
25 *ing Reform and Affordability Act of 1997 (42 U.S.C. 1437f*

1 note) is amended by striking “five percent” and inserting
 2 “nine percent”.

3 **SEC. 4. PERIOD OF ELIGIBILITY FOR NONPROFIT DEBT RE-**
 4 **LIEF.**

5 Section 517(a)(5) of the Multifamily Assisted Housing
 6 Reform and Affordability Act of 1997 (42 U.S.C. 1437f
 7 note) is amended by inserting before the period at the end
 8 the following: “: Provided, That if such purchaser acquires
 9 such project subsequent to the date of recordation of the af-
 10 fordability agreement described in section 514(e)(6), (A)
 11 such purchaser must acquire such project on or before the
 12 later of (i) five years after the date of recordation of the
 13 affordability agreement and (ii) two years after the date
 14 of enactment of this title; and (B) the Secretary must have
 15 received, and determined acceptable, such purchaser’s appli-
 16 cation for modification, assignment or forgiveness prior to
 17 such purchaser’s acquisition of the project”.

18 **SEC. 5. DEFINITIONS.**

19 Section 512 of the Multifamily Assisted Housing Re-
 20 form and Affordability Act of 1997 (42 U.S.C. 1437f note)
 21 is amended by adding at the end the following new para-
 22 graph:

23 “(20) **DISASTER-DAMAGED ELIGIBLE PROJECT.**—
 24 The term ‘disaster-damaged eligible project’ means an
 25 eligible multifamily housing project—

1 “(A) that is located in a county that was
2 declared a major disaster area on or after Janu-
3 ary 1, 2005, by the President pursuant to the
4 Robert T. Stafford Disaster Relief and Emer-
5 gency Assistance Act (42 U.S.C. 5121 et seq);

6 “(B) whose owner carried casualty and li-
7 ability insurance covering such project in
8 amounts required by the Secretary;

9 “(C) that suffered damages not covered by
10 such insurance that the Secretary determines are
11 likely to exceed \$5,000 per unit in connection
12 with the natural disaster that was the subject of
13 such designation; and

14 “(D) whose owner requests restructuring
15 within two years following the date that such
16 damages were incurred.

17 Disaster-damaged eligible projects shall be eligible
18 without regard to the relationship between rent level
19 for the assisted units and comparable market rents.”.

20 **SEC. 6. DISASTER-DAMAGED ELIGIBLE PROJECTS.**

21 (a) MARKET RENT DETERMINATIONS.—Subparagraph
22 (B) of section 514(g)(1) of the Multifamily Assisted Hous-
23 ing Reform and Affordability Act of 1997 (42 U.S.C. 1437f
24 note) is amended to read as follows:

25 “(B) if those rents cannot be determined—

1 “(i) with respect to a disaster-damaged
2 eligible project, are equal to 100 percent of
3 the fair market rents for the relevant market
4 area (in effect at the time of such disaster);
5 and

6 “(ii) with respect to other eligible mul-
7 tifamily housing projects, are equal to 90
8 percent of the fair market rents for the rel-
9 evant market area.”.

10 (b) OWNER INVESTMENT.—Section 517(c) of the Multi-
11 family Assisted Housing Reform and Affordability Act of
12 1997 (42 U.S.C. 1437f note) is amended by adding at the
13 end the following new paragraph:

14 “(3) PROPERTIES DAMAGED BY NATURAL DISAS-
15 TERS.—With respect to a disaster-damaged eligible
16 project, the owner contribution toward rehabilitation
17 needs shall be determined in accordance with para-
18 graph (2)(C).”.

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