

We cannot keep this dream of homeownership alive and within reach of working families unless we have an FHA that works better.

Again, I want to express my appreciation to my friend and colleague from New Jersey for his cooperation in crafting this measure. It is important for the American people to see that both parties are working together on this vital issue. I urge immediate passage of H.R. 3146.

I reserve the balance of my time.

Mr. ADLER of New Jersey. Does the gentleman yield back?

Mr. LEE of New York. I have no more speakers, but I yield myself the balance of my time to close.

When I looked at this piece of legislation going back several months ago, it was very important that we found a solution for this. I talked to constituents in my district, and they are so hard-pressed dealing with other forms of lending and getting FHA stable, it was incredibly important, as was the idea of making sure that we use taxpayer dollars wisely.

We were fortunate enough from the hearings to understand some of the challenges that FHA has had in terms of technology, and the fact that we really haven't funded this program to its fullest extent by not having enough staff in support of FHA, thereby the potential for fraud or waste or abuse has risen, and that's why, again, taking a piece of legislation like this and moving it forward is incredibly important.

As I look forward to trying to move this along, I know people in our district will be pleased, not only in my district but throughout the country, that we are pushing this type of bipartisan legislation.

Mr. ADLER has taken a very firsthand approach in trying to ensure that this happens.

At this time, I yield back the balance of my time.

Mr. ADLER of New Jersey. Mr. Speaker, I want to echo the comments of my friend, Mr. LEE from New York. We really did work in a bipartisan way to address a problem to save taxpayers from the waste, fraud, and abuse that I think frustrates so many Americans.

Many of America's economic problems are due to problems experienced within the housing market. The 21 Century FHA Housing Act of 2009 will make significant enhancements to FHA and will enable the administration to better manage the portfolio of loans and eliminate some of that waste, fraud, and abuse that frustrates us so very, very much.

As FHA steps into the void created by the predatory lenders, these improvements will be increasingly important. I urge all of my colleagues to support this important bill.

SEPTEMBER 14, 2009.

Hon. JOHN ADLER,  
House of Representatives,  
Washington, DC.

DEAR CONGRESSMAN ADLER: The undersigned organizations, representing the real estate industry, urge your support of H.R.

3146, the "21st Century FHA Housing Act of 2009." This bill will modernize the Federal Housing Administration (FHA), allowing it to continue to offer safe, affordable mortgages to American families, at no cost to taxpayers.

Despite FHA's growing role in the market, FHA's technology and infrastructure are far behind the times. To better serve American consumers and protect taxpayer interest, immediate changes need to be made. Computer systems must be upgraded, and sufficient staff be hired to handle all the responsibilities of an agency that is meeting the needs of so many American homebuyers.

Additionally, we support efforts to strengthen warehouse lending in ways that would allow the marketplace to continue to meet the demand for single-family and multifamily mortgage products. Consumers benefit the most when there is competition in the market and full access to credit.

H.R. 3146 will allow FHA to continue its modernization, utilize all of its mortgage programs, and assure that homeowners have affordable safe options for homeownership. We urge you to quickly pass this important legislation to update FHA's programs to address the pressing needs of the current mortgage market.

Sincerely,

Mortgage Bankers Association, National Association of Homebuilders, National Association of REALTORS®.

I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. ADLER) that the House suspend the rules and pass the bill, H.R. 3146, as amended.

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

A motion to reconsider was laid on the table.

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#### FHA MULTIFAMILY LOAN LIMIT ADJUSTMENT ACT OF 2009

Mr. ADLER of New Jersey. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3527) to increase the maximum mortgage amount limitations under the FHA mortgage insurance programs for multifamily housing projects with elevators and for extremely high-cost areas, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3527

*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 "FHA Multifamily Loan Limit Adjustment Act of 2009".

#### SEC. 2. FHA MORTGAGE AMOUNT LIMITS FOR ELEVATOR-TYPE STRUCTURES.

(a) AMENDMENTS.—The National Housing Act is amended in each of the provisions specified in subsection (b)—

(1) by inserting "with sound standards of construction and design" after "elevator-type structures" the first place such term appears; and

(2) by striking "to not to exceed" and all that follows through "sound standards of construction and design" each place such terms appear and inserting "by not more

than 50 percent of the amounts specified for each unit size".

(b) PROVISIONS AMENDED.—The provisions of the National Housing Act specified in this subsection are as follows:

(1) Subparagraph (A) of section 207(c)(3) (12 U.S.C. 1713(c)(3)(A)).

(2) Subparagraph (A) of section 213(b)(2) (12 U.S.C. 1715e(b)(2)(A)).

(3) Subclause (I) of section 220(d)(3)(B)(iii) (12 U.S.C. 1715k(d)(3)(B)(iii)(I)).

(4) In section 221(d) (12 U.S.C. 1715l(d))—  
(A) subclause (I) of paragraph (3)(ii); and  
(B) subclause (I) of paragraph (4)(ii).

(5) Subparagraph (A) of section 231(c)(2) (12 U.S.C. 1715v(c)(2)(A)).

(6) Subparagraph (A) of section 234(e)(3) (12 U.S.C. 1715y(e)(3)(A)).

#### SEC. 3. FHA MORTGAGE AMOUNT LIMITS FOR EXTREMELY HIGH-COST AREAS.

Section 214 of the National Housing Act (12 U.S.C. 1715d) is amended—

(1) in the first sentence—

(A) by inserting ", or with respect to projects consisting of more than four dwelling units located in an extremely high-cost area as determined by the Secretary" after "or the Virgin Islands" the first place such term appears;

(B) by inserting ", or to construct projects consisting of more than four dwelling units on property located in an extremely high-cost area as determined by the Secretary" after "or the Virgin Islands" the second place such term appears; and

(C) by inserting ", or with respect to projects consisting of more than four dwelling units located in an extremely high-cost area as determined by the Secretary" after "or the Virgin Islands" the third place such term appears;

(2) in the second sentence—

(A) by inserting ", or with respect to a project consisting of more than four dwelling units located in an extremely high-cost area as determined by the Secretary," after "or the Virgin Islands" the first place such term appears; and

(B) by inserting ", or in the case of a project consisting of more than four dwelling units in an extremely high-cost area as determined by the Secretary, in such extremely high-cost area," after "or the Virgin Islands" the second place such term appears; and

(3) in the section heading, by striking "AND THE VIRGIN ISLANDS" and inserting "THE VIRGIN ISLANDS, AND EXTREMELY HIGH-COST AREAS".

#### SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall apply to mortgages insured under title II of the National Housing Act after September 30, 2009.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. ADLER) and the gentleman from California (Mr. GARY G. MILLER) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey.

#### GENERAL LEAVE

Mr. ADLER of New Jersey. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this legislation.

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

There was no objection.

Mr. ADLER of New Jersey. Mr. Speaker, I urge the House to pass H.R. 3527, the FHA Multifamily Loan Limit

Adjustment Act of 2009. By increasing the FHA loan limits to elevator properties in extremely high-cost areas, H.R. 3527 will allow the FHA to facilitate the construction and rehabilitation of apartments, particularly in urban areas, where financing is not readily available in the current economic environment.

I reserve the balance of my time.

SEPTEMBER 14, 2009.

Hon. NANCY PELOSI,

Hon. JOHN BOEHNER,

*House of Representatives, Washington, DC.*

DEAR MADAM SPEAKER AND MINORITY LEADER BOEHNER: The undersigned groups are writing to urge the House to pass H.R. 3527, the FHA Multifamily Loan Limit Adjustment Act of 2009. By increasing the FHA loan limits for elevator properties and in extremely high-cost areas, H.R. 3527 will allow FHA to facilitate the construction and rehabilitation of apartments, particularly in urban areas where financing is not readily available in the current economic environment.

The FHA multifamily loan limits are severely restricting the ability to use FHA insurance programs to finance rental housing in many urban areas. HUD data shows that, in fiscal years 2007 and 2008, only three non-subsidized high-rise construction/rehabilitation projects—nationwide—have been endorsed for insurance with FHA. We believe this is largely due to the maximum loan limits imposed by statute on the FHA insurance programs, which is being addressed in H.R. 3527.

A recent survey of major lenders shows that there are more than 11,000 units in elevator structures with a mortgage amount of more than \$3 billion that are on hold and, when H.R. 3527 is passed, should be able to move forward using the FHA programs. These properties are in many urban areas across the country, from Seattle and Los Angeles, to Houston, Columbus and Chicago, to Boston and New York.

Decent affordable rental housing allows working families to live in stable environments and within their means and also allows seniors to live in communities with appropriate amenities to permit aging in place. Well-maintained and attractive rental housing in turn contributes to neighborhood stability.

We urge the House to pass H.R. 3527 to provide FHA with the tools it needs to facilitate the construction and rehabilitation of apartments.

Sincerely,

American Association of Homes and Services for the Aging; Enterprise Community Partners; Institute of Real Estate Management; Mortgage Bankers Association; National Apartment Association; National Affordable Housing Management Association; National Association of Home Builders; National Association of Local Housing Finance Agencies; National Association of Realtors; National Housing Conference; National Leased Housing Association; National Low Income Housing Coalition; Nation Multi-Housing Council; New York Housing Conference; Stewards of Affordable Housing for the Future.

Mr. GARY G. MILLER of California. Mr. Speaker, I rise in support of the FHA Multifamily Loan Limit Adjustment Act. I see that Mr. WEINER is just walking in the door right now, so we're going to be able to have a very nice conversation. Welcome, Mr. WEINER. I'm very glad to have you. I'm honored

to support your bill. This addresses the need for new construction or substantial rehabilitation to multifamily units in extremely high-cost areas of the country.

The FHA multifamily mortgage insurance program works with private sector partners to expand the supply of rental housing. FHA's multifamily mortgage insurance programs enable qualified buyers to obtain long-term, fixed-rate, nonrecourse financing for multifamily properties that are affordable to low- and moderate-income families. These families include police, firefighters, teachers, entry and mid-level service workers, among others.

In our most expensive cities it is very difficult for these workers, particularly those starting out in the workforce, to find affordable rental housing where they work. While the FHA multifamily mortgage insurance program could help, because of its loan limits there were only three FHA-insured multifamily loans for high-rise construction or rehabilitation approvals in the Nation in fiscal year 2007 and 2008.

According to the Mortgage Bankers Association, MBA, while the base loan limits and high-cost factors have been raised over the past 8 years to address issues in most parts of the country, there's still problems concentrated in major cities where high-rise construction is involved. In fact, the data shows that while elevator buildings cost 45 percent more than non-elevator structures, the current loan limits for these structures are less than 10 percent higher than non-elevator structures.

Developers are simply unable to provide affordable housing units in high-cost areas because the current statutory limits for FHA mortgage insurance are too low for these types of structures.

The slowdown in affordable rental housing production that is being enhanced by the credit crisis has resulted in a significant gap between the demand for and the supply of affordable rental housing.

There is no private sector alternative to this program. The market served by FHA multifamily insurance does not overlap with competing private sector insurance.

This bill would increase the multifamily loan limit for elevator buildings by up to 50 percent and give the Secretary of HUD the authority to increase the limit in extremely high-cost areas to 305 percent of the base rate; similar to insurance of mortgages on property in States like Alaska, Guam, Hawaii, and the Virgin Islands. And I think Mr. WEINER and I agree—if it's good enough for Alaska, Guam, Hawaii, and the Virgin Islands, it's good enough for the rest of the United States.

This program has a positive budgetary impact. Now this does not cost the Federal Government any money. Making money for the taxpayers is what we're looking at.

Looking at the President's fiscal year 2010 budget, the multifamily in-

surance programs that relate to these loans limits is projected to make a profit—I repeat, a profit—on new loans insured in the fiscal year budget of \$93 million. In fact, over the years, FHA multifamily loans have consistently made a profit for the taxpayers.

Under the bill, 52 projects with over 11,000 units valued at \$3 billion that are on hold will be able to move forward by using the FHA program. In Los Angeles alone, five multifamily projects for 1,700 units that are stalled due to the loan limits would be able to move forward. The National Home Builders Association has predicted that with the passage of this bill, 12,000 new construction jobs will be created.

Over the past 74 years, the FHA multifamily mortgage insurance program has operated successfully, working with private sector parties to expand the supply of housing. This public-private partnership has leveraged billions of dollars in private sector investment to provide rental housing for millions of families and the elderly throughout the country.

The bill is endorsed by the Mortgage Bankers Association, the National Association of Home Builders, the National Association of Realtors, the Institute of Real Estate Management, and 10 others.

I want to commend Chairman FRANK and Ranking Member BACHUS for sending this bill to the floor.

I reserve the balance of my time.

Mr. ADLER of New Jersey. Mr. Speaker, I yield such time as he may consume to the sponsor of the bill, the gentleman from New York (Mr. WEINER).

Mr. WEINER. I thank the gentleman from New Jersey and my good friend from California, who has done an excellent job in explaining the bill. Let me just make a couple of general points that my colleagues can understand.

You know, unlike a lot of the housing market, FHA loans have actually performed remarkably well. Some people may look to the floor today and say, Why would you want to do anything to expand lending when we have already seen some of the problems that we've had? Well, frankly, FHA only has a serious delinquency rate of about .3 percent, compared to nearly 8 percent in the rest of the marketplace.

But to understand how FHA has worked so well, what they essentially do is take people who are essentially developing rental housing. They say, You're having trouble getting credit elsewhere, like it was when they were created after the Great Depression. We'll go ahead and provide you credit to provide rental housing that you can rent to middle-class residents all around the country.

Unfortunately, what was never truly acknowledged by the program until now is that some parts of the country have rental housing that doesn't go side-to-side, but goes north and south, up and down. Congressman MILLER has instances like that. I know I do in New York City.

By definition, elevator buildings, combined with the fact that they are in big cities, make them more expensive. And so what we're saying here is, let's make sure the program keeps up with the real demand that we have for housing.

Now it is imperative that we do this because, despite the best efforts of this Congress and the President, the banks are simply not doing what we wanted them to do, which is extend more credit so people who have good enough credit can go ahead and find apartments that they can rent, homes that they can buy.

FHA is going to, under this piece of legislation—and I thank my colleague from New Jersey for quarterbacking it—is going to have the opportunity now to change their standards to reflect the way different things are regionally.

I should say to all of my colleagues, if you're doing things to perfect farm programs, just because they don't benefit me in New York City doesn't mean I don't support them. This is a way to make housing programs reflect what truly is going on in the marketplace.

Let me make one other point about this. It is true what my colleague says about Guam and Alaska and Hawaii. They're high-cost areas for different reasons. They're high-cost areas because getting building supplies to Guam, getting building supplies to Alaska and Hawaii, those are expensive.

One of the things that makes housing expensive in areas like New York City is that you have got to install elevators in any building that's north of six stories. And if you wind up getting into that place, you wind up adding a great deal to the amount per square foot that is required to do the building.

Nothing, I should say to my colleagues, does anything here to put taxpayers in any more jeopardy. The FHA program is entirely self-funded. It's the premiums that are collected from people who benefit from the program. All we're doing now is stopping what is a bottleneck in the program that has said we've got a lot of moribund programs—which is a word my assistant, Mr. Beckelman, who has developed this legislation, coined—these moribund programs that are ready to go but simply can't get the financing.

So this House will be doing what desperately needs to be done. I thank the chairman of the Financial Services Committee for quarterbacking it and for getting it—tailbacking it; you quarterbacked, he tailbacked it—and for Mr. MILLER of California, who has helped see the importance of this, and want to thank him for the great work he has done.

Mr. GARY G. MILLER of California. I thank Mr. WEINER for bringing this bill forward. It's very reminiscent of what happened to California with FHA and with conforming loan limits to high-cost areas. And I represent a high-cost area.

My FHA loans from 2000 to 2005 dropped by 99 percent. Today, we've raised conforming loan limits in high-cost areas for FHA for conforming, and over 90 percent of the loans made in my area today of California, and most of California, are conforming in FHA loans.

This, again, addresses a loophole that has existed for years. If it's good enough for Alaska, Guam, Hawaii, and the Virgin Islands, which I think it is, it's good enough for the other high-cost areas of this country.

I yield back the balance of my time. Mr. ADLER of New Jersey. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. ADLER) that the House suspend the rules and pass the bill, H.R. 3527, as amended.

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

A motion to reconsider was laid on the table.

#### SECURITIES LAW TECHNICAL CORRECTIONS ACT OF 2009

Mr. MOORE of Kansas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2947) to amend the Federal securities laws to make technical corrections and to make conforming amendments related to the repeal of the Public Utility Holding Company Act of 1935.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2947

*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 "Securities Law Technical Corrections Act of 2009".

#### SEC. 2. TECHNICAL CORRECTIONS.

(a) SECURITIES ACT OF 1933.—The Securities Act of 1933 (15 U.S.C. 77a et seq.) is amended—

(1) in section 3(a)(4) (15 U.S.C. 77c(a)(4)), by striking "individual;" and inserting "individual,";

(2) in section 18(b)(1)(C) (15 U.S.C. 77r(b)(1)(C)), by striking "is a security" and inserting "a security";

(3) in section 18(c)(2)(B)(i) (15 U.S.C. 77r(c)(2)(B)(i)), by striking "State, or" and inserting "State or";

(4) in section 19(d)(6)(A) (15 U.S.C. 77s(d)(6)(A)), by striking "in paragraph (1) of (3)" and inserting "in paragraph (1) or (3)"; and

(5) in section 27A(c)(1)(B)(ii) (15 U.S.C. 77z-2(c)(1)(B)(ii)), by striking "business entity;" and inserting "business entity,".

(b) SECURITIES EXCHANGE ACT OF 1934.—The Securities Exchange Act of 1934 (15 U.S.C. 78 et seq.) is amended—

(1) in section 2(1)(a) (15 U.S.C. 78b(1)(a)), by striking "affected" and inserting "effected";

(2) in section 3(a)(55)(A) (15 U.S.C. 78c(a)(55)(A)), by striking "section 3(a)(12) of the Securities Exchange Act of 1934" and inserting "section 3(a)(12) of this Act";

(3) in section 3(g) (15 U.S.C. 78c(g)), by striking "company, account person, or entity" and inserting "company, account, person, or entity";

(4) in section 10A(i)(1)(B)(i) (15 U.S.C. 78j-1(i)(1)(B)(i)), by striking "nonaudit" and inserting "non-audit";

(5) in section 13(b)(1) (15 U.S.C. 78m(b)(1)), by striking "earning statement" and inserting "earnings statement";

(6) in section 15(b)(1) (15 U.S.C. 78o(b)(1))—

(A) by striking the sentence beginning "The order granting" and ending "from such membership," in subparagraph (B); and

(B) by inserting such sentence in the matter following such subparagraph after "are satisfied,";

(7) in section 15 (15 U.S.C. 78o), by redesignating subsection (i), as added by section 303(f) of the Commodity Futures Modernization Act of 2000 (114 Stat. 2763A-455), as subsection (j);

(8) in section 15C(a)(2) (15 U.S.C. 78o-5(a)(2))—

(A) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively;

(B) by striking the sentence beginning "The order granting" and ending "from such membership," in such subparagraph (B), as redesignated; and

(C) by inserting such sentence in the matter following such redesignated subparagraph after "are satisfied,";

(9) in section 16(a)(2)(C) (15 U.S.C. 78p(a)(2)(C)), by striking "section 206(b)" and inserting "section 206B";

(10) in section 17(b)(1)(B) (15 U.S.C. 78q(b)(1)(B)), by striking "15A(k) gives" and inserting "15A(k), give"; and

(11) in section 21C(c)(2) (15 U.S.C. 78u-3(c)(2)), by striking "paragraph (1) subsection" and inserting "Paragraph (1)".

(c) TRUST INDENTURE ACT OF 1939.—The Trust Indenture Act of 1939 (15 U.S.C. 77aaa et seq.) is amended—

(1) in section 304(b) (15 U.S.C. 77ddd(b)), by striking "section 2 of such Act" and inserting "section 2(a) of such Act";

(2) in section 313(a)(4) (15 U.S.C. 77mmm(a)(4)) by striking "subsection 311" and inserting "section 311(b)"; and

(3) in section 317(a)(1) (15 U.S.C. 77qqq(a)(1)), by striking "(1)," and inserting "(1)".

(d) INVESTMENT COMPANY ACT OF 1940.—The Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.) is amended—

(1) in section 2(a)(19) (15 U.S.C. 80a-2(a)(19)) by striking "clause (vi)" both places it appears in the last two sentences and inserting "clause (vii)";

(2) in section 9(b)(4)(B) (15 U.S.C. 80a-9(b)(4)(B)), by inserting "or" after the semicolon at the end;

(3) in section 12(d)(1)(J) (15 U.S.C. 80a-12(d)(1)(J)), by striking "any provision of this subsection" and inserting "any provision of this paragraph";

(4) in section 13(a)(3) (15 U.S.C. 80a-13(a)(3)), by inserting "or" after the semicolon at the end;

(5) in section 17(f)(4) (15 U.S.C. 80a-17(f)(4)), by striking "No such member" and inserting "No member of a national securities exchange";

(6) in section 17(f)(6) (15 U.S.C. 80a-17(f)(6)), by striking "company may serve" and inserting "company, may serve"; and

(7) in section 61(a)(3)(B)(iii) (15 U.S.C. 80a-60(a)(3)(B)(iii))—

(A) by striking "paragraph (1) of section 205" and inserting "section 205(a)(1)"; and

(B) by striking "clause (A) or (B) of that section" and inserting "section 205(b)(1) or (2)".