

STRATEGY AND INVESTMENT IN RURAL HOUSING
PRESERVATION ACT OF 2019

SEPTEMBER 6, 2019.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Ms. WATERS, from the Committee on Financial Services,
submitted the following

R E P O R T

[To accompany H.R. 3620]

[Including cost estimate of the Congressional Budget Office]

The Committee on Financial Services, to whom was referred the bill (H.R. 3620) to provide rental assistance to low-income tenants in certain multifamily rural housing projects financed by the Rural Housing Service of the Department of Agriculture, and to develop and implement a plan for preserving the affordability of rural rental housing, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Strategy and Investment in Rural Housing Preservation Act of 2019”.

SEC. 2. PERMANENT ESTABLISHMENT OF HOUSING PRESERVATION AND REVITALIZATION PROGRAM.

Title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.) is amended by adding at the end the following new section:

“SEC. 545. HOUSING PRESERVATION AND REVITALIZATION PROGRAM.

“(a) **ESTABLISHMENT.**—The Secretary shall carry out a program under this section for the preservation and revitalization of multifamily rental housing projects financed under section 515 or both sections 514 and 516.

“(b) **NOTICE OF MATURING LOANS.**—

“(1) **TO OWNERS.**—On an annual basis, the Secretary shall provide written notice to each owner of a property financed under section 515 or both sections 514 and 516 that will mature within the 4-year period beginning upon the provision of such notice, setting forth the options and financial incentives that are available to facilitate the extension of the loan term or the option to decouple a rental assistance contract pursuant to subsection (f).

“(2) **TO TENANTS.**—

“(A) **IN GENERAL.**—For each property financed under section 515 or both sections 514 and 516, not later than the date that is 2 years before the date that such loan will mature, the Secretary shall provide written notice to each household residing in such property that informs them of the date of the loan maturity, the possible actions that may happen with respect to the property upon such maturity, and how to protect their right to reside in federally assisted housing after such maturity.

“(B) **LANGUAGE.**—Notice under this paragraph shall be provided in plain English and shall be translated to other languages in the case of any property located in an area in which a significant number of residents speak such other languages.

“(c) **LOAN RESTRUCTURING.**—Under the program under this section, the Secretary may restructure such existing housing loans, as the Secretary considers appropriate, for the purpose of ensuring that such projects have sufficient resources to preserve the projects to provide safe and affordable housing for low-income residents and farm laborers, by—

“(1) reducing or eliminating interest;

“(2) deferring loan payments;

“(3) subordinating, reducing, or reamortizing loan debt; and

“(4) providing other financial assistance, including advances, payments, and incentives (including the ability of owners to obtain reasonable returns on investment) required by the Secretary.

“(d) **RENEWAL OF RENTAL ASSISTANCE.**—When the Secretary offers to restructure a loan pursuant to subsection (c), the Secretary shall offer to renew the rental assistance contract under section 521(a)(2) for a 20-year term that is subject to annual appropriations, provided that the owner agrees to bring the property up to such standards that will ensure its maintenance as decent, safe, and sanitary housing for the full term of the rental assistance contract.

“(e) **RESTRICTIVE USE AGREEMENTS.**—

“(1) **REQUIREMENT.**—As part of the preservation and revitalization agreement for a project, the Secretary shall obtain a restrictive use agreement that obligates the owner to operate the project in accordance with this title.

“(2) **TERM.**—

“(A) **NO EXTENSION OF RENTAL ASSISTANCE CONTRACT.**—Except when the Secretary enters into a 20-year extension of the rental assistance contract for the project, the term of the restrictive use agreement for the project shall be consistent with the term of the restructured loan for the project.

“(B) **EXTENSION OF RENTAL ASSISTANCE CONTRACT.**—If the Secretary enters into a 20-year extension of the rental assistance contract for a project, the term of the restrictive use agreement for the project shall be for 20 years.

“(C) **TERMINATION.**—The Secretary may terminate the 20-year restrictive use agreement for a project prior to the end of its term if the 20-year rental assistance contract for the project with the owner is terminated at any time for reasons outside the owner’s control.

“(f) **DECOUPLING OF RENTAL ASSISTANCE.**—

“(1) RENEWAL OF RENTAL ASSISTANCE CONTRACT.—If the Secretary determines that a maturing loan for a project cannot reasonably be restructured in accordance with subsection (c) and the project was operating with rental assistance under section 521, the Secretary may renew the rental assistance contract, notwithstanding any provision of section 521, for a term, subject to annual appropriations, of at least 10 years but not more than 20 years.

“(2) RENTS.—Any agreement to extend the term of the rental assistance contract under section 521 for a project shall obligate the owner to continue to maintain the project as decent, safe and sanitary housing and to operate the development in accordance with this title, except that rents shall be based on the lesser of—

“(A) the budget-based needs of the project; or

“(B) (i) the operating cost adjustment factor as a payment standard as provided under section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437 note).

“(g) MULTIFAMILY HOUSING TRANSFER TECHNICAL ASSISTANCE.—Under the program under this section, the Secretary may provide grants to qualified non-profit organizations and public housing agencies to provide technical assistance, including financial and legal services, to borrowers under loans under this title for multifamily housing to facilitate the acquisition of such multifamily housing properties in areas where the Secretary determines there is a risk of loss of affordable housing.

“(h) TRANSFER OF RENTAL ASSISTANCE.—After the loan or loans for a rental project originally financed under section 515 or both sections 514 and 516 have matured or have been prepaid and the owner has chosen not to restructure the loan pursuant to subsection (c), a tenant residing in such project shall have 18 months prior to loan maturation or prepayment to transfer the rental assistance assigned to the tenant’s unit to another rental project originally financed under section 515 or both sections 514 and 516, and the owner of the initial project may rent the tenant’s previous unit to a new tenant without income restrictions.

“(i) ADMINISTRATIVE EXPENSES.—Of any amounts made available for the program under this section for any fiscal year, the Secretary may use not more than \$1,000,000 for administrative expenses for carrying out such program.

“(j) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the program under this section \$200,000,000 for each of fiscal years 2020 through 2024.”.

SEC. 3. ELIGIBILITY FOR RURAL HOUSING VOUCHERS.

Section 542 of the Housing Act of 1949 (42 U.S.C. 1490r) is amended by adding at the end the following new subsection:

“(c) ELIGIBILITY OF HOUSEHOLDS IN SECTION 514, 515, AND 516 PROJECTS.—The Secretary may provide rural housing vouchers under this section for any low-income household (including those not receiving rental assistance) residing in a property financed with a loan made or insured under section 514 or 515 (42 U.S.C. 1484, 1485) which has been prepaid, has been foreclosed, or has matured after September 30, 2005, or residing in a property assisted under section 514 or 516 that is owned by a nonprofit organization or public agency.”.

SEC. 4. AMOUNT OF VOUCHER ASSISTANCE.

Notwithstanding any other provision of law, in the case of any rural housing voucher provided pursuant to section 542 of the Housing Act of 1949 (42 U.S.C. 1490r), the amount of the monthly assistance payment for the household on whose behalf such assistance is provided shall be determined as provided in subsection (a) of such section 542.

SEC. 5. USE OF AVAILABLE RENTAL ASSISTANCE.

Subsection (d) of section 521 of the Housing Act of 1949 (42 U.S.C. 1490a(d)) is amended by adding at the end the following new paragraph:

“(3) In the case of any rental assistance contract authority that becomes available because of the termination of assistance on behalf of an assisted family—

“(A) at the option of the owner of the rental project, the Secretary shall provide the owner a period of 6 months before such assistance is made available pursuant to subparagraph (B) during which the owner may use such assistance authority to provide assistance of behalf of an eligible unassisted family that—

“(i) is residing in the same rental project that the assisted family resided in prior to such termination; or

“(ii) newly occupies a dwelling unit in such rental project during such period; and

“(B) except for assistance used as provided in subparagraph (A), the Secretary shall use such remaining authority to provide such assistance on behalf of eligi-

ble families residing in other rental projects originally financed under section 515 or both sections 514 and 516 of this Act.”.

SEC. 6. FUNDING FOR MULTIFAMILY TECHNICAL IMPROVEMENTS.

There is authorized to be appropriated to the Secretary of Agriculture \$50,000,000 for fiscal year 2020 for improving the technology of the Department of Agriculture used to process loans for multifamily housing and otherwise managing such housing. Such improvements shall be made within the 5-year period beginning upon the appropriation of such amounts and such amount shall remain available until the expiration of such 5-year period.

SEC. 7. PLAN FOR PRESERVING AFFORDABILITY OF RENTAL PROJECTS.

(a) **PLAN.**—The Secretary of Agriculture (in this section referred to as the “Secretary”) shall submit a written plan to the Congress, not later than the expiration of the 6-month period beginning on the date of the enactment of this Act, for preserving the affordability for low-income families of rental projects for which loans were made under section 515 or made to nonprofit or public agencies under section 514 and avoiding the displacement of tenant households, which shall—

- (1) set forth specific performance goals and measures;
- (2) set forth the specific actions and mechanisms by which such goals will be achieved;
- (3) set forth specific measurements by which progress towards achievement of each goal can be measured;
- (4) provide for detailed reporting on outcomes; and
- (5) include any legislative recommendations to assist in achievement of the goals under the plan.

(b) **ADVISORY COMMITTEE.**—

(1) **ESTABLISHMENT; PURPOSE.**—The Secretary shall establish an advisory committee whose purpose shall be to assist the Secretary in preserving section 515 properties and section 514 properties owned by nonprofit or public agencies through the multifamily housing preservation and revitalization program under section 545 and in implementing the plan required under subsection (a).

(2) **MEMBER.**—The advisory shall consist of 13 members, appointed by the Secretary, as follows:

(A) A State Director of Rural Development for the Department of Agriculture.

(B) 2 representatives of for-profit developers or owners of multifamily rural rental housing.

(C) 2 representatives of non-profit developers or owners of multifamily rural rental housing.

(D) 2 representatives of State housing finance agencies.

(E) 2 representatives of tenants of multifamily rural rental housing.

(F) 1 representative of a community development financial institution that is involved in preserving the affordability of housing assisted under sections 514, 515, and 516 of the Housing Act of 1949.

(G) 1 representative of a nonprofit organization that operates nationally and has actively participated in the preservation of housing assisted by the Rural Housing Service by conducting research regarding, and providing financing and technical assistance for, preserving the affordability of such housing.

(H) 1 representative of low-income housing tax credit investors.

(I) 1 representative of regulated financial institutions that finance affordable multifamily rural rental housing developments.

(3) **MEETINGS.**—The advisory committee shall meet not less often than once each calendar quarter.

(4) **FUNCTIONS.**—In providing assistance to the Secretary to carry out its purpose, the advisory committee shall carry out the following functions:

(A) Assisting the Rural Housing Service of the Department of Agriculture to improve estimates of the size, scope, and condition of rental housing portfolio of the Service, including the time frames for maturity of mortgages and costs for preserving the portfolio as affordable housing.

(B) Reviewing current policies and procedures of the Rural Housing Service regarding preservation of affordable rental housing financed under sections 514, 515, 516, and 538 of the Housing Act of 1949, the Multifamily Preservation and Revitalization Demonstration program (MPR), and the rental assistance program and making recommendations regarding improvements and modifications to such policies and procedures.

(C) Providing ongoing review of Rural Housing Service program results.

(D) Providing reports to the Congress and the public on meetings, recommendations, and other findings of the advisory committee.

(5) TRAVEL COSTS.—Any amounts made available for administrative costs of the Department of Agriculture may be used for costs of travel by members of the advisory committee to meetings of the committee.

SEC. 8. COVERED HOUSING PROGRAMS.

Paragraph (3) of section 41411(a) of the Violence Against Women Act of 1994 (34 U.S.C. 12491(a)(3)) is amended—

PURPOSE AND SUMMARY

On July 11, Rep. William Lacy Clay introduced H.R. 3620, the “Strategy and Investment in Rural Housing Preservation Act of 2019,” which would permanently authorize the U.S. Department of Agriculture’s (USDA) Multifamily Housing Preservation and Revitalization (MPR) Program, require USDA to come up with a plan for preservation of rural multifamily housing backed by USDA loans, and establish an advisory committee to advise USDA in implementing this plan.

BACKGROUND AND NEED FOR LEGISLATION

Rural America spans nearly three-quarters of the country’s land, and is home to more than 46 million people, or about 15 percent of the population.¹ Changes in the rural economy have negatively affected the job markets in many rural areas, contributing to higher poverty rates and severe housing affordability issues. The aging housing stock in rural areas has also resulted in higher rates of residents living in moderately or severely substandard housing that may, for example, lack basic plumbing, and pose a risk to the health and safety of residents.² Moreover, racial minorities in rural areas are three times more likely to live in substandard housing, putting them among the worst-housed demographic group in the entire nation.³

While the cost of rental housing in rural areas is generally lower than in urban areas, poverty is higher and incomes are lower in these areas, which tend to offset the potential benefits of lower rental costs for residents. For example, the poverty rate in rural areas was 16.4 percent in 2017 compared to 12.9% for urban areas.⁴ Data compiled by the National Low Income Housing Coalition show that there is a shortage of over 719,000 rental housing units in rural areas that are both affordable and available to the lowest income families.⁵ The Housing Assistance Council has also reported that renters in rural areas are more likely to have affordability problems and are twice as likely to live in substandard housing than rural owners.⁶ Over one-third of rural rental units are at least 55 years old and many of these properties are facing significant maintenance issues that have not been addressed.

In the past two decades federal investment in rural housing programs, particularly for low- and very-low income households has

¹ USDA Economic Research Service, “Rural America at a Glance: 2017 Edition,” Economic Information Bulletin 182, November 2017.

² Housing Assistance Council, “Taking Stock: Rural People, Poverty, and Housing in the 21st Century,” 2012.

³ *Id.*

⁴ USDA Economic Research Service, “Rural America at a Glance: 2018 Edition,” Economic Information Bulletin 200, November 2018.

⁵ The National Low Income Housing Coalition, “The Gap: A Shortage of Affordable Homes,” March 2018.

⁶ Housing Assistance Council, “Taking Stock: Rural People, Poverty, and Housing in the 21st Century,” 2012.

dwindled, with little to no new funding for development of new affordable housing. This resulting trend of fewer affordable units will be exacerbated over the next several decades by the projected loss of hundreds of thousands of federally-subsidized rental housing units, which in many communities is the only safe, decent, and affordable rental housing available.

While the Department of Housing and Urban Development (HUD) programs include rural residents, Congress also established several rural housing programs under the U.S. Department of Agriculture (USDA) through the Housing Act of 1949 to respond to the unique housing challenges that rural residents face, including the prevalence of substandard housing conditions, the challenges of farm workers remaining stably housed due to the seasonal nature of their work, and the lack of access to affordable mortgage credit in some rural areas. These rural housing programs administered by USDA are generally much smaller than HUD programs and are designed to provide affordable rental housing and expand access to homeownership. Similar to HUD programs, the funding levels for USDA housing programs are insufficient to fully meet the needs of rural residents.⁷

The stock of affordable housing units supported by USDA's Section 515 Rural Rental Housing Loans and Section 514/516 Farm Labor Housing Loans and Grants is also aging, and there is not yet a coherent strategy from Congress or USDA to preserve these units and prevent displacement of tenants.⁸ Assistance under Section 515 and Section 514 of the Housing Act of 1949 are USDA-backed multifamily loans that provide low interest, long-term multifamily loans to support affordable rental housing. There are approximately 14,000 Section 515 and 514 properties across the country that are home to nearly 400,000 families with an average income of \$13,181.⁹ USDA's Section 516 Farm Labor Housing program provides grants to develop, improve, repair, or purchase housing for farm laborers.

Most of the residents in Section 515 rental housing, and 514 farm labor units also receive rental subsidies through the Section 521 Rental Assistance (RA) program, which ensures that tenants pay no more than 30 percent of their incomes for rent. The average income for families living in Section 515 and 514 properties receiving RA is less than \$11,000.¹⁰ The RA contracts are tied to the Section 515 and 514 loans on the properties, which means that when the loans mature, are prepaid, or foreclosed upon, the RA also ends, putting low income residents at risk of displacement. A growing number of Section 515 and 514 loans are projected to mature in the coming decades. In fact, by 2050, nearly all Section 515 and 514 loans will have matured.¹¹

Congress placed some requirements on the ability of Section 515 or 514 property owners to prepay their loans by passing the Emergency Low Income Housing Preservation Act of 1987 (ELIPHA),

⁷ See e.g. HUD, "Worst Case Housing Needs 2017 Report to Congress," August 2017, *stating* that more than 30 percent of very low-income rural renters had worst case housing needs in 2015 (4 million renters).

⁸ See e.g. GAO, "Rural Housing Service: Better Data Controls, Planning, and Additional Options Could Help Preserve Affordable Rental Units," GAO-18-285, May 17, 2018.

⁹ USDA, "2017 Multi-Family Housing Annual Fair Housing Occupancy Report," April 6, 2018.

¹⁰ *Id.*

¹¹ National Housing Law Project, "An Advocate's Guide to Rural Housing Preservation: Prepayments, Mortgage Maturities, and Foreclosures," 2018.

and more recently established the Multifamily Housing Preservation and Revitalization (MPR) demonstration in FY 2006 to give USDA authority and tools to incentivize owners to remain in these programs. However, even with these requirements and incentives in place, 61 percent of the Section 515 and 514 properties with mortgages that matured between January 2014 and December 2017 exited the program and a growing number of loans are projected to mature in the coming decades.¹² Congress authorized USDA to provide residents impacted by a Section 515 loan prepayment with Rural Development (RD) vouchers that allow them to stay in their homes or move to other housing.¹³ However, vouchers were not authorized for residents who are similarly facing displacement as a result of when a Section 515 loan matures or when a Section 514 loan matures or is prepaid.

H.R. 3620 permanently authorizes \$1 billion in funding over five years for the MPR Program, providing USDA the tools and funding necessary to develop a comprehensive strategy for preservation and avoid tenant displacement. The bill would also ensure that tenants receive RD vouchers in all cases of loan prepayment or maturation. Additionally, the bill establishes an advisory committee made up of a diverse range of stakeholders to advise the USDA on the implementation of its plan for preservation.

The bill is supported by the National Rural Housing Coalition, Council for Affordable and Rural Housing, the National Housing Law Project, the Housing Assistance Council, and the Local Initiatives Support Corporation.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

This section states that the title of the bill is the Strategy and Investment in Rural Housing Preservation Act of 2019.

Section 2. Permanent establishment of Housing Preservation and Revitalization Program

This section amends Title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.) by adding a new section establishing a program for the preservation and revitalization of multifamily rental housing projects financed with loans under sections 514, 515, and 516.

New section 545 is entitled “Housing Preservation and Revitalization Program.” Subsection (a) establishes the program for the preservation and revitalization of multifamily rental housing projects financed with loans under sections 514, 515, and 516.

Subsection (b) of the new section 545 requires USDA to notify owners of properties financed under section 515 or both sections 514 and 516 that their loan will mature within four years and set forth options and financial incentives that are available to extend

¹²GAO, “Rural Housing Service: Better Data Controls, Planning, and Additional Options Could Help Preserve Affordable Rental Units,” GAO-18-285, May 17, 2018.

¹³This authority was first provided in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010, Pub. L. 111–80. Currently, this authority is currently contained in Title III, Multi-Family Housing Revitalization Program Account, Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2019, Division B of the Consolidated Appropriations Act, 2019, Pub. L. 116–6.

the loan term or to decouple their rental assistance contract. Subsection (b) also requires USDA to provide notice to tenants living in properties financed with a loan made or insured under section 514, 515, or 516 and that will mature within two years to inform them of the date that the loan will mature, the possible actions that may happen after the loan matures, and how they can protect their rights to reside in federally assisted housing after the loan matures. Notice to tenants must be translated into other languages when the property is located in an area with a significant number of residents who speak other languages.

Subsection (c) of the new section 545 provides the USDA Secretary with several options to restructure existing loans to ensure that projects have sufficient resources to be preserved and provide safe and affordable housing for low-income residents and farm laborers.

Subsection (d) provides that when the Secretary offers to restructure a loan pursuant to subsection (c), the Secretary must offer to renew the Section 521 rental assistance contract for a 20-year term that is subject to annual appropriations, provided that the owner agrees to bring the property up to standards that will ensure it is maintained as decent, safe, and sanitary housing for the full term of the rental assistance contract.

Subsection (e) of the new section 545 requires that as part of the preservation and revitalization agreement for a project, the Secretary must obtain a restrictive use agreement that obligates the owner to operate the project in accordance with Title V for a specified amount of time.

Subsection (f) of the new section 545 provides that if the Secretary determines that a maturing loan for a project cannot reasonably be restructured in accordance with subsection (c) and the project was operating with a Section 521 rental assistance contract, notwithstanding any provisions in section 521, the Secretary may renew the rental assistance contract for a term of at least 10 years but no more than 20 years, subject to annual appropriations.

Subsection (g) of the new section 545 would allow the Secretary to provide grants to qualified nonprofit organizations and public housing agencies to provide technical assistance to loan borrowers to facilitate the acquisition of multifamily properties in areas where the Secretary determines there is a risk of loss of affordable housing.

Subsection (h) of the new section 545 provides that after loans for a rental project originally financed under section 515 or both sections 514 and 516 have matured or have been prepaid and the owner has chosen not to restructure the loan pursuant to subsection (c), tenants residing in the project will have 18 months prior to loan maturation or prepayment to transfer the rental assistance assigned to the tenant's unit to another rental project originally financed under section 515 or both sections 514 and 516, and the owner of the initial project may rent the tenant's previous unit to a new tenant without income restrictions.

Subsection (i) of the new section 545 provides for administrative expenses.

Subsection (j) of the new section 545 authorizes \$200,000,000 to be appropriated for each fiscal year from 2020 through 2024.

Section 3. Eligibility for rural housing vouchers

This section amends section 542 of the Housing Act of 1949 (42 U.S.C. 1490r) to include a new subsection (c) that expands the eligibility of low-income households to receive a section 542 voucher to include those residing in a property financed with a loan made or insured under section 514 or 515 which has been prepaid, has been foreclosed, or has matured after September 30, 2005, or residing in a property assisted under section 514 or 516 that is owned by a nonprofit organization or public agency.

Section 4. Amount of voucher assistance

This section provides that, notwithstanding any other provisions of law, the monthly assistance payment amount for the household receiving a section 542 voucher shall be determined as provided in subsection (a) of Section 542 of the Housing Act of 1949 (42 U.S.C. 1490r).

Section 5. Use of available rental assistance

This section amends subsection (d) of section 521 of the Housing Act of 1949 (42 U.S.C. 1490a(d)) to provide that when an assisted family terminates its rental assistance, the owner of the rental property may use the assistance authority to provide that rental assistance to another eligible unassisted family already residing in the same project as the previously assisted family or to an eligible unassisted family that newly occupies a rental unit in the property. If the owner does not provide the rental assistance within six months, the Secretary must use the remaining authority to provide assistance to other eligible families residing in other rental projects originally financed under section 515 or both sections 514 and 516.

Section 6. Funding for multifamily technical improvements

This section provides the Secretary \$50,000,000 for fiscal year 2020 to improve the technology at USDA to process loans for multifamily housing and manage such housing. Once the funds are appropriated, USDA will have five years to make such updates.

Section 7. Plan for preserving affordability of rental projects

Subsection (a) requires the Secretary of Agriculture to submit to Congress, no later than six months after the bill is enacted, a written plan for preserving affordable rental projects supported by USDA section 514 or 515 loans. The plan must include performance goals and measures, specific actions and mechanisms to achieve those goals and measures, detailed reporting on outcomes, and legislative recommendations to assist in achieving the goals under the plan.

Subsection (b) requires the Secretary of Agriculture to establish an advisory committee that will assist the Secretary in preserving section 514 and 515 properties through the MPR program and in implementing the plan required by subsection (a). The advisory committee consists of 13 diverse stakeholders appointed as members by the Secretary. The advisory committee will meet at least once a calendar quarter. The advisory committee will assist the Rural Housing Service to improve estimates of the size, scope, and condition of the rental housing portfolio of the Service. It will also review current policies and procedures of the Rural Housing Serv-

ice regarding preservation of affordable rental housing financed under sections 514, 515, and 538 of the Housing Act of 1949, the Multifamily Preservation and Revitalization Demonstration program (MPR), and the rental assistance program and making recommendations regarding improvements and modifications to such policies and procedures. Additionally, the advisory committee will provide ongoing review of the Rural Housing Service program results and provide reports to Congress and the public on meetings, recommendations, and other findings. Any amounts made available for USDA administrative costs may be used for costs of travel by members of the advisory committee to meetings of the committee.

Section 8. Covered housing programs

This section amends paragraph (3) of section 41411(a) of the Violence Against Women Act of 1994 (34 U.S.C. 12491(a)(3)) to extend VAWA housing protections to the USDA's section 542 voucher program.

HEARINGS

For the purposes of section 103(i) of H. Res. 6 for the 116th Congress, the House Financial Services Subcommittee on Housing, Community Development, and Insurance held a hearing on May 16, from which H.R. 3620 developed, entitled "The Affordable Housing Crisis in Rural America: Assessing the Federal response." Testifying before the Committee were Gideon Anders, Senior Staff Attorney, National Housing Law Project; Stan Keasling, President, National Rural Housing Coalition; David Lipsetz, Chief Executive Officer, Housing Assistance Council; Andres Saavedra, Senior Program Officer, Rural Local Initiatives Support Corporation; and Tanya Eastwood, President, Council for Affordable and Rural Housing.

COMMITTEE CONSIDERATION

The Committee on Financial Services met in open session on June 11, 2019 and ordered H.R. 3620 to be reported favorably to the House with an amendment in the nature of a substitute by a vote of 57 yeas and 0 nays, a quorum being present.

COMMITTEE VOTES AND ROLL CALL VOTES

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, the Committee advises that the following roll call votes occurred during the Committee's consideration of H.R. 3620.

Present	Representatives	Ayes	Nays
	Ms. Waters, <i>Chairwoman</i>	X	
	Mrs. Maloney	X	
	Ms. Velázquez	X	
	Mr. Sherman	X	
	Mr. Meeks	X	
	Mr. Clay	X	
	Mr. Scott	X	
	Mr. Green	X	
	Mr. Cleaver	X	
	Mr. Perlmutter		
	Mr. Himes	X	
	Mr. Foster	X	
	Mrs. Beatty	X	
	Mr. Heck	X	
	Mr. Vargas	X	
	Mr. Gottheimer	X	
	Mr. Gonzalez (TX)	X	
	Mr. Lawson	X	
	Mr. San Nicolas		
	Ms. Tlaib	X	
	Ms. Porter	X	
	Ms. Axne	X	
	Mr. Casten	X	
	Ms. Pressley	X	
	Mr. McAdams	X	
	Ms. Ocasio-Cortez	X	
	Ms. Wexton	X	
	Mr. Lynch	X	
	Ms. Gabbard		
	Ms. Adams	X	
	Ms. Dean	X	
	Mr. Garcia (IL)	X	
	Ms. Garcia (TX)	X	
	Mr. Phillips	X	
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	Mr. McHenry, <i>Ranking Member</i>	X	
	Ms. Wagner	X	
	Mr. King	X	
	Mr. Lucas	X	
	Mr. Posey	X	
	Mr. Luetkemeyer	X	
	Mr. Huizenga	X	
	Mr. Duffy	X	
	Mr. Stivers	X	
	Mr. Barr	X	
	Mr. Tipton	X	
	Mr. Williams	X	
	Mr. Hill	X	
	Mr. Emmer	X	
	Mr. Zeldin	X	
	Mr. Loudermilk	X	
	Mr. Mooney	X	
	Mr. Davidson	X	
	Mr. Budd	X	
	Mr. Kustoff	X	
	Mr. Hollingsworth	X	
	Mr. Gonzalez (OH)	X	
	Mr. Rose	X	
	Mr. Steil	X	
	Mr. Gooden	X	
	Mr. Riggleman	X	
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Committee on Financial Services
Full Committee
116th Congress (1st Session)

Date: 7/11/2019

Measure _ HR 3620 as amended

Amendment No. _____

Offered by: Rep. Clay

Agreed To	Yes	No	Prsnt	Wdm
Voice Vote	Ayes		Nays	

Record Vote	FC
	57-0

STATEMENT OF OVERSIGHT FINDINGS AND RECOMMENDATIONS OF
THE COMMITTEE

In compliance with clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the descriptive portions of this report.

STATEMENT OF PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause (3)(c) of rule XIII of the Rules of the House of Representatives, the goals of H.R. 3620 are to develop a comprehensive plan to preserve rural multifamily housing backed by USDA loans, and to provide USDA with the permanent authority to restructure loans for existing USDA multifamily properties to encourage project owners to continue to participate in USDA's affordable housing programs.

NEW BUDGET AUTHORITY AND CBO COST ESTIMATE

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the *Congressional Budget Act of 1974*, and pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the *Congressional Budget Act of 1974*, the Committee has received the following estimate for H.R. 3620 from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 6, 2019.

Hon. MAXINE WATERS,
*Chairwoman, Committee on Financial Services,
House of Representatives, Washington, DC.*

DEAR MADAM CHAIRWOMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3620, the Strategy and Investment in Rural Housing Preservation Act of 2019.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Elizabeth Cove Delisle.

Sincerely,

PHILLIP L. SWAGEL,
Director.

Enclosure.

At a Glance			
H.R. 3620, Strategy and Investment in Rural Housing Preservation Act of 2019			
As ordered reported by the House Committee on Financial Services on July 11, 2019			
By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	0	813	not estimated
Statutory pay-as-you-go procedures apply?	No	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

The bill would

- Authorize the appropriation of \$1 billion over the 2020–2024 period for assistance to owners of housing for farm workers and rural renters
- Authorize the appropriation of \$50 million in 2020 for loan processing technology
- Expand eligibility for rental assistance
- Establish a committee to advise the Department of Agriculture on preserving farm labor and rental housing in rural areas

Estimated budgetary effects would primarily stem from

- Authorizing appropriations for assistance to owners of housing for farm workers and rural renters

Bill summary: H.R. 3620 would authorize appropriations for owners of rural and farm labor housing that is occupied by low and moderate-income households. CBO estimates that the bill also would authorize the appropriation of rental assistance for properties that are or were previously financed with loans from the Department of Agriculture (USDA).

Estimated Federal cost: The estimated budgetary effect of H.R. 3620 is shown in Table 1. The costs of the legislation fall within budget function 600 (income security).

TABLE 1.—ESTIMATED INCREASES IN SPENDING SUBJECT TO APPROPRIATION UNDER H.R. 3620

	By fiscal year, millions of dollars—						
	2019	2020	2021	2022	2023	2024	2019–2024
Preservation of Multifamily Rental Housing:							
Authorization	0	200	200	200	200	200	1,000
Estimated Outlays	0	20	120	200	200	200	740
Technology for Loan Processing:							
Authorization	0	50	0	0	0	0	50
Estimated Outlays	0	5	10	20	15	0	50
Rural Rental Assistance:							
Estimated Authorization	0	1	3	5	8	13	30
Estimated Outlays	0	*	2	4	6	10	22

TABLE 1.—ESTIMATED INCREASES IN SPENDING SUBJECT TO APPROPRIATION UNDER H.R. 3620—Continued

	By fiscal year, millions of dollars—						
	2019	2020	2021	2022	2023	2024	2019–2024
Advisory Committee:							
Estimated Authorization	0	*	*	*	*	*	1
Estimated Outlays	0	*	*	*	*	*	1
Total Changes:							
Estimated Authorization	0	251	203	205	208	213	1,081
Estimated Outlays	0	25	132	224	221	210	813

Components may not sum to totals because of rounding; * = between zero and \$500,000.

Basis of estimate: For this estimate, CBO assumes that the legislation will be enacted late in 2019 and that the authorized and estimated amounts will be appropriated each year beginning in 2020. Estimated outlays are based on historical spending patterns for affected or similar programs. CBO estimates that implementing H.R. 3620 would cost \$813 billion over the 2019–2024 period.

Preservation of multifamily rental housing: H.R. 3620 would authorize the appropriation of \$200 million in each year over the 2020–2024 period to preserve and revitalize multifamily rental housing. Specifically, the program would allow the Department of Agriculture to restructure loans that finance farm labor or rural rental housing, or provide additional loans to property owners. Owners also could receive financial assistance such as grants from the program. Based on historical spending patterns for similar programs, CBO estimates that implementing the provision would cost \$740 million over the 2020–2024 period and \$260 million after 2024.

Technology for loan processing: H.R. 3620 also would authorize the appropriation of \$50 million in 2020 for USDA to improve the technology it uses to process and maintain loans for multifamily housing. Based on historical spending patterns for similar activities, CBO estimates that implementing the provision would cost \$50 million over the 2020–2024 period.

Rural rental assistance: Rental assistance contracts require property owners to make units available to low-income households for a specified period; in exchange, property owners receive payments from USDA. Under current law, if a loan matures, the property is no longer eligible for rental assistance. The rental assistance program is not authorized after 2019.

H.R. 3620 would require the Secretary of Agriculture offer to extend the rental assistance contracts of property owners that get loans through the preservation program. The bill also would make property owners who do not extend their loans eligible to extend their rental assistance contracts for a term of 10 years to 20 years. Payments on those contracts would be subject to annual appropriations.

Based on information from USDA, CBO estimates that rental assistance would end for about 300 housing units with maturing mortgages in 2020; that number would increase to about 1,100 units in 2024. Using data from USDA, CBO estimates that the average cost for each unit of rental assistance would be about \$5,200 in 2020. Based on information from USDA and the Government Accountability Office, CBO estimates that about 80 percent of those

units would extend their rental assistance contracts under H.R. 3620. On that basis, CBO estimates that implementing this provision would increase spending subject to appropriation by \$22 million over the 2019–2024 period.

Advisory Committee: H.R. 3620 would allow the Secretary of USDA to pay for the travel costs of members of an advisory committee. The committee would have 13 members and would meet four times per year. Based on current per-diem rates and the average cost of airline tickets, and accounting for anticipated inflation, CBO estimates that implementing that section would cost \$1 million over the 2020–2024 period.

Vouchers: USDA provides rental vouchers to some households to help pay for their housing. The Congress appropriated \$27 million for vouchers in 2019 but limited eligibility to low-income households that live in rural rental properties with loans that were prepaid after September 30, 2005. The program is permanently authorized and the number of vouchers that USDA funds cannot exceed 5,000 in 2020 or any year thereafter.

H.R. 3620 would make low-income households that live in properties that are or were previously financed with a USDA loan eligible for housing vouchers. Only households living in housing for rural renters or farm laborers would be eligible. Because the bill would leave the cap on those vouchers at 5,000, CBO estimates that implementing the bill would have no cost, even though a new group of households would be eligible for such vouchers.

Pay-As-You-Go considerations: None.

Increase in long-term deficits: None.

Mandates: None.

Estimate prepared by: Federal Costs: Elizabeth Cove Delisle; Mandates: Rachel Austin.

Estimate reviewed by: Sheila Dacey, Chief, Income Security and Education Cost Estimates Unit; H. Samuel Papenfuss Deputy Assistant Director for Budget Analysis.

COMMITTEE COST ESTIMATE

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison of the costs that would be incurred in carrying out H.R. 3620. However, clause 3(d)(2)(B) of that rule provides that this requirement does not apply when the committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the *Congressional Budget Act*.

UNFUNDED MANDATE STATEMENT

Pursuant to Section 423 of the *Congressional Budget and Impoundment Control Act* (as amended by Section 101(a)(2) of the *Unfunded Mandates Reform Act*, Pub. L. 104–4), the Committee adopts as its own the estimate of federal mandates regarding H.R. 3620, as amended, prepared by the Director of the Congressional Budget Office.

ADVISORY COMMITTEE

Section 7(b) of the Act creates an advisory committee to preserve section 515 properties and section 514 properties owned by non-profit or public agencies through the new program established under section 545 of the Housing Act of 1949, as added by this Act, which is an advisory committee within the meaning of section 5(b) of the Federal Advisory Committee Act.

APPLICATION OF LAW TO THE LEGISLATIVE BRANCH

Pursuant to section 102(b)(3) of the *Congressional Accountability Act*, Pub. L. No. 104-1, H.R. 3620, as amended, does not apply to terms and conditions of employment or to access to public services or accommodations within the legislative branch.

EARMARK STATEMENT

In accordance with clause 9 of rule XXI of the Rules of the House of Representatives, H.R. 3620 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as described in clauses 9(e), 9(f), and 9(g) of Rule XXI.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of H.R. 3620 establishes or reauthorizes a program of the Federal Government known to be duplicative of another federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111-139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

CHANGES TO EXISTING LAW

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, H.R. 3620, as reported, are shown as follows:

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

HOUSING ACT OF 1949

* * * * *

TITLE V—FARM HOUSING

* * * * *

LOANS TO PROVIDE OCCUPANT-OWNED, RENTAL, AND COOPERATIVE HOUSING FOR LOW- AND MODERATE-INCOME PERSONS AND FAMILIES

SEC. 521. (a)(1)(A) Notwithstanding the provisions of sections 502, 517(a) and 515, loans to persons of low or moderate income under section 502 or 517(a)(1), or 526(a), loans under section 515 or 526(c) to provide rental or cooperative housing and related facilities for persons and families of low or moderate income or elderly persons and elderly families, and loans under section 526 to provide condominium housing for persons and families of low or moderate income, shall bear interest at a rate prescribed by the Secretary at not less than a rate determined by the Secretary of the Treasury upon the request of the Secretary taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum. Any loan guaranteed under this title shall bear interest at such rate as may be agreed upon by the borrower and the lender.

(B) From the interest rate so determined, the Secretary may provide the borrower with assistance in the form of credits so as to reduce the effective interest rate to a rate not less than 1 per centum per annum for such periods of time as the Secretary may determine for applicants described in subparagraph (A) if without such assistance such applicants could not afford the dwelling or make payments on the indebtedness of the rental or cooperative housing. In the case of assistance provided under this subparagraph with respect to a loan under section 502, the Secretary may not reduce, cancel, or refuse to renew the assistance due to an increase in the adjusted income of the borrower if the reduction, cancellation, or nonrenewal will cause the borrower to be unable to reasonably afford the resulting payments required under the loan.

(C) For persons of low income under section 502 or 517(a) who the Secretary determines are unable to afford a dwelling with the assistance provided under subparagraph (B) and when the Secretary determines that assisted rental housing programs (as authorized under this title, the National Housing Act, and the United States Housing Act of 1937) would be unsuitable in the area in which such persons reside, the Secretary may provide additional assistance, pursuant to amounts approved in appropriation Acts and for such periods of time as the Secretary may determine, which may be in an amount not to exceed the difference between (i) the amount determined by the Secretary to be necessary to pay the principal indebtedness, interest, taxes, insurance, utilities, and maintenance, and (ii) 25 per centum of the income of such applicant. The amount of such additional assistance which may be approved in appropriation Acts may not exceed an aggregate amount of \$100,000,000. Such additional assistance may not be so approved with respect to any fiscal year beginning on or after October 1, 1981.

(D)(i) With respect to borrowers under section 502 or 517(a) who have received assistance under subparagraph (B) or (C), the Secretary shall provide for the recapture of all or a portion of such assistance rendered upon the disposition or nonoccupancy of the property by the borrower. In providing for such recapture, the Sec-

retary shall make provisions to provide incentives for the borrower to maintain the property in a marketable condition. Notwithstanding any other provisions of law, any such assistance whenever rendered shall constitute a debt secured by the Security instruments given by the borrower to the Secretary to the extent that the Secretary may provide for recapture of such assistance.

(ii) In determining the amount recaptured under this subparagraph with respect to any loan made pursuant to section 502(a)(3) for the purchase of a dwelling located on land owned by a community land trust, the Secretary shall determine any appreciation of the dwelling based on any agreement between the borrower and the community land trust that limits the sale price or appreciation of the dwelling.

(E) Except for Federal or State laws relating to taxation, the assistance rendered to any borrower under subparagraphs (B) and (C) shall not be considered to be income or resources for any purpose under any Federal or State laws including, but not limited to, laws relating to welfare and public assistance programs.

(F) Loans subject to the interest rates and assistance provided under this paragraph (1) may be made only when the Secretary determines the needs of the applicant for necessary housing cannot be met with financial assistance from other sources including assistance under the National Housing Act and the United States Housing Act of 1937.

(G) Interest on loans under section 502 or 517(a) to victims of a natural disaster shall not exceed the rate which would be applicable to such loans under section 502 without regard to this section.

(2)(A) The Secretary shall make and insure loans under this section and sections 514, 515, and 517 to provide rental or cooperative housing and related facilities for persons and families of low income in multifamily housing projects, and shall make, and contract to make, assistance payments to the owners of such rental, congregate, or cooperative housing in order to make available to low-income occupants of such housing rentals at rates commensurate to income and not exceeding the highest of (i) 30 per centum of monthly adjusted income, (ii) 10 per centum of monthly income, or (iii) if the person or family is receiving payments for welfare assistance from a public agency, the portion of such payments which is specifically designated by such agency to meet the person's or family's housing costs. Any rent or contribution of any recipient shall not increase as a result of this section or any other provision of Federal law or regulation by more than 10 per centum during any twelve-month period, unless the increase above 10 per centum is attributable to increases in income which are unrelated to this subsection or other law or regulation.

(B) The owner of any project assisted under this paragraph or paragraph (5) shall be required to provide at least annually a budget of operating expenses and record of tenants' income. The budget (and the income, in the case of a project assisted under this paragraph) shall be used to determine the amount of the assistance for each project.

(C) The project owner shall accumulate, safeguard, and periodically pay to the Secretary any rental charges collected in excess of basic rental charges as established by the Secretary in conformity with subparagraph (A). These funds may be credited to the appro-

priation and used by the Secretary for making such assistance payments through the end of the next fiscal year. Notwithstanding the preceding sentence, excess funds received from tenants in projects financed under section 515 during a fiscal year shall be available during the next succeeding fiscal year, together with funds provided under subparagraph (D), to the extent approved in appropriations Acts, to make assistance payments to reduce rent overburden on behalf of tenants of any such project whose rents exceed the levels referred to in subparagraph (A). In providing assistance to relieve rent overburden, the Secretary shall provide assistance with respect to very low-income and low-income families to reduce housing rentals to the levels specified in subparagraph (A).

(D) The Secretary, to the extent approved in appropriation Acts, may enter into rental assistance contracts aggregating not more than \$398,000,000 in carrying out subparagraph (A) with respect to the fiscal year ending on September 30, 1982.

(E) In order to assist elderly or handicapped persons or families who elect to live in a shared housing arrangement in which they benefit as a result of sharing the facilities of a dwelling with others in a manner that effectively and efficiently meets their housing needs and thereby reduces their costs of housing, the Secretary shall permit rental assistance to be used by such persons or families if the shared housing arrangement is in a single-family dwelling. For the purpose of this subparagraph, the Secretary shall prescribe minimum habitability standards to assure decent, safe, and sanitary housing for such families while taking into account the special circumstances of shared housing.

(3)(A) In the case of loans under sections 514 and 515 approved prior to the effective date of this paragraph with respect to which rental assistance is provided, the rent for tenants receiving such assistance shall not exceed the highest of (i) 30 per centum of monthly adjusted income, (ii) 10 per centum of monthly income, or (iii) if the person or family is receiving payments for welfare assistance from a public agency, the portion of such payments which is specifically designated by such agency to meet the person's or family's housing costs.

(B) In the case of a section 515 loan approved prior to the effective date of this paragraph with respect to which interest credits are provided, the tenant's rent shall not exceed the highest of (i) 30 per centum of monthly adjusted income, (ii) 10 per centum of monthly income, or (iii) if the person or family is receiving payments for welfare assistance from a public agency, the portion of such payments which is specifically designated by such agency to meet the person's or family's housing costs, or, where no rental assistance authority is available, the rent level established on a basis of a 1 per centum interest rate on debt service.

(C) No rent for a unit financed under section 514 or 515 shall be increased as a result of this subsection or other provision of Federal law or Federal regulation by more than 10 per centum in any twelve-month period, unless the increase above 10 per centum is attributable to increases in income which are unrelated to this subsection or other law, or regulation.

(4) In the case of a loan with respect to the purchase of a manufactured home with respect to which rental assistance is provided, the monthly payment for principal and interest on the manufac-

tured home and for lot rental and utilities shall not exceed the highest of (A) 30 per centum of monthly adjusted income, (B) 10 per centum of monthly income, or (C) if the person or family is receiving payments for welfare assistance from a public agency, the portion of such payments which is specifically designated by such agency to meet the person's or family's housing costs.

(5) OPERATING ASSISTANCE FOR MIGRANT FARMWORKER PROJECTS.—

(A) AUTHORITY.—In the case of housing (and related facilities) for migrant farmworkers provided or assisted with a loan under section 514 or a grant under section 516, the Secretary may, at the request of the owner of the project, use amounts provided for rental assistance payments under paragraph (2) to provide assistance for the costs of operating the project. Any tenant or unit assisted under this paragraph may not receive rental assistance under paragraph (2).

(B) AMOUNT.—In any fiscal year, the assistance provided under this paragraph for any project shall not exceed an amount equal to 90 percent of the operating costs for the project for the year, as determined by the Secretary. The amount of assistance to be provided for a project under this paragraph shall be an amount that makes units in the project available to migrant farmworkers in the area of the project at rates not exceeding 30 percent of the monthly adjusted incomes of such farmworkers, based on the prevailing incomes of such farmworkers in the area.

(C) SUBMISSION OF INFORMATION.—The owner of a project assisted under this paragraph shall be required to provide to the Secretary, at least annually, a budget of operating expenses and estimated rental income, which the Secretary may use to determine the amount of assistance for the project.

(D) DEFINITIONS.—For purposes of this paragraph, the following definitions shall apply:

(i) The term “migrant farmworker” has the same meaning given such term in section 516(k)(7).

(ii) The term “operating cost” means expenses incurred in operating a project, including expenses for—

(I) administration, maintenance, repair, and security of the project;

(II) utilities, fuel, furnishings, and equipment for the project; and

(III) maintaining adequate reserve funds for the project.

(b) Housing and related facilities provided with loans described in subsection (a) shall be located in rural areas; and applicants eligible for such loans under section 502 or 517(a)(1), or for occupancy of housing provided with such loans under section 515, shall include otherwise qualified nonrural residents who will become rural residents.

(c) There shall be reimbursed to the Rural Housing Insurance Fund by annual appropriations (1) the amounts by which nonprincipal payments made from the fund during each fiscal year to the holders of insured loans described in subsection (a)(1) exceed interest due from the borrowers during each year, and (2) the amount of assistance payments described in subsections (a)(2) and (a)(5).

There are authorized to be appropriated to the Rural Housing Insurance Fund such sums as may be necessary to reimburse such fund for the amount of assistance payments described in subsection (a)(1)(C). The Secretary may from time to time issue notes to the Secretary of the Treasury under section 517(h) and section 526 to obtain amounts equal to such unreimbursed payments, pending the annual reimbursement by appropriation.

(d)(1) In utilizing the rental assistance payments authority pursuant to subsection (a)(2)—

(A) the Secretary shall make such assistance available in existing projects for units occupied by low income families or persons to extend expiring contracts or to provide additional assistance when necessary to provide the full amount authorized pursuant to existing contracts;

(B) any such authority remaining after carrying out subparagraph (A) shall be used in projects receiving commitments under section 514, 515, or 516 after fiscal year 1983 for contracts to assist very low-income families or persons to occupy the units in such projects, except that not more than 5 percent of the units assisted may be occupied by low income families or persons who are not very low-income families or persons; and

(C) any such authority remaining after carrying out subparagraphs (A) and (B) may be used to provide further assistance to existing projects under section 514, 515, or 516.

(2) The Secretary shall transfer rental assistance contract authority under this section from projects where such authority is unused after initial rentup and not needed because of a lack of eligible tenants in the area to projects where such authority is needed.

(3) *In the case of any rental assistance contract authority that becomes available because of the termination of assistance on behalf of an assisted family—*

(A) at the option of the owner of the rental project, the Secretary shall provide the owner a period of 6 months before such assistance is made available pursuant to subparagraph (B) during which the owner may use such assistance authority to provide assistance of behalf of an eligible unassisted family that—

(i) is residing in the same rental project that the assisted family resided in prior to such termination; or

(ii) newly occupies a dwelling unit in such rental project during such period; and

(B) except for assistance used as provided in subparagraph (A), the Secretary shall use such remaining authority to provide such assistance on behalf of eligible families residing in other rental projects originally financed under section 515 or both sections 514 and 516 of this Act.

(e) Any rent or contribution of any recipient or any tenant in a project assisted under subsection (a)(5) shall not increase as a result of this section, any amendment thereto, or any other provision of Federal law or regulation by more than 10 per centum during any twelve-month period, unless the increase above 10 per centum is attributable to increases in income which are unrelated to this subsection or other law or regulation.

* * * * *

SEC. 542. RURAL HOUSING VOUCHER PROGRAM.

(a) **IN GENERAL.**—To such extent or in such amounts as are approved in appropriation Acts, the Secretary shall carry out a rural housing voucher program to assist very low-income families and persons to reside in rental housing in rural areas. For such purposes, the Secretary may provide assistance using a payment standard based on the fair market rental rate established by the Secretary for the area. The monthly assistance payment for any family shall be the amount by which the payment standard for the area exceeds 30 per centum of the family's monthly adjusted income, except that such monthly assistance payment shall not exceed the amount which the rent for the dwelling unit (including the amount allowed for utilities in the case of a unit with separate utility metering) exceeds 10 per centum of the family's monthly gross income.

(b) **COORDINATION AND LIMITATION.**—In carrying out the rural housing voucher program under this section, the Secretary shall—

(1) coordinate activities under this section with activities assisted under sections 515 and 533 of this title; and

(2) enter into contracts for assistance for not more than 5000 units in any fiscal year.

(c) **ELIGIBILITY OF HOUSEHOLDS IN SECTION 514, 515, AND 516 PROJECTS.**—*The Secretary may provide rural housing vouchers under this section for any low-income household (including those not receiving rental assistance) residing in a property financed with a loan made or insured under section 514 or 515 (42 U.S.C. 1484, 1485) which has been prepaid, has been foreclosed, or has matured after September 30, 2005, or residing in a property assisted under section 514 or 516 that is owned by a nonprofit organization or public agency.*

* * * * *

SEC. 545. HOUSING PRESERVATION AND REVITALIZATION PROGRAM.

(a) **ESTABLISHMENT.**—*The Secretary shall carry out a program under this section for the preservation and revitalization of multi-family rental housing projects financed under section 515 or both sections 514 and 516.*

(b) **NOTICE OF MATURING LOANS.**—

(1) **TO OWNERS.**—*On an annual basis, the Secretary shall provide written notice to each owner of a property financed under section 515 or both sections 514 and 516 that will mature within the 4-year period beginning upon the provision of such notice, setting forth the options and financial incentives that are available to facilitate the extension of the loan term or the option to decouple a rental assistance contract pursuant to subsection (f).*

(2) **TO TENANTS.**—

(A) **IN GENERAL.**—*For each property financed under section 515 or both sections 514 and 516, not later than the date that is 2 years before the date that such loan will mature, the Secretary shall provide written notice to each household residing in such property that informs them of the date of the loan maturity, the possible actions that may happen with respect to the property upon such maturity,*

and how to protect their right to reside in federally assisted housing after such maturity.

(B) LANGUAGE.—Notice under this paragraph shall be provided in plain English and shall be translated to other languages in the case of any property located in an area in which a significant number of residents speak such other languages.

(c) LOAN RESTRUCTURING.—Under the program under this section, the Secretary may restructure such existing housing loans, as the Secretary considers appropriate, for the purpose of ensuring that such projects have sufficient resources to preserve the projects to provide safe and affordable housing for low-income residents and farm laborers, by—

- (1) reducing or eliminating interest;
- (2) deferring loan payments;
- (3) subordinating, reducing, or reamortizing loan debt; and
- (4) providing other financial assistance, including advances, payments, and incentives (including the ability of owners to obtain reasonable returns on investment) required by the Secretary.

(d) RENEWAL OF RENTAL ASSISTANCE.—When the Secretary offers to restructure a loan pursuant to subsection (c), the Secretary shall offer to renew the rental assistance contract under section 521(a)(2) for a 20-year term that is subject to annual appropriations, provided that the owner agrees to bring the property up to such standards that will ensure its maintenance as decent, safe, and sanitary housing for the full term of the rental assistance contract.

(e) RESTRICTIVE USE AGREEMENTS.—

(1) REQUIREMENT.—As part of the preservation and revitalization agreement for a project, the Secretary shall obtain a restrictive use agreement that obligates the owner to operate the project in accordance with this title.

(2) TERM.—

(A) NO EXTENSION OF RENTAL ASSISTANCE CONTRACT.—Except when the Secretary enters into a 20-year extension of the rental assistance contract for the project, the term of the restrictive use agreement for the project shall be consistent with the term of the restructured loan for the project.

(B) EXTENSION OF RENTAL ASSISTANCE CONTRACT.—If the Secretary enters into a 20-year extension of the rental assistance contract for a project, the term of the restrictive use agreement for the project shall be for 20 years.

(C) TERMINATION.—The Secretary may terminate the 20-year use restrictive use agreement for a project prior to the end of its term if the 20-year rental assistance contract for the project with the owner is terminated at any time for reasons outside the owner's control.

(f) DECOUPLING OF RENTAL ASSISTANCE.—

(1) RENEWAL OF RENTAL ASSISTANCE CONTRACT.—If the Secretary determines that a maturing loan for a project cannot reasonably be restructured in accordance with subsection (c) and the project was operating with rental assistance under section 521, the Secretary may renew the rental assistance contract, notwithstanding any provision of section 521, for a term, sub-

ject to annual appropriations, of at least 10 years but not more than 20 years.

(2) *RENTS.*—Any agreement to extend the term of the rental assistance contract under section 521 for a project shall obligate the owner to continue to maintain the project as decent, safe and sanitary housing and to operate the development in accordance with this title, except that rents shall be based on the lesser of—

(A) the budget-based needs of the project; or

(B) (i) the operating cost adjustment factor as a payment standard as provided under section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437 note).

(g) *MULTIFAMILY HOUSING TRANSFER TECHNICAL ASSISTANCE.*—Under the program under this section, the Secretary may provide grants to qualified non-profit organizations and public housing agencies to provide technical assistance, including financial and legal services, to borrowers under loans under this title for multifamily housing to facilitate the acquisition of such multifamily housing properties in areas where the Secretary determines there is a risk of loss of affordable housing.

(h) *TRANSFER OF RENTAL ASSISTANCE.*—After the loan or loans for a rental project originally financed under section 515 or both sections 514 and 516 have matured or have been prepaid and the owner has chosen not to restructure the loan pursuant to subsection (c), a tenant residing in such project shall have 18 months prior to loan maturation or prepayment to transfer the rental assistance assigned to the tenant’s unit to another rental project originally financed under section 515 or both sections 514 and 516, and the owner of the initial project may rent the tenant’s previous unit to a new tenant without income restrictions.

(i) *ADMINISTRATIVE EXPENSES.*—Of any amounts made available for the program under this section for any fiscal year, the Secretary may use not more than \$1,000,000 for administrative expenses for carrying out such program.

(j) *AUTHORIZATION OF APPROPRIATIONS.*—There is authorized to be appropriated for the program under this section \$200,000,000 for each of fiscal years 2020 through 2024.

VIOLENCE AGAINST WOMEN ACT OF 1994

* * * * *

TITLE IV—VIOLENCE AGAINST WOMEN

* * * * *

Subtitle N—Addressing the Housing Needs of Victims of Domestic Violence, Dating Violence, Sexual Assault, and Stalking

* * * * *

CHAPTER 2—HOUSING RIGHTS

SEC. 41411. HOUSING PROTECTIONS FOR VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, AND STALKING.

(a) DEFINITIONS.—In this chapter:

(1) AFFILIATED INDIVIDUAL.—The term “affiliated individual” means, with respect to an individual—

(A) a spouse, parent, brother, sister, or child of that individual, or an individual to whom that individual stands in loco parentis; or

(B) any individual, tenant, or lawful occupant living in the household of that individual.

(2) APPROPRIATE AGENCY.—The term “appropriate agency” means, with respect to a covered housing program, the Executive department (as defined in section 101 of title 5, United States Code) that carries out the covered housing program.

(3) COVERED HOUSING PROGRAM.—The term “covered housing program” means—

(A) the program under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q);

(B) the program under section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013);

(C) the program under subtitle D of title VIII of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12901 et seq.);

(D) the program under subtitle A of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360 et seq.);

(E) the program under subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12741 et seq.);

(F) the program under paragraph (3) of section 221(d) of the National Housing Act (12 U.S.C. 1715l(d)) that bears interest at a rate determined under the proviso under paragraph (5) of such section 221(d);

(G) the program under section 236 of the National Housing Act (12 U.S.C. 1715z–1);

(H) the programs under sections 6 and 8 of the United States Housing Act of 1937 (42 U.S.C. 1437d and 1437f);

(I) rural housing assistance provided under sections 514, 515, 516, 533, and 538 of the Housing Act of 1949 (42 U.S.C. 1484, 1485, 1486, 1490m, and 1490p–2); **[and]**

(J) rural development housing voucher assistance provided by the Secretary of Agriculture pursuant to section 542 of the Housing Act of 1949 (42 U.S.C. 1490r), without regard to subsection (b) of such section, and applicable appropriation Acts; and

[(J)] *(K) the low income housing tax credit program under section 42 of the Internal Revenue Code of 1986.*

(b) PROHIBITED BASIS FOR DENIAL OR TERMINATION OF ASSISTANCE OR EVICTION.—

(1) IN GENERAL.—An applicant for or tenant of housing assisted under a covered housing program may not be denied admission to, denied assistance under, terminated from participation in, or evicted from the housing on the basis that the appli-

cant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the applicant or tenant otherwise qualifies for admission, assistance, participation, or occupancy.

(2) CONSTRUCTION OF LEASE TERMS.—An incident of actual or threatened domestic violence, dating violence, sexual assault, or stalking shall not be construed as—

(A) a serious or repeated violation of a lease for housing assisted under a covered housing program by the victim or threatened victim of such incident; or

(B) good cause for terminating the assistance, tenancy, or occupancy rights to housing assisted under a covered housing program of the victim or threatened victim of such incident.

(3) TERMINATION ON THE BASIS OF CRIMINAL ACTIVITY.—

(A) DENIAL OF ASSISTANCE, TENANCY, AND OCCUPANCY RIGHTS PROHIBITED.—No person may deny assistance, tenancy, or occupancy rights to housing assisted under a covered housing program to a tenant solely on the basis of criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking that is engaged in by a member of the household of the tenant or any guest or other person under the control of the tenant, if the tenant or an affiliated individual of the tenant is the victim or threatened victim of such domestic violence, dating violence, sexual assault, or stalking.

(B) BIFURCATION.—

(i) IN GENERAL.—Notwithstanding subparagraph (A), a public housing agency or owner or manager of housing assisted under a covered housing program may bifurcate a lease for the housing in order to evict, remove, or terminate assistance to any individual who is a tenant or lawful occupant of the housing and who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking against an affiliated individual or other individual, without evicting, removing, terminating assistance to, or otherwise penalizing a victim of such criminal activity who is also a tenant or lawful occupant of the housing.

(ii) EFFECT OF EVICTION ON OTHER TENANTS.—If public housing agency or owner or manager of housing assisted under a covered housing program evicts, removes, or terminates assistance to an individual under clause (i), and the individual is the sole tenant eligible to receive assistance under a covered housing program, the public housing agency or owner or manager of housing assisted under the covered housing program shall provide any remaining tenant or resident an opportunity to establish eligibility for the covered housing program. If a tenant or resident described in the preceding sentence cannot establish eligibility, the public housing agency or owner or manager of the housing shall provide the tenant or resident a reasonable time, as determined by the appropriate agency, to

find new housing or to establish eligibility for housing under another covered housing program.

(C) RULES OF CONSTRUCTION.—Nothing in subparagraph

(A) shall be construed—

(i) to limit the authority of a public housing agency or owner or manager of housing assisted under a covered housing program, when notified of a court order, to comply with a court order with respect to—

(I) the rights of access to or control of property, including civil protection orders issued to protect a victim of domestic violence, dating violence, sexual assault, or stalking; or

(II) the distribution or possession of property among members of a household in a case;

(ii) to limit any otherwise available authority of a public housing agency or owner or manager of housing assisted under a covered housing program to evict or terminate assistance to a tenant for any violation of a lease not premised on the act of violence in question against the tenant or an affiliated person of the tenant, if the public housing agency or owner or manager does not subject an individual who is or has been a victim of domestic violence, dating violence, or stalking to a more demanding standard than other tenants in determining whether to evict or terminate;

(iii) to limit the authority to terminate assistance to a tenant or evict a tenant from housing assisted under a covered housing program if a public housing agency or owner or manager of the housing can demonstrate that an actual and imminent threat to other tenants or individuals employed at or providing service to the property would be present if the assistance is not terminated or the tenant is not evicted; or

(iv) to supersede any provision of any Federal, State, or local law that provides greater protection than this section for victims of domestic violence, dating violence, sexual assault, or stalking.

(c) DOCUMENTATION.—

(1) REQUEST FOR DOCUMENTATION.—If an applicant for, or tenant of, housing assisted under a covered housing program represents to a public housing agency or owner or manager of the housing that the individual is entitled to protection under subsection (b), the public housing agency or owner or manager may request, in writing, that the applicant or tenant submit to the public housing agency or owner or manager a form of documentation described in paragraph (3).

(2) FAILURE TO PROVIDE CERTIFICATION.—

(A) IN GENERAL.—If an applicant or tenant does not provide the documentation requested under paragraph (1) within 14 business days after the tenant receives a request in writing for such certification from a public housing agency or owner or manager of housing assisted under a covered housing program, nothing in this chapter may be construed to limit the authority of the public housing agency or owner or manager to—

- (i) deny admission by the applicant or tenant to the covered program;
 - (ii) deny assistance under the covered program to the applicant or tenant;
 - (iii) terminate the participation of the applicant or tenant in the covered program; or
 - (iv) evict the applicant, the tenant, or a lawful occupant that commits violations of a lease.
- (B) EXTENSION.—A public housing agency or owner or manager of housing may extend the 14-day deadline under subparagraph (A) at its discretion.
- (3) FORM OF DOCUMENTATION.—A form of documentation described in this paragraph is—
- (A) a certification form approved by the appropriate agency that—
 - (i) states that an applicant or tenant is a victim of domestic violence, dating violence, sexual assault, or stalking;
 - (ii) states that the incident of domestic violence, dating violence, sexual assault, or stalking that is the ground for protection under subsection (b) meets the requirements under subsection (b); and
 - (iii) includes the name of the individual who committed the domestic violence, dating violence, sexual assault, or stalking, if the name is known and safe to provide;
 - (B) a document that—
 - (i) is signed by—
 - (I) an employee, agent, or volunteer of a victim service provider, an attorney, a medical professional, or a mental health professional from whom an applicant or tenant has sought assistance relating to domestic violence, dating violence, sexual assault, or stalking, or the effects of the abuse; and
 - (II) the applicant or tenant; and
 - (ii) states under penalty of perjury that the individual described in clause (i)(I) believes that the incident of domestic violence, dating violence, sexual assault, or stalking that is the ground for protection under subsection (b) meets the requirements under subsection (b);
 - (C) a record of a Federal, State, tribal, territorial, or local law enforcement agency, court, or administrative agency; or
 - (D) at the discretion of a public housing agency or owner or manager of housing assisted under a covered housing program, a statement or other evidence provided by an applicant or tenant.
- (4) CONFIDENTIALITY.—Any information submitted to a public housing agency or owner or manager under this subsection, including the fact that an individual is a victim of domestic violence, dating violence, sexual assault, or stalking shall be maintained in confidence by the public housing agency or owner or manager and may not be entered into any shared

database or disclosed to any other entity or individual, except to the extent that the disclosure is—

(A) requested or consented to by the individual in writing;

(B) required for use in an eviction proceeding under subsection (b); or

(C) otherwise required by applicable law.

(5) DOCUMENTATION NOT REQUIRED.—Nothing in this subsection shall be construed to require a public housing agency or owner or manager of housing assisted under a covered housing program to request that an individual submit documentation of the status of the individual as a victim of domestic violence, dating violence, sexual assault, or stalking.

(6) COMPLIANCE NOT SUFFICIENT TO CONSTITUTE EVIDENCE OF UNREASONABLE ACT.—Compliance with subsection (b) by a public housing agency or owner or manager of housing assisted under a covered housing program based on documentation received under this subsection, shall not be sufficient to constitute evidence of an unreasonable act or omission by the public housing agency or owner or manager or an employee or agent of the public housing agency or owner or manager. Nothing in this paragraph shall be construed to limit the liability of a public housing agency or owner or manager of housing assisted under a covered housing program for failure to comply with subsection (b).

(7) RESPONSE TO CONFLICTING CERTIFICATION.—If a public housing agency or owner or manager of housing assisted under a covered housing program receives documentation under this subsection that contains conflicting information, the public housing agency or owner or manager may require an applicant or tenant to submit third-party documentation, as described in subparagraph (B), (C), or (D) of paragraph (3).

(8) PREEMPTION.—Nothing in this subsection shall be construed to supersede any provision of any Federal, State, or local law that provides greater protection than this subsection for victims of domestic violence, dating violence, sexual assault, or stalking.

(d) NOTIFICATION.—

(1) DEVELOPMENT.—The Secretary of Housing and Urban Development shall develop a notice of the rights of individuals under this section, including the right to confidentiality and the limits thereof.

(2) PROVISION.—Each public housing agency or owner or manager of housing assisted under a covered housing program shall provide the notice developed under paragraph (1), together with the form described in subsection (c)(3)(A), to an applicant for or tenants of housing assisted under a covered housing program—

(A) at the time the applicant is denied residency in a dwelling unit assisted under the covered housing program;

(B) at the time the individual is admitted to a dwelling unit assisted under the covered housing program;

(C) with any notification of eviction or notification of termination of assistance; and

(D) in multiple languages, consistent with guidance issued by the Secretary of Housing and Urban Development in accordance with Executive Order 13166 (42 U.S.C. 2000d-1 note; relating to access to services for persons with limited English proficiency).

(e) EMERGENCY TRANSFERS.—Each appropriate agency shall adopt a model emergency transfer plan for use by public housing agencies and owners or managers of housing assisted under covered housing programs that—

(1) allows tenants who are victims of domestic violence, dating violence, sexual assault, or stalking to transfer to another available and safe dwelling unit assisted under a covered housing program if—

(A) the tenant expressly requests the transfer; and

(B)(i) the tenant reasonably believes that the tenant is threatened with imminent harm from further violence if the tenant remains within the same dwelling unit assisted under a covered housing program; or

(ii) in the case of a tenant who is a victim of sexual assault, the sexual assault occurred on the premises during the 90 day period preceding the request for transfer; and

(2) incorporates reasonable confidentiality measures to ensure that the public housing agency or owner or manager does not disclose the location of the dwelling unit of a tenant to a person that commits an act of domestic violence, dating violence, sexual assault, or stalking against the tenant.

(f) POLICIES AND PROCEDURES FOR EMERGENCY TRANSFER.—The Secretary of Housing and Urban Development shall establish policies and procedures under which a victim requesting an emergency transfer under subsection (e) may receive, subject to the availability of tenant protection vouchers, assistance under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)).

(g) IMPLEMENTATION.—The appropriate agency with respect to each covered housing program shall implement this section, as this section applies to the covered housing program.

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