

RURAL HOMEOWNERS PROTECTION
ACT OF 2009

Mr. MOORE of Kansas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2034) to permit refinancing of certain loans under the Rural Housing Service program for guaranteed loans for rural housing, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2034

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Rural Homeowners Protection Act of 2009”.

SEC. 2. SINGLE FAMILY HOUSING LOAN GUARANTEE PROGRAM.

Subsection (h) of section 502 of the Housing Act of 1949 (42 U.S.C. 1472(h)) is amended—

(1) in paragraph (5)(A), by striking “paragraph (13)” and inserting “paragraph (15)”;

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

(3) in paragraph (9), by striking “REFINANCING” and inserting “MODIFICATION OF GUARANTEED LOANS”;

(4) in paragraph (14)—

(A) by striking “GUARANTEES FOR REFINANCING LOANS” and inserting “REFINANCING OF LOANS MADE OR GUARANTEED BY SECRETARY”; and

(B) in subparagraph (E)—

(i) by striking “(10)” and inserting “(12)”; and

(ii) by striking “(13)” and inserting “(9) or of paragraphs (11) through (14)”;

(5) by redesignating paragraphs (10), (11), (12), (13), and (14) as paragraphs (12), (13), (14), (15), and (10), respectively;

(6) by transferring and inserting paragraph (10), as so redesignated by paragraph (5) of this subsection, after paragraph (9); and

(7) by inserting after paragraph (10), as so redesignated and transferred by paragraphs (5) and (6) of this subsection, the following new paragraph:

“(11) REFINANCING OF LOANS MADE BY PRIVATE SECTOR LENDERS.—

“(A) AUTHORITY.—The Secretary may, in accordance with this paragraph, guarantee a loan made to refinance a loan made by a private lender to an individual to acquire or construct a single-family residence.

“(B) ELIGIBILITY.—Except as provided in subparagraph (C), all requirements of this subsection shall apply to loans guaranteed and loan guarantees made under this paragraph.

“(C) GUARANTEE FEE.—Notwithstanding paragraph (8), the Secretary shall charge a guarantee fee with respect to loans guaranteed under this paragraph at levels necessary, but no higher than needed, to allow such class of loans to be guaranteed without resulting in a need for an appropriation for a credit subsidy.”.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Kansas (Mr. MOORE) and the gentleman from West Virginia (Mrs. CAPITO) each will control 20 minutes.

The Chair recognizes the gentleman from Kansas.

GENERAL LEAVE

Mr. MOORE. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks on this legislation and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. MOORE of Kansas. I yield 3 minutes to the chief sponsor of this important legislation, the gentleman from Missouri (Mr. CLAY).

Mr. CLAY. Mr. Speaker, as the sponsor of this measure, I am pleased to present H.R. 2034 for consideration by the House today.

The current foreclosure crisis affects rural America, as well as cities and suburbs. Many rural areas are subject to additional complicating factors, such as a shortage of housing, counseling resources, and high poverty rates. Nevertheless, homeowners with average incomes under \$19,000 per year are 98.3 percent successful when serviced through section 502 single-family housing direct or guaranteed loan programs. The foreclosure rate in both of these programs is below 2 percent, as compared to a 5 to 6 percent subprime foreclosure rate overall.

Under current law, rural families who obtain a mortgage from a private lender for the purpose of acquiring or constructing a single-family residence are not permitted to refinance such loans through the section 502 Rural Housing Guaranteed Loan program. To address this issue, the bill would provide the Secretary of Agriculture with the authority to permit the refinancing of such loans through the section 502 Rural Housing Guaranteed Loan program.

Rural families who meet current income and geographic criteria would be eligible to refinance their private loan. As such, this new authority will provide some much-needed relief to our rural housing community and complement efforts by the administration to stabilize communities by helping struggling homeowners stay in their homes.

The Rural Housing Service estimates that this new authority would significantly increase loan volume under the section 502 guaranteed loan program. To address this issue, the bill includes a provision giving the Secretary of Agriculture the authority to charge a higher guarantee fee than the 2 percent fee that is permitted under current law to help ensure that the expected increased loan volume does not require additional congressional appropriations.

The higher fee would apply to private loans and could be no higher than is necessary to ensure that no appropriation is needed. Consequently, the CBO has indicated that the bill is cost-neutral.

I commend Chairman FRANK and Subcommittee Chairwoman WATERS for bringing this legislation to the floor. I urge all of my colleagues to support the bill.

Mrs. CAPITO. Mr. Speaker, I yield such time as I may consume.

Mr. Speaker, I rise in support, strong support, of H.R. 2034, the Rural Home-

owners Protection Act of 2009. As my colleague has stated, the current foreclosure crisis affects rural America as well as cities and suburbs; and many rural areas are subject to additional complicating factors, such as high poverty rates.

The section 502 Rural Housing Guaranteed Loan program is an important source of funding in rural areas for moderate-income families wishing to purchase a home. As currently structured, the 502 program guarantees loan origination and allows refinancing on current 502 loans. However, it does not allow refinancing of loans obtained through private lenders.

H.R. 2034 amends the section 502 Single Family Housing Loan Guarantee program to allow refinancing of private rural loans through the section 502 program.

To safeguard the program, the bill authorizes the Secretary of Agriculture to charge a higher fee for refinancing private origination loans to ensure that the class of loans can be guaranteed without the need of additional cost to the government.

Mr. Speaker, this is an important change that will provide much-needed assistance in our rural communities. I urge my colleagues to support H.R. 2034, the Rural Homeowners Protection Act of 2009.

Mr. Speaker, I have no further speakers, and I yield back the balance of my time.

Mr. MOORE of Kansas. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kansas (Mr. MOORE) that the House suspend the rules and pass the bill, H.R. 2034.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

NEIGHBORHOOD PRESERVATION
ACT

Mr. MOORE of Kansas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2529) to amend the Federal Deposit Insurance Act to authorize depository institutions and depository institution holding companies to lease foreclosed property held by such institutions and companies for up to 5 years, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2529

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Neighborhood Preservation Act”.

SEC. 2. FINDINGS.

The Congress finds as follows:

(1) Depository institutions and affiliates of depository institutions currently may control and lease foreclosed property for a limited period of time often subject to safety