

110TH CONGRESS
1ST SESSION

S. 2008

To reform the single family housing loan guarantee program under the
Housing Act of 1949.

IN THE SENATE OF THE UNITED STATES

AUGUST 3, 2007

Ms. LANDRIEU introduced the following bill; which was read twice and
referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To reform the single family housing loan guarantee program
under the Housing Act of 1949.

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.**

4 This Act may be cited as the “Home Ownership Made
5 Easier Act” or the “HOME Act”.

6 **SEC. 2. SINGLE FAMILY HOUSING LOAN GUARANTEE PRO-**
7 **GRAM.**

8 Section 502(h) of the Housing Act of 1949 (42
9 U.S.C. 1472(h)) is amended—

1 (1) by amending paragraph (3) to read as fol-
2 lows:

3 “(3) INCOME LIMITS FOR ELIGIBLE BOR-
4 ROWERS.—To be eligible to receive a guaranteed
5 loan pursuant to this subsection, the income of a
6 borrower—

7 “(A) shall not exceed the current 4-person
8 household limit, as defined by the Secretary, for
9 a borrower living in a 1 to 4 person household;

10 “(B) shall not exceed the current 8-person
11 household limit, as defined by the Secretary, for
12 a borrower living in a 5 to 8 person household;
13 and

14 “(C) shall not exceed the current house-
15 hold limits for households greater than 8 per-
16 sons, as defined by the Secretary, for a bor-
17 rower living in a household of more than 8 per-
18 sons.”;

19 (2) in paragraph (4)—

20 (A) in subparagraph (A) by inserting
21 “and” after the semicolon;

22 (B) by striking subparagraph (B);

23 (C) by redesignating subparagraph (C) as
24 subparagraph (B); and

1 (D) in subparagraph (B), as so redesignated,
2 nated, by striking the period and inserting the
3 following “having a population of not more than
4 40,000.”;

5 (3) in paragraph (8), by striking “1 percent”
6 and inserting “2 percent”;

7 (4) by amending paragraph (9) to read as follows:
8

9 “(9) REFINANCING.—

10 “(A) IN GENERAL.—Any loan guaranteed
11 under this subsection or any loan not guaranteed
12 under this section, but which is owed by an
13 individual who would qualify as an eligible borrower
14 under paragraph (3) on a residence that
15 would qualify under paragraph (4), may be refinanced
16 or extended for any of the following
17 purposes:

18 “(i) To pay off any other loan (including
19 a first or second purchase mortgage)
20 not made or guaranteed under this section.

21 “(ii) To repair mechanical or structural
22 deficiencies to the residence of the
23 borrower, provided that such repairs are
24 made under the supervision of an eligible

1 lender, as that term is defined in para-
2 graph (6).

3 “(iii) To pay for closing costs as may
4 be authorized by the Secretary, which shall
5 include a discount not to exceed 200 basis
6 points and an origination fee not to exceed
7 100 basis points. For each 100 basis
8 points of discount, there shall be a min-
9 imum corresponding reduction of a 50
10 basis points in the maximum note rate, as
11 defined by the Secretary, charged to the
12 borrower.

13 “(iv) To allow the borrower to consoli-
14 date the debts of the borrower up to the
15 greater of \$10,000 or 10 percent of the
16 loan amount, provided that such amounts
17 shall be disbursed by the settlement agent
18 at the time of the loan closing.

19 “(v) For any other purpose, and
20 under such terms and conditions, as the
21 Secretary shall prescribe.

22 “(B) LIMITATION.—Any loan described
23 under subparagraph (A) may not be refinanced
24 or extended for an additional amount or term

