

116TH CONGRESS  
2D SESSION

# S. 3620

To establish a Housing Assistance Fund at the Department of the Treasury.

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## IN THE SENATE OF THE UNITED STATES

MAY 6, 2020

Mr. REED (for himself, Mr. BROWN, Mr. TESTER, Mr. SCHATZ, Mr. JONES, Ms. SMITH, Ms. WARREN, Ms. SINEMA, Mr. WARNER, Mr. MENENDEZ, Mr. VAN HOLLEN, Ms. CORTEZ MASTO, Mr. KAINE, Mr. UDALL, Mr. BOOKER, Mrs. FEINSTEIN, Mr. DURBIN, Mr. MERKLEY, and Mr. WYDEN) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To establish a Housing Assistance Fund at the Department  
of the Treasury.

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. HOUSING ASSISTANCE FUND.**

4       (a) DEFINITIONS.—In this section:

5               (1) CONFORMING LOAN LIMIT.—The term “con-

6       forming loan limit” means the applicable limitation

7       governing the maximum original principal obligation

8       for a mortgage secured by a single-family residence,

9       a mortgage secured by a 2-family residence, a mort-

1 gage secured by a 3-family residence, or a mortgage  
2 secured by a 4-family residence, as determined and  
3 adjusted annually under section 302(b)(2) of the  
4 Federal National Mortgage Association Charter Act  
5 (12 U.S.C. 1717(b)(2)) and section 305(a)(2) of the  
6 Federal Home Loan Mortgage Corporation Act (12  
7 U.S.C. 1454(a)(2)).

8 (2) ELIGIBLE HOUSEHOLD.—The term “eligible  
9 household” means a household whose income does  
10 not exceed 150 percent of the area median income  
11 for their household size, as determined by the Sec-  
12 retary of Housing and Urban Development.

13 (3) MORTGAGE.—The term “mortgage” means  
14 a mortgage—

15 (A) that is secured by the principal resi-  
16 dence of a borrower; and

17 (B) the unpaid principal balance of which  
18 was, at the time of origination, not more than  
19 the conforming loan limit.

20 (4) SECRETARY.—The term “Secretary” means  
21 the Secretary of the Treasury.

22 (5) STATE.—The term “State” means any  
23 State of the United States, the District of Columbia,  
24 any territory of the United States, the Common-

1 wealth of Puerto Rico, Guam, American Samoa, the  
2 Virgin Islands, and the Northern Mariana Islands.

3 (b) ESTABLISHMENT OF FUND.—There is estab-  
4 lished at the Department of the Treasury a Housing As-  
5 sistance Fund to provide such funds as are appropriated  
6 in subsection (f) to State housing finance agencies and  
7 any entity named under subsection (j) for the purpose of  
8 preventing homeowner mortgage defaults, foreclosures,  
9 and displacements of individuals and families experiencing  
10 financial hardship after January 21, 2020.

11 (c) ALLOCATION OF FUNDS.—

12 (1) IN GENERAL.—The Secretary shall establish  
13 such criteria as are necessary to allocate the funds  
14 available within the Housing Assistance Fund to  
15 each State. The Secretary shall allocate such funds  
16 among all States taking into consideration the num-  
17 ber of unemployment claims within a State relative  
18 to the nation-wide number of unemployment claims.

19 (2) SMALL STATE MINIMUM.—Each State of  
20 the United States, the District of Columbia, and the  
21 Commonwealth of Puerto Rico shall receive no less  
22 than \$250,000,000 for the purposes established in  
23 (b).

24 (3) TERRITORY SET-ASIDE.—Notwithstanding  
25 any other provision of this section, of the amounts

1       appropriated under subsection (f), the Secretary  
2       shall reserve \$200,000,000 to be disbursed to Guam,  
3       American Samoa, the Virgin Islands, and the North-  
4       ern Mariana Islands based on each such territory's  
5       share of the combined total population of all such  
6       territories, as determined by the Secretary. For the  
7       purposes of this paragraph, population shall be de-  
8       termined based on the most recent year for which  
9       data are available from the United States Census  
10      Bureau.

11           (4) TRIBAL SET-ASIDE.—The Secretary shall  
12      allocate funds to an entity designated under sub-  
13      section (j) pursuant to the requirements of that sub-  
14      section.

15      (d) DISBURSEMENT OF FUNDS.—

16           (1) INITIAL DISBURSEMENT.—The Secretary  
17      shall disburse to the State housing finance agencies  
18      and entities designated under subsection (j) not less  
19      than  $\frac{1}{2}$  of the amount made available pursuant to  
20      this section, and in accordance with the allocations  
21      established under subsections (c) and (j), not later  
22      than 120 days after the date of enactment of this  
23      Act. The Secretary or designee shall enter into a  
24      contract with each State housing finance agency and  
25      each entity designated under subsection (j), which

1       may be amended from time to time, establishing the  
 2       terms of the use of such funds, in accordance with  
 3       subsection (e), prior to the disbursement of such  
 4       funds.

5           (2) SECOND DISBURSEMENT.—The Secretary  
 6       shall disburse all funds made available pursuant to  
 7       this section, and in accordance with the allocations  
 8       established under subsections (c) and (j), not later  
 9       than 180 days after the date of enactment of this  
 10      Act.

11      (e) PERMISSIBLE USES OF FUND.—

12           (1) IN GENERAL.—Funds made available to  
 13      State housing finance agencies and designated enti-  
 14      ties under subsection (j) pursuant to this section  
 15      may be used to assist eligible households for the pur-  
 16      poses established under subsection (b), which may  
 17      include—

18                   (A) mortgage payment assistance;

19                   (B) financial assistance to allow a bor-  
 20      rower to reinstate their mortgage following a  
 21      period of forbearance;

22                   (C) principal reduction;

23                   (D) payment assistance for—

24                           (i) utilities, including electric, gas,  
 25                           and water;

1                   (ii) internet service, including  
2                   broadband internet access service, as de-  
3                   fined in section 8.1(b) of title 47, Code of  
4                   Federal Regulations (or any successor reg-  
5                   ulation); and

6                   (iii) property taxes;

7                   (E) any program established under the  
8                   Housing Finance Agency Innovation Fund for  
9                   the Hardest Hit Housing Markets;

10                  (F) reimbursement of funds expended by a  
11                  State or local government during the period be-  
12                  ginning on January 21, 2020, and ending on  
13                  the date that the first funds are disbursed by  
14                  the State under the Housing Assistance Fund,  
15                  for the purpose of providing housing or utility  
16                  payment assistance to individuals or otherwise  
17                  providing funds to prevent foreclosure or evic-  
18                  tion of a homeowner or tenant or prevent mort-  
19                  gage delinquency or loss of housing or utilities  
20                  as a response to the coronavirus disease 2019  
21                  (COVID–19) pandemic; and

22                  (G) any other assistance to prevent evic-  
23                  tion, mortgage delinquency or default, fore-  
24                  closure, or the loss of utility services for an eli-  
25                  gible household.

1           (2) ADMINISTRATIVE EXPENSES.—Not greater  
2           than 10 percent of the amount allocated to a State  
3           or an entity pursuant to subsections (c) or (j) may  
4           be used by a State housing financing agency or an  
5           entity for administrative expenses. Any amounts al-  
6           located to administrative expenses that are no longer  
7           necessary for administrative expenses may be used  
8           in accordance with paragraph (1).

9           (f) APPROPRIATION.—There is appropriated, out of  
10          amounts in the Treasury not otherwise appropriated, for  
11          the fiscal year ending September 30, 2020, to remain  
12          available until expended or transferred or credited under  
13          subsection (h) or subsection (j), \$75,000,000,000 to the  
14          Housing Assistance Fund established under subsection  
15          (b).

16          (g) USE OF HOUSING FINANCE AGENCY INNOVATION  
17          FUND FOR THE HARDEST HIT HOUSING MARKETS  
18          FUNDS.—A State housing finance agency may reallocate  
19          any administrative or programmatic funds it has received  
20          as an allocation from the Housing Finance Agency Inno-  
21          vation Fund for the Hardest Hit Housing Markets created  
22          pursuant to section 101(a) of the Emergency Economic  
23          Stabilization Act of 2008 (12 U.S.C. 5211(a)) that have  
24          not been otherwise allocated or disbursed as of the date  
25          of enactment of this Act to supplement any administrative

1 or programmatic funds received from the Housing Assist-  
2 ance Fund. Such reallocated funds shall not be considered  
3 when allocating resources from the Housing Assistance  
4 Fund using the process established under subsection (c)  
5 and shall remain available for the uses permitted in sub-  
6 section (e) and under the terms and conditions established  
7 by the contract with the Secretary created pursuant to  
8 subsection (d)(1) and the terms of subsection (h).

9 (h) RESCISSION OF FUNDS.—Any funds that have  
10 not been allocated by a State housing finance agency to  
11 provide assistance as described under subsection (e) by  
12 December 31, 2030, shall be reallocated by the Secretary  
13 in the following manner:

14 (1) 65 percent shall be transferred or credited  
15 to the Housing Trust Fund established under sec-  
16 tion 1338 of the Federal Housing Enterprises Fi-  
17 nancial Safety and Soundness Act of 1992 (12  
18 U.S.C. 4568); and

19 (2) 35 percent shall be transferred or credited  
20 to the Capital Magnet Fund under section 1339 of  
21 the Federal Housing Enterprises Financial Safety  
22 and Soundness Act of 1992 (12 U.S.C. 4569).

23 (i) REPORTING REQUIREMENTS.—The Secretary  
24 shall provide public reports not less frequently than quar-  
25 terly regarding the use of funds provided by the Housing

1 Assistance Fund. Such reports shall include the following  
 2 data by State or entity receiving funds pursuant to sub-  
 3 section (j) and by program within each State or entity re-  
 4 ceiving funds pursuant to subsection (j), both for the past  
 5 quarter and for the life of the program—

6 (1) the amount of funds allocated;

7 (2) the amount of funds disbursed;

8 (3) the number of households and individuals  
 9 assisted;

10 (4) the acceptance rate of applicants;

11 (5) the average amount of assistance provided  
 12 per household receiving assistance;

13 (6) the average length of assistance provided  
 14 per household receiving assistance;

15 (7) the income ranges of households for each  
 16 household receiving assistance;

17 (8) demographic information about each house-  
 18 hold receiving assistance, including race, ethnicity,  
 19 and service member status; and

20 (9) the outcome 12 months after the household  
 21 has received assistance.

22 (j) TRIBAL SET-ASIDE.—

23 (1) DEFINITIONS.—In this subsection:

24 (A) DEPARTMENT OF HAWAIIAN HOME  
 25 LANDS.—The term “Department of Hawaiian

1 Home Lands” has the meaning given the term  
2 in section 801 of the Native American Housing  
3 Assistance and Self-Determination Act of 1996  
4 (42 U.S.C. 4221).

5 (B) ELIGIBLE RECIPIENT.—The term “eli-  
6 gible recipient” means any entity eligible to re-  
7 ceive a grant under section 101 of the Native  
8 American Housing Assistance and Self-Deter-  
9 mination Act of 1996 (25 U.S.C. 4111).

10 (2) SET-ASIDE.—

11 (A) IN GENERAL.—Notwithstanding any  
12 other provision of this section, of the amounts  
13 appropriated under subsection (f), the Secretary  
14 shall use 5 percent to make grants to eligible  
15 recipients for the purposes described in sub-  
16 section (e)(1).

17 (B) NATIVE HAWAIIAN SET-ASIDE.—Of the  
18 funds set aside under subparagraph (A), the  
19 Secretary shall use 0.3 percent to make grants  
20 to the Department of Hawaiian Home Lands  
21 for the purposes described in subsection (e)(1).

22 (3) REQUIREMENTS.—

23 (A) ALLOCATION.—Except for the funds  
24 set aside under paragraph (2)(B), the Secretary  
25 shall allocate the funds set aside under para-

1 graph (2)(A) using the allocation formula de-  
2 scribed in subpart D of part 1000 of title 24,  
3 Code of Federal Regulations (or successor regu-  
4 lations).

5 (B) NATIVE HAWAIIANS.—The Secretary  
6 shall use the funds made available under para-  
7 graph (2)(B) in accordance with part 1006 of  
8 title 24, Code of Federal Regulations (or suc-  
9 cessor regulations).

10 (4) RESCISSION.—The Secretary shall transfer  
11 any funds made available under paragraph (2) that  
12 have not been allocated by an eligible recipient or  
13 the Department of Hawaiian Home Lands, as appli-  
14 cable, to provide the assistance described in sub-  
15 section (e)(1) by December 31, 2030, to the Sec-  
16 retary of Housing and Urban Development to carry  
17 out the Native American Housing Assistance and  
18 Self-Determination Act of 1996 (25 U.S.C. 4101 et  
19 seq.).

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