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H.R.5334

Housing and Community Development Act of 1992 (Engrossed as Agreed to or Passed by House)

SEC. 2. EFFECTIVE DATE.

(a) IN GENERAL- The provisions of this Act and the amendments made by this Act shall take effect and shall apply upon the date of the enactment of this Act, unless such provisions or amendments specifically provide for effectiveness or applicability upon another date certain.

(b) EFFECT OF REGULATORY AUTHORITY- Any authority in this Act or the amendments made by this Act to issue regulations, and any specific requirement to issue regulations by a date certain, may not be construed to affect the effectiveness or applicability of the provisions of this Act or the amendments made by this Act under such provisions and amendments and subsection (a) of this section.

(c) IMPLEMENTATION- The Secretary of Housing and Urban Development, the Secretary of Agriculture, or any other Federal officer specifically required (by the provisions of this Act or the amendments made by this Act) to carry out any such provision or amendment, as applicable, shall carry out such provision or amendment upon the effectiveness or applicability of the provision or amendment, notwithstanding the absence of any regulations relating to such provision or amendment.

TITLE I--HOUSING ASSISTANCE

Subtitle A--General Provisions

SEC. 101. LOW-INCOME HOUSING AUTHORIZATION.

(a) **AGGREGATE BUDGET AUTHORITY-** Section 5(c)(6) of the United States Housing Act of 1937 (42 U.S.C. 1437c(c)(6)) is amended by adding at the end the following new sentence: "The aggregate amount of budget authority that may be obligated for assistance referred to in paragraph (7) is increased (to the extent approved in appropriation Acts) by \$14,552,589,078 on October 1, 1992."

(b) **UTILIZATION OF BUDGET AUTHORITY-** Section 5(c)(7) of the United States Housing Act of 1937 (42 U.S.C. 1437c(c)(7)) is amended by striking the paragraph designation and all that follows through the end of subparagraph (A) and inserting the following:

"(7)(A) Using the additional budget authority provided under paragraph (6) and the balances of budget authority that become available during fiscal year 1993, the Secretary shall, to the extent approved in appropriation Acts, reserve authority to enter into obligations aggregating--

"(i) for public housing grants under subsection (a)(2), not more than \$811,000,320, of which amount not more than \$237,419,520 shall be available for Indian housing;

"(ii) for assistance under section 8, not more than \$1,957,662,720, of which such sums as may be necessary shall be available for 15-year contracts for project-based assistance to be used for a multicultural tenant empowerment and homeownership project located in the District of Columbia, except assistance provided under this clause shall not be considered for purposes of the percentage limitations under section 8(i)(2); except that not more than 49 percent of any amounts appropriated under this clause may be used for vouchers under section 8(o);

"(iii) for comprehensive improvement assistance grants under section 14(k), not more than \$2,238,912,000;

"(iv) for assistance under section 8 for property disposition, not more than \$437,399,000;

"(v) for assistance under section 8 for loan management, not more than \$166,632,960;

"(vi) for extensions of contracts expiring under section 8, not more than \$6,971,166,720, which shall be for 5-year contracts for assistance under section 8 and for loan management assistance under such section;

"(vii) for amendments to contracts under section 8, not more than \$1,842,048,528;

"(viii) for public housing lease adjustments and amendments, not more than \$20,884,800;

"(ix) for public housing replacement activities, not more than \$85,800,000, of which \$30,888,000 shall be for 15-year contracts for project-based assistance under section 8; and

"(x) for conversions from leased housing contracts under section 23 of this Act (as in effect immediately before the enactment of the Housing and Community Development Act of 1974) to assistance under section 8, not more than \$24,513,990."

SEC. 102. EXTENSION OF CEILING RENTS.

(a) REMOVAL OF 5-YEAR LIMIT- Section 3(a)(2)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a)(2)(A)) is amended by striking `for not more than a 5-year period`.

(b) EXTENSION OF PREVIOUS CEILING RENTS- Section 3(a)(2)(B) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a)(2)(B)) is amended--

(1) by striking the first sentence; and

(2) in the last sentence, by striking `for the 5-year period beginning on such date of enactment' and inserting `without time limitation`.

(c) COMPUTATION OF DEBT SERVICE- Section 3(a)(2)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a)(2)(A)) is amended by adding at the end the following new flush sentence:

`In determining the amount of debt service for any project for purposes of this paragraph, the Secretary may not consider any amount of debt that is not actually outstanding for the project.`

SEC. 103. INCOME AND DEFINITIONS APPLICABLE TO INDIAN HOUSING PROGRAMS.

(a) EXCLUSIONS FROM INCOME-

(1) IN GENERAL- Section 3(b)(5) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(5)) is amended--

(A) by striking subparagraph (D) and inserting the following new subparagraph:

`(D) child care expenses to the extent necessary to enable another member of the family to be employed or to further his or her education;`

(B) by striking `and' at the end of subparagraph (E);

(C) by striking the period at the end of subparagraph (F) and inserting `; and'; and

(D) by inserting after subparagraph (F) the following new subparagraph:

`(G) excessive travel expenses, not to exceed \$25 per family per week, for employment- or education-related travel, except that this subparagraph shall apply only to families assisted by Indian housing authorities.`

(2) BUDGET COMPLIANCE- To the extent that the amendments made by paragraph (1) result in additional costs under this title, such amendments shall be effective only to the extent that amounts to cover such additional costs are provided in advance in appropriation Acts.

(b) APPLICABILITY OF DEFINITIONS TO INDIAN HOUSING-

(1) IN GENERAL- In accordance with section 201(b)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437aa(b)(2)), the provisions of sections 572, 573, and 574 of the Cranston-Gonzalez National Affordable Housing Act shall apply to public housing developed or operated pursuant to a contract between the Secretary of Housing and Urban Development and an Indian Housing Authority.

(2) EFFECTIVE DATE- Paragraph (1) shall take effect as if such provision were enacted upon the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act.

SEC. 104. PUBLIC AND SECTION 8 HOUSING TENANT PREFERENCE RULES.

Not later than the expiration of the 180-day period beginning on the date of the enactment of this Act, the Secretary of Housing and Urban Development shall issue regulations implementing the amendments made by sections 501 and 545 of the Cranston-Gonzalez National Affordable Housing Act. The regulations shall be issued after notice and opportunity for public comment pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section) and shall take effect upon issuance.

SEC. 105. INCOME ELIGIBILITY FOR ASSISTED HOUSING.

Section 16(c) of the United States Housing Act of 1937 (42 U.S.C. 1437n(c)) is amended--

(1) in the first sentence, by striking the second comma and inserting `and`;

(2) in the first sentence, by striking `, and shall' and inserting ` . In developing such admission procedures, the Secretary shall'; and

(3) by inserting before the period at the end of the penultimate sentence the following: `; except that such prohibition shall not apply with respect to families selected for occupancy in public housing under the system of preferences established by the agency pursuant to section 6(c)(4)(A)(ii)`.

SEC. 106. FAMILY SELF-SUFFICIENCY PROGRAM.

(a) RESERVATION OF OPERATING SUBSIDIES- The last sentence of section 23(h)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437u(h)(2)) is amended to read as follows: `Of any amounts appropriated under section 9(c) for fiscal year 1993, \$25,000,000 is authorized to be used for costs under this paragraph.`

(b) PURPOSE- Section 23(a) of the United States Housing Act of 1937 (42 U.S.C. 1437u(a)) is amended by striking `eligible families' and all that follows and inserting `families to improve their educational and employment status and achieve a greater measure of economic independence and self-sufficiency.`

(c) EXCEPTION TO REQUIRED ESTABLISHMENT OF PROGRAM- Section 23(b)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437u(b)(2)) is amended by striking subparagraphs (A) through (D) and inserting the following:

- ˆ (A) lack of supportive services accessible to potential participating families, which shall include insufficient availability of resources for programs under the Job Training Partnerships Act or the Job Opportunities and Basic Skills Training Program under part F of title IV of the Social Security Act;
- ˆ (B) lack of funding for reasonable administrative costs;
- ˆ (C) lack of cooperation by other units of State or local government; or
- ˆ (D) any other circumstances that the Secretary may consider appropriate.

In allocating assistance available for reservation under this Act, the Secretary may not refuse to provide assistance or decrease the amount of assistance that would otherwise be provided to any public housing agency because the agency has provided a certification under this paragraph or because, pursuant to a certification, the agency has failed to carry out a self-sufficiency program.'

(d) SCOPE OF PROGRAM- Section 23(b)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437u(b)(3)) is amended--

(1) in subparagraph (A)--

- (A) by striking `Certificate and voucher assistance under section 8(b) and (o)' and inserting `Assistance under section 8';
- (B) by inserting `50 percent of' after `equivalent to'; and
- (C) by inserting after the period at the end the following new sentence: `In determining the increase in the number of families assisted for a year, the public housing agency shall not consider any assistance made available for the property disposition program, for loan management, for family unification pursuant to section 8(x), for handicapped or disabled families pursuant to section 8(i), for replacement assistance under section 304(g), for conversions from leased housing contracts under section 23 (as in effect immediately before the enactment of the Housing and Community Development Act of 1974) to assistance under section 8, or under the provisions of the Low-Income Housing Preservation Act of 1990 or the Emergency Low Income Housing Preservation Act of 1987 (as in effect immediately before the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act and applicable pursuant to section 604 of such Act).'; and

(2) in subparagraph (B), by inserting after the period at the end the following new sentence: `In determining the increase in the number of dwelling units for a year, the public housing agency shall not consider any dwelling unit that in the preceding year was a vacant unit and has become available for occupancy, any unit made available pursuant to the requirement under section 18 providing for replacement of any units demolished or disposed, or any unit in a project designated, and approved by the Secretary, for occupancy under section 7(a)(1).'

(e) LIMITATION ON PORTABILITY- Section 23(b) of the United States Housing Act of 1937 (42 U.S.C. 1437u(b)) is amended by adding at the end the following new paragraph:

- ˆ (4) LIMITATION ON PORTABILITY- Notwithstanding section 8(r), a participating family receiving assistance under section 8 in connection with a local self-sufficiency program may not use such assistance for any dwelling unit that is not located within the area of jurisdiction of the public housing agency carrying out such program.'

(f) CONTRACT OF PARTICIPATION- Section 23(c)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437u(c)(1)) is amended--

- (1) in the second sentence, by inserting after `program' the following: `, shall establish specific interim and final goals by which compliance with and performance of the contract may be measured (which may not include requiring the participating family to refuse Federal, State, or local housing assistance as a condition of withdrawing amounts in an escrow savings account established under subsection (d)(3)).'; and
- (2) by striking the last sentence and inserting the following new sentence: `The contract shall provide that the public housing agency may terminate or withhold assistance under section 8 and services under paragraph (2) of this subsection if the public housing agency determines, through an administrative grievance procedure in accordance with the requirements of section 6(k), that the family has failed to comply with the requirements of the contract without good cause.'

(g) SUPPORTIVE SERVICES- The first sentence of section 23(c)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437u(c)(2)) is amended by striking `to each participating family' the second place it appears.

(h) INCENTIVES FOR PARTICIPATION- Section 23(d) of the United States Housing Act of 1937 (42 U.S.C. 1437u(d)) is amended--

- (1) by striking `MAXIMUM RENTS AND ESCROW SAVINGS ACCOUNTS- ' and inserting `INCENTIVES FOR PARTICIPATION-';
- (2) in paragraph (1)--
 - (A) in the first sentence--
 - (i) by inserting `the public housing agency may provide that' after the first comma; and
 - (ii) by striking `may not be' and inserting `is not';
 - (B) in the second sentence, by striking `The Secretary shall provide' and inserting `If the public housing agency limits rents under the first sentence of this paragraph, the agency shall provide (A)'; and

(C) by striking ` . Upon' and inserting ` (as determined by the Secretary), and (B) that upon';

(3) in paragraph (2)--

(A) in the first sentence, by striking ` For' and inserting ` If, and only if, the public housing agency limits rents under paragraph (1), for';

(B) in the second sentence--

(i) by striking ` For' and inserting ` With respect only to such agencies, for'; and

(ii) by striking ` paragraph (1)' and inserting ` paragraph (2)'; and

(C) by striking the last sentence and inserting the following new sentences: ` Any amounts in an escrow account established under this paragraph shall be available to the participating family upon successful performance of the obligations of the family under the contract of participation entered into by the family under subsection (c), as determined according to the specific goals and terms included in the contract. A public housing agency establishing such escrow accounts may make certain amounts in the accounts available to the participating families before full performance of the contract obligations based on compliance with, and completion of, specific interim goals included in the contract, partial performance of the contract, or otherwise, as the agency determines is appropriate; except that any such amounts shall be used by the participating families for purposes consistent with the contracts of participation, as determined by the public housing agency.';

(4) by redesignating paragraphs (1) and (2) (as amended by this subsection) as paragraphs (2) and (3), respectively; and

(5) by inserting before paragraph (2) (as so redesignated by paragraph (4) of this subsection) the following new paragraph:

` (1) PLAN- Each public housing agency carrying out a local program under this section shall establish a plan to offer incentives to families to encourage families to participate in the program. The plan may require limitations on the rent of participating families and the establishment of escrow savings accounts as provided under paragraphs (2) and (3) and may include any other incentives designed by the public housing agency in addition to the incentives under such paragraphs.'.

(i) ACTION PLAN- Section 23(g)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437u(g)(3)) is amended--

(1) by redesignating subparagraphs (D) through (G) as subparagraphs (E) through (H), respectively; and

(2) by inserting after subparagraph (C) the following new subparagraph:

` (D) a description of the incentives pursuant to subsection (d) offered by the public housing agency to families to encourage participation in the program;'.

(j) APPLICABILITY TO INDIAN HOUSING AUTHORITIES- Section 23(o)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437u(o)(2)) is amended--

(1) by inserting ` low-income housing and' before ` public housing';

(2) by inserting ` , assisted,' after ` developed'; and

(3) by inserting before the period at the end the following: ` , but only if and to the extent that the Indian housing authority, in the discretion of the authority, determines that this section shall apply'.

(k) REPEAL OF INCENTIVE AWARD ALLOCATION- Section 23 of the United States Housing Act of 1937 (42 U.S.C. 1437u) is amended--

(1) by striking subsection (i); and

(2) by redesignating subsections (j) through (o) (as amended by this section) as subsections (i) through (n), respectively.

(l) APPLICABILITY- The amendments made by this section shall apply with respect to fiscal year 1993 and thereafter.

Subtitle B--Public and Indian Housing

SEC. 111. MAJOR RECONSTRUCTION OF OBSOLETE PROJECTS.

(a) IN GENERAL- Section 5(j)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437c(j)(2)) is amended to read as follows:

` (2)(A) Notwithstanding any other provision of law, the Secretary may reserve not more than 20 percent of any amounts appropriated for development of public housing in each fiscal year for the substantial redesign, reconstruction, or redevelopment of existing obsolete public housing projects or buildings and for the costs of improving the management and operation of projects undergoing redesign, reconstruction, or redevelopment under this paragraph (to the extent that such improvement is necessary to maintain the physical improvements resulting from such redesign, reconstruction, or redevelopment).

` (B) For purposes of this paragraph, the term ` obsolete public housing project or building' means a public housing project or building (i) having design or marketability problems resulting in vacancy in more than 25 percent of the units, or (ii)(I) for which the costs for redesign, reconstruction, or redevelopment (including any costs for lead-based paint abatement activities) exceed 70 percent of the total development cost limits for new construction of similar units in the area and (II) which has an occupancy density or a building height that is significantly in excess of that which prevails in the neighborhood in which the project is located, a bedroom configuration that could be altered to better serve the needs of families seeking occupancy to dwellings of the public housing agency, significant security problems in and around the project, or significant physical deterioration or inefficient energy and utility systems.

- ^ (C) The Secretary shall allocate amounts reserved under this section to public housing agencies on the basis of a competition among public housing agencies applying for such amounts. The competition shall be based on--
- ^ (i) the management capability of the public housing agency to carry out the redesign, reconstruction, or redevelopment;
 - ^ (ii) the expected term of the useful life of the project or building after redesign, reconstruction or redevelopment; and
 - ^ (iii) the likelihood of achieving full occupancy within the projects or buildings of the agency that are to be assisted under this paragraph.
- ^ (D) The Secretary shall establish limitations on the total costs of any project or building receiving amounts under this paragraph for redesign, reconstruction, and redevelopment. The cost limitations shall not be related to the total development cost system for new development or to the cost limits for modernization and shall recognize the higher direct costs of such work.
- ^ (E) Assistance may not be provided under this paragraph for any project or building assisted under section 14.
- ^ (F)(i) For each fiscal year for which amounts are reserved or appropriated for the purposes of this paragraph, the Secretary shall establish performance goals to evaluate the effectiveness of the use of such amounts. The goals shall--
- ^ (I) be designed to maximize the effectiveness of the expenditures in a quantifiable manner; and
 - ^ (II) describe the number of units to be redesigned, redeveloped, and reconstructed with such amounts and improvements in the management of projects so assisted to be accomplished with such amounts.
- ^ (ii) Not later than 60 days after the end of each such fiscal year, the Secretary shall submit a report to the Congress, which shall describe the performance goals established for the fiscal year, the activities carried out with such amounts, and a statement of whether the performance goals were met. If the performance goals were not met, the report shall contain--
- ^ (I) an explanation of why the goals were not met and a description of any managerial deficiencies or legal problems that contributed to not meeting such goals;
 - ^ (II) plans and a schedule for achieving the level of performance under such performance goals;
 - ^ (III) recommendations for legislative or regulatory changes necessary to achieve the performance goals or improve performance; and
 - ^ (IV) a statement of whether the performance goals established for the fiscal year were impractical or infeasible, and, if so, the factors that contributed and resulted in establishing such impractical or infeasible goals and recommendations of actions to meet such goals, which may include changing the goals or altering or eliminating the program under this paragraph for major reconstruction of projects.'

(b) MODERNIZATION AND DISPOSITION REQUIREMENTS-

(1) MODERNIZATION- Section 14(c) of the United States Housing Act of 1937 (42 U.S.C. 1437l(c)) is amended--

(A) in the matter preceding paragraph (1)--

- (i) by inserting `buildings of' after `for'; and
- (ii) by striking `which';

(B) in each of paragraphs (1), (2), (3), and (4), by inserting `which projects' after the paragraph designation;

(C) in paragraph (3), by striking `and' at the end;

(D) by redesignating paragraph (4) as paragraph (5); and

(E) by inserting after paragraph (3) the following new paragraph:

^ (4) which buildings are not assisted under section 5(j)(2); and'.

(2) DEMOLITION AND DISPOSITION- Section 18(a) of the United States Housing Act of 1937 (42 U.S.C. 1437q(a)) is amended--

(A) in paragraph (1), by striking `or' at the end;

(B) in paragraph (2), by striking the period at the end and inserting `; or'; and

(C) by adding at the end the following new paragraph:

^ (3) in the case of an application proposing demolition or disposition of any portion of a public housing project, assisted at any time under section 5(j)(2)--

^ (A) such assistance has not been provided for the portion of the project to be demolished or disposed within the 10-year period ending upon submission of the application; or

^ (B) the property's retention is not in the best interest of the tenants or the public housing agency because of extraordinary changes in the area surrounding the project or other extraordinary circumstances of the project.'

(c) REGULATIONS- The Secretary shall issue regulations necessary to carry out the amendments made by this section as provided under section 191 of this Act. Notwithstanding sections 583(a) and 585(a) of title 5, United States Code (as added by section 3(a) of the Negotiated Rulemaking Act of 1990), the regulations shall be issued pursuant to a negotiated rulemaking procedure under subchapter IV of chapter 5 of such title (as added by section 3(a) of the Negotiated Rulemaking Act of 1990),

and the Secretary shall establish a negotiated rulemaking committee for development of any such proposed regulations.

SEC. 112. PUBLIC HOUSING TENANT PREFERENCES.

Section 6(c)(4)(A)(i) of the United States Housing Act of 1937 (42 U.S.C. 1437d(c)(4)(A)(i)) is amended by inserting before the semicolon at the end the following: ` ; subject to the additional requirement that, in the case of any project of more than 25 units, such tenant selection criteria shall give preference to such families for not less than 50 percent of the units in such project that are made available for occupancy in a given year'.

SEC. 113. PUBLIC HOUSING OPERATING SUBSIDIES.

(a) AUTHORIZATION OF APPROPRIATIONS- Section 9(c) of the United States Housing Act of 1937 (42 U.S.C. 1437g(c)) is amended to read as follows:

` (c)(1) There is authorized to be appropriated for purposes of providing annual contributions under this section \$2,082,662,400 for fiscal year 1993.

` (2) There is also authorized to be appropriated to provide annual contributions under this section, in addition to amounts under paragraph (1), such sums as may be necessary for fiscal year 1993 to provide each public housing agency with the difference between (A) the amount provided to the agency from amounts appropriated pursuant to paragraph (1), and (B) all funds for which the agency is eligible under the performance funding system without adjustments for estimated or unrealized savings.

` (3) In addition to amounts under paragraphs (1) and (2), there is authorized to be appropriated for annual contributions under this section to provide for the costs of the adjustments to income and adjusted income under the amendments made by sections 573(b) and (c) of the Cranston-Gonzalez National Affordable Housing Act such sums as may be necessary for fiscal year 1993.'.

(b) ADJUSTMENT OF PERFORMANCE FUNDING SYSTEM- Section 9(a)(3)(A) is amended by inserting after the period at the end the following new sentence: ` Notwithstanding sections 583(a) and 585(a) of title 5, United States Code (as added by section 3(a) of the Negotiated Rulemaking Act of 1990), any proposed regulation providing for amendment, alteration, adjustment, or other change to the performance funding system relating to vacant public housing units shall be issued pursuant to a negotiated rulemaking procedure under subchapter IV of chapter 5 of such title (as added by section 3(a) of the Negotiated Rulemaking Act of 1990), and the Secretary shall establish a negotiated rulemaking committee for development of any such proposed regulations.'.

SEC. 114. PUBLIC HOUSING VACANCY REDUCTION.

(a) FUNDING- Section 14(p)(5) of the United States Housing Act of 1937 (42 U.S.C. 1437l(p)(5)) is amended to read as follows:

` (5) Of any amounts available under this section after amounts are reserved pursuant to subsection (k)(1), an amount equal to 9 percent of such remaining funds shall be available in fiscal year 1993 for carrying out this section.'

(b) AVAILABILITY OF ASSISTANCE- Section 14(p)(4) of the United States Housing Act of 1937 (42 U.S.C. 1437l(p)(4)) is amended by striking the first comma and all that follows through the second comma and inserting ` , subject to the availability of amounts under paragraph (5),'.

(c) USE OF AMOUNTS FOR ASSESSMENT TEAMS- Section 14(p)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437l(p)(3)) is amended by adding at the end the following new subparagraph:

` (D) The Secretary may use amounts made available under paragraph (6) for any travel and administrative expenses of assessment teams under this paragraph.'

(d) ASSESSMENT TEAM- The second sentence of section 14(p)(3)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437l(p)(3)(A)) is amended--

(1) by striking ` and' after ` Development' and inserting a comma; and

(2) by striking ` who' and inserting ` and officials of the public housing agency, all of whom'.

(e) RESERVATION OF ANNUAL CONTRIBUTIONS FOR ACTIVITIES UNDER PLAN- Section 14(p) of the United States Housing Act of 1937 (42 U.S.C. 1437l(p)) is amended--

(1) by redesignating paragraphs (3), (4), and (5) (as amended by the preceding provisions of this section) as paragraphs (4), (5), and (6), respectively; and

(2) by inserting after paragraph (2) the following new paragraph:

` (3)(A) Upon the expiration of the 24-month period beginning upon the receipt of assistance under paragraph (5) by a public housing agency, the Secretary shall, after reviewing the progress made in complying with the plan, reserve from the annual contribution attributable to each unit vacant for the 24-month period an amount determined by the Secretary but not exceeding 80 percent of such contribution. The Secretary may not reserve any amounts under this subparagraph for any vacant dwelling unit that is vacant because of modernization, reconstruction, or lead-based paint reduction activities.

` (B) The Secretary shall deposit any amounts reserved under subparagraph (A) in a separate account established on behalf of the public housing agency, and such amounts shall be available to the agency only for the purpose of carrying out activities in compliance with the vacancy reduction plan of the agency.

` (C) If, after the expiration of the 24-month period beginning upon the reservation under subparagraph (A) of amounts for a public housing agency, the Secretary determines that the agency has not made significant progress to comply with the provisions of the vacancy reduction plan of the agency, the amount remaining in the account for the agency established under subparagraph (B) shall be recaptured by the Secretary.'

(f) TECHNICAL CORRECTIONS- Section 14(p)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437l(p)(2)) is amended--

(1) in clause (D), by striking `modernization, reconstruction' and inserting `comprehensive modernization, major reconstruction'; and

(2) in clause (E), by striking `the modernization' and inserting `the comprehensive modernization'.

SEC. 115. PUBLIC HOUSING DEMOLITION AND DISPOSITION.

(a) COORDINATION WITH TENANTS- Section 18(b)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437p(b)(1)) is amended by inserting `of the project or portion of the project covered by the application' after `tenant cooperative'.

(b) REPLACEMENT PLAN- Section 18(b)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437p(b)(3)) is amended--

(1) in subparagraph (A)--

(A) in clause (ii), by inserting before the semicolon at the end the following: `to the extent available; or if such assistance is not available, in the case of an application proposing demolition or disposition of 200 or more units, the use of available project-based assistance under section 8 having a term of not less than 5 years';

(B) in clause (iii), by inserting before the semicolon at the end the following: `to the extent available; or if such assistance is not available, in the case of an application proposing demolition or disposition of 200 or more units, the use of available project-based assistance under other Federal programs having a term of not less than 5 years';

(C) in clause (v), by inserting before the semicolon the following: `to the extent available; or if such assistance is not available, in the case of an application proposing demolition or disposition of 200 or more units, the use of tenant-based assistance under section 8 (excluding vouchers under section 8(o)) having a term of not less than 5 years'; and

(D) in clause (vi), by inserting `, as determined by the agency' before the semicolon at the end;

(2) by redesignating subparagraphs (B) through (G) as subparagraphs (C) through (H), respectively; and

(3) by inserting after subparagraph (A) the following new subparagraph:

`(B) in the case of an application proposing demolition or disposition of 200 or more units, shall provide that (notwithstanding the limitation under section 8(d)(2)(A) on the amount of project-based assistance provided by an agency)--

(i) not less than 50 percent of such additional dwelling units shall be provided through the acquisition or development of additional public housing dwelling units or through project-based assistance; and

(ii) not more than 50 percent of such additional dwelling units shall be provided through tenant-based assistance under section 8 (excluding vouchers under section 8(o)) having a term of not less than 5 years;'.

SEC. 116. PUBLIC HOUSING RESIDENT MANAGEMENT.

(a) AUTHORIZATION OF APPROPRIATIONS- Section 20(f)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437r(f)(3)) is amended to read as follows:

`(3) AUTHORIZATION OF APPROPRIATIONS- There are authorized to be appropriated to carry out this subsection such sums as may be necessary for fiscal year 1993.'

(b) MANAGEMENT INDICATORS AND REPORT- Section 20(g) of the United States Housing Act of 1937 (42 U.S.C. 1437r(g)) is amended to read as follows:

`(g) MANAGEMENT INDICATORS AND REPORT-

(1) INDICATORS- Not later than the expiration of the 12-month period beginning on the date of the enactment of the Housing and Community Development Act of 1992, the Secretary shall develop and publish in the Federal Register indicators and procedures by which to assess the management performance of resident management corporations under this Act. The Secretary shall use such indicators and procedures to evaluate such performance. The indicators developed under this paragraph and any enforcement procedures shall, to the extent practicable, be based on the indicators and procedures developed under section 6(j) for assessing the performance of public housing agencies.

(2) REPORTS- The Secretary shall annually submit a report to the Congress containing any findings of the Secretary as a result of evaluating and assessing the performance of resident management corporations under this Act and any recommendations of the Secretary with respect to such findings.'

(c) TRANSFER OF MANAGEMENT BY RESIDENTS- Section 20 of the United States Housing Act of 1937 (42 U.S.C. 1437r) is amended--

(1) by striking the section heading and inserting the following new heading:

`PUBLIC HOUSING RESIDENT MANAGEMENT AND TRANSFER OF MANAGEMENT BY RESIDENTS';

(2) in subsection (a), by striking `The purpose' and all that follows through `residents by--' and inserting the following: `The purpose of this section is to encourage choice in management of troubled public housing projects by residents and increased resident management of public housing projects, as a means of improving living conditions in public housing

projects, by providing for resident councils and resident management corporations to transfer the management of troubled projects to alternative managers and by providing increased flexibility for public housing projects that are managed by residents by--';

(3) in subsection (b)--

(A) in paragraph (1), by inserting `REQUIREMENTS FOR RESIDENT MANAGEMENT' after `RESIDENT COUNCIL';

(B) in paragraph (2)--

(i) by inserting `(A) in the case of council establishing a resident management corporation,' after `specialist'; and

(ii) by inserting before the period at the end the following: `, or (B) in the case of a council seeking to transfer management of a troubled public housing project under this section, to assist in identifying and acquiring a capable manager for the project';

(C) in paragraph (3), by inserting `or manager' after `resident management corporation' each place it appears;

(D) in the first sentence of paragraph (4)--

(i) by inserting `or manager' after `corporation' each place it appears; and

(ii) by inserting before `establishing' the following: `(and, in the case of a manager, with the Secretary)';

(E) in paragraph (5), by inserting `or manager' after `corporation';

(F) by redesignating paragraphs (2) through (5) (as amended by this paragraph) as paragraphs (3) through (6), respectively; and

(G) by inserting after paragraph (1) the following new paragraph:

`(2) REQUIREMENTS FOR TRANSFER OF MANAGEMENT OF TROUBLED PROJECTS BY RESIDENTS-

`(A) AUTHORITY- The elected resident council for a troubled public housing project (as established by the approval of a majority of the households of the specific troubled public housing project) or the resident management corporation for such a project may apply to the Secretary to transfer the management of the troubled public housing project from the troubled public housing agency or resident management corporation to an alternative manager, and the Secretary may transfer such management pursuant to such an application. An application for such transfer may be submitted only if a majority of the members of the board of the resident council or resident management corporation has voted in favor of the transferring management responsibilities, and a majority of the residents of the troubled public housing project to be transferred has also voted in favor of the transfer in an election supervised by a disinterested third party.

`(B) APPLICATION-

`(i) IN GENERAL- The Secretary shall provide for resident councils and resident management corporations to submit applications for transfer of management of troubled public housing projects under this section. The Secretary shall establish the form and procedures for such applications in accordance with the requirements of this subparagraph.

`(ii) PHA COMMENT- The public housing agency that owns or operates the troubled public housing project involved shall have a reasonable opportunity to submit to the Secretary any comments regarding the application, as the Secretary shall prescribe, and may present to the resident council or resident management corporation a proposal for the management of the housing by the agency. The resident council or resident management corporation shall give reasonable consideration to any such proposal.

`(iii) CONTENTS- Each application shall contain--

`(I) a description of the resident council or resident management corporation and documentation of its authority;

`(II) documentation of the votes required under subparagraph (A);

`(III) a description of the proposed manager and documentation of the capacity of the proposed manager to manage the troubled public housing project;

`(IV) a management plan describing how the manager will carry out the responsibilities for managing the troubled public housing project;

`(V) a detailed plan for the use of any rehabilitation funding under this Act for the troubled public housing project and for the use of any modernization funding for the project received during the ensuing 5 years pursuant to subsection (c);

`(VI) documentation identifying the project for which the application is submitted, and identifying the project as a troubled public housing project;

`(VII) documentation of compliance with the requirements under clause (ii); and

`(VIII) any other information that the Secretary considers appropriate.

`(iv) REVIEW AND APPROVAL BY SECRETARY- The Secretary may approve any application under this subparagraph that meets the requirements under this paragraph.

` (C) CONTRACT- In addition to other contract provisions required under this section, a contract under paragraph (5) between the resident council or resident management corporation, the Secretary, and the public housing agency for transfer of management of a troubled public housing project shall--

- ` (i) provide for the manager to receive operating subsidies for the troubled public housing project pursuant to subsection (e) that would otherwise be provided to the public housing agency or resident management corporation;
- ` (ii) provide for modernization funding for the project under subsection (c); and
- ` (iii) require the manager to carry out, for the troubled public housing project, all management responsibilities applicable to public housing agencies owning or operating public housing projects, including (I) maintaining the units in decent, safe, and sanitary condition in accordance with any standards for public housing established or adopted by the Secretary, (II) determining eligibility of applicants for occupancy of units subject to the requirements of this Act, (III) selecting tenants for occupancy of units subject to the requirements and preferences under this Act, (IV) determining the amount of rent paid for units in accordance with this Act, and (V) terminating tenancies in accordance with the requirements of this Act.

` (D) EXTENSION AND EXPIRATION OF CONTRACTS- The Secretary shall provide for a resident council or resident management corporation that has entered into a contract under this paragraph to (i) approve the renewal of such contract, subject to the approval of the Secretary and the manager, or (ii) disapprove renewal and submit an application to the Secretary in accordance with subparagraph (B) proposing another manager, which may be the public housing agency.

` (E) DEFAULT- If the Secretary determines that a manager is in default of its responsibilities under the contract, the Secretary may require the resident council or resident management corporation to submit an application proposing a different manager, which may be the public housing agency.

` (F) LIABILITY- With respect to any troubled public housing project for which management has been transferred under this paragraph, the public housing agency shall not be liable for any act or failure to act by the manager, resident council, or resident management corporation.

` (G) PROHIBITION ON DISPLACEMENT BEFORE TRANSFER- The public housing agency that owns or operates a troubled public housing project for which an application under this paragraph has been submitted may not involuntarily displace (as determined by the Secretary) any resident of the project during the period beginning upon submission of the application and ending upon the transfer of management of the project or the date of disapproval of the application.

` (H) MONITORING- The Secretary shall monitor the performance of managers under this section and shall assess their management performance using the performance indicators established under section 6(j)(1).

` (I) REPORTS BY MANAGERS- The Secretary shall require each manager managing a troubled public housing project pursuant to this section to submit to the Secretary reports as the Secretary considers appropriate, which shall include an annual financial audit.';

(4) in subsection (c)--

- (A) by striking `COMPREHENSIVE IMPROVEMENT ASSISTANCE' and inserting `MODERNIZATION ASSISTANCE';
- (B) by striking `comprehensive improvement assistance' and inserting `modernization assistance'; and
- (C) by inserting after the period at the end the following new sentence `Any modernization assistance under section 14 for a troubled public housing project for which management has been transferred under this section shall be provided to the manager of the project.';

(5) in subsection (d)--

- (A) in paragraph (1)--
 - (i) by inserting `managing a project or any manager,' after `corporation' the first place it appears; and
 - (ii) by inserting `or manager,' after `corporation' the second place it appears; and
- (B) in paragraph (2), by inserting `managing a project, or any resident council or resident management corporation that has transferred management of a project' before the first comma;

(6) in subsection (e)--

- (A) in paragraph (1), by inserting `or manager' after `corporation';
- (B) in paragraph (2)--
 - (i) by inserting `under this section' after `Any contract'; and
 - (ii) by striking `entered into by a public housing agency and a resident management corporation' and inserting `by a resident management corporation, or for management of a troubled public housing project by a manager,';
- (C) in paragraph (3)--
 - (i) in subparagraph (A)--
 - (I) by inserting `or manager' after `corporation' the first place it appears;

(II) by striking `date of the enactment of the Housing and Community Development Act of 1987 or on any later'; and

(III) by inserting `or on which management of the project is transferred to the manager, as applicable' before the period at the end; and

(ii) in subparagraph (B), by inserting `or manager' after `corporation' each place it appears; and

(D) in paragraph (4), by inserting `or manager' after `corporation' each place it appears; and

(7) by striking subsection (g) and inserting the following new subsection:

`(g) DEFINITIONS- For purposes of this section:

`(1) The term `manager' means an entity that

`(A) is--

`(i) a public or private nonprofit organization (including, as determined by the Secretary, such an organization sponsored by the public housing agency);

`(ii) a for-profit entity;

`(iii) a public body, including an agency of instrumentality thereof;

`(iv) a public housing agency (not including the public housing agency that owns or operated the project); or

`(v) any other entity approved by the Secretary (not including a resident council); and

`(B) that has entered into a contract under this section with the Secretary for the management of a troubled public housing project.

`(2) The term `private nonprofit organization' means any private organization (including a State or locally chartered nonprofit organization) that--

`(A) is incorporated under State or local law;

`(B) has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;

`(C) complies with standards of financial accountability acceptable to the Secretary; and

`(D) has among its purposes significant activities related to the provision of decent housing that is affordable to low-income families.

The term includes resident management corporations.

`(3) The term `public nonprofit organization' means any public nonprofit entity, except the public housing agency that owns the eligible housing.

`(4) The term `troubled public housing project' means a public housing project (as such term is defined in subsection (a)) that is owned or operated by a public housing agency (not including an Indian housing authority) with 250 or more units that has been designated as a troubled public housing agency for the current Federal fiscal year and for the 2 preceding Federal fiscal years under section 6(j)(2)(A)(i).'

SEC. 117. PUBLIC HOUSING HOMEOWNERSHIP.

(a) HOMEOWNERSHIP ASSISTANCE- Section 21(a)(2)(C) of the United States Housing Act of 1937 (42 U.S.C. 1437s(a)(2)(C)) is amended--

(1) in the first sentence, by striking `the effective date of the regulations implementing title III of this Act' and inserting `February 4, 1991'; and

(2) in the second sentence--

(A) by striking `effective'; and

(B) by striking `such Act' and inserting `the Cranston-Gonzalez National Affordable Housing Act'.

(b) CONDITIONS OF PURCHASE- Section 21(a)(3)(C) of the United States Housing Act of 1937 (42 U.S.C. 1437s(a)(3)(C)) is amended--

(1) in the first sentence, by striking `the effective date of the regulations implementing title III of this Act' and inserting `February 4, 1991'; and

(2) in the second sentence--

(A) by striking `effective'; and

(B) by striking `such title' and inserting `the Cranston-Gonzalez National Affordable Housing Act'.

SEC. 118. PUBLIC HOUSING FAMILY INVESTMENT CENTERS.

Section 22(k) of the United States Housing Act of 1937 (42 U.S.C. 1437t(k)) is amended to read as follows:

` (k) AUTHORIZATION OF APPROPRIATIONS- There is authorized to be appropriated to carry out this section \$26,058,240 for fiscal year 1993.'

SEC. 119. PUBLIC HOUSING EARLY CHILDHOOD DEVELOPMENT SERVICES.

Section 222(g) of the Housing and Urban-Rural Recovery Act of 1983 (12 U.S.C. 1701z-6 note) is amended to read as follows:

` (g) AUTHORIZATION OF APPROPRIATIONS- There is authorized to be appropriated to carry out this section \$20,866,560 for fiscal year 1993. Any amount appropriated pursuant to this subsection shall remain available until expended.'

SEC. 120. INDIAN HOUSING CHILDHOOD DEVELOPMENT SERVICES.

(a) FUNDING- Section 518(a) of the Cranston-Gonzalez National Affordable Housing Act (12 U.S.C. 1701z-6 note) is amended by striking the subsection designation and all that follows through the end of the first sentence and inserting the following:

` (a) FUNDING- Of any amounts appropriated under section 222(g) of the Housing and Urban-Rural Recovery Act of 1983, such sums as may be necessary may be used to carry out the demonstration program under this section.'

(b) ELIGIBLE RECIPIENTS- The second sentence of section 518(a) of the Cranston-Gonzalez National Affordable Housing Act (12 U.S.C. 1701z-6 note) is amended--

(1) by inserting `, Indian housing authorities, and Indian tribes' after `nonprofit organizations'; and

(2) by inserting `, housing authorities, and tribes' after `such organizations'.

SEC. 121. EXEMPTION OF INDIAN HOUSING PROGRAM FROM NEW CONSTRUCTION LIMITATION.

Section 201(c) of the United States Housing Act of 1937 (42 U.S.C. 1437aa(c)) is amended by inserting before the period at the end the following: `or section 6(h) of the United States Housing Act of 1937 (relating to a limitation on contracts involving new construction).'

SEC. 122. PUBLIC HOUSING ONE-STOP PERINATAL SERVICES DEMONSTRATION.

Section 521(g) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437t note) is amended to read as follows:

` (g) AUTHORIZATION OF APPROPRIATIONS- There are authorized to be appropriated for carrying out the demonstration program under this section such sums as may be necessary for fiscal year 1993.'

SEC. 123. NATIONAL COMMISSION ON DISTRESSED PUBLIC HOUSING.

(a) TERMINATION- Section 507 of the Department of Housing and Urban Development Reform Act of 1989 (12 U.S.C. 1715z-1a note) is amended by striking `upon the expiration of 18 months following the appointment of all the members under section 503(a)' and inserting `at the end of September 30, 1992'.

(b) AUDIT- Not later than November 30, 1992, the Comptroller General of the United States shall conduct an audit of the financial transactions of the National Commission on Distressed Public Housing to determine the use of any amounts received by the Commission from the Federal Government before the October 1, 1992, and shall submit a report to the Congress regarding the results of the audit. The Comptroller General and any duly authorized representatives of the Comptroller General shall have access to, and the right to examine and copy, all records and other recorded information in any form, and to examine any property, within the possession and control of the Commission that the Comptroller General considers relevant to the audit.

SEC. 124. NATIONAL COMMISSION ON AMERICAN INDIAN, ALASKA NATIVE, AND NATIVE HAWAIIAN HOUSING.

(a) AUTHORIZATION OF APPROPRIATIONS- The first sentence of section 605 of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 1437aa note) is amended to read as follows: `There are authorized to be appropriated to carry out this title such sums as may be necessary for fiscal year 1993.'

(b) EXTENSION OF TERMINATION DATE- Section 602(g) of the Department of Housing and Urban Development Reform Act of 1989 (12 U.S.C. 1437aa note) is amended by striking `upon the expiration of 18 months after all members of the Commission are appointed under paragraph (1)' and inserting `on October 1, 1993'.

SEC. 125. PUBLIC HOUSING HOMEOWNERSHIP DEMONSTRATION.

(a) ESTABLISHMENT- The Secretary of Housing and Urban Development shall carry out a program to facilitate self-sufficiency and homeownership of single-family homes administered by the Housing Authority of the City of Omaha, in the State of Nebraska (in this section referred to as the `Housing Authority'), to demonstrate the effectiveness of promoting homeownership and providing support services.

(b) PARTICIPATING PUBLIC HOUSING UNITS- For purposes of the demonstration program, the Secretary shall authorize the Housing Authority to designate single-family housing units for eventual homeownership. Over the term of the demonstration, the demonstration program may be applied to not more than 20 percent of the total number of public housing units administered by the Housing Authority.

(c) NONDISPLACEMENT- No person who is a tenant of public housing may be involuntarily relocated or displaced as a result of the demonstration program.

(d) ECONOMIC SELF-SUFFICIENCY- The Housing Authority shall establish criteria for participation of families in the demonstration program. Such criteria shall be based on factors that may reasonably be expected to predict the individual's ability

to successfully complete the requirements of the demonstration program and shall include evidence of interest by the family in homeownership, the status and history of employment of family members, maintenance by the family of the family's previous dwelling.

(e) **PROVISION OF SUPPORTIVE SERVICES-** The Housing Authority shall ensure the availability of supportive services to each family participating in the demonstration program through its own resources and through coordination with Federal, State, and local agencies and private entities. Supportive services available under the demonstration program may include counseling, remedial education, education for completion of high school, job training and preparation, financial counseling services emphasizing planning for homeownership, and any other appropriate services.

(f) **REPORTS TO CONGRESS-** Upon expiration of each 2-year period during the term of the demonstration program (the first such period beginning on the date of the enactment of this Act), the Secretary of Housing and Urban Development shall submit to the Congress a report evaluating the effectiveness of the demonstration program. Not later than the expiration of the 60-day period beginning on the date of the termination of the demonstration program, the Secretary shall submit to the Congress a final report evaluating the effectiveness of the demonstration program. The report shall include findings and recommendations for any legislative action appropriate to establish a permanent program based on the demonstration program.

(g) **REGULATIONS-** Not later than the expiration of the 90-day period beginning on the date of the enactment of this Act, the Secretary shall issue interim regulations to carry out this section, which shall take effect upon issuance. The Secretary shall issue final regulations to carry out this subtitle after notice and opportunity for public comment regarding the interim regulations, pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section). The duration of the period for public comment shall not be less than 60 days, and the final regulations shall be issued not later than the expiration of the 60-day period beginning upon the conclusion of the comment period and shall take effect upon issuance.

(h) **TERMINATION-** The demonstration program shall terminate upon the expiration of the 10-year period beginning on the date of the enactment of this Act.

SEC. 126. SALE OF CERTAIN SCATTERED-SITE HOUSING.

The Secretary of Housing and Urban Development shall authorize the Delaware State Housing Authority in the State of Delaware to sell scattered-site public housing of the authority under the provisions of section 5(h) of the United States Housing Act of 1937. Any proceeds from the disposition of such housing shall be used to purchase replacement scattered site dwellings, which shall be considered public housing for the purposes of such Act and for which the Secretary shall provide annual contributions for operation, using any amounts made available under section 9(c).

Subtitle C--Section 8 Assistance

SEC. 141. AMENDMENTS TO SECTION 8 RENTAL ASSISTANCE PROGRAM.

(a) **PREFERENCES FOR VETERANS WITH DISABILITIES THAT PREVENT USE OF THE HOME-**

(1) **CERTIFICATES-** Section 8(d)(1)(A)(i) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(1)(A)(i)) is amended by inserting after `homeless families' the following: `, and including veterans who are eligible and have applied for such assistance, who will use such assistance for a dwelling unit designed for the handicapped, and who, upon discharge or eligibility for discharge of the veteran from a hospital or nursing home, have a physical disability which, because of the configuration of the veteran's home, prevents the veteran from access to or use of such home'.

(2) **VOUCHERS-** The first sentence of section 8(o)(3)(B) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(3)(B)) is amended by inserting after `homeless families' the following: `, and including veterans who are eligible and have applied for such assistance, who will use such assistance for a dwelling unit designed for the handicapped, and who, upon discharge or eligibility for discharge of the veteran from a hospital or nursing home, have a physical disability which, because of the configuration of the veteran's home, prevents the veteran from access to or use of such home'.

(b) **TERMINATION OF TENANCY FOR CRIMINAL ACTIVITY-** Section 8(d)(1)(B)(iii) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(1)(B)(iii)) is amended--

(1) by inserting `, any criminal activity that threatens the health, safety, or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises,' before `or any drug-related'; and

(2) by striking `public housing tenant' and inserting `tenant of any unit'.

(c) **MAINTENANCE AND REPLACEMENT-** Section 8(d)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)) is amended--

(1) in subparagraph (C), by striking `and' at the end;

(2) by redesignating subparagraph (D) as subparagraph (F); and

(3) by inserting after subparagraph (C) the following new subparagraphs:

`(D) if the agency (or the Secretary) determines that an unit assisted under this section fails to comply in any material respect with standards for housing quality for units so assisted, the agency (or the Secretary) may withhold some or all of the assistance amounts under this section with respect to such unit and promptly--

`(i) use such amounts to make necessary repairs or contract to have such repairs made;

`(ii) release any withheld amounts to the owner after repairs are made by the owner, in an amount not exceeding the cost of the repairs;

^ (iii) release any withheld amounts to the applicable State or local housing agency after repairs are made by such agency, in an amount not exceeding the cost of the repairs; or

^ (iv) upon the request of the tenant, release any withheld amounts to (I) the tenant to reimburse the tenant for the reasonable cost of any necessary repairs performed or paid for by the tenant, or (II) such person secured by the tenant and approved by the agency (or the Secretary) to make such necessary repairs;

^ (E) if an agency (or the Secretary) withholds any assistance amounts pursuant to subparagraph (D), the agency (or the Secretary) may not terminate the assistance contract unless and until the tenant has relocated to decent, safe, and sanitary housing; and'.

(d) PORTABILITY-

(1) IN GENERAL- Section 8(r) of the United States Housing Act of 1937 (42 U.S.C. 1437f(r)) is amended to read as follows:

^ (r) PORTABILITY OF ASSISTANCE-

^ (1) AUTHORITY- Except as provided in paragraph (2), any family on behalf of whom is provided tenant-based rental assistance under this section and who moves to an eligible dwelling unit located within the same State, or the same or a contiguous metropolitan statistical area as the metropolitan statistical area served by the public housing agency providing the assistance on behalf of the family shall be provided with tenant-based assistance for rental of the new dwelling unit, to the extent amounts are available pursuant to this subsection.

^ (2) LOCAL OPTIONS TO ENSURE MINIMUM AREA RESIDENCY-

^ (A) SMALL PHA'S- Any public housing agency that provides tenant-based rental assistance under this section on behalf of less than 300 families in a year may, at the discretion of the agency, prohibit any family from using tenant-based assistance to rent an eligible dwelling unit that is not located within the area of jurisdiction of the agency approving the assistance unless, before such use, the family has rented and occupied an eligible dwelling unit within such jurisdiction for not less than 12 consecutive months using assistance provided by such agency.

^ (B) LARGE PHA'S- Any public housing agency that provides tenant-based rental assistance on behalf of 300 or more families in a year may, at the discretion of the agency, prohibit families from using tenant-based rental assistance to rent an eligible dwelling unit that is not located within the area of jurisdiction of the agency approving the assistance unless, before such use, the family has rented and occupied an eligible dwelling unit within such jurisdiction for not less than 12 consecutive months using assistance provided by such agency; except that the agency may not restrict the use of such assistance with respect to assistance provided on behalf of 10 percent of the number of families receiving such assistance that exceeds 300.

^ (3) PROVISION OF ASSISTANCE BY PHA IN NEW LOCATION- Except as provided under paragraphs (4) and (5), the public housing agency having authority with respect to the dwelling unit to which a family moves under this subsection shall provide assistance under this section on behalf of the family from amounts provided to the agency for assistance under this section.

^ (4) PROVISION OF ASSISTANCE BY ORIGINAL PHA- If no public housing agency has authority with respect to the dwelling unit to which a family moves under this subsection, the public housing agency approving the assistance for the family and the dwelling from which the family moved shall provide assistance under this section on behalf of such family with respect to the new dwelling unit of the family.

^ (5) PROVISION OF ASSISTANCE FROM HEADQUARTERS RESERVE- If, in any fiscal year, the amount of assistance provided pursuant to paragraph (3) by any public housing agency on behalf of families who have moved into dwelling units located within the area of jurisdiction of the agency exceeds the lesser of (i) 5 percent of the total amount received by the agency for assistance under this section for the fiscal year, or (ii) the amount necessary to assist 25 percent of the average annual number of families previously assisted by the agency who relinquish assistance in a year (based on the preceding 3 calendar years), then the assistance provided under this section on behalf of a family shall be provided from amounts for assistance under this section reserved under section 213(d)(4) of the Housing and Community Development Act of 1974, to the extent such amounts are available.'

(2) RESERVATION OF AMOUNTS UNDER HEADQUARTERS RESERVE- Section 213(d)(4)(A) of the Housing and Community Development Act of 1974 (42 U.S.C. 1439(d)(4)(A)) is amended--

(A) by inserting after the period at the end of the first sentence the following new sentence: ^ In addition to any financial assistance for the rental housing assistance program under section 8 of the United States Housing Act of 1937 that is reserved pursuant to the preceding sentence, the Secretary shall retain an additional 5 percent of the financial assistance that becomes available under such program during any fiscal year and such additional amount may be used only for the purpose under clause (v) of this subparagraph.';

(B) in clause (iii), by striking ^ and' at the end;

(C) in clause (iv), by striking the period at the end and inserting ^ ; and'; and

(D) by adding at the end the following new clause:

^ (v) in the case of financial assistance under the rental housing assistance program under section 8 of the United States Housing Act of 1937, providing assistance pursuant to section 8(r)(5) of such Act.'

(e) DEFINITIONS- Section 8(f) of the United States Housing Act of 1937 (42 U.S.C. 1437f(f)) is amended--

(1) in paragraph (4), by striking ^ and' at the end;

(2) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

`(6) the term `project-based assistance' means rental assistance under subsection (b) that is attached to the structure pursuant to subsection (d)(2); and

`(7) the term `tenant-based assistance' means rental assistance under subsection (b) or (o) that is not project-based assistance.'.

SEC. 142. IMPLEMENTATION OF AMENDMENTS TO PROJECT-BASED CERTIFICATE PROGRAM.

The Secretary of Housing and Urban Development shall issue any final regulations necessary to carry out the amendments made by section 547 of the Cranston-Gonzalez National Affordable Housing Act not later than the expiration of the 180-day period beginning on the date of the enactment of this Act. The regulations shall be issued after notice and opportunity for public comment pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section) and shall take effect upon the expiration of the 30-day period beginning upon issuance.

SEC. 143. EFFECTIVENESS OF SECTION 8 ASSISTANCE FOR PHA-OWNED UNITS.

The amendments made by section 548 of the Cranston-Gonzalez National Affordable Housing Act shall be effective notwithstanding the absence of any regulations issued by the Secretary of Housing and Urban Development.

SEC. 144. NONDISCRIMINATION AGAINST SECTION 8 ASSISTANCE HOLDERS.

Section 183(c) of the Housing and Community Development Act of 1987 (42 U.S.C. 1437f note) is amended by adding at the end the following new flush sentence:

`For purposes of this subsection, the term `owner' means any private person or entity, including a cooperative, having the legal right to lease or sublease dwelling units in a subsidized project. Such term includes any principals, general partners, primary shareholders, and other similar participants in any entity owning a subsidized project, as well as the entity itself.'.

SEC. 145. IMPLEMENTATION OF INCOME ELIGIBILITY PROVISIONS FOR SECTION 8 NEW CONSTRUCTION UNITS.

The Secretary of Housing and Urban Development shall issue any final regulations necessary to carry out the provisions of section 555 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437f note) not later than the expiration of the 180-day period beginning on the date of the enactment of this Act. The regulations shall be issued after notice and opportunity for public comment pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section) and shall take effect upon the expiration of the 30-day period beginning upon issuance.

SEC. 146. MOVING TO OPPORTUNITY FOR FAIR HOUSING.

(a) **AUTHORITY-** Using any amounts available under subsection (e), the Secretary of Housing and Urban Development shall carry out a demonstration program to provide tenant-based assistance under section 8 of the United States Housing Act of 1937 to assist very low-income families with children who reside in public housing to move out of areas with high concentrations of persons living in poverty to areas with low concentrations of such persons. The Secretary shall enter into annual contributions contracts with public housing agencies to administer housing assistance payments contracts under the demonstration.

(b) **ELIGIBLE CITIES-**

(1) **IN GENERAL-** The Secretary shall carry out the demonstration only in cities with populations exceeding 350,000 that are located in consolidated metropolitan statistical areas (as designated by the Director of the Office of Management and Budget) having populations exceeding 1,500,000.

(2) **1993-** Notwithstanding paragraph (1), in fiscal year 1993, only the 5 cities selected for the demonstration under the item relating to `HOUSING PROGRAMS--ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING (INCLUDING RESCISSION OF FUNDS)' of title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1992 (105 Stat. 745), and the City of Los Angeles, California, shall be eligible for the demonstration under this section.

(c) **SERVICES-** The Secretary shall enter into contracts with nonprofit organizations to provide counseling and services in connection with the demonstration.

(d) **REPORTS-** The Secretary shall submit a report to the Congress, not later than September 30, 2004, describing the long-term housing, employment, and educational achievements of families assisted under the demonstration. The Secretary shall submit an interim report to the Congress, not later than September 30, 1999, describing any such achievements to such date of families assisted under the demonstration.

(e) **FUNDING-**

(1) **SECTION 8-** The budget authority available under section 5(c) of the United States Housing Act of 1937 for tenant-based assistance under section 8 of such Act is authorized to be increased, on or after October 1, 1992, by such sums as may be necessary to carry out the demonstration under this section. Any amounts made available under this paragraph shall be used in connection with the demonstration under this section.

(2) **COUNSELING-** There are authorized to be appropriated for fiscal year 1993, in addition to any amounts authorized under section 106(a)(3) of the Housing and Urban Development Act of 1968, such sums as may be necessary for counseling and other activities under section 106(a) of such Act in connection with the demonstration under this section.

(f) **IMPLEMENTATION-** The Secretary may, by notice published in the Federal Register, establish any requirements necessary to

carry out the demonstration under this section and the amendment made by this section. The Secretary shall publish such notice not later than the expiration of the 90-day period beginning on the date of the enactment of this Act and shall submit a copy of such notice to the Congress not less than 15 days before publication.

Subtitle D--Other Programs

SEC. 161. PUBLIC AND ASSISTED HOUSING DRUG ELIMINATION.

(a) AUTHORIZATION OF APPROPRIATIONS- The first sentence of section 5130(a) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11909(a)) is amended to read as follows: `There is authorized to be appropriated to carry out this chapter \$166,632,960 for fiscal year 1993.'.

(b) FISCAL YEAR 1993 SET-ASIDES- Section 5130(b) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11909(b)) is amended--

(1) by striking `SET-ASIDE FOR ASSISTED HOUSING' and inserting `SET-ASIDES'; and

(2) by inserting after the period at the end the following new sentence: `Notwithstanding any other provision of law, of any amounts appropriated for drug elimination grants under this chapter for fiscal year 1993, not more than 6.25 percent shall be available for grants for federally assisted low-income housing and 0.5 percent shall be available for public housing youth sports program grants under section 520 of the Cranston-Gonzalez National Affordable Housing Act.'.

(c) SET ASIDE FOR YOUTH SPORTS PROGRAMS- Section 5130 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11909) is amended by adding at the end the following new subsection:

`(c) SET ASIDE FOR YOUTH SPORTS PROGRAMS- Of any amount made available in any fiscal year to carry out this chapter, 5 percent of such amount shall be available for public housing youth sports program grants under section 520 of the Cranston-Gonzalez National Affordable Housing Act for such fiscal year.'.

(d) DRUG-RELATED ACTIVITY IN OTHER PHA-OWNED HOUSING- Section 5124 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11903) is amended--

(1) by inserting `(a) PUBLIC AND ASSISTED HOUSING- ' before `Grants'; and

(2) by adding at the end the following new subsection:

`(b) OTHER PHA-OWNED HOUSING- Notwithstanding any other provision of this chapter, grants under this chapter may be used to eliminate drug-related crime in housing owned by public housing agencies that is not public housing assisted under the United States Housing Act of 1937 and is not otherwise federally assisted, for the activities described in paragraphs (1) through (7) of subsection (a), but only if--

`(1) the housing is located in a high intensity drug trafficking area designated pursuant to section 1005 of this Act; and

`(2) the public housing agency owning the housing demonstrates, to the satisfaction of the Secretary, that drug-related activity at the housing has a detrimental effect on or about the real property comprising any public or other federally assisted low-income housing.'.

SEC. 162. FLEXIBLE SUBSIDY PROGRAM.

(a) AUTHORIZATION OF APPROPRIATIONS- Section 201(j)(5) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1715z-1a(j)(5)) is amended to read as follows:

`(5) There is authorized to be appropriated for assistance under the flexible subsidy fund not to exceed \$52,116,480 for fiscal year 1993.'.

(b) USE OF SECTION 236 RENTAL ASSISTANCE FUND AMOUNTS FOR FLEXIBLE SUBSIDY PAYMENTS- Section 236(f)(3) of the National Housing Act (12 U.S.C. 1715z-1a(f)(3)) is amended by striking `September 30, 1992' and inserting `September 30, 1993'.

(c) APPROVAL OF MANAGEMENT IMPROVEMENT AND OPERATING PLAN- Section 201(d)(6) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1715z-1a(d)(6)) is amended by inserting before the period at the end the following: `; and except that the Secretary shall review and approve or disapprove each plan not later than the expiration of the 30-day period beginning upon the submission of the plan to the Secretary by the owner, but if the Secretary fails to inform the owner of approval or disapproval of the plan within such period the plan shall be considered to have been approved'.

SEC. 163. HOUSING COUNSELING.

(a) COUNSELING SERVICES- The first sentence of section 106(a)(3) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(a)(3)) is amended by striking `except that' and all that follows and inserting the following: `except that for such purposes there is authorized to be appropriated \$3,694,080 for fiscal year 1993.'.

(b) GRANTS FOR EMERGENCY HOMEOWNERSHIP COUNSELING-

(1) AUTHORIZATION OF APPROPRIATIONS- The first sentence of section 106(c)(8) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(c)(8)) is amended to read as follows: `There is authorized to be appropriated to carry out this section \$6,988,800 for fiscal year 1993, of which amounts \$1,000,000 shall be available to carry out paragraph (5)(D).'.

(2) EXTENSION OF PROGRAM- Section 106(c)(9) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(c)(9)) is amended by striking `September 30, 1992' and inserting `September 30, 1993'.

(3) AVAILABILITY- Section 106(c)(3)(A) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(c)(3)(A)) is

amended--

(A) in clause (i), by striking `and' at the end; and

(B) by adding at the end the following new clause:

`(iii) have a high incidence of mortgages involving principal obligations (including such initial service charges, appraisal, inspection, and other fees as the Secretary shall approve) in excess of 97 percent of the appraised value of the properties that are insured pursuant to section 203 of the National Housing Act; and'.

(4) ELIGIBILITY- Section 106(c)(4) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(c)(4)) is amended by adding at the end the following new flush sentence:

`An applicant for a mortgage shall be eligible for homeownership counseling under this subsection if the mortgage involves a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Secretary shall approve) in excess of 97 percent of the appraised value of the property and is to be insured pursuant to section 203 of the National Housing Act.'

(5) NOTIFICATION OF AVAILABILITY- Section 106(c)(5)(A) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(c)(5)(A)) is amended by striking subparagraph (A) and inserting the following new subparagraph:

`(A) NOTIFICATION OF AVAILABILITY OF HOMEOWNERSHIP COUNSELING-

`(i) REQUIREMENT- Except as provided in subparagraph (C), the creditor of a loan (or proposed creditor) shall provide notice under clause (ii) to (I) any eligible homeowner who fails to pay any amount by the date the amount is due under a home loan, and (II) any applicant for a mortgage described in paragraph (4).

`(ii) CONTENT- Notification under this subparagraph shall--

`(I) notify the homeowner or mortgage applicant of the availability of any homeownership counseling offered by the creditor (or proposed creditor);

`(II) if provided to an eligible mortgage applicant, state that completion of a counseling program is required for insurance pursuant to section 203 of the National Housing Act; and

`(III) notify the homeowner or mortgage applicant of the availability of homeownership counseling provided by nonprofit organizations approved by the Secretary and experienced in the provision of homeownership counseling, or provide the toll-free telephone number described in subparagraph (D)(i).'

(6) ANNUAL UPDATE OF LIST OF COUNSELING ORGANIZATIONS FOR TOLL-FREE NUMBER- The matter preceding subclause (I) in section 106(c)(5)(D)(i) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(c)(5)(D)(i)) is amended by inserting ` , which shall be updated annually,' after `organizations'.

(c) PREPURCHASE AND FORECLOSURE-PREVENTION COUNSELING DEMONSTRATION- Section 106(d)(12) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(d)(12)) is amended to read as follows:

`(12) AUTHORIZATION OF APPROPRIATIONS- There is authorized to be appropriated to carry out this subsection \$364,416 for fiscal year 1993.'

(d) ELIGIBILITY FOR COUNSELING ASSISTANCE UNDER HOUSING AND URBAN DEVELOPMENT ACT OF 1968 AND CERTIFICATION AND TRAINING PROGRAM- Section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x) is amended by adding at the end the following new subsections:

`(e) CERTIFICATION-

`(1) REQUIREMENT FOR ASSISTANCE- An organization may not receive assistance for counseling activities under subsection (a)(1)(iii), (a)(2), (c), or (d), unless the organization provides such counseling only by individuals who have been certified by the Secretary under this subsection as competent to provide such counseling.

`(2) STANDARDS AND EXAMINATION- The Secretary shall, by regulation, establish standards and procedures for testing and certifying counselors. Such standards and procedures shall require for certification that individual shall demonstrate, by written examination (as provided under subsection (f)(4)), competence to provide counseling in each of the following areas:

`(A) Financial management.

`(B) Property maintenance.

`(C) Responsibilities of homeownership and tenancy.

`(D) Fair housing laws and requirements.

`(E) Housing affordability.

`(F) Avoidance of, and responses to, rental and mortgage delinquency and avoidance of eviction and mortgage default.

`(3) ENCOURAGEMENT- The Secretary shall encourage organizations engaged in providing homeownership and rental counseling that do not receive assistance under this section to employ individuals to provide such counseling who are certified under this subsection or meet the certification standards established under this subsection.

`(f) HOMEOWNERSHIP AND RENTAL COUNSELOR TRAINING AND CERTIFICATION PROGRAMS-

`(1) ESTABLISHMENT- To the extent amounts are provided in appropriations Acts under paragraph (7), the Secretary shall

contract with a single appropriate private entity (which may be a nonprofit organization) to carry out a program under this subsection to train individuals to provide homeownership and rental counseling and to administer the examination under subsection (e)(2) and certify individuals under such subsection.

^(2) ELIGIBILITY AND SELECTION-

^(A) ELIGIBILITY- To be eligible to provide the training and certification program under this subsection, an entity shall have been continuously engaged in training and certifying homeownership and rental counselors on a national basis for at least the 10-year period ending upon application under subparagraph (B).

^(B) SELECTION- The Secretary shall provide for private entities meeting the requirements of subparagraph (A) to submit applications to provide the training and certification program under this subsection. The Secretary shall select an application based on the ability of the entity to--

^(i) establish the program as soon as possible on a national basis, but not later than the date under paragraph (6);

^(ii) minimize the costs involved in establishing the program; and

^(iii) effectively and efficiently carry out the program.

^(3) TRAINING- The Secretary shall require that training of counselors under the program under this subsection be designed and coordinated to prepare individuals for successful completion of the examination for certification under subsection (e)(2). The Secretary, in consultation with the private entity selected under paragraph (2)(B), shall establish the curriculum and standards for training counselors under the program.

^(4) CERTIFICATION- The private entity selected under paragraph (2)(B) shall administer the examination under subsection (e)(2) and, on behalf of the Secretary, certify individuals successfully completing the examination. The Secretary, in consultation with such private entity, shall establish the content and format of the examination.

^(5) FEES- The private entity selected under paragraph (2)(B) may establish and impose fees for participation in the training provided under the program and for examination and certification under subsection (e)(2). The amount of any fees shall be sufficient to cover any costs of such activities not covered with amounts provided under paragraph (7).

^(6) TIMING- The private entity selected under paragraph (2)(B) to carry out the training and certification program shall establish the program as soon as possible after such selection, and shall make training and certification available under the program on a national basis not later than the expiration of the 1-year period beginning upon such selection.

^(7) AUTHORIZATION OF APPROPRIATIONS- There is authorized to be appropriated to carry out this subsection \$2,000,000 for fiscal year 1993.'

(e) ELIGIBILITY FOR COUNSELING ASSISTANCE UNDER SPECIAL MORTGAGE INSURANCE PROGRAM- Section 237(e) of the National Housing Act (12 U.S.C. 1715z-2(e) is amended by inserting after the period at the end of the first sentence the following new sentence: 'An organization may not receive amounts made available under subsection (g) unless the organization provides counseling services under this subsection only by counselors certified in accordance with section 106(e)(2) of the Housing and Urban Development Act of 1968.'

(f) APPLICABILITY OF CERTIFICATION AND TRAINING REQUIREMENTS.-

(1) FAMILY SELF-SUFFICIENCY PROGRAM- Section 23(c)(4) of the United States Housing Act of 1937 (42 U.S.C. 1437u(c)(4)) is amended by inserting after the period at the end the following new sentence: 'Any such counseling may be provided only by counselors certified in accordance with section 106(e)(2) of the Housing and Urban Development Act of 1968.'

(2) HOPE FOR PUBLIC AND INDIAN HOUSING HOMEOWNERSHIP-

(A) PLANNING GRANTS- Section 302(b)(5) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437aaa-1(b)(5)) is amended by inserting before the semicolon at the end the following: 'provided by counselors certified in accordance with section 106(e)(2) of the Housing and Urban Development Act of 1968'.

(B) IMPLEMENTATION GRANTS- Section 303(b)(6) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437aaa-2(b)(6)) is amended by inserting before the semicolon at the end the following: ', which may be provided only by counselors certified in accordance with section 106(e)(2) of the Housing and Urban Development Act of 1968'.

(3) HOPE FOR HOMEOWNERSHIP OF MULTIFAMILY UNITS-

(A) PLANNING GRANTS- Section 422(b)(5) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12872(b)(5)) is amended by inserting before the semicolon at the end the following: 'provided by counselors certified in accordance with section 106(e)(2) of the Housing and Urban Development Act of 1968'.

(B) IMPLEMENTATION GRANTS- Section 423(b)(6) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12873(b)(6)) is amended by inserting before the semicolon at the end the following: ', which may be provided only by counselors certified in accordance with section 106(e)(2) of the Housing and Urban Development Act of 1968'.

(4) HOPE FOR HOMEOWNERSHIP OF SINGLE FAMILY HOMES-

(A) PLANNING GRANTS- Section 442(b)(5) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12892(b)(5)) is amended by inserting before the semicolon at the end the following: 'provided by counselors certified in accordance with section 106(e)(2) of the Housing and Urban Development Act of 1968'.

(B) IMPLEMENTATION GRANTS- Section 443(b)(5) of the Cranston-Gonzalez National Affordable Housing Act (42

U.S.C. 12893(b)(5)) is amended by inserting before the semicolon at the end the following: `, which may be provided only by counselors certified in accordance with section 106(e)(2) of the Housing and Urban Development Act of 1968'.

(5) COMPREHENSIVE TRANSITION DEMONSTRATION- Section 126(c)(3)(A)(ii) of the Housing and Community Development Act of 1987 (42 U.S.C. 1437f note) is amended by inserting before the period at the end the following: `, which may be provided only by counselors certified in accordance with section 106(e)(2) of the Housing and Urban Development Act of 1968'.

(6) MIXED INCOME NEW COMMUNITIES STRATEGY DEMONSTRATION- Section 522(h)(8) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437f note) is amended by inserting before the period at the end the following: `, except that any such counseling may be provided only by counselors certified in accordance with section 106(e)(2) of the Housing and Urban Development Act of 1968'.

(7) LOW-INCOME HOUSING PRESERVATION AND RESIDENT HOMEOWNERSHIP ACT OF 1990- Section 220(d)(2)(G) of the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (12 U.S.C. 4110(d)(2)(G)) is amended by inserting after `counseling and training' the following: `(which may be provided only by counselors certified in accordance with section 106(e)(2) of the Housing and Urban Development Act of 1968)'.

(8) HOME INVESTMENT PARTNERSHIPS ACT-

(A) HOUSING EDUCATION SUPPORT- Section 233(b)(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12773(b)(2)) is amended by inserting after the period at the end the following new sentence: `Any such counseling may be provided only by counselors certified in accordance with section 106(e)(2) of the Housing and Urban Development Act of 1968.'.

(B) SECOND MORTGAGE ASSISTANCE FOR FIRST-TIME HOMEBUYERS- Section 258(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12808(b)) is amended by inserting after paragraph (5) the following new flush sentence:

`Counseling under this subsection may be provided only by counselors certified in accordance with section 106(e)(2) of the Housing and Urban Development Act of 1968.'.

(9) NATIONAL HOUSING ACT-

(A) SINGLE FAMILY MORTGAGE INSURANCE PROGRAM-

(i) LOSS REDUCTION- Section 203(r)(4) of the National Housing Act (12 U.S.C. 1709(r)(4)) is amended by inserting before the period at the end the following: `; except that such counseling may be provided only by counselors certified in accordance with section 106(e)(2) of the Housing and Urban Development Act of 1968'.

(ii) PAYMENT OF INSURANCE- The first sentence of section 204(a) of the National Housing Act (12 U.S.C. 1710(a)) is amended in clause (1)(B)(iii) by inserting after `homeownership counseling' the following: `(which may be provided only by counselors certified in accordance with section 106(e)(2) of the Housing and Urban Development Act of 1968)'.

(B) TEMPORARY MORTGAGE ASSISTANCE PAYMENTS AND ASSIGNMENT OF MORTGAGES- Section 230(d) of the National Housing Act (12 U.S.C. 1715u(d)) is amended by inserting after the period at the end the following new sentence: `Such counseling may be provided only by counselors certified in accordance with section 106(e)(2) of the Housing and Urban Development Act of 1968.'.

(C) SPECIAL MORTGAGE INSURANCE ASSISTANCE- Section 237 of the National Housing Act (12 U.S.C. 1715z-2) is amended--

(i) in subsection (c)(3), by inserting before `: *Provided,*' the following: `provided by counselors certified in accordance with section 106(e)(2) of the Housing and Urban Development Act of 1968'; and

(ii) in the second sentence of subsection (e), by inserting after `counseling' the following: `provided by counselors certified in accordance with section 106(e)(2) of the Housing and Urban Development Act of 1968'.

(D) SINGLE FAMILY MORTGAGE INSURANCE ON INDIAN RESERVATIONS- Section 248(g)(1) of the National Housing Act (12 U.S.C. 1715z-13(g)(1)) is amended by inserting after the period at the end the following new sentence: `Counseling required under this paragraph may be provided only by counselors certified in accordance with section 106(e)(2) of the Housing and Urban Development Act of 1968.'.

(E) HOME EQUITY CONVERSION MORTGAGES- The first sentence of section 255(f) of the National Housing Act (12 U.S.C. 1715z-20(f)) is amended by inserting after `lender' the following: `, who are certified in accordance with section 106(e)(2) of the Housing and Urban Development Act of 1968,'.

(10) APPLICABILITY- The amendments made by this subsection shall apply only after the expiration of the 18-month period beginning on the date that the Secretary of Housing and Urban Development selects a private entity to provide the homeownership and rental counselor training and certification program under section 106(f) of the Housing and Urban Development Act of 1968 (as added by subsection (d) of this section).

(g) REGULATIONS- The Secretary of Housing and Urban Development shall issue any regulations necessary to carry out the amendments made by subsections (d), (e), and (f) of this section not later than the expiration of the 6-month period beginning on the date of the enactment of this Act.

SEC. 164. USE OF FUNDS RECAPTURED FROM REFINANCING STATE AND LOCAL FINANCE PROJECTS.

(a) IN GENERAL- Section 1012 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 1437f note) is amended to read as follows:

SEC. 1012. USE OF FUNDS RECAPTURED FROM REFINANCING STATE AND LOCAL FINANCE PROJECTS.

(a) AVAILABILITY OF FUNDS- The Secretary shall make available to the State housing finance agency in the State in which a qualified project is located, or the local government or local housing agency initiating the refinancing of the qualified project, as applicable, an amount equal to 50 percent of the amounts recaptured from the project (as determined by the Secretary on a project-by-project basis). Such amounts shall be used only for providing decent, safe, and sanitary housing affordable for very low-income families and persons.

(b) DEFINITION OF QUALIFIED PROJECT- For purposes of this section, the term 'qualified project' means any State financed project or local government or local housing agency financed project, that--

(1) was--

(A) provided a financial adjustment factor under section 8 of the United States Housing Act of 1937; or

(B) constructed or substantially rehabilitated pursuant to assistance provided under a contract under section 8(b)(2) of the United States Housing Act of 1937 (as in effect on September 30, 1983) entered into during any of calendar years 1979 through 1984; and

(2) is being refinanced.

(c) APPLICABILITY AND BUDGET COMPLIANCE-

(1) RETROACTIVITY- This section shall apply to refinancings of projects for which settlement occurred or occurs before, on, or after the date of the enactment of the Housing and Community Development Act of 1992, subject to the provisions of paragraph (2).

(2) BUDGET COMPLIANCE- This section shall apply only to the extent or in such amounts as are provided in appropriation Acts.'

SEC. 165. HOPE FOR YOUTH.

Title IV of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437aaa note et seq.) is amended by adding at the end the following new subtitle:

Subtitle D--HOPE for Youth: Youthbuild

SEC. 451. STATEMENT OF PURPOSE.

It is the purpose of this subtitle--

(1) to expand the supply of permanent affordable housing for homeless individuals and members of low- and very low-income families by utilizing the energies and talents of economically disadvantaged young adults;

(2) to provide economically disadvantaged young adults with opportunities for meaningful work and service to their communities in helping to meet the housing needs of homeless individuals and members of low- and very low-income families;

(3) to enable economically disadvantaged young adults to obtain the education and employment skills necessary to achieve economic self-sufficiency; and

(4) to foster the development of leadership skills and commitment to community development among young adults in low-income communities.

SEC. 452. PROGRAM AUTHORITY.

The Secretary may make--

(1) planning grants to enable applicants to develop Youthbuild programs; and

(2) implementation grants to enable applicants to carry out Youthbuild programs.

SEC. 453. PLANNING GRANTS.

(a) GRANTS- The Secretary is authorized to make planning grants to applicants for the purpose of developing Youthbuild programs under this subtitle. The amount of a planning grant under this section may not exceed \$150,000, except that the Secretary may for good cause approve a grant in a higher amount.

(b) ELIGIBLE ACTIVITIES- Planning grants may be used for activities to develop Youthbuild programs including--

(1) studies of the feasibility of a Youthbuild program;

(2) establishment of consortia between youth training and education programs and housing owners or developers, including any organizations specified in section 457(2), which will participate in the Youthbuild program;

(3) identification and selection of a site for the Youthbuild program;

(4) preliminary architectural and engineering work for the Youthbuild program;

(5) identification and training of staff for the Youthbuild program;

- ˆ (6) planning for education, job training, and other services that will be provided as part of the Youthbuild program;
- ˆ (7) other planning, training, or technical assistance necessary in advance of commencing the Youthbuild program; and
- ˆ (8) preparation of an application for an implementation grant under this subtitle.

ˆ (c) APPLICATION-

- ˆ (1) FORM AND PROCEDURES- An application for a planning grant shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish.
- ˆ (2) MINIMUM REQUIREMENTS- The Secretary shall require that an application contain at a minimum--
 - ˆ (A) a request for a planning grant, specifying the activities proposed to be carried out, the schedule for completing the activities, the personnel necessary to complete the activities, and the amount of the grant requested;
 - ˆ (B) a description of the applicant and a statement of its qualifications, including a description of the applicant's past experience with housing rehabilitation or construction and with youth and youth education and employment training programs, and its relationship with local unions and apprenticeship programs, and other community groups;
 - ˆ (C) identification and description of potential sites for the program and the construction or rehabilitation activities that would be undertaken at such sites; potential methods for identifying and recruiting youth participants; potential educational and job training activities, work opportunities and other services for participants; and potential coordination with other Federal, State, and local housing and youth education and employment training activities;
 - ˆ (D) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act that the proposed activities are consistent with the approved housing strategy of the State or unit of general local government within which the project is located; and
 - ˆ (E) a certification that the applicant will comply with the requirements of the Fair Housing Act, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, and will affirmatively further fair housing.

ˆ (d) SELECTION CRITERIA- The Secretary shall, by regulation, establish selection criteria for a national competition for assistance under this section, which shall include--

- ˆ (1) the qualifications or potential capabilities of the applicant;
- ˆ (2) the potential of the applicant for developing a successful and affordable Youthbuild program;
- ˆ (3) the need for the prospective program, as determined by the degree of economic distress--
 - ˆ (A) of the community from which participants would be recruited (such as poverty, youth unemployment, and number of individuals who have dropped out of high school); and
 - ˆ (B) of the community in which the housing proposed to be constructed or rehabilitated would be located (such as incidence of homelessness, shortage of affordable housing, and poverty); and
- ˆ (4) such other factors that the Secretary shall require that (in the determination of the Secretary) are appropriate for purposes of carrying out the program established by this subtitle in an effective and efficient manner.

ˆ **SEC. 454. IMPLEMENTATION GRANTS.**

ˆ (a) GRANTS- The Secretary is authorized to make implementation grants to applicants for the purpose of carrying out Youthbuild programs approved under this subtitle.

ˆ (b) ELIGIBLE ACTIVITIES- Implementation grants may be used to carry out Youthbuild programs, including the following activities:

- ˆ (1) Architectural and engineering work.
- ˆ (2) Acquisition, rehabilitation, acquisition and rehabilitation, or construction of housing and related facilities to be used for the purposes of providing homeownership under subtitle B and subtitle C of this title, residential housing for homeless individuals, and low- and very low-income families, or transitional housing for persons who are homeless, have disabilities, are ill, are deinstitutionalized, or have other special needs.
- ˆ (3) Administrative costs of the applicant, which may not exceed 15 percent of the amount of assistance provided under this section, or such higher percentage as the Secretary determines is necessary to support capacity development by a private nonprofit organization.
- ˆ (4) Education and job training services and activities including--
 - ˆ (A) work experience and skills training, coordinated, to the maximum extent feasible, with preapprenticeship and apprenticeship programs, in the construction and rehabilitation activities described in subsection (b)(2);
 - ˆ (B) services and activities designed to meet the educational needs of participants, including--
 - ˆ (i) basic skills instruction and remedial education;
 - ˆ (ii) bilingual education for individuals with limited-English proficiency;
 - ˆ (iii) secondary education services and activities designed to lead to the attainment of a high school diploma or

its equivalent; and

- ` (iv) counseling and assistance in attaining post-secondary education and required financial aid;
- ` (C) counseling services and related activities;
- ` (D) activities designed to develop employment and leadership skills, including support for youth councils; and
- ` (E) support services and need-based stipends necessary to enable individuals to participate in the program and, for a period not to exceed 12 months after completion of training, to assist participants through support services in retaining employment.
- ` (5) Wage stipends and benefits provided to participants.
- ` (6) Funding of operating expenses and replacement reserves of the property covered by the Youthbuild program.
- ` (7) Legal fees.
- ` (8) Defraying costs for the ongoing training and technical assistance needs of the recipient that are related to developing and carrying out the Youthbuild program.
- ` (c) MATCHING FUNDING-
 - ` (1) IN GENERAL- Each recipient shall ensure that contributions equal to not less than 10 percent of the grant amounts made available under this section, excluding any amounts provided for post-sale operating expense, shall be provided from nonprogram sources to carry out the Youthbuild program.
 - ` (2) FORM- Such contributions may be in the form of--
 - ` (A) cash contributions from non-Federal resources, which may not include funds from a grant made under section 106(b) or section 106(d) of the Housing and Community Development Act of 1974;
 - ` (B) payment of administrative expenses, as defined by the Secretary, from non-Federal resources, including funds from a grant made under section 106(b) or section 106(d) of the Housing and Community Development Act of 1974;
 - ` (C) the value of taxes, fees, or other charges that are normally and customarily imposed but are waived, foregone, or deferred in a manner that facilitates the implementation of a Youthbuild program assisted under this subtitle;
 - ` (D) the value of land or other real property as appraised according to procedures acceptable to the Secretary;
 - ` (E) the value of investment in on-site and off-site infrastructure required for a Youthbuild program assisted under this subtitle;
 - ` (F) the value of property or services from non-Federal resources as valued according to procedures acceptable to the Secretary;
 - ` (G) cash contributions from Federal resources that are earmarked to provide the education and job training services and activities described in section 454(b)(4) of this subtitle; or
 - ` (H) such other in-kind contributions as the Secretary may approve.

Contributions for administrative expenses shall be recognized only up to an amount equal to 7 percent of the total amount of grants made available under this section.

- ` (d) APPLICATION-
 - ` (1) FORM AND PROCEDURE- An application for an implementation grant shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish.
 - ` (2) MINIMUM REQUIREMENTS- The Secretary shall require that an application contain at a minimum--
 - ` (A) a request for an implementation grant, specifying the amount of the grant requested and its proposed uses;
 - ` (B) a description of the applicant and a statement of its qualifications, including a description of the applicant's past experience with housing rehabilitation or construction and with youth and youth education and employment training programs, and its relationship with local unions and apprenticeship programs, and other community groups;
 - ` (C) a description of the proposed site for the program;
 - ` (D) a description of the educational and job training activities, work opportunities, and other services that will be provided to participants;
 - ` (E) a description of the proposed construction or rehabilitation activities to be undertaken and the anticipated schedule for carrying out such activities;
 - ` (F) a description of the manner in which eligible youths will be recruited and selected, including a description of arrangements which will be made with community-based organizations, State and local educational agencies, public assistance agencies, the courts of jurisdiction for status and youth offenders, shelters for homeless individuals and other agencies that serve homeless youth, foster care agencies, and other appropriate public and private agencies;
 - ` (G) a description of the special outreach efforts that will be undertaken to recruit eligible young women (including young women with dependent children);

- ˆ (H) a description of how the proposed program will be coordinated with other Federal, State, and local activities, including vocational, adult and bilingual education programs, job training provided with funds available under the Job Training Partnership Act and the Family Support Act of 1988, housing and economic development, and programs that receive assistance under section 106 of the Housing and Community Development Act of 1974;
- ˆ (I) assurances that there will be a sufficient number of adequately trained supervisory personnel in the program who have attained the level of journeyman or its equivalent;
- ˆ (J) a description of the applicant's relationship with local building trade unions regarding their involvement in training, and the relationship of the Youthbuild program with established apprenticeship programs;
- ˆ (K) a description of activities that will be undertaken to develop the leadership skills of participants;
- ˆ (L) a detailed budget and a description of the system of fiscal controls and auditing and accountability procedures that will be used to ensure fiscal soundness;
- ˆ (M) a description of and commitment for the resources that are expected to be made available to provide the matching funding required under subsection (c) and of other resources that are expected to be made available in support of the Youthbuild program;
- ˆ (N) identification and description of the financing proposed for any--
 - ˆ (i) rehabilitation;
 - ˆ (ii) acquisition of the property; or
 - ˆ (iii) construction;
- ˆ (O) identification and description of the entity that will operate and manage the property;
- ˆ (P) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act that the proposed activities are consistent with the approved housing strategy of the State or unit of general local government within which the project is located; and
- ˆ (Q) a certification that the applicant will comply with the requirements of the Fair Housing Act, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, and will affirmatively further fair housing.

- ˆ (e) SELECTION CRITERIA- The Secretary shall establish selection criteria for assistance under this section, which shall include--
 - ˆ (1) the qualifications or potential capabilities of the applicant;
 - ˆ (2) the feasibility of the Youthbuild program;
 - ˆ (3) the potential for developing a successful and cost-effective Youthbuild program;
 - ˆ (4) the need for the prospective project, as determined by the degree of economic distress of the community from which participants would be recruited (such as poverty, youth unemployment, and the number of individuals who have dropped out of high school) and of the community in which the housing proposed to be constructed or rehabilitated would be located (such as incidence of homelessness, shortage of affordable housing, and poverty);
 - ˆ (5) the commitment of the applicant to leadership development, education, and training of participants;
 - ˆ (6) preferences for tenant selection, including priority to tenants who were previously homeless and who have incomes of less than 40 percent of the median income for the area; and
 - ˆ (7) such other factors as the Secretary determines to be appropriate for purposes of carrying out the program established by this subtitle in an effective and efficient manner.
- ˆ (f) APPROVAL- The Secretary shall notify each applicant, not later than 4 months after the date of the submission of the application, whether the application is approved or not approved.
- ˆ (g) COMBINED PLANNING AND IMPLEMENTATION GRANT APPLICATION PROCEDURE- The Secretary shall develop a procedure under which an applicant may apply at the same time and in a single application for a planning grant and an implementation grant, with receipt of the implementation grant conditioned on successful completion of the activities funded by the planning grant.

ˆ SEC. 455. YOUTHBUILD PROGRAM REQUIREMENTS.

- ˆ (a) RESIDENTIAL RENTAL HOUSING- Each residential rental housing project receiving assistance under this subtitle shall meet the following requirements:
 - ˆ (1) OCCUPANCY BY LOW- AND VERY LOW-INCOME FAMILIES- In the project--
 - ˆ (A) at least 90 percent of the units shall be occupied, or available for occupancy, by individuals and families with incomes less than 60 percent of the area median income, adjusted for family size; and
 - ˆ (B) the remaining units shall be occupied, or available for occupancy, by low-income families.
 - ˆ (2) TENANT PROTECTIONS-
 - ˆ (A) LEASE- The lease between a tenant and an owner of residential rental housing assisted under this subtitle shall

be for not less than 1 year, unless otherwise mutually agreed to by the tenant and the owner, and shall contain such terms and conditions as the Secretary shall determine to be appropriate.

ˆ (B) TERMINATION OF TENANCY- An owner shall not terminate the tenancy or refuse to renew the lease of a tenant of residential rental housing assisted under this title except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable Federal, State, or local law, or for other good cause. Any termination or refusal to renew must be preceded by not less than 30 days by the owner's service upon the tenant of a written notice specifying the grounds for the action.

ˆ (C) MAINTENANCE AND REPLACEMENT- The owner of residential rental housing assisted under this subtitle shall maintain the premises in compliance with all applicable housing quality standards and local code requirements.

ˆ (D) TENANT SELECTION- The owner of residential rental housing assisted under this subtitle shall adopt written tenant selection policies and criteria that--

ˆ (i) are consistent with the purpose of providing housing for very low-income and low-income families and individuals;

ˆ (ii) are reasonably related to program eligibility and the applicant's ability to perform the obligations of the lease;

ˆ (iii) give reasonable consideration to the housing needs of families that would qualify for a preference under section 6(c)(4)(A) of the United States Housing Act of 1937; and

ˆ (iv) provide for (I) the selection of tenants from a written waiting list in the chronological order of their application, to the extent practicable, and (II) for the prompt notification in writing of any rejected applicant of the grounds for any rejection.

ˆ (3) LIMITATION ON RENTAL PAYMENTS- Tenants in each project shall not be required to pay rent in excess of the amount provided under section 3(a) of the United States Housing Act of 1937.

ˆ (4) TENANT PARTICIPATION PLAN- For each project owned by a nonprofit organization, the organization shall provide a plan for and follow a program of tenant participation in management decisions.

ˆ (5) PROHIBITION AGAINST DISCRIMINATION- A unit in a project assisted under this subtitle may not be refused for leasing to a family holding tenant-based assistance under section 8 of the United States Housing Act of 1937 because of the status of the prospective tenant as a holder of such assistance.

ˆ (b) TRANSITIONAL HOUSING- Each transitional housing project receiving assistance under this subtitle shall adhere to the requirements regarding service delivery, housing standards, and rent limitations applicable to comparable housing receiving assistance under title IV of the Stewart B. McKinney Homeless Assistance Act.

ˆ (c) LIMITATIONS ON PROFITS FOR RENTAL AND TRANSITIONAL HOUSING-

ˆ (1) MONTHLY RENTAL LIMITATION- The aggregate monthly rental for each eligible project may not exceed the operating costs of the project (including debt service, management, adequate reserves, and other operating costs) plus a 6 percent return on any equity investment of the project owner.

ˆ (2) PROFIT LIMITATIONS ON PARTNERS- A nonprofit organization that receives assistance under this subtitle for a project shall agree to use any profit received from the operation, sale, or other disposition of the project for the purpose of providing housing for low- and moderate-income families. Profit-motivated partners in a nonprofit partnership may receive--

ˆ (A) not more than a 6 percent return on their equity investment from project operations; and

ˆ (B) upon disposition of the project, not more than an amount equal to their initial equity investment plus a return on that investment equal to the increase in the Consumer Price Index for the geographic location of the project since the time of the initial investment of such partner in the project.

ˆ (d) HOMEOWNERSHIP- Each homeownership project that receives assistance under this subtitle shall comply with the requirements of subtitle B or subtitle C of this title.

ˆ (e) RESTRICTIONS ON CONVEYANCE- The ownership interest in a project that receives assistance under this subtitle may not be conveyed unless the instrument of conveyance requires a subsequent owner to comply with the same restrictions imposed upon the original owner.

ˆ (f) CONVERSION OF TRANSITIONAL HOUSING- The Secretary may waive the requirements of subsection (b) to permit the conversion of a transitional housing project to a permanent housing project only if such housing would meet the requirements for residential rental housing specified in this section.

ˆ (g) PERIOD OF RESTRICTIONS- A project that receives assistance under this subtitle shall comply with the requirements of this section for the remaining useful life of the property.

ˆ SEC. 456. ADDITIONAL PROGRAM REQUIREMENTS.

ˆ (a) ELIGIBLE PARTICIPANTS-

ˆ (1) IN GENERAL- Except as provided in paragraph (2), an individual may participate in a Youthbuild program receiving assistance under this subtitle only if such individual is--

ˆ (A) 16 to 24 years of age, inclusive;

ˆ (B) a very low-income individual or a member of a very low-income family; and

^ (C) an individual who has dropped out of high school.

^ (2) EXCEPTIONS- Not more than 25 percent of the participants in a Youthbuild program receiving assistance under this subtitle may be individuals who--

^ (A) do not meet the requirements of paragraph (1)(B), but meet the other requirements of paragraph (1) and are members of low-income families; or

^ (B) do not meet the requirement of paragraph (1)(C), but meet the other requirements of paragraph (1) and have educational and job training needs despite the attainment of a high school diploma or its equivalent.

^ (3) PARTICIPATION LIMITATION- Any eligible individual selected for full-time participation in a Youthbuild program may be offered full-time participation for a period of not less than 6 months and not more than 24 months.

^ (b) MINIMUM TIME DEVOTED TO EDUCATIONAL SERVICES AND ACTIVITIES- A Youthbuild program receiving assistance under this subtitle shall be structured so that 50 percent of the time spent by participants in the program is devoted to educational services and activities, such as those specified in subparagraphs (B) through (F) of section 454(b)(4).

^ (c) AUTHORITY RESTRICTION- No provision of this subtitle may be construed to authorize any agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, school, or school system, or over the selection of library resources, textbooks, or other printed or published instructional materials by any educational institution or school system.

^ (d) STATE AND LOCAL STANDARDS- All educational programs and activities supported with funds provided under this subtitle shall be consistent with applicable State and local educational standards. Standards and procedures with respect to the awarding of academic credit and certifying educational attainment in such programs shall be consistent with applicable State and local educational standards.

^ (e) WAGES, LABOR STANDARDS, AND NONDISCRIMINATION- To the extent consistent with the provisions of this subtitle, sections 142, 143 and 167 of the Job Training Partnership Act, relating to wages and benefits, labor standards, and nondiscrimination, shall apply to the programs conducted under this subtitle as if such programs were conducted under the Job Training Partnership Act. This section may not be construed to prevent a recipient of a grant under this subtitle from using funds from non-Federal sources to increase wages and benefits under such programs, if appropriate.

^ SEC. 457. DEFINITIONS.

^ For purposes of this subtitle:

^ (1) ADJUSTED INCOME- The term 'adjusted income' has the meaning given the term in section 3(b) of the United States Housing Act of 1937.

^ (2) APPLICANT- The term 'applicant' means a public or private nonprofit agency, including--

^ (A) a community-based organization;

^ (B) an administrative entity designated under section 103(b)(1)(B) of the Job Training Partnership Act;

^ (C) a community action agency;

^ (D) a State and local housing development agency;

^ (E) a community development corporation;

^ (F) a State and local youth service and conservation corps; and

^ (G) any other entity eligible to provide education and employment training under other Federal employment training programs.

^ (3) COMMUNITY-BASED ORGANIZATION- The term 'community-based organization' means a private nonprofit organization that--

^ (A) maintains, through significant representation on the organization's governing board or otherwise, accountability to low-income community residents and, to the extent practicable, low-income beneficiaries of programs receiving assistance under this subtitle; and

^ (B) has a history of serving the local community or communities where a program receiving assistance under this subtitle is located.

^ (4) HOMELESS INDIVIDUAL- The term 'homeless individual' has the meaning given the term in section 103 of the Stewart B. McKinney Homeless Assistance Act.

^ (5) HOUSING DEVELOPMENT AGENCY- The term 'housing development agency' means any agency of a State or local government, or any private nonprofit organization that is engaged in providing housing for homeless or low-income families.

^ (6) INCOME- The term 'income' has the meaning given the term in section 3(b) of the United States Housing Act of 1937.

^ (7) INDIVIDUAL WHO HAS DROPPED OUT OF HIGH SCHOOL- The term 'individual who has dropped out of high school' means an individual who is neither attending any school nor subject to a compulsory attendance law and who has not received a secondary school diploma or a certificate of equivalency for such diploma, but does not include any individual who has attended secondary school at any time during the preceding 6 months.

^ (8) INSTITUTION OF HIGHER EDUCATION- The term 'institution of higher education' has the meaning given the term in

section 1201(a) of the Higher Education Act of 1965.

` (9) LIMITED-ENGLISH PROFICIENCY- The term `limited-English proficiency' has the meaning given the term in section 7003 of the Bilingual Education Act.

` (10) LOW-INCOME FAMILY- The term `low-income family' has the meaning given the term in section 3(b) of the United States Housing Act of 1937.

` (11) OFFENDER- The term `offender' means any adult or juvenile with a record of arrest or conviction for a criminal offense.

` (12) QUALIFIED NONPROFIT AGENCY- The term `qualified public or private nonprofit agency' means any nonprofit agency that has significant prior experience in the operation of projects similar to the Youthbuild program authorized under this subtitle and that has the capacity to provide effective technical assistance.

` (13) RELATED FACILITIES- The term `related facilities' includes cafeterias or dining halls, community rooms or buildings, appropriate recreation facilities, and other essential service facilities.

` (14) SECRETARY- The term `Secretary' means the Secretary of Housing and Urban Development.

` (15) STATE- The term `State' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, the Trust Territories of the Pacific Islands, or any other territory or possession of the United States.

` (16) TRANSITIONAL HOUSING- The term `transitional housing' means a project that has as its purpose facilitating the movement of homeless individuals and families to independent living within a reasonable amount of time. Transitional housing includes housing primarily designed to serve deinstitutionalized homeless individuals and other homeless individuals with mental or physical disabilities and homeless families with children.

` (17) VERY LOW-INCOME FAMILY- The term `very low-income family' has the meaning given the term in section 3(b) of the United States Housing Act of 1937.

` (18) YOUTHBUILD PROGRAM- The term `Youthbuild program' means any program that receives assistance under this subtitle and provides disadvantaged youth with opportunities for employment, education, leadership development, and training in the construction or rehabilitation of housing for homeless individuals and members of low- and very low-income families.

` SEC. 458. MANAGEMENT AND TECHNICAL ASSISTANCE.

` (a) SPONSOR ASSISTANCE- The Secretary shall enter into contracts with a qualified public or private nonprofit agency to provide appropriate training, information, and technical assistance to sponsors of programs assisted under this subtitle.

` (b) APPLICATION PREPARATION- Technical assistance may also be provided in the development of program proposals and the preparation of applications for assistance under this subtitle to eligible entities which intend or desire to submit such applications. Community-based organizations shall be given first priority in the provision of such assistance.

` (c) RESERVATION OF FUNDS- The Secretary shall reserve 5 percent of the amounts available in each fiscal year under section 452(b) to carry out subsections (b) and (c) of this section.

` SEC. 459. CONTRACTS.

` Each Youthbuild program shall carry out the services and activities under this subtitle directly or through arrangements or under contracts with administrative entities designated under section 103(b)(1)(B) of the Job Training Partnership Act, with State and local educational agencies, institutions of higher education, State and local housing development agencies, or with other public agencies and private organizations.

` SEC. 460. AUTHORIZATION OF APPROPRIATIONS.

` There are authorized to be appropriated for fiscal year 1993 such sums as may be necessary for planning and implementation grants under this subtitle. Any amounts appropriated pursuant to this section shall remain available until expended.'

Subtitle E--Homeownership Programs

SEC. 181. HOPE HOMEOWNERSHIP PROGRAMS.

(a) AUTHORIZATION OF APPROPRIATIONS-

(1) HOPE FOR PUBLIC AND INDIAN HOUSING HOMEOWNERSHIP- The first sentence of section 301(c) of the United States Housing Act of 1937 (42 U.S.C. 1437aaa(c)) is amended to read as follows: `There is authorized to be appropriated for grants under this title \$96,000,000 for fiscal year 1993.'

(2) HOPE FOR HOMEOWNERSHIP OF MULTIFAMILY UNITS- The first sentence of section 421(c) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12871(c)) is amended to read as follows: `There is authorized to be appropriated for grants under this subtitle \$96,000,000 for fiscal year 1993.'

(3) HOPE FOR HOMEOWNERSHIP OF SINGLE FAMILY HOMES- The first sentence of section 441(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12891(b)) is amended to read as follows: `There is authorized to be appropriated for grants under this subtitle \$192,000,000 for fiscal year 1993.'

(b) GRANT SELECTION CRITERIA FOR HOPE FOR PUBLIC AND INDIAN HOUSING- Section 303(e)(8) of the United States

Housing Act of 1937 (42 U.S.C. 1437aaa-2(e)(8)) is amended by striking `appreciably'.

(c) FAIR MARKET PRICE FOR SALE UNDER HOPE FOR PUBLIC AND INDIAN HOUSING- Section 305(a) of the United States Housing Act of 1937 (42 U.S.C. 1437aaa-4(a) is amended by adding at the end the following new sentence: `The Secretary may not approve a homeownership program unless the program provides for the public housing agency to receive fair market compensation for the transfer of the project.'

(d) ELIGIBILITY OF MUTUAL HOUSING ASSOCIATIONS FOR GRANTS UNDER HOPE FOR MULTIFAMILY UNITS- Section 426(1) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12876(1)) is amended by adding at the end the following new subparagraph:

`(G) A mutual housing association.'

(e) ELIGIBLE PROPERTY UNDER HOPE FOR HOMEOWNERSHIP OF MULTIFAMILY UNITS- Section 426(3)(D) of the **Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12876(3)(D)) is amended--**

(1) **by striking the first comma and inserting `or'; and**

(2) by striking `or a State or local government' and inserting `or owned or held by a State or local government (or instrumentality of a State or local government) and is not a public housing project with respect to which assistance may be provided under title III of the United States Housing Act of 1937'.

(f) PREFERENCE FOR ACQUISITION OF VACANT UNITS UNDER HOPE FOR HOMEOWNERSHIP OF SINGLE FAMILY HOMES- Section 444 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12894) is amended by adding at the end the following new subsection:

`(f) PREFERENCE FOR ACQUISITION OF VACANT UNITS- Each homeownership program under this subtitle shall provide that, in making vacant units in eligible properties available for acquisition by eligible families, preference shall be given to eligible families who reside in public or Indian housing.'

SEC. 182. NATIONAL HOMEOWNERSHIP TRUST DEMONSTRATION.

(a) EXTENSION OF TRUST- Section 310 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12859) is amended by striking `on September 30, 1993' and inserting `September 30, 1994'.

(b) AUTHORIZATION OF APPROPRIATIONS- Section 308 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12857) is amended to read as follows:

` SEC. 308. AUTHORIZATION OF APPROPRIATIONS.

`(a) ASSISTANCE- There is authorized to be appropriated for assistance payments under this subtitle \$520,665,600 for fiscal year 1993, of which such sums as may be necessary shall be available for use under section 303(e). Any amount appropriated under this subsection shall be deposited in the Fund and shall remain available until expended, subject to the provisions of section 310.

`(b) CREDIT COSTS- There is authorized to be appropriated such sums as may be necessary for fiscal year 1993 to cover the costs (as such term is defined in section 502 of the Congressional Budget Act of 1974) of repayable assistance payments entered into pursuant to this subtitle (a). Any amount appropriated under this subsection shall be deposited in the Fund and shall remain available until expended, subject to the provisions of section 310.'

(c) USE OF TRUST AMOUNTS IN CONNECTION WITH MORTGAGE REVENUE BONDS-

(1) IN GENERAL- Section 303 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12852) is amended by adding at the end the following new subsection:

`(e) ASSISTANCE IN CONNECTION WITH HOUSING FINANCED WITH MORTGAGE REVENUE BONDS-

`(1) AUTHORITY AND ELIGIBILITY- The Trust shall provide assistance for first-time homebuyers in the form of interest rate buydowns and downpayment assistance under this subsection. Such assistance shall be available only with respect to mortgages for the purchase of residences (A) financed with the proceeds of a qualified mortgage bond (as such term is defined in section 143 of the Internal Revenue Code of 1986), or (B) for which a credit is allowable under section 25 of such Code. To be eligible for assistance under this subsection, homebuyers and mortgages shall also meet the requirements under subsection (b) of this section, except that the certification under subsection (b)(3) shall not be required for assistance under this subsection.

`(2) **LIMITATION OF ASSISTANCE-** Notwithstanding subsection (a), assistance payments for first-time homebuyers under this subsection shall be provided in the following manners:

`(A) INTEREST RATE BUYDOWNS- Assistance payments to decrease the rate of interest payable on the mortgages by the homebuyers, in an amount not exceeding--

`(i) in the first year of the mortgage, 2.0 percent of the total principal obligation of the mortgage;

`(ii) in the second year of the mortgage, 1.5 percent of the total principal obligation of the mortgage;

`(iii) in the third year of the mortgage, 1.0 percent of the total principal obligation of the mortgage; and

`(iv) in the fourth year of the mortgage, 0.5 percent of the total principal obligation of the mortgage.

`(B) DOWNPAYMENT ASSISTANCE- Assistance payments to provide amounts for downpayments on mortgages by the homebuyers, in an amount not exceeding 2.5 percent of the principal obligation of the mortgage.

` (3) AVAILABILITY- The Trust may make assistance payments under subparagraphs (A) and (B) of paragraph (2) with respect to a single mortgage of a homebuyer.'.

(2) ALLOCATION- Section 303(d) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12852(d)) is amended--

(A) by inserting `that are not reserved for assistance under subsection (e)' after `subtitle'; and

(B) by adding at the end the following new sentence: `Amounts reserved for assistance under subsection (e) shall not be allocated by State.'.

(3) CONFORMING AMENDMENT- Section 303(a) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12852(a)) is amended by adding at the end the following new paragraph:

` (3) ASSISTANCE IN CONNECTION WITH MORTGAGE REVENUE BONDS FINANCING- Interest rate buydowns and downpayment assistance in the manner provided in subsection (e).'.

(d) ELIGIBILITY OF MANUFACTURED HOME OWNERS- Section 303(b)(1) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12852(b)(1)) is amended--

(1) in subparagraph (B), by striking `or' at the end;

(2) in subparagraph (C), by striking the period at the end and inserting `; or'; and

(3) by adding at the end the following new subparagraph:

` (D) meets the requirements of subparagraph (A), (B), or (C), except for owning, as a principal residence, a dwelling unit whose structure is--

` (i) not permanently affixed to a permanent foundation in accordance with local or other applicable regulations; or

` (ii) not in compliance with State, local, or model building codes, or other applicable codes, and can not be brought into compliance with such codes for less than the cost of constructing a permanent structure.'.

(e) REGULATIONS- The Secretary of Housing and Urban Development shall issue any final regulations necessary to implement the provisions of subtitle A of title III of the Cranston-Gonzalez National Affordable Housing Act (as amended by this section) not later than the expiration of the 180-day period beginning on the date of the enactment of this Act. Such regulations shall be issued after notice and opportunity for public comment pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section).

SEC. 183. NEHEMIAH HOUSING OPPORTUNITY GRANTS.

(a) HOMEOWNER INCENTIVE- Section 604 of the Housing and Community Development Act of 1987 (12 U.S.C. 1715I note) is amended--

(1) in subsection (b)(4), by inserting before the period the following: `, subject to the provisions of subsection (c)'; and

(2) by adding at the end the following new subsection:

` (c) HOMEOWNER INCENTIVE- The nonprofit organization may provide that, upon the sale or transfer of a property purchased with a loan made under this section, any proceeds remaining after repaying the first mortgage shall be distributed in the following order:

` (1) DOWNPAYMENT- The amount of the downpayment made by the seller or transferor upon the purchase of the property shall be paid to the seller or transferor.

` (2) LOAN AND PROFIT- Any amounts remaining after distribution under paragraph (1) shall be shared equally between the Secretary and the seller or transferor, but only to the extent that the Secretary recovers an amount equal to the amount of the loan made under this section. If such remaining amounts are insufficient for the Secretary to recover the full amount of the loan made under this section, the second mortgage held by the Secretary under subsection (b)(1) shall remain on the property to the extent of the amount unrecovered until the loan is paid in full from any proceeds from the sale or transfer of the property by the purchaser or transferee.

` (3) PROFIT- Any amounts remaining after distribution under paragraphs (1) and (2) shall be paid to the seller or transferor.'.

(b) CONFORMING AMENDMENTS- Section 606(e)(5) of the Housing and Community Development Act of 1987 (12 U.S.C. 1715I note) is amended--

(1) by inserting `subject to the provisions of section 604(c),' after the comma; and

(2) by inserting `of such loan' after `without repayment'.

(c) APPLICABILITY- The amendments made by this section shall apply to any loan made under section 604 of the Housing and Community Development Act of 1987 after July 1, 1990.

SEC. 184. LOAN GUARANTEES FOR INDIAN HOUSING.

(a) AUTHORITY- To provide access to sources of private financing to Indian families and Indian housing authorities who otherwise could not acquire housing financing because of the unique legal status of Indian trust land, the Secretary may guarantee not to exceed 100 percent of the unpaid principal and interest due on any loan eligible under subsection (b) made to

an Indian family or Indian housing authority.

(b) ELIGIBLE LOANS- Loans guaranteed pursuant to this section shall meet the following requirements:

(1) ELIGIBLE BORROWERS- The loans shall be made only to borrowers who are Indian families or Indian housing authorities.

(2) ELIGIBLE HOUSING- The loan shall be used to construct, acquire, or rehabilitate 1- to 4-family dwellings that are standard housing and are located on trust land or land located in an Indian or Alaska Native area.

(3) SECURITY- The loan may be secured by any collateral authorized under existing Federal law or applicable State or tribal law.

(4) LENDERS- The loan shall be made only by a lender approved by and meeting qualifications established by the Secretary, except that loans otherwise insured or guaranteed by an agency or instrumentality of the Federal Government or made by an organization of Indians from amounts borrowed from the United States shall not be eligible for guarantee under this section. The following lenders are deemed to be approved under this paragraph:

(A) Any mortgagee approved by the Secretary of Housing and Urban Development for participation in the single family mortgage insurance program under title II of the National Housing Act.

(B) Any lender whose housing loans under chapter 37 of title 38, United States Code are automatically guaranteed pursuant to section 1802(d) of such title.

(C) Any lender approved by the Secretary of Agriculture to make guaranteed loans for single family housing under the Housing Act of 1949.

(D) Any other lender that is supervised, approved, regulated, or insured by any agency of the Federal Government.

(5) TERMS- The loan shall--

(A) be made for a term not exceeding 30 years;

(B) bear interest (exclusive of the guarantee fee under section 404 and service charges, if any) at a rate agreed upon by the borrower and the lender and determined by the Secretary to be reasonable, which may not exceed the rate generally charged in the area (as determined by the Secretary) for home mortgage loans not guaranteed or insured by any agency or instrumentality of the Federal Government;

(C) involve a principal obligation not exceeding--

(i) an amount equal to the sum of (I) 97 percent of \$25,000 of the appraised value of the property, as of the date the loan is accepted for guarantee, and (II) 95 percent of such value in excess of \$25,000; and

(ii) the amount approved by the Secretary under this section; and

(D) involve a payment on account of the property (i) in cash or its equivalent, or (ii) through the value of any improvements to the property made through the skilled or unskilled labor of the borrower, as the Secretary shall provide.

(c) CERTIFICATE OF GUARANTEE-

(1) APPROVAL PROCESS- Before the Secretary approves any loan for guarantee under this section, the lender shall submit the application for the loan to the Secretary for examination. If the Secretary approves the loan for guarantee, the Secretary shall issue a certificate under this paragraph as evidence of the guarantee.

(2) STANDARD FOR APPROVAL- The Secretary may approve a loan for guarantee under this section and issue a certificate under this paragraph only if the Secretary determines there is a reasonable prospect of repayment of the loan.

(3) EFFECT- A certificate of guarantee issued under this paragraph by the Secretary shall be conclusive evidence of the eligibility of the loan for guarantee under the provisions of this section and the amount of such guarantee. Such evidence shall be incontestable in the hands of the bearer and the full faith and credit of the United States is pledged to the payment of all amounts agreed to be paid by the Secretary as security for such obligations.

(4) FRAUD AND MISREPRESENTATION- This subsection may not be construed to preclude the Secretary from establishing defenses against the original lender based on fraud or material misrepresentation or to bar the Secretary from establishing by regulations in effect on the date of issuance or disbursement, whichever is earlier, partial defenses to the amount payable on the guarantee.

(d) GUARANTEE FEE- The Secretary shall fix and collect a guarantee fee for the guarantee of loans under this section, which may not exceed the amount equal to 1 percent of the principal obligation of the loan. The fee shall be paid by the lender at time of issuance of the guarantee and shall be adequate, in the determination of the Secretary, to cover expenses and probable losses. The Secretary shall deposit any fees collected under this subsection in the Indian Housing Loan Guarantee Fund established under subsection (i).

(e) LIABILITY UNDER GUARANTEE- The liability under a guarantee provided under this section shall decrease or increase on a pro rata basis according to any decrease or increase in the amount of the unpaid obligation under the provisions of the loan agreement.

(f) TRANSFER AND ASSUMPTION- Notwithstanding any other provision of law, any loan guaranteed under this section, including the security given for the loan, may be sold or assigned by the lender to any financial institution subject to examination and supervision by an agency of the Federal Government or of any State or the District of Columbia.

(g) DISQUALIFICATION OF LENDERS AND CIVIL MONEY PENALTIES-

(1) IN GENERAL- If the Secretary determines that any lender or holder of a guarantee certificate under subsection (c) has failed to maintain adequate accounting records, to adequately service loans guaranteed under this section, to exercise proper credit or underwriting judgment, or has engaged in practices otherwise detrimental to the interest of a borrower or the United States, the Secretary may--

(A) refuse, either temporarily or permanently, to guarantee any further loans made by such lender or holder;

(B) bar such lender or holder from acquiring additional loans guaranteed under this section; and

(C) require that such lender or holder assume not less than 10 percent of any loss on further loans made or held by the lender or holder that are guaranteed under this section.

(2) CIVIL MONEY PENALTIES FOR INTENTIONAL VIOLATIONS- If the Secretary determines that any lender or holder of a guarantee certificate under subsection (c) has intentionally failed to maintain adequate accounting records, to adequately service loans guaranteed under this section, or to exercise proper credit or underwriting judgment, the Secretary may impose a civil money penalty on such lender or holder in the manner and amount provided under section 536 of the National Housing Act with respect to mortgagees and lenders under such Act.

(3) PAYMENT ON LOANS MADE IN GOOD FAITH- Notwithstanding paragraphs (1) and (2), the Secretary may not refuse to pay pursuant to a valid guarantee on loans of a lender or holder barred under this subsection if the loans were previously made in good faith.

(h) PAYMENT UNDER GUARANTEE-

(1) LENDER OPTIONS-

(A) IN GENERAL- In the event of default by the borrower on a loan guaranteed under this section, the holder of the guarantee certificate shall provide written notice of the default to the Secretary. Upon providing such notice, the holder of the guarantee certificate shall be entitled to payment under the guarantee (subject to the provisions of this section) and may proceed to obtain payment in one of the following manners:

(i) FORECLOSURE- The holder of the certificate may initiate foreclosure proceedings in a court of competent jurisdiction (after providing written notice of such action to the Secretary) and upon a final order by the court authorizing foreclosure and submission to the Secretary of a claim for payment under the guarantee, the Secretary shall pay to the holder of the certificate the pro rata portion of the amount guaranteed (as determined pursuant to subsection (e)) plus reasonable fees and expenses as approved by the Secretary. The Secretary shall be subrogated to the rights of the holder of the guarantee and the lender holder shall assign the obligation and security to the Secretary.

(ii) NO FORECLOSURE- Without seeking a judicial foreclosure (or in any case in which a foreclosure proceeding initiated under clause (i) continues for a period in excess of 1 year), the holder of the guarantee may submit to the Secretary a claim for payment under the guarantee and the Secretary shall only pay to such holder for a loss on any single loan an amount equal to 90 percent of the pro rata portion of the amount guaranteed (as determined under subsection (e)). The Secretary shall be subrogated to the rights of the holder of the guarantee and the holder shall assign the obligation and security to the Secretary.

(B) REQUIREMENTS- Before any payment under a guarantee is made under subparagraph (A), the holder of the guarantee shall exhaust all reasonable possibilities of collection. Upon payment, in whole or in part, to the holder, the note or judgment evidencing the debt shall be assigned to the United States and the holder shall have no further claim against the borrower or the United States. The Secretary shall then take such action to collect as the Secretary determines appropriate.

(2) ASSIGNMENT BY SECRETARY- Notwithstanding paragraph (1), upon receiving notice of default on a loan guaranteed under this section from the holder of the guarantee, the Secretary may accept assignment of the loan if the Secretary determines that the assignment is in the best interests of the United States. Upon assignment the Secretary shall pay to the holder of the guarantee the pro rata portion of the amount guaranteed (as determined under subsection (e)). The Secretary shall be subrogated to the rights of the holder of the guarantee and the holder shall assign the obligation and security to the Secretary.

(3) LIMITATIONS ON LIQUIDATION- In the event of a default by the borrower on a loan guaranteed under this section involving a security interest in tribal allotted or trust land, the Secretary shall only pursue liquidation after offering to transfer the account to an eligible tribal member, the tribe, or the Indian housing authority serving the tribe or tribes. If the Secretary subsequently proceeds to liquidate the account, the Secretary shall not sell, transfer, or otherwise dispose of or alienate the property except to one of the entities described in the preceding sentence.

(i) INDIAN HOUSING LOAN GUARANTEE FUND-

(1) ESTABLISHMENT- There is established in the Treasury of the United States the Indian Housing Loan Guarantee Fund for the purpose of providing loan guarantees under this section.

(2) CREDITS- The Guarantee Fund shall be credited with--

(A) any amounts, claims, notes, mortgages, contracts, and property acquired by the Secretary under this section, and any collections and proceeds therefrom;

(B) any amounts appropriated under paragraph (7);

(C) any guarantee fees collected under subsection (d); and

(D) any interest or earnings on amounts invested under paragraph (4).

- (3) USE- Amounts in the Guarantee Fund shall be available, to the extent provided in appropriation Acts, for--
- (A) fulfilling any obligations of the Secretary with respect to loans guaranteed under this section, including the costs (as such term is defined in section 502 of the Congressional Budget Act of 1974) of such loans;
 - (B) paying taxes, insurance, prior liens, expenses necessary to make fiscal adjustment in connection with the application and transmittal of collections, and other expenses and advances to protect the Secretary for loans which are guaranteed under this section or held by the Secretary;
 - (C) acquiring such security property at foreclosure sales or otherwise;
 - (D) paying administrative expenses in connection with this section; and
 - (E) reasonable and necessary costs of rehabilitation and repair to properties that the Secretary holds or owns pursuant to this section.
- (4) INVESTMENT- Any amounts in the Guarantee Fund determined by the Secretary to be in excess of amounts currently required to carry out this section may be invested in obligations of the United States.
- (5) LIMITATION ON COMMITMENTS TO GUARANTEE LOANS AND MORTGAGES-
- (A) REQUIREMENT OF APPROPRIATIONS- The authority of the Secretary to enter into commitments to guarantee loans under this section shall be effective for any fiscal year only to the extent or in such amounts as are or have been provided in appropriations Acts for such fiscal year.
 - (B) LIMITATIONS ON COSTS OF GUARANTEES- The authority of the Secretary to enter into commitments to guarantee loans under this section shall be effective for any fiscal year only to the extent that amounts in the Guarantee Fund are or have been made available in appropriation Acts to cover the costs (as such term is defined in section 502 of the Congressional Budget Act of 1974) of such loan guarantees for such fiscal year.
 - (C) LIMITATION ON OUTSTANDING AGGREGATE PRINCIPAL AMOUNT- Subject to the limitations in subparagraphs (A) and (B), the Secretary may enter into commitments to guarantee loans under this section in each of fiscal years 1993 and 1994 with an aggregate outstanding principal amount not exceeding such amount as may be provided in appropriation Acts for each such year.
- (6) LIABILITIES- All liabilities and obligations of the assets credited to the Guarantee Fund under paragraph (2)(A) shall be liabilities and obligations of the Guarantee Fund.
- (7) AUTHORIZATION OF APPROPRIATIONS- There are authorized to be appropriated to the Guarantee Fund to carry out this section such sums as may be necessary for each of fiscal years 1993, 1994, and 1995.
- (j) REQUIREMENTS FOR STANDARD HOUSING- The Secretary shall, by regulation, establish housing safety and quality standards for use under this section. Such standards shall provide sufficient flexibility to permit the use of various designs and materials in housing acquired with loans guaranteed under this section. The standards shall require each dwelling unit in any housing so acquired to--
- (1) be decent, safe, sanitary, and modest in size and design;
 - (2) conform with applicable general construction standards for the region;
 - (3) contain a heating system that--
 - (A) has the capacity to maintain a minimum temperature in the dwelling of 65 degrees Fahrenheit during the coldest weather in the area;
 - (B) is safe to operate and maintain;
 - (C) delivers a uniform distribution of heat; and
 - (D) conforms to any applicable tribal heating code or, if there is no applicable tribal code, an appropriate county, State, or National code;
 - (4) contain a plumbing system that--
 - (A) uses a properly installed system of piping;
 - (B) includes a kitchen sink and a partitioned bathroom with lavatory, toilet, and bath or shower; and
 - (C) uses water supply, plumbing, and sewage disposal systems that conform to any applicable tribal code or, if there is no applicable tribal code, the minimum standards established by the applicable county or State;
 - (5) contain an electrical system using wiring and equipment properly installed to safely supply electrical energy for adequate lighting and for operation of appliances that conforms to any applicable tribal code or, if there is no applicable tribal code, an appropriate county, State, or National code;
 - (6) be not less than--
 - (A)(i) 570 square feet in size, if designed for a family of not more than 4 persons;
 - (ii) 850 square feet in size, if designed for a family of not less than 5 and not more than 7 persons; and
 - (iii) 1020 square feet in size, if designed for a family of not less than 8 persons, or

(B) the size provided under the applicable locally adopted standards for size of dwelling units;

except that the Secretary, upon the request of a tribe or Indian housing authority, may waive the size requirements under this paragraph; and

(7) conform with the energy performance requirements for new construction established by the Secretary under section 526(a) of the National Housing Act.

(k) DEFINITIONS- For purposes of this section:

(1) The term `family' means 1 or more persons maintaining a household, as the Secretary shall by regulation provide.

(2) The term `Guarantee Fund' means the Indian Housing Loan Guarantee Fund established under subsection (i).

(3) The term `Indian' means person recognized as being Indian or Alaska Native by an Indian tribe, the Federal Government, or any State.

(4) The term `Indian area' means the area within which an Indian housing authority is authorized to provide housing.

(5) The term `Indian housing authority' means any entity that--

(A) is authorized to engage in or assist in the development or operation of low-income housing for Indians; and

(B) is established--

(i) by exercise of the power of self-government of an Indian tribe independent of State law; or

(ii) by operation of State law providing specifically for housing authorities for Indians, including regional housing authorities in the State of Alaska.

(6) The term `Secretary' means the Secretary of Housing and Urban Development.

(7) The term `standard housing' means a dwelling unit or housing that complies with the requirements established under subsection (j).

(8) The term `tribe' means any tribe, band, pueblo, group, community, or nation of Indians or Alaska Natives.

(9) The term `trust land' means land title to which is held by the United States for the benefit of an Indian or Indian tribe or title to which is held by an Indian tribe subject to a restriction against alienation imposed by the United States.

SEC. 185. ASSISTANCE UNDER SECTION 8 FOR HOMEOWNERSHIP.

(a) AUTHORITY- Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), is amended by adding at the end the following new subsection:

`(y) HOMEOWNERSHIP OPTION-

`(1) USE OF ASSISTANCE FOR HOMEOWNERSHIP- A family receiving tenant-based assistance under this section may receive assistance for occupancy of a dwelling owned by one or more members of the family if the family--

`(A) is a first-time homeowner;

`(B)(i) participates in the family self-sufficiency program under section 23 of the public housing agency providing the assistance; or

`(ii) demonstrates that the family has income from employment or other sources (other than public assistance), as determined in accordance with requirements of the Secretary, that is not less than twice the payment standard established by the public housing agency (or such other amount as may be established by the Secretary);

`(C) except as provided by the Secretary, demonstrates at the time the family initially receives tenant-based assistance under this subsection that one or more adult members of the family have achieved employment for the period as the Secretary shall require;

`(D) participates in a homeownership and housing counseling program provided by the agency; and

`(E) meets any other initial or continuing requirements established by the public housing agency in accordance with requirements established by the Secretary.

`(2) MONTHLY ASSISTANCE PAYMENT-

`(A) IN GENERAL- Notwithstanding any other provisions of this section governing determination of the amount of assistance payments under this section on behalf of a family, the monthly assistance payment for any family assisted under this subsection shall be the amount by which the fair market rental for the area established under subsection (c)(1) exceeds 30 percent of the family's monthly adjusted income; except that the monthly assistance payment shall not exceed the amount by which the monthly homeownership expenses, as determined in accordance with requirements established by the Secretary, exceeds 10 percent of the family's monthly income.

`(B) EXCLUSION OF EQUITY FROM INCOME- For purposes of determining the monthly assistance payment for a family, the Secretary shall not include in family income an amount imputed from the equity of the family in a dwelling occupied by the family with assistance under this subsection.

`(3) RECAPTURE OF CERTAIN AMOUNTS- Upon sale of the dwelling by the family, the Secretary shall recapture from any net proceeds the amount of additional assistance (as determined in accordance with requirements established by the

Secretary) paid to or on behalf of the eligible family as a result of paragraph (2)(B).

` (4) DOWNPAYMENT REQUIREMENT- Each public housing agency providing assistance under this subsection shall ensure that each family assisted shall provide from its own resources not less than 80 percent of any downpayment in connection with a loan made for the purchase of a dwelling. Such resources may include amounts from any escrow account for the family established under section 23(d). Not more than 20 percent of the downpayment may be provided from other sources, such as from nonprofit entities and programs of States and units of general local government.

` (5) INELIGIBILITY UNDER OTHER PROGRAMS- A family may not receive assistance under this subsection during any period when assistance is being provided for the family under other Federal homeownership assistance programs, as determined by the Secretary, including assistance under the HOME Investment Partnerships Act, the Homeownership and Opportunity Through HOPE Act, title II of the Housing and Community Development Act of 1987, and section 502 of the Housing Act of 1949.

` (6) INAPPLICABILITY OF CERTAIN PROVISIONS- Assistance under this subsection shall not be subject to the requirements of the following provisions:

` (A) Subsection (c)(3)(B) of this section.

` (B) Subsection (d)(1)(B)(i) of this section.

` (C) Any other provisions of this section governing maximum amounts payable to owners and amounts payable by assisted families.

` (D) Any other provisions of this section concerning contracts between public housing agencies and owners.

` (E) Any other provisions of this Act that are inconsistent with the provisions of this subsection.

` (7) REVERSION TO RENTAL STATUS-

` (A) FHA-INSURED MORTGAGES- If a family receiving assistance under this subsection for occupancy of a dwelling defaults under a mortgage for the dwelling insured by the Secretary under the National Housing Act, the family may not continue to receive rental assistance under this section unless the family (i) transfers to the Secretary marketable title to the dwelling, (ii) moves from the dwelling within the period established or approved by the Secretary, and (iii) agrees that any amounts the family is required to pay to reimburse the escrow account under section 23(d)(4) may be deducted by the public housing agency from the assistance payment otherwise payable on behalf of the family.

` (B) OTHER MORTGAGES- If a family receiving assistance under this subsection defaults under a mortgage not insured under the National Housing Act, the family may not continue to receive rental assistance under this section unless it complies with requirements established by the Secretary.

` (C) ALL MORTGAGES- A family receiving assistance under this subsection that defaults under a mortgage may not receive assistance under this subsection for occupancy of another dwelling owned by one or more members of the family.

` (8) DEFINITION OF FIRST-TIME HOMEOWNER- For purposes of this subsection, the term `first-time homeowner' means--

` (A) a family, no member of which has had a present ownership interest in a principal residence during the 3 years preceding the date on which the family initially receives assistance for homeownership under this subsection; and

` (B) any other family, as the Secretary may prescribe.'

(b) FAMILY SELF-SUFFICIENCY PROGRAM- Section 23(d) of the United States Housing Act of 1937 (42 U.S.C. 1437u), as amended by section 106(h) of this Act, is further amended by adding at the end the following new paragraph:

` (4) USE OF ESCROW SAVINGS ACCOUNTS FOR SECTION 8 HOMEOWNERSHIP- Notwithstanding paragraph (3), a family that uses assistance under section 8(y) to purchase a dwelling may use up to 50 percent of the amount in its escrow account established under paragraph (3) for a downpayment on the dwelling. In addition, after the family purchases the dwelling, the family may use any amounts remaining in the escrow account to cover the costs of major repair and replacement needs of the dwelling. If a family defaults in connection with the loan to purchase a dwelling and the mortgage is foreclosed, the remaining amounts in the escrow account shall be recaptured by the Secretary.'

(c) **USE OF FHA INSURANCE WITH SECTION 8 HOMEOWNERSHIP-**

(1) IN GENERAL- Section 203 of the National Housing Act (12 U.S.C. 1709) is amended--

(A) in the matter preceding subparagraph (A) in subsection (c)(2), by inserting `or of the General Insurance Fund pursuant to subsection (v)' after `Fund'; and

(B) by adding at the end the following new subsection:

` (v) Notwithstanding section 202 of this title, the insurance of a mortgage under this section in connection with the assistance provided under section 8(y) of the United States Housing Act of 1937 shall be the obligation of the General Insurance Fund created pursuant to section 519 of this title. The provisions of subsections (a) through (h), (j), and (k) of section 204 shall apply to such mortgages, except that (1) all references in section 204 to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the General Insurance Fund, and (2) any excess amounts described in section 204(f)(1) shall be retained by the Secretary and credited to the General Insurance Fund.'

(2) GENERAL INSURANCE FUND- Section 519(e) of the National Housing Act (12 U.S.C. 1735c(e)) is amended by inserting after `203(b)' the following: `(except as provided in section 203(v))'.

(3) MORTGAGE INSURANCE TRANSITION PREMIUMS- The matter preceding paragraph (1) in section 2103(b) of the

Omnibus Budget Reconciliation Act of 1990 (12 U.S.C. 1709 note) is amended by inserting ` or of the General Insurance Fund pursuant to section 203(v) of the National Housing Act' after ` Fund'.

(4) CONFORMING AMENDMENT- The third sentence of section 3(a)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a)(1)) is amended by inserting ` or (y) or paying rent under section 8(c)(3)(B)' after ` section 8(o)'.

Subtitle F--Implementation

SEC. 191. IMPLEMENTATION.

The Secretary of Housing and Urban Development shall issue any final regulations necessary to implement the provisions of this title and the amendments made by this title not later than the expiration of the 180-day period beginning on the date of the enactment of this Act, except as expressly provided otherwise in this title and the amendments made by this title. Such regulations shall be issued after notice and opportunity for public comment pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section).

TITLE II--HOME INVESTMENT PARTNERSHIPS

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Section 205 of the **Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12724)** is amended to read as follows:

SEC. 205. AUTHORIZATION.

There is authorized to be appropriated to carry out this title **\$2,082,662,400 for fiscal year 1993**, of which--

- (1) not more than \$13,977,600 shall be for community housing partnership activities authorized under section 233; and
- (2) not more than \$10,982,400 shall be for activities in support of State and local housing strategies authorized under subtitle C.'

SEC. 202. ELIMINATION OF RESTRICTIONS ON NEW CONSTRUCTION.

(a) ELIGIBLE USES OF INVESTMENT- Section 212(a) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742(a)) is amended--

- (1) in the last sentence of paragraph (2), by striking ` paragraph (3) of this subsection or';
- (2) by striking paragraph (3); and
- (3) by redesignating paragraph (4) as paragraph (3).

(b) FORMULA ALLOCATION- Section 217(b)(1) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12747(b)(1)) is amended--

- (1) by striking subparagraph (A);
- (2) in subparagraph (D), by striking ` Except as provided in subparagraph (A), the basic formula established under subparagraph (B)' and inserting ` The basic formula established under subparagraph (A)';
- (3) in subparagraph (E), by striking ` formulas in subparagraph (B)' and inserting ` formula in subparagraph (A)';
- (4) in subparagraph (F)--
 - (A) in the first sentence, by striking ` subparagraph (B)' and inserting ` subparagraph (A)'; and
 - (B) by striking the second sentence;
- (5) in subparagraph (G), by striking ` formulas in subparagraphs (A) and (B)' and inserting ` formula in subparagraph (A)'; and
- (6) by redesignating subparagraphs (B) through (G) (as amended by this paragraph) as subparagraphs (A) through (F), respectively.

(c) CONFORMING AMENDMENT- Section 218(g) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12748(g)) is amended by striking ` Except as provided in section 217(b)(1)(A)(ii), if' and inserting ` If'.

SEC. 203. USE OF TENANT-BASED RENTAL ASSISTANCE AMOUNTS FOR SECURITY DEPOSITS.

Section 212(a)(3) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742(a)(3)), as so redesignated by section 202(a)(3) of this Act, is amended by adding at the end the following new subparagraph:

- (E) SECURITY DEPOSIT ASSISTANCE- A jurisdiction using funds provided under this subtitle for tenant-based rental assistance may use such funds to provide loans or grants to very low- and low-income families for security deposits for rental of dwelling units. Any amounts used under this subparagraph shall not be subject to the requirements of subparagraph (A)(ii). An eligible family may be provided security assistance under this subparagraph, rental assistance under this paragraph, or both.'

SEC. 204. MCKINNEY ACT ACTIVITIES FOR HOMELESS PERSONS AS ELIGIBLE USE OF INVESTMENT.

(a) ELIGIBLE USES- Section 212(a) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742(a)), as amended by sections 202 and 203 of this Act, is further amended--

(1) in paragraph (1)--

(A) by striking `and' after the last comma; and

(B) by inserting before the period at the end the following: `and to carry out activities under title IV of the Stewart B. McKinney Homeless Assistance Act'; and

(2) by adding at the end the following new paragraph:

`(4) MCKINNEY ACT ACTIVITIES- A participating jurisdiction may elect to use funds provided under this subtitle to provide assistance to any project established according to requirements under title IV of the Stewart B. McKinney Homeless Assistance Act, except that such funds may be used for the provision of emergency shelter grants under subtitle B of title IV of such Act only if the comprehensive housing affordability strategy for the jurisdiction includes a plan for meeting current emergency shelter needs with transitional or permanent housing within a 5-year period.'

(b) QUALIFICATION AS AFFORDABLE HOUSING- Section 215 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745) is amended by adding at the end the following new subsection:

`(c) MCKINNEY ACT ACTIVITIES- Housing assisted pursuant to section 212(a)(4) shall qualify as affordable housing for purposes of this title.'

SEC. 205. PER UNIT COST LIMITS.

(a) MINIMUM LIMITS- Section 212(d)(1) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12744(d)(1)) is amended by inserting after the first sentence the following new sentence: `Such limits shall not be less than the per unit dollar amount limitations set forth in section 221(d)(3)(ii) of the National Housing Act, as such limitations may be adjusted in accordance therewith; except that for purposes of this subsection the Secretary shall, by regulation, increase the per unit dollar amount limitations in any geographical area by an amount, not to exceed 140 percent, that equals the amount by which the costs of multifamily housing construction in the area exceed the national average of such costs.'

(b) DISAPPROVAL OF INTERIM REGULATION-

(1) PROHIBITION- The Secretary of Housing and Urban Development may not implement or otherwise make effective the provision described in paragraph (2) or any final rule based on such section.

(2) IDENTIFICATION OF INTERIM RULE- The provision referred to in paragraph (1) shall be section 92.250 of title 24, Code of Federal Regulation, contained in the interim rule issued by the Secretary of Housing and Urban Development, entitled `HOME Investment Partnerships Program', and published in the Federal Register of December 16, 1991 (56 Fed. Reg. 65353).

SEC. 206. ADMINISTRATIVE COSTS AS ELIGIBLE USE OF INVESTMENT.

(a) ELIGIBLE USE- Section 212 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742) is amended--

(1) in subsection (c)(1), by inserting `that exceed the amount specified under subsection (c)' before the comma at the end;

(2) by redesignating subsections (c), (d) (as amended by the preceding provisions of this Act), and (e) as subsections (d), (e), and (f), respectively; and

(3) by inserting after subsection (b) the following new subsection:

`(c) ADMINISTRATIVE COSTS- In each fiscal year, each participating jurisdiction may use not more than 10 percent of the funds made available under this subtitle to the jurisdiction for such year for any administrative costs of the jurisdiction in carrying out this subtitle, including the costs of the salaries of persons engaged in administering and managing activities assisted with funds made available under this subtitle.'

(b) RECOGNITION OF MATCH- Section 220 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12750) is amended--

(1) in subsection (b)(2), by striking `shall' and all that follows and inserting `may not be recognized for purposes of subsection (a).'; and

(2) in subsection (c)--

(A) by striking paragraph (2); and

(B) by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively.

SEC. 207. QUALIFICATION AS AFFORDABLE RENTAL HOUSING.

(a) HOUSING NOT ASSISTED BY LOW-INCOME HOUSING TAX CREDIT- Section 215(a) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745(a)) is amended--

(1) in paragraph (1)--

(A) by striking the matter preceding subparagraph (A) and inserting the following:

`(1) IN GENERAL- Housing that is for rental shall qualify as affordable housing under this title if the housing--';

(B) in subparagraph (E), by striking `and' at the end;

(C) in subparagraph (F), by striking the period at the end and inserting `; and'; and

(D) by adding at the end the following new subparagraph:

`(G) is not a qualified low-income building for purposes of section 42 of the Internal Revenue Code of 1986.'; and

(2) in paragraph (3)--

(A) in the first sentence, by inserting `otherwise meeting the requirements of paragraph (1)' after `Housing';

(B) in the last sentence, by inserting `of housing that qualifies as affordable housing pursuant to paragraph (1)' after `Tenants'; and

(C) in the last sentence, by striking `not less than' and inserting `the lesser of the amount payable by the tenant under State or local law or'.

(b) HOUSING ASSISTED BY LOW-INCOME HOUSING TAX CREDIT OR WITHIN QUALIFIED CENSUS TRACT- Section 215(a) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745(a)) is amended by adding at the end the following new paragraphs:

`(6) QUALIFICATION OF HOUSING ASSISTED BY LOW-INCOME HOUSING TAX CREDIT- Notwithstanding paragraphs (1), (2), (3), and (7), housing that is for rental shall qualify as affordable housing under this title during any period in which the housing meets the requirements of section 42(g)(1) and is rent restricted under section 42(g)(2) of the Internal Revenue Code of 1986.

`(7) QUALIFICATION OF HOUSING LOCATED IN QUALIFIED CENSUS TRACT-

`(A) IN GENERAL- Notwithstanding paragraphs (1) and (6), housing that is for rental shall qualify as affordable housing under this title if--

`(i) the housing is located within a qualified census tract;

`(ii) not more than 33 percent of the units in the housing are occupied by families with qualified incomes who pay as rent an amount not exceeding 30 percent of the adjusted income of a family whose income equals 80 percent of the median income for the area (except that the Secretary may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes);

`(iii) not less than 10 percent of the units in the housing are occupied by families with incomes of not more than 35 percent of the area median income; and

`(iv) the housing complies with the requirements under subparagraphs (D), (E), and (F) of paragraph (1).

`(B) DEFINITIONS- For purposes of this paragraph--

`(i) the term `qualified census tract' means any census tract in which 50 percent or more of the households have an income which is less than 60 percent of the median family income for the area; and

`(ii) the term `qualified income' means an income that does not exceed 100 percent of the median family income for the area (as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 100 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes).'

(c) APPLICABILITY- The amendments made by this section shall apply with respect to any amounts appropriated to carry out this title for fiscal year 1992 and any fiscal year thereafter.

SEC. 208. RESALE OF HOMEOWNERSHIP HOUSING.

Section 215(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745(b)) is amended--

(1) by redesignating paragraph (5) as paragraph (6); and

(2) by striking paragraph (4) and inserting the following new paragraphs:

`(4) is subject to a requirement that, upon any subsequent sale of the property, any assistance provided for the housing from amounts made available under subtitle A shall be repaid, without interest, to the participating jurisdiction from the net proceeds of the sale;

`(5) is subject to a lien securing repayment to the participating jurisdiction of any such assistance provided for the housing, which--

`(A) shall be subordinate to all mortgages on the property existing on the date that any such assistance payment is first made; and

`(B) in the case of any sale resulting in no net proceeds or net proceeds that are insufficient to repay the amount of the assistance for the housing in full, shall be released to the extent that the debt secured by the lien remains unpaid; and'.

SEC. 209. MATCHING REQUIREMENTS.

(a) IN GENERAL- Section 220(a) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12750(a)) is amended to read as follows:

“(a) CONTRIBUTION- Except as provided in subsection (d), each participating jurisdiction shall make contributions to affordable housing assisted under this title that total, throughout a fiscal year, not less than 20 percent of the total funds drawn from the jurisdiction's HOME Investment Trust Fund in that fiscal year. Such contributions shall be in addition to any amounts made available under section 216(3)(A)(ii).”

(b) ELIGIBILITY OF DEBT FINANCING FOR MATCH- Section 220(c)(1) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12750(c)(1)) is amended by inserting after the comma the following: “which may include funds provided to affordable housing under this title which are borrowed by the jurisdiction or a public agency of the jurisdiction or obtained by issuing debt instruments, without regard to the source of repayment of such funds, but”.

(c) ELIGIBILITY OF MATERIALS AND SWEAT EQUITY FOR MATCH- Section 220(c) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12750(c)), as amended by section 206(b) of this Act, is further amended--

(1) in paragraph (3), by striking “and” at the end;

(2) in paragraph (4), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following new paragraph:

“(5) any other contributions to affordable housing, as the Secretary considers appropriate, which shall include the value of any site-preparation and construction materials and any donated or voluntary labor in connection with the site-preparation for, or construction or rehabilitation of, affordable housing.”

(d) WAIVER OF REQUIREMENT- Section 220(d) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12750(d)) is amended to read as follows:

“(d) WAIVER OF REQUIREMENT- The Secretary shall waive the applicability of the matching requirement under subsection (a) with respect to any funds drawn from a jurisdiction's HOME Investment Trust Fund Account during a fiscal year for any jurisdiction that is not a State, at the request of the jurisdiction, but only if the jurisdiction meets the requirements under one of the following paragraphs:

“(1) COMBINED ECONOMIC DISTRESS FACTORS- The jurisdiction certifies, before the commencement of such fiscal year, any 3 of the following 5 requirements:

“(A) UNEMPLOYMENT- That the average unemployment rate in the jurisdiction for the calendar year immediately preceding the year in which such fiscal year begins was equal to or greater than 150 percent of the average national unemployment rate during such calendar year (as determined according to information of the Bureau of Labor Statistics of the Department of Labor).

“(B) LABOR FORCE GROWTH- That the rate of growth in the labor force in the jurisdiction for the 2 calendar years immediately preceding the year in which such fiscal year begins was less than 75 percent of the rate of growth in the national labor force during the same 2-year period (as determined according to information of the Bureau of Labor Statistics of the Department of Labor).

“(C) TAX EFFORT- That the ratio of the amount of tax revenue collected per capita in the jurisdiction to the per capita income in the jurisdiction (as determined by the jurisdiction) for the calendar year immediately preceding the year in which such fiscal year begins was equal to or greater than 150 percent of the average for all participating jurisdictions of the ratio of tax revenue collected per capita in the participating jurisdiction to the per capita income in the participating jurisdiction (as determined according to information of the Bureau of the Census).

“(D) POVERTY RATE- That the average poverty rate in the jurisdiction for the calendar year immediately preceding the year in which such fiscal year begins was equal to or greater than 125 percent of the average national poverty rate during such calendar year (as determined according to information of the Bureau of the Census).

“(E) PER CAPITA INCOME- That the average per capita income in the jurisdiction for the calendar year immediately preceding the year in which such fiscal year begins was less than 75 percent of the average national per capita income during such calendar year (as determined according to information of the Bureau of the Census).

“(2) SEVERELY HIGH POVERTY RATE OR LOW PER CAPITA INCOME- The jurisdiction certifies, before the commencement of such fiscal year, that--

“(A) the average poverty rate in the jurisdiction for the calendar year immediately preceding the year in which such fiscal year begins was equal to or greater than 150 percent of the average national poverty rate during such calendar year (as determined according to information of the Bureau of the Census); or

“(B) the average per capita income in the jurisdiction for the calendar year immediately preceding the year in which such fiscal year begins was less than 50 percent of the average national per capita income during such calendar year (as determined according to information of the Bureau of the Census).”

(e) APPLICABILITY- The amendments made by this section shall apply with respect to fiscal year 1993 and each fiscal year thereafter.

SEC. 210. ASSISTANCE FOR INSULAR AREAS.

(a) REPEAL OF AMENDMENTS MADE BY PUBLIC LAW 102-230-

(1) DEFINITIONS- Section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704) is amended to read as if the amendments made by section 2 of Public Law 102-230 (105 Stat. 1720) had not been enacted.

(2) ALLOCATION OF RESOURCES- Section 217(a) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12747(a)) is amended--

(A) by striking the first sentence of paragraph (1) and inserting the following new sentence: `After reserving amounts under paragraph (2) for Indian tribes and after reserving amounts under paragraph (3) for the insular areas, the Secretary shall allocate funds approved in an appropriation Act to carry out this title by formula as provided in subsection (b).';

(B) by striking paragraph (3) (as added by Public Law 102-229; 105 Stat. 1709);

(C) by striking paragraph (3) (as added by Public Law 102-230; 105 Stat. 1720); and

(D) by adding after paragraph (2) the following new paragraph:

`(3) INSULAR AREAS- For each fiscal year, of any amounts approved in appropriation Acts to carry out this title, the Secretary shall reserve for grants to the insular areas the greater of (A) \$750,000, or (B) 0.2 percent of the amounts appropriated under such Acts. The Secretary shall provide for the distribution of amounts reserved under this paragraph among the insular areas pursuant to specific criteria for such distribution, which shall be contained in a regulation issued by the Secretary.'.

(3) EXPEDITED ISSUANCE OF REGULATION- The regulation referred to in the amendment made by paragraph (2)(D) shall take effect not later than the expiration of the 90-day period beginning on the date of the enactment of this Act. The regulation shall not be subject to the requirements of subsections (b) and (c) of section 553 of title 5, United States Code, or section 7(o) of the Department of Housing and Urban Development Act.

(b) EFFECTIVE DATE- The amendments made by subsection (a) shall take apply with respect to fiscal year 1993 and thereafter.

SEC. 211. USE OF ASSISTANCE TO ESTABLISH COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS.

Section 231 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12771) is amended--

(1) in subsection (a), by striking the first and second sentences and inserting the following new sentence: `A jurisdiction receiving funds under subtitle A shall reserve not less than 15 percent of such funds for the period determined under subsection (c) for investment only in housing to be developed, sponsored, or owned by community housing development organizations or for the development under subsection (b) of community housing development organizations.';

(2) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively;

(3) by inserting after subsection (a) the following new subsection:

`(b) IDENTIFICATION AND ESTABLISHMENT OF COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS-

`(1) IDENTIFICATION- Each participating jurisdiction shall make reasonable efforts to identify community housing development organizations that are capable or can reasonably be expected to become capable of carrying out elements of the jurisdiction's housing strategy and to encourage such community housing development organizations to do so.

`(2) ESTABLISHMENT- Any participating jurisdiction that cannot, pursuant to paragraph (1), identify any community housing development organization serving the jurisdiction may use not more than 5 percent of any funds reserved under subsection (a) to provide technical assistance in establishing a community housing development organization.'; and

(4) in subsection (c) (as so redesignated by paragraph (2) of this section)--

(A) by redesignating clauses (1) and (2) as clauses (A) and (B), respectively;

(B) by striking `(c) RECAPTURE AND REUSE- If' and inserting the following:

`(c) RECAPTURE AND REUSE-

`(1) IN GENERAL- Except as provided in paragraph (2), if'; and

(C) by adding at the end the following new paragraph:

`(2) EXTENSION FOR JURISDICTIONS ESTABLISHING COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS- With respect to any participating jurisdiction that (A) uses funds reserved under subsection (a) (as provided in subsection (b)(2)), and (B) for which is established, during the 18-month period after the funds are made available, a community housing development organization that is capable (or can reasonably be expected to become capable) of carrying out elements of the jurisdiction's housing strategy, the Secretary may not recapture and reuse any funds reserved under subsection (a) and not invested unless the funds remain uninvested 18 months after the expiration of the 18-month period under paragraph (1).'

SEC. 212. HOUSING EDUCATION AND ORGANIZATIONAL SUPPORT FOR COMMUNITY LAND TRUSTS.

(a) COMMUNITY LAND TRUSTS- Section 233 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12773) is amended--

(1) in subsection (a)(2), by inserting `, including community land trusts,' after `organizations';

(2) in subsection (b), by adding at the end the following new paragraph:

` (6) COMMUNITY LAND TRUSTS- Organizational support, technical assistance, education, training, and continuing support under this subsection may be made available to community land trusts (as such term is defined in subsection (f)) and to community groups for the establishment of community land trusts.';

(3) in subsection (e)--

(A) by striking ` SINGLE-STATE CONTRACTORS- ' and inserting ` USE OF AMOUNTS- ';

(B) by adding at the end the following new sentence: ` Not less than 10 percent of the funds made available for this section in any appropriation Act shall be made available only for eligible contractors with specific expertise in the establishment, organization, and management of community land trusts to carry out activities under subsection (b)(6).'; and

(4) by adding at the end the following new subsection:

` (f) DEFINITION OF COMMUNITY LAND TRUST- For purposes of this section, the term ` community land trust' means a community housing development organization (except that the requirement under section 104(6)(B) shall not apply for purposes of this subsection)--

` (1) that is not sponsored by a for-profit organization;

` (2) that is established to carry out the activities under paragraph (3);

` (3) that--

` (A) acquires parcels of land, held in perpetuity, primarily for conveyance under long-term ground leases;

` (B) transfers ownership of any structural improvements located on such leased parcels to the lessees; and

` (C) retains a preemptive option to purchase any such structural improvement at a price determined by formula that is designed to ensure that the improvement remains affordable to low- and moderate-income families in perpetuity;

` (4) whose corporate membership that is open to any adult resident of a particular geographic area specified in the bylaws of the organization; and

` (5) whose board of directors--

` (A) includes a majority of members who are elected by the corporate membership; and

` (B) is composed of equal numbers of (i) lessees pursuant to paragraph (3)(B), (ii) corporate members who are not lessees, and (iii) any other category of persons described in the bylaws of the organization.';

(b) WOMEN IN HOMEBUILDING- Section 233 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12773), as amended by subsection (a) of this section, is further amended--

(1) in subsection (a)--

(A) in paragraph (1), by striking ` and' at the end; and

(B) in paragraph (2), by striking the period at the end and inserting `; and'; and

(C) by adding at the end the following new paragraph:

` (3) to achieve the purposes under paragraphs (1) and (2) by helping women who reside in low- and moderate-income neighborhoods rehabilitate and construct housing in the neighborhoods.';

(2) in subsection (b), by adding after paragraph (6) (as added by subsection (a)(2) of this section) the following new paragraph:

` (7) FACILITATING WOMEN IN HOMEBUILDING PROFESSIONS- Technical assistance may be made available to businesses, unions, and organizations involved in construction and rehabilitation of housing in low- and moderate-income areas to assist women residing in the area to obtain jobs involving such activities, which may include facilitating access by such women to, and providing, apprenticeship and other training programs regarding nontraditional skills, recruiting women to participate in such programs, providing continuing support for women at job sites, counseling and educating businesses regarding suitable work environments for women, providing information to such women regarding opportunities for establishing small housing construction and rehabilitation businesses, and providing materials and tools for training such women (in an amount not exceeding 10 percent of any assistance provided under this paragraph). The Secretary shall give priority under this paragraph to providing technical assistance for organizations rehabilitating single family or multifamily housing owned or controlled by the Secretary pursuant to title II of the National Housing Act and which have women members in occupations in which women constitute 25 percent or less of the total number of workers in the occupation (in this section referred to as ` nontraditional occupations').';

(3) in subsection (c)(1)--

(A) in subparagraph (C), by striking ` and' at the end;

(B) in subparagraph (D), by striking ` or' at the end and inserting ` and'; and

(C) by adding at the end the following new subparagraph:

` (E) in the case of activities under subsection (b)(7), is a community-based organization (as such term is defined in section 4 of the Job Training Partnership Act) or public housing agency, which has demonstrated experience in preparing women for apprenticeship training in construction or administering programs for training women for

construction or other nontraditional occupations (and such organizations may use assistance for activities under such subsection to employ women in housing construction and rehabilitation activities to the extent that the organization has the capacity to conduct such activities); or'; and

(4) in subsection (e), by adding after the period at the end of the sentence added by subsection (a)(3)(B) of this section the following new sentence: `The Secretary shall provide assistance under this section to contractors in each of the geographic regions having a regional office of the Department of Housing and Urban Development (subject only to the absence of applications from eligible organizations).`.

SEC. 213. LAND BANK REDEVELOPMENT.

(a) PRIORITIES FOR CAPACITY DEVELOPMENT- Section 242 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12782) is amended--

(1) in paragraph (4), by striking `and' at the end;

(2) in paragraph (5), by striking the period at the end and inserting `; and'; and

(3) by adding at the end the following new paragraph:

`(6) facilitate the establishment and efficient operation of land bank programs, under which title to vacant and abandoned parcels of real estate located in or causing blighted neighborhoods is cleared for use of the real estate by the unit of general local government in the best interests of the unit of general local government.`.

(b) USE OF FUNDS- Section 243 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12783) is amended by adding at the end the following new subsection:

`(c) USE OF FUNDS- Not less than 5 percent of the amounts available to carry out this subtitle in each fiscal year shall be used for activities under section 242(6).`.

SEC. 214. RESEARCH IN PROVIDING AFFORDABLE HOUSING THROUGH INNOVATIVE BUILDING TECHNIQUES AND TECHNOLOGY.

The second sentence of section 244 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12784) is amended by inserting before the period at the end the following: `and particularly through the use of cost-saving innovative building technology and construction techniques`.

SEC. 215. USE OF INNOVATIVE BUILDING TECHNOLOGIES TO PROVIDE COST-SAVING HOUSING OPPORTUNITIES.

Subtitle D of title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12801 et seq.) is amended by adding at the end the following new section:

` SEC. 260. COST-SAVING BUILDING TECHNOLOGIES AND CONSTRUCTION TECHNIQUES.

`(a) IN GENERAL- The Secretary shall make available a model program to utilize cost-saving building technologies and construction techniques for purposes of providing homeownership and rental opportunities under this title, and take reasonable steps to ensure that any units provided under the model program under this section will remain occupied by persons or families eligible for assistance under this title.

`(b) SELECTION CRITERIA- The Secretary shall establish criteria for participating jurisdictions to select projects for assistance under the model program which may include--

`(1) the extent to which innovative, cost-saving building and construction technologies are utilized;

`(2) the extent to which innovative, cost-saving construction techniques are utilized;

`(3) the extent to which units will be made available to low-income families and individuals;

`(4) the extent to which non-Federal public or private assistance is utilized; and

`(5) any other factor, determined by the Secretary to be appropriate.

`(c) GUIDELINES- The Secretary shall publish guidelines for the model program under this section not later than 180 days after the date of the enactment of the Housing and Community Development Act of 1992.

`(d) REPORT- The Secretary shall submit a biennial report to the Congress on the results of the model program under this section.`.

SEC. 216. DEFINITION OF COMMUNITY HOUSING DEVELOPMENT ORGANIZATION.

Section 104(6) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704(6)) is amended--

(1) by striking subparagraph (A);

(2) in subparagraph (B), by striking `and otherwise' and inserting `or otherwise';

(3) by redesignating subparagraphs (B), (C), and (D) as subparagraphs (A), (B), and (C), respectively; and

(4) by adding at the end the following new flush material:

“The Secretary may not limit the criteria for determining if an organization meets the definition of a community housing development organization for purposes of this Act, to a single criterion based on the number or percentage of low-income persons residing in the community that serve as members on the organization’s governing board. In the case of an organization serving more than one county, the Secretary may not require that such an organization, to be considered a community housing development organization for purposes of this Act, include as members on the organization’s governing board low-income persons residing in each county served.”

SEC. 217. INCLUSION OF ECHO HOUSING IN DEFINITION OF HOUSING.

Section 104(8) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704(8)) is amended by inserting before the period at the end the following: “and elder cottage housing opportunity units that are small, free-standing, barrier-free, energy-efficient, removable, and designed to be installed adjacent to existing 1- to 4-family dwellings”.

SEC. 218. ELIGIBILITY OF MANUFACTURED HOME OWNERS AS FIRST-TIME HOMEBUYERS.

Section 104(14) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704(14)) is amended--

(1) in subparagraph (A), by striking “and” at the end;

(2) in subparagraph (B), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following new subparagraph:

“(C) an individual shall not be excluded from consideration as a first-time homebuyer under this paragraph on the basis that the individual owns or owned, as a principal residence during such 3-year period, a dwelling unit whose structure is--

“(i) not permanently affixed to a permanent foundation in accordance with local or other applicable regulations, or

“(ii) not in compliance with State, local, or model building codes, or other applicable codes, and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.”

SEC. 219. ELIGIBILITY FOR ASSISTANCE AND CONTENTS OF STRATEGIES.

(a) HOMELESSNESS INFORMATION- Section 105(b)(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12705(b)(2)) is amended by inserting “including tabular representation of such information,” after “with homelessness.”

(b) ANTIDISPLACEMENT PLAN AND ANTIPOVERTY STRATEGY- Section 105(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12705(b)) is amended--

(1) by striking paragraph (14) and inserting the following new paragraph:

“(14) include a certification that the jurisdiction has in effect and is following a residential antidisplacement and relocation assistance plan that, in any case of any such displacement in connection with any activity assisted with amounts provided under title II, requires the same actions and provides the same rights as required and provided under a residential antidisplacement and relocation assistance plan under section 104(d) of the Housing and Community Development Act of 1974 in the event of displacement in connection with a development project assisted under section 106 or 119 of such Act;”

(2) in paragraph (15), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following new paragraph:

“(16) for any housing strategy submitted for fiscal year 1994 or any fiscal year thereafter and taking into consideration factors over which the jurisdiction has control, describe the jurisdiction’s goals, programs, and policies for reducing the number of households with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually), and, in consultation with other appropriate public and private agencies, state how the jurisdiction’s goals, programs, and policies for producing and preserving affordable housing set forth in the housing strategy will be coordinated with other programs and services for which the jurisdiction is responsible and the extent to which they will reduce (or assist in reducing) the number of households with incomes below the poverty line; and”

SEC. 220. REGULATIONS.

The Secretary of Housing and Urban Development shall issue any final regulations necessary to implement the provisions of this title and the amendments made by this title not later than the expiration of the 180-day period beginning on the date of the enactment of this Act, except as expressly provided otherwise in this title and the amendments made by this title. Such regulations shall be issued after notice and opportunity for public comment pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section).

TITLE III--PRESERVATION OF LOW-INCOME HOUSING

SEC. 301. AUTHORIZATION OF APPROPRIATIONS.

Section 234 of the Housing and Community Development Act of 1987 (12 U.S.C. 4124) is amended to read as follows:

“SEC. 234. AUTHORIZATION OF APPROPRIATIONS.

“(a) IN GENERAL- There is authorized to be appropriated for assistance and incentives authorized under this subtitle

\$856,627,200 for fiscal year 1993.

`(b) GRANTS- Of the amounts made available under subsection (a), not more than \$100,000,000 shall be available for fiscal year 1993 for grants under section 221(d)(2), subject to approval in appropriation Acts.'

SEC. 302. REVISION OF SHORT TITLE.

(a) IN GENERAL- Section 201 of the Housing and Community Development Act of 1987 (12 U.S.C. 4101 note) is amended by striking `and Resident Homeownership'.

(b) CONFORMING AMENDMENTS-

(1) CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT- Section 604(a) of the Cranston-Gonzalez National Affordable Housing Act (12 U.S.C. 4101 note) is amended by striking `and Resident Homeownership'.

(2) HOUSING AND COMMUNITY DEVELOPMENT AMENDMENTS OF 1978- Section 201(m) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1715z-1a(m)) is amended by striking `the Emergency Low Income Housing Preservation Act of 1987' each place it appears and inserting `title II of the Housing and Community Development Act of 1987'.

(3) NATIONAL HOUSING ACT-

(A) Section 229 of the National Housing Act (12 U.S.C. 1715t) is amended by striking `the Emergency Low Income Housing Preservation Act of 1987' and inserting `title II of the Housing and Community Development Act of 1987'.

(B) Section 241(f) of the National Housing Act (12 U.S.C. 1715z-6(f)) is amended--

(i) by striking `the Low-Income Housing Preservation and Resident Homeownership Act of 1990' each place it appears and inserting `the Housing and Community Development Act of 1987'; and

(ii) by striking `Cranston-Gonzalez National Affordable Housing Act' each place it appears and inserting `Housing and Community Development Act of 1987'.

(C) Section 250(b) of the National Housing Act (12 U.S.C. 1715z-15(B)) is amended by striking `Low-Income Housing Preservation and Resident Homeownership Act of 1990' and inserting `Housing and Community Development Act of 1987'.

SEC. 303. RESIDUAL RECEIPTS AND RESERVE FOR REPLACEMENT ACCOUNTS.

(a) PRESERVATION VALUE- Section 213(b)(2) of the Housing and Community Development Act of 1987 (12 U.S.C. 4103(b)(2)) is amended by inserting before the period at the end the following: `plus the amount in the reserve for replacement account at the time of the transfer of the property'.

(b) INCENTIVE FOR TRANSFER TO QUALIFIED PURCHASERS- Section 220(d)(3)(A) of the Housing and Community Development Act of 1987 (12 U.S.C. 4110(d)(3)(A)) is amended--

(1) by striking `any residual receipts' and all that follows through `(b) or (c) and'; and

(2) by inserting after the period at the end the following new sentence: `The owner may retain amounts that are in the residual receipts account upon transfer of the project without deduction from the sales price.'.

(c) INCENTIVES TO EXTEND LOW-INCOME USE- Section 219(b)(1) of the Housing and Community Development Act of 1987 (12 U.S.C. 4109(b)(1)) is amended by inserting before the period at the end the following: `, except that the Secretary may not reduce the authorized annual return determined under section 214(a) as a result of the release of such funds'.

SEC. 304. SUBMISSION OF INFORMATION TO TENANTS.

(a) LOW-INCOME HOUSING PRESERVATION ACT OF 1990- Section 217(a)(2) of the Housing and Community Development Act of 1987 (12 U.S.C. 4107(a)(2)) is amended by inserting after the first sentence the following new sentence: `The owner shall simultaneously submit to the tenants supporting information sufficient to prepare a plan and bid for purchasing the housing, which shall include copies of the appraisals conducted of the housing pursuant to section 213 and any information provided to the owner by the Secretary pursuant to section 216.'.

(b) EMERGENCY LOW-INCOME HOUSING PRESERVATION ACT OF 1987- For purposes of section 604 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 4101 note), the provisions of section 223(a) of the Emergency Low-Income Housing Preservation Act of 1987 (12 U.S.C. 1715l note), as in effect immediately before the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act, shall be considered to be amended by inserting after the second sentence the following new sentence: `The owner shall simultaneously submit a copy of the plan of action to the tenants of the housing, together with supporting information sufficient to prepare a plan and bid for purchasing the housing, which shall include a copy of any appraisals conducted of the housing and any information provided to the owner by the Secretary pursuant to this subsection.'.

SEC. 305. APPROVAL OF PLAN OF ACTION.

Section 218 of the Housing and Community Development Act of 1987 (12 U.S.C. 4108) is amended--

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following new subsection:

`(b) STANDARDS AND PROCEDURE FOR WRITTEN FINDINGS-

(1) STANDARDS- A written finding under subsection (a) shall be based on an analysis of the evidence considered by the Secretary in reaching such finding and shall contain documentation of such evidence.

(2) PROCEDURE AND CRITERIA- The Secretary shall, by regulation, develop (A) a procedure for determining whether the conditions under paragraphs (1) and (2) of subsection (a) exist, (B) requirements for evidence on which such determinations are based, and (C) criteria on which such determinations are based.'

SEC. 306. RECEIPT OF INCENTIVES TO EXTEND LOW-INCOME USE.

The first sentence of section 219(a) of the Housing and Community Development Act of 1987 (12 U.S.C. 4109(a)) is amended by inserting after 'receive' the following: '(for each year after the approval of the plan of action)'

SEC. 307. ELIMINATION OF WINDFALL PROFITS TEST.

Section 222 of the Housing and Community Development Act of 1987 (12 U.S.C. 4112) is amended by striking subsection (e).

SEC. 308. UNIT RENT CRITERIA FOR APPROVAL OF PLAN OF ACTION.

Section 222(a)(2)(F) of the Housing and Community Development Act of 1987 (12 U.S.C. 4112(a)(2)(F)) is amended by striking 'January 1, 1987' and all that follows through 'highest proportion of very low-income families' and inserting the following: 'the date occurring 1 year before the date on which the notice of intent for the housing was filed pursuant to section 212, or the date the plan of action is approved, whichever date results in the higher proportion of low-income families'.

SEC. 309. RESIDENT HOMEOWNERSHIP PROGRAM.

Section 226(b) of the Housing and Community Development Act of 1987 (12 U.S.C. 4116(b)) is amended--

(1) in paragraph (2)--

(A) by inserting 'AND LIMITATION ON CONDITIONS OF APPROVAL' before the period at the end of the paragraph heading; and

(B) by inserting after the period at the end the following new sentence: 'The Secretary may not require the prepayment of the mortgage on eligible low-income housing for the approval of a plan of action involving a homeownership program for the housing.';

(2) in paragraph (3)--

(A) in subparagraph (C), by striking 'and' at the end;

(B) in subparagraph (D), by striking the period at the end and inserting '; and'; and

(C) by adding at the end the following new subparagraph:

(E) the low-income affordability restrictions shall continue to apply to any rental units in the housing for any period during which such units remain rental units.';

(3) in paragraph (8), by striking 'Resident' and inserting 'Except in the case of limited equity cooperatives, resident'; and

(4) in paragraph (10)--

(A) by striking ', as determined by the Secretary,';

(B) by striking 'section 222(d)' and inserting 'section 222(c)'; and

(C) by striking the last sentence.

SEC. 310. INCENTIVES UNDER EMERGENCY LOW INCOME HOUSING PRESERVATION ACT.

Section 604(c) of the Cranston-Gonzalez National Affordable Housing Act (12 U.S.C. 4101 note) is amended by inserting after the period at the end the following new sentence: 'In making incentives under section 224 of such Act available with respect to housing for which such election is made, the Secretary may not refuse to offer incentives referred to in such section based solely on the date of filing of the plan of action for the housing.'

SEC. 311. DELEGATED RESPONSIBILITY TO STATE AGENCIES.

The Secretary of Housing and Urban Development shall issue interim regulations implementing section 227 of the Housing and Community Development Act of 1987 (as amended by section 601(a) of the Cranston-Gonzalez National Affordable Housing Act) not later than the expiration of the 30-day period beginning on the date of the enactment of this Act, which shall take effect upon issuance. The Secretary shall issue final regulations implementing such section 227 after notice and opportunity for public comment regarding the interim regulations, pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section). The duration of the period for public comment shall not be less than 60 days, and the final regulations shall be issued not later than the expiration of the 60-day period beginning upon the conclusion of the comment period and shall take effect upon issuance.

SEC. 312. INSURANCE FOR SECOND MORTGAGE FINANCING.

(a) TERMS- Section 241(f) of the National Housing Act (12 U.S.C. 1715z-6(f)) is amended--

(1) in paragraph (5)(A) by striking 'have a maturity and provisions for amortization satisfactory to the Secretary,' and

inserting `have a term of not less than 40 years,`; and

(2) in paragraph (6), by striking `may' and inserting `shall'.

(b) TRANSITION- Notwithstanding section 241(f) of the National Housing Act (12 U.S.C. 1715z-6(f)), the provisions of such section as in effect immediately before the enactment of the Cranston-Gonzalez National Affordable Housing Act shall apply with respect to any eligible low-income housing for which the owner elects under section 604(a)(1) of the Cranston-Gonzalez National Affordable Housing Act to be subject to the provisions of the Emergency Low Income Housing Preservation Act of 1987 (as in effect before the enactment of the Cranston-Gonzalez National Affordable Housing Act).

(c) IMPLEMENTATION- Not later than the expiration of the 45-day period beginning on the date of the enactment of this Act, the Secretary shall issue regulations implementing section 241(f) of the National Housing Act. The regulations shall not be subject to the requirements of subsections (b) and (c) of section 553 of title 5, United States Code.

SEC. 313. SUPPLEMENTAL LOANS.

Section 241(b)(1) of the National Housing Act (12 U.S.C. 1715z-6(b)(1)) is amended--

(1) by inserting `(A)' after `(1)';

(2) by inserting `or' after the semicolon at the end; and

(3) by adding at the end the following new subparagraph:

`(B) be available in an amount of up to 100 percent of the replacement cost if the loan is made in conjunction with an approved plan of action under the Low-Income Housing Preservation Act of 1990;'

SEC. 314. TECHNICAL AMENDMENTS.

(a) LOW-INCOME HOUSING PRESERVATION ACT OF 1990- The Housing and Community Development Act of 1987 (12 U.S.C. 4101 et seq.) is amended--

(1) in section 215(a)(2), by inserting `Housing' after `United States';

(2) in section 216(b)(4), by striking `exceeds' and inserting `exceed';

(3) in the second sentence of section 221(c), by striking `that' and inserting `than';

(4) in section 222--

(A) in subsection (a)(2)(A), by striking `low income' and inserting `low-income';

(B) in subsection (c)(2), by striking `an hearing' and inserting `a hearing';

(C) in subsection (d)(2)(B), by inserting `the' after `that'; and

(D) in subsection (d)(2)(C)(ii), by inserting `in' before `default';

(5) in section 229(11)(A), by striking `resident' and inserting `residents'; and

(6) in section 231(b), by striking `section 222(d)' and inserting `section 222(c)'.

(b) CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT- Section 613(b)(2) of the Cranston-Gonzalez National Affordable Housing Act (12 U.S.C. 4125(b)(2)) is amended by striking `section 224(e)' and inserting `section 222(d)'.

(c) NATIONAL HOUSING ACT- Section 241(f) of the National Housing Act (12 U.S.C. 1715z-6(f)) is amended--

(1) in paragraph (2)(B)(ii), by striking `and' at the end; and

(2) in paragraph (7), by striking `acquisiton loan' and inserting `acquisition loan'.

SEC. 315. REGULATIONS.

Except as otherwise provided in this title, the Secretary of Housing and Urban Development shall issue interim regulations implementing the amendments made by this title not later than the expiration of the 30-day period beginning on the date of the enactment of this Act, which shall take effect upon issuance. The Secretary shall issue final regulations implementing the amendments made by this title after notice and opportunity for public comment regarding the interim regulations, pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section). The duration of the period for public comment shall not be less than 60 days, and the final regulations shall be issued not later than the expiration of the 60-day period beginning upon the conclusion of the comment period and shall take effect upon issuance.

SEC. 316. STUDY OF PROJECTS ASSISTED UNDER FLEXIBLE SUBSIDY PROGRAM.

(a) STUDY- The Secretary shall conduct a study of housing projects that (1) are assisted under section 236 of the National Housing Act or the proviso of section 221(d)(5) of such Act, and (2) have received or are receiving assistance under section 201 of the Housing and Community Development Amendments of 1978, to determine the cost of providing such projects with incentives under the Low-Income Housing Preservation Act of 1990. The study shall examine any projects portions of which assisted under such section 236 that are assisted primarily by State agencies.

(b) REPORT- The Secretary shall submit a report to the Congress regarding any findings and conclusions of the study under

subsection (a) not later than the expiration of the 1-year period beginning on the date of the enactment of this Act.

TITLE IV--MULTIFAMILY HOUSING PLANNING AND INVESTMENT STRATEGIES

SEC. 401. REQUIRED SUBMISSION.

(a) IN GENERAL- The owner of each covered multifamily housing property, and the owner of each covered multifamily housing property for the elderly, shall submit to the Secretary of Housing and Urban Development a comprehensive needs assessment of the property under this title.

(b) TIMING- The Secretary shall require the owners of approximately one-third of the aggregate number of covered multifamily housing properties, and the owners of approximately one-third of the aggregate number of covered multifamily housing properties for the elderly, to submit the comprehensive needs assessments under this section for the properties in each of fiscal years 1993, 1994, and 1995, in a manner designed to ensure that upon the conclusion of fiscal year 1995 the assessments for all such properties have been submitted.

SEC. 402. CONTENTS.

(a) IN GENERAL- Each comprehensive needs assessment submitted under this title for a covered multifamily housing property or a covered multifamily housing property for the elderly shall contain the following information with respect to the property:

- (1) A description of any financial or other assistance currently needed for the property to ensure that the property is maintained in a livable condition and to ensure the financial viability of the project.
- (2) A description of any financial or other assistance for the property that, at the time of the assessment, is reasonably foreseeable as necessary to ensure that the property is maintained in a livable condition and to ensure the financial viability of the project, during the remaining useful life of the property.
- (3) A description of any resources available for meeting the current and future needs of the property described under paragraphs (1) and (2) and the likelihood of obtaining such resources.
- (4) A description of any assistance needed for the property under programs administered by the Secretary.

(b) PROJECTS FOR THE ELDERLY- Each comprehensive needs assessment for a covered multifamily housing property for the elderly shall include, in addition to the information required under subsection (a), the following information with respect to the property:

- (1) A description of the supportive service needs of such residents and any supportive services provided to elderly residents of the property.
- (2) A description of any modernization needs and activities for the property.
- (3) A description of any personnel needs for the property.

SEC. 403. SUBMISSION AND REVIEW.

(a) FORM- The Secretary shall establish the form and manner of submission of the comprehensive needs assessments under this title.

(b) RESIDENT REVIEW- The Secretary shall require each owner of a covered multifamily housing property and each owner of a covered multifamily housing property for the elderly to make available to the residents of the property the comprehensive needs assessment that is to be submitted to the Secretary. The Secretary shall require each owner to provide for such residents to submit comments and opinions regarding the assessment to the owner before the submission of the assessment.

(c) STATE HOUSING FINANCE AGENCY REVIEW- To the extent that a covered multifamily housing property or a covered multifamily housing property for the elderly is financed or assisted by a State housing finance agency (as such term is defined in section 802 of the Housing and Community Development Act of 1974), the Secretary shall require the owner of the property to submit the comprehensive needs assessment for the property to the State housing finance agency upon submitting the assessment to the Secretary.

(d) REVIEW- The Secretary shall review each comprehensive needs assessment and shall approve the assessment before the expiration of the 90-day period beginning upon the receipt of the assessment, unless the Secretary determines that the assessment has not been provided in a substantially complete manner.

(e) COST OF PREPARATION OF STRATEGY- The Secretary shall consider any costs relating to preparing a comprehensive needs assessment under this title for a covered multifamily housing property that do not exceed \$5000 for the property as an eligible project expense for the property. The Secretary shall provide that an owner may not increase the rental charge for any unit in a covered multifamily housing property to provide for the cost of preparing a comprehensive needs assessment.

(f) NOTICE- The Secretary shall immediately notify each owner submitting a comprehensive needs assessment (and any State housing finance agency to which the owner has submitted an assessment under subsection (d)) of the approval or disapproval of the assessment upon making such determination. Within 30 days after disapproving any assessment, the Secretary shall inform the owner in writing of the reasons for disapproval. The Secretary shall require any owner whose assessment is disapproved to resubmit an amended assessment not later than 30 days after the owner receives the notice of disapproval.

(g) ANNUAL REVIEW AND REPORT OF FUNDING AND TARGETING FOR COVERED MULTIFAMILY PROPERTIES FOR THE ELDERLY-

- (1) REVIEW- The Secretary shall annually conduct a comprehensive review of--

(A) the funding levels required to fully address the needs of covered multifamily housing properties for the elderly

identified in the comprehensive needs assessments under section 402(b), specifically identifying any expenses necessary to make substantial repairs and add features (such as congregate dining facilities and commercial kitchens) resulting from development of a property in compliance with cost-containment requirements established by the Secretary;

(B) the adequacy of the geographic targeting of resources provided under programs of the Department with respect to covered multifamily housing properties for the elderly, based on information acquired pursuant to section 402(b); and

(C) local housing markets throughout the United States, with respect to the need, availability, and cost of housing for elderly persons and families, which shall include review of any information and plans relating to housing for elderly persons and families included in comprehensive housing affordability strategies submitted by jurisdictions pursuant to section 105 of the Cranston-Gonzalez National Affordable Housing Act.

(2) REPORT- The Secretary of Housing and Urban Development shall submit a report to the Congress annually describing the results of the annual comprehensive needs assessments under section 402 for covered multifamily housing properties for the elderly and the annual review conducted under paragraph (1) of this subsection, which shall contain a description of the methods used by project owners and by the Secretary to acquire the information described in section 402(b) and any findings and recommendations of the Secretary pursuant to the review.

SEC. 404. DEFINITIONS.

For purposes of this title:

(1) COVERED MULTIFAMILY HOUSING PROPERTY- The term `covered multifamily housing property' means any housing--

(A) that is--

(i) reserved for occupancy by very low-income elderly persons pursuant to section 202(d)(1) of the Housing Act of 1959;

(ii) assisted under the provisions of section 202 of the Housing Act of 1959 (as such section existed before the effectiveness of the amendment made by section 801(a) of the Cranston-Gonzalez National Affordable Housing Act);

(iii) financed by a loan or mortgage insured, assisted, or held by the Secretary or a State or State agency under section 236 of the National Housing Act; or

(iv) financed by a loan or mortgage insured or held by the Secretary pursuant to section 221(d)(3) of the National Housing Act; and

(B) that is not eligible for assistance under--

(i) the Low-Income Housing Preservation and Resident Homeownership Act of 1990;

(ii) the provisions of the Emergency Low Income Housing Preservation Act of 1987 (as in effect immediately before the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act); or

(iii) the HOME Investment Partnerships Act.

(2) COVERED MULTIFAMILY HOUSING PROPERTY FOR THE ELDERLY- The term `covered multifamily housing property for the elderly' means any multifamily housing project that was designed or designated to serve, or is serving, elderly persons or families and is assisted under a program administered by the Secretary.

(3) SECRETARY- The term `Secretary' means the Secretary of Housing and Urban Development.

SEC. 405. REGULATIONS.

The Secretary shall issue final regulations to carry out this title not later than the expiration of the 180-day period beginning on the date of the enactment of this Act. The regulations shall be issued after notice and opportunity for public comment pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section).

TITLE V--MORTGAGE INSURANCE AND SECONDARY MORTGAGE MARKET

Subtitle A--FHA Mortgage Insurance Programs

SEC. 501. LIMITATION ON INSURANCE AUTHORITY.

Section 531(b) of the National Housing Act (12 U.S.C. 1735f-9(b)) is amended to read as follows:

`(b)(1) Notwithstanding any other provision of law and subject only to the absence of qualified requests for insurance, to the authority provided in this Act, and to the limitation in subsection (a), the Secretary shall enter into commitments to insure mortgages under this Act with an aggregate principal amount of \$65,905,824,960 during fiscal year 1993.

`(2) There is authorized to be appropriated \$606,528,000 to cover the costs (as such term is defined in section 502 of the Congressional Budget Act of 1974) of mortgage insurance obligations entered into under this Act.'.

SEC. 502. FEDERAL HOUSING ADMINISTRATION ADVISORY BOARD.

Section 202(b) of the National Housing Act (12 U.S.C. 1708(b)) is amended by adding at the end the following new paragraph:

` (11) The Board shall terminate on January 1, 1995.'

SEC. 503. MAXIMUM MORTGAGE AMOUNT.

(a) IN GENERAL- The first sentence of section 203(b)(2) of the National Housing Act (12 U.S.C. 1709(b)(2)) is amended to read as follows: ` Involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Secretary shall approve) in an amount--

` (A) not to exceed the lesser of--

` (i) in the case of a 1-family residence, 95 percent of the median 1-family house price in the area (as determined by the Secretary; in the case of a 2-family residence, 107 percent of such median price; in the case of a 3-family residence, 130 percent of such median price; or in the case of a 4-family residence, 150 percent of such median price; or

` (ii) 75 percent of the dollar amount limitation determined under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (as adjusted annually under such section) for a residence of the applicable size;

except that the applicable dollar amount limitation in effect for any area under this subparagraph (A) may not be less than the dollar amount limitation in effect under this section for the area on May 12, 1992; and

` (B) except as otherwise provided in this paragraph (2), not to exceed an amount equal to the sum of--

` (i) 97 percent of \$25,000 of the appraised value of the property, as of the date the mortgage is accepted for insurance;

` (ii) 95 percent of such value in excess of \$25,000 but not in excess of \$125,000; and

` (iii) 90 percent of such value in excess of \$125,000.'

(b) APPLICABILITY- The amendment made by subsection (a) shall apply only to mortgages executed on or after January 1, 1993.

(c) CONFORMING AMENDMENTS-

(1) PROPERTY IMPROVEMENT AND MANUFACTURED HOME LOAN INSURANCE- The second sentence of section 2(b)(2) of the National Housing Act (12 U.S.C. 1703(b)(2)) is amended by striking `but not' and all that follows through `203(b)(2)' and inserting `but in no case may such limits, as so increased, exceed the lesser of (A) 185 percent of the dollar amount specified, or (B) the dollar amount specified as increased by the same percentage by which 95 percent of the median one-family house price in the area (as determined by the Secretary) exceeds \$67,500'.

(2) HOME EQUITY CONVERSION MORTGAGES FOR ELDERLY HOMEOWNERS- Section 255(g) of the National Housing Act (12 U.S.C. 1715z-20(g)) is amended by striking `for a 1-family residence' and inserting `for 1-family residences in the area in which the dwelling subject to the mortgage under this section is located'.

(3) RTC AFFORDABLE HOUSING PROGRAM- Subparagraphs (D)(ii) and (G)(II) of section 21A(c)(9) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(c)(9)) are each amended by striking `the applicable dollar amount' and all that follows through `areas' and inserting the following: `\$67,500 in the case of a 1-family residence, \$76,000 in the case of a 2-family residence, \$92,000 in the case of a 3-family residence, and \$107,000 in the case of a 4-family residence'.

(4) FDIC AFFORDABLE HOUSING PROGRAM- Paragraphs (4)(B) and (7)(B) of section 40(p) of the Federal Deposit Insurance Act (12 U.S.C. 1831q(p)) are each amended by striking `the applicable dollar amount' and all that follows through `areas' and inserting the following: `\$67,500 in the case of a 1-family residence, \$76,000 in the case of a 2-family residence, \$92,000 in the case of a 3-family residence, and \$107,000 in the case of a 4-family residence'.

SEC. 504. MAXIMUM PRINCIPAL OBLIGATION OF MORTGAGES FOR VETERANS.

(a) IN GENERAL- The first sentence of the last undesignated paragraph of section 203(b)(2) of the National Housing Act (12 U.S.C. 1709(b)(2)) is amended by striking `Notwithstanding any other provision of this paragraph,' and inserting `Except with respect to only mortgages executed by mortgagors who are veterans,'.

(b) TECHNICAL AMENDMENT- Section 203(b)(9) of the National Housing Act (12 U.S.C. 1709(b)(9)) is amended by striking `(except in a case to which the next to the last sentence of paragraph (2) applies)' and inserting `(except with respect to mortgages executed by a mortgagor who is a veteran)'.

SEC. 505. PROHIBITION ON LIMITATION OF CLOSING COSTS FINANCED.

Section 203(b)(2) of the National Housing Act (12 U.S.C. 1709(b)(2)) is amended by inserting after the period at the end the following new sentence: `Notwithstanding the authority of the Secretary to establish the terms of insurance under this section and approve initial service charges, appraisal, inspection and other fees (and subject to any other limitations under this section on the amount of a principal obligation), the Secretary may not (by regulation or otherwise) limit the percentage or amount of any such approved charges and fees that may be included in the principal obligation of a mortgage.'

SEC. 506. PREPURCHASE COUNSELING REQUIREMENT.

(a) IN GENERAL- Section 203(b)(2) of the National Housing Act (12 U.S.C. 1709(b)(2)) is amended by inserting after the sentence added by section 505 of this Act the following new undesignated paragraph:

` Notwithstanding any other provision of this paragraph, the Secretary may not insure, or enter into a commitment to insure, a mortgage under this section that involves a principal obligation (including such initial service charges, appraisal,

inspection, and other fees as the Secretary shall approve) in excess of 97 percent of the appraised value of the property unless the mortgagor has completed a program of counseling with respect to the responsibilities and financial management involved in homeownership that is approved by the Secretary; except that the Secretary may, in the discretion of the Secretary, waive the applicability of this requirement.'

(b) EFFECTIVE DATE- The amendment made by subsection (a) shall apply to mortgages for which commitments for insurance are issued after the expiration of the 12-month period beginning on the date of the enactment of this Act.

SEC. 507. AUTHORITY TO DECREASE INSURANCE PREMIUM CHARGES.

(a) PERMANENT PROVISIONS- Section 203(c)(2) of the National Housing Act (12 U.S.C. 1709(c)(2)) is amended--

(1) in subparagraph (A), by striking 'equal to' and inserting 'not exceeding'; and

(2) in subparagraph (B)--

(A) in the matter preceding clause (i), by striking 'equal to' and inserting 'not exceeding'; and

(B) in clause (ii), by striking 'equal to 0.55 percent' and inserting 'not exceeding 0.55 percent'.

(b) TRANSITION PROVISIONS- Section 2103(b) of the Omnibus Budget Reconciliation Act of 1990 (12 U.S.C. 1709 note) is amended--

(1) in paragraph (1)--

(A) in subparagraph (A), by striking 'equal to' and inserting 'not exceeding'; and

(B) in subparagraph (B), in the matter preceding clause (i), by striking 'equal to' and inserting 'not exceeding'; and

(2) in paragraph (2)--

(A) in subparagraph (A), by striking 'equal to' and inserting 'not exceeding'; and

(B) in subparagraph (B), in the matter preceding clause (i), by striking 'equal to' and inserting 'not exceeding'.

SEC. 508. STATUTE OF LIMITATIONS FOR DISTRIBUTIVE SHARES.

(a) 10-YEAR LIMIT-

(1) IN GENERAL- Section 205(c) of the National Housing Act (12 U.S.C. 1711(c)) is amended by inserting after the period at the end the following new sentence: 'The Secretary may not make any distribution under this subsection to any mortgagor who has not applied for such distribution (in the manner required by the Secretary) before the expiration of the 10-year period beginning upon the date the Secretary first transmitted written notification of the mortgagor's eligibility for a distribution to the last known address of the mortgagor.'

(2) APPLICABILITY- The amendment made by paragraph (1) shall apply only to mortgages the insurance obligation for which is terminated after the date of the enactment of this Act.

(b) TRANSFER OF AMOUNTS- Section 205(e) of the National Housing Act (12 U.S.C. 1711(e)) is amended by adding at the end the following new sentence: 'Any amounts in the Participating Reserve Account that are designated for distribution to a mortgagor pursuant to subsection (c) but may not be distributed because of the last sentence of subsection (c) shall be transferred to the General Surplus Account upon the expiration of the period referred to in such sentence.'

SEC. 509. MORTGAGE LIMITS FOR MULTIFAMILY PROJECTS.

(a) SECTION 207 LIMITS- Section 207(c)(3) of the National Housing Act (12 U.S.C. 1713(c)(3)) is amended--

(1) by striking '\$25,350', '\$28,080', '\$33,540', '\$41,340', and '\$46,800' and inserting '\$30,420', '\$33,696', '\$40,248', '\$49,608', and '\$59,160', respectively;

(2) by striking '\$29,250', '\$32,760', '\$40,170', '\$50,310', and '\$56,885' and inserting '\$35,100', '\$39,312', '\$48,204', '\$60,372', and '\$68,262', respectively; and

(3) by inserting after 'sound standards of construction and design;' the following: 'and except that the foregoing dollar amount limitations contained in this paragraph shall be increased on an annual basis by a factor corresponding to the Consumer Price Index, in accordance with procedures established in regulations issued by the Secretary;'

(b) SECTION 213 LIMITS- Section 213(b)(2) of the National Housing Act (12 U.S.C. 1715e(b)(2)) is amended--

(1) by striking '\$25,350', '\$28,080', '\$33,540', '\$41,340', and '\$46,800' and inserting '\$30,420', '\$33,696', '\$40,248', '\$49,608', and '\$59,160', respectively;

(2) by striking '\$29,250', '\$32,760', '\$40,170', '\$50,310', and '\$56,885' and inserting '\$35,100', '\$39,312', '\$48,204', '\$60,372', and '\$68,262', respectively; and

(3) by inserting after 'sound standards of construction and design;' the following: '*Provided further*, That the foregoing dollar amount limitations contained in this paragraph shall be increased on an annual basis by a factor corresponding to the Consumer Price Index, in accordance with procedures established in regulations issued by the Secretary:'

(c) SECTION 220 LIMITS- Section 220(d)(3)(B)(iii) of the National Housing Act (12 U.S.C. 1715k(d)(3)(B)(iii)) is amended--

(1) by striking '\$25,350', '\$28,080', '\$33,540', '\$41,340', and '\$46,800' and inserting '\$30,420', '\$33,696', '\$40,248',

`\$49,608', and `\$59,160', respectively;

(2) by striking `\$29,250', `\$32,760', `\$40,170', `\$50,310', and `\$56,885' and inserting `\$35,100', `\$39,312', `\$48,204', `\$60,372', and `\$68,262', respectively; and

(3) by inserting after `sound standards of construction and design;' the following: `and except that the foregoing dollar amount limitations contained in this paragraph shall be increased on an annual basis by a factor corresponding to the Consumer Price Index, in accordance with procedures established in regulations issued by the Secretary;'

(d) SECTION 221(d)(3) LIMITS- Section 221(d)(3)(ii) of the National Housing Act (12 U.S.C. 1715l(d)(3)(ii)) is amended--

(1) by striking `\$28,032', `\$32,321', `\$38,979', `\$49,893', `\$55,583', `\$29,500', `\$33,816', `\$41,120', `\$53,195', and `\$58,392' and inserting `\$33,638', `\$38,785', `\$46,775', `\$59,872', `\$66,700', `\$35,400', `\$40,579', `\$49,344', `\$63,834', and `\$70,070', respectively; and

(2) by inserting after `sound standards of construction and design;' the following: `and except that the foregoing dollar amount limitations contained in this paragraph shall be increased on an annual basis by a factor corresponding to the Consumer Price Index, in accordance with procedures established in regulations issued by the Secretary;'

(e) SECTION 221(d)(4) LIMITS- Section 221(d)(4)(ii) of the National Housing Act (12 U.S.C. 1715l(d)(4)(ii)) is amended--

(1) by striking `\$25,228', `\$28,636', `\$34,613', `\$43,446', `\$49,231', `\$27,251', `\$31,239', `\$37,986', `\$49,140', and `\$53,942' and inserting `\$30,274', `\$34,363', `\$41,536', `\$52,135', `\$59,077', `\$32,701', `\$37,487', `\$45,583', `\$58,968', and `\$64,730', respectively; and

(2) by inserting after `sound standards of construction and design;' the following: `and except that the foregoing dollar amount limitations contained in this paragraph shall be increased on an annual basis by a factor corresponding to the Consumer Price Index, in accordance with procedures established in regulations issued by the Secretary;'

(f) SECTION 231 LIMITS- Section 231(c)(2) of the National Housing Act (12 U.S.C. 1715v(c)(2)) is amended--

(1) by striking `\$23,985', `\$26,813', `\$32,019', `\$38,532', and `\$45,300' and inserting `\$28,782', `\$32,176', `\$38,423', `\$46,238', and `\$54,360', respectively;

(2) by striking `\$27,251', `\$31,239', `\$37,986', `\$49,140', and `\$53,942' and inserting `\$32,701', `\$37,487', `\$45,583', `\$58,968', and `\$64,730', respectively; and

(3) by inserting after `sound standards of construction and design;' the following: `and except that the foregoing dollar amount limitations contained in this paragraph shall be increased on an annual basis by a factor corresponding to the Consumer Price Index, in accordance with procedures established in regulations issued by the Secretary;'

(g) SECTION 234 LIMITS- Section 234(e)(3) of the National Housing Act (12 U.S.C. 1715y(e)(3)) is amended--

(1) by striking `\$25,350', `\$28,080', `\$33,540', `\$41,340', and `\$46,800' and inserting `\$30,420', `\$33,696', `\$40,248', `\$49,608', and `\$59,160', respectively;

(2) by striking `\$29,250', `\$32,760', `\$40,170', `\$50,310', and `\$56,885' and inserting `\$35,100', `\$39,312', `\$48,204', `\$60,372', and `\$68,262', respectively; and

(3) by inserting after `sound standards of construction and design;' the following: `and except that the foregoing dollar amount limitations contained in this paragraph shall be increased on an annual basis by a factor corresponding to the Consumer Price Index, in accordance with procedures established in regulations issued by the Secretary;'

(h) REGULATIONS- The Secretary of Housing and Urban Development shall issue regulations necessary to carry out the amendments made by subsections (a) through (g), which shall take effect not later than the expiration of the 1-year period beginning on the date of the enactment of this Act.

(i) CONFORMING AMENDMENTS-

(1) RTC AFFORDABLE HOUSING PROGRAM- Clauses (i)(II) and (ii)(II) of section 21A(c)(9)(E) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(c)(9)(E)) are each amended by striking `the applicable dollar amount' and all that follows through `areas)' and inserting the following: `, for such part of the property as may be attributable to dwelling use (excluding exterior land improvements), \$29,500 per family unit without a bedroom, \$33,816 per family unit with 1 bedroom, \$41,120 per family unit with 2 bedrooms, \$53,195 per family unit with 3 bedrooms, and \$58,392 per family unit with 4 or more bedrooms'.

(2) FDIC AFFORDABLE HOUSING PROGRAM- Section 40(p)(5) of the Federal Deposit Insurance Act (12 U.S.C. 1831q(p)(5)) is amended by striking `the applicable dollar amount' and all that follows through `areas)' and inserting the following: `, for such part of the property as may be attributable to dwelling use (excluding exterior land improvements), \$29,500 per family unit without a bedroom, \$33,816 per family unit with 1 bedroom, \$41,120 per family unit with 2 bedrooms, \$53,195 per family unit with 3 bedrooms, and \$58,392 per family unit with 4 or more bedrooms'.

SEC. 510. INSURANCE OF LOANS FOR OPERATING LOSSES OF MULTIFAMILY PROJECTS.

Section 223(d) of the National Housing Act (12 U.S.C. 1715n(d)) is amended by adding at the end the following new paragraph:

`(6) In determining the amount of an operating loss loan to be insured pursuant to this subsection, the Secretary shall not reduce such amount solely to reflect any amounts placed in escrow (at the time the existing project mortgage was insured) for initial operating deficits. If an operating loss loan was insured by the Secretary pursuant to this subsection before the date of the enactment of the Housing and Community Development Act of 1992 and was reduced solely to reflect the amount placed in escrow for initial operating deficits, the Secretary shall insure, to the extent of the availability of insurance authority provided in appropriation Acts, an increase in the existing loan or a separate loan, in an amount equal to the lesser of (A) the maximum

amount permitted under this subsection and the applicable underwriting requirements established by the Secretary and in effect at the time the loan is to be made, or (B) the amount of the escrow for initial operating deficits.'.

SEC. 511. ELIGIBILITY OF ASSISTED LIVING FACILITIES FOR MORTGAGE INSURANCE UNDER SECTION 232.

(a) PURPOSE- Section 232(a) of the National Housing Act (12 U.S.C. 1715w(a)) is amended--

- (1) in the matter preceding paragraph (1), by striking `either' and inserting `any'; and
- (2) by adding at the end the following new paragraph:
` (3) The development of assisted living facilities for the care of frail elderly persons.'.

(b) DEFINITIONS- Section 232(b) of the National Housing Act (12 U.S.C. 1715w(b)) is amended--

- (1) in paragraph (4), by striking `and' at the end;
- (2) in paragraph (5), by striking the period at the end and inserting a semicolon; and
- (3) by adding at the end the following new paragraphs:
` (6) the term `assisted living facility' means a public facility, proprietary facility, or facility of a private nonprofit corporation that--
 - ` (A) is licensed and regulated by the State (or if there is no State law providing for such licensing and regulation by the State, by the municipality or other political subdivision in which the facility is located);
 - ` (B) makes available to residents supportive services to assist the residents in carrying out activities of daily living, such as bathing, dressing, eating, getting in and out of bed or chairs, walking, going outdoors, using the toilet, laundry, home management, preparing meals, shopping for personal items, obtaining and taking medication, managing money, using the telephone, or performing light or heavy housework, and which may make available to residents home health care services, such as nursing and therapy; and
 - ` (C) provides separate dwelling units for residents, each of which contains a full kitchen and bathroom, and which includes common rooms and other facilities appropriate for the provision of supportive services to the residents of the facility; and
- ` (7) the term `frail elderly person' has the meaning given the term in section 802(k) of the Cranston-Gonzalez National Affordable Housing Act.'

(c) MORTGAGE REQUIREMENTS- Section 232(d) of the National Housing Act (12 U.S.C. 1715w(d)) is amended--

- (1) in the matter preceding paragraph (1)--
 - (A) by inserting `, assisted living facility,' before `or intermediate care facility'; and
 - (B) by striking `combined nursing home and intermediate care facility' and inserting `any combination of nursing home, assisted living facility, and intermediate care facility';
- (2) in paragraph (2), in the matter preceding subparagraph (A), by inserting `or 100 percent of the estimated value of the property or project in the case of a mortgagor that is a private nonprofit corporation or association (under the meaning given such term for purposes of section 221(d)(3) of this Act),' before `including'; and
- (3) in paragraph (4), by adding at the end the following new subparagraph:
` (C) With respect to assisted living facilities or any such facility combined with any other home or facility, the Secretary shall not insure any mortgage under this section unless--
 - ` (i) the Secretary determines that the level of financing acquired by the mortgagor and any other resources available for the facility will be sufficient to ensure that the facility contains dwelling units and facilities for the provision of supportive services in accordance with subsection (b)(6);
 - ` (ii) the mortgagor provides assurances satisfactory to the Secretary that each dwelling unit in the facility will not be occupied by more than 1 person without the consent of all such occupants; and
 - ` (iii) the appropriate State licensing agency for the State, municipality, or other political subdivision in which the facility is or is to be located provides such assurances as the Secretary considers necessary that the facility will comply with any applicable standards and requirements for such facilities.'

(d) FIRE SAFETY EQUIPMENT- Section 232(i)(1) of the National Housing Act (12 U.S.C. 1715w(i)(1)) is amended by inserting `, assisted living facilities,' after `nursing homes'.

(e) ADMINISTRATION- Section 232 of the National Housing Act (12 U.S.C. 1715w) is amended by adding at the end the following new subsection:

` (j) The Secretary shall establish schedules and deadlines for the processing and approval (or provision of notice of disapproval) of applications for mortgage insurance under this section. The Secretary shall submit a report to the Congress annually describing such schedules and deadlines and the extent of compliance by the Department with the schedules and deadlines during the year.'

(f) AUTHORITY TO INSURE REFINANCING- Section 223(f) of the National Housing Act (12 U.S.C. 1715n(f)) is amended by

inserting `existing assisted living facility,' after `existing nursing home,' each place it appears.

SEC. 512. AUTHORIZATION OF APPROPRIATIONS FOR MULTIFAMILY HOUSING MORTGAGE INSURANCE FIELD OFFICE STAFF.

There is authorized to be appropriated to the Secretary of Housing and Urban Development \$96,000,000 for fiscal year 1992, which amounts shall be used to provide staff in regional, field, or zone offices of the Department of Housing and Urban Development to review, process, approve, and service applications for mortgage insurance under title II of the National Housing Act for housing consisting of 5 or more dwelling units.

SEC. 513. EXPEDITING INSURANCE FOR ACQUISITION OF RESOLUTION TRUST CORPORATION PROPERTY.

(a) IN GENERAL- Section 534 of the National Housing Act (12 U.S.C. 1735f-12) is amended--

(1) by inserting `(a) STATE OFFICES- ' after `534.'; and

(2) by adding at the end the following new subsection:

`(b) EXPEDITED PROCEDURE FOR RTC PROPERTIES- To assist the Resolution Trust Corporation in disposing of the property to which it acquires title and to ensure the timely processing of applications for insurance of loans and mortgages under this Act that will be used to purchase multifamily residential property from the Resolution Trust Corporation, the Secretary shall establish an expedited procedure for considering such applications.'.

(b) IMPLEMENTATION- The procedure referred to in the amendment made by subsection (a) shall be established through interim and final regulations issued by the Secretary. The Secretary shall issue interim regulations implementing the procedure not later than the expiration of the 90-day period beginning on the date of the enactment of this Act, which shall be effective upon issuance. The Secretary shall issue final regulations after notice and opportunity for public comment pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section).

SEC. 514. ENERGY EFFICIENT MORTGAGE PILOT PROGRAM.

(a) IN GENERAL- The Secretary of Housing and Urban Development shall, within 6 months after the date of the enactment of this Act, establish an energy efficient mortgage pilot program in 5 States, which shall promote the purchase of new and existing energy efficient residential buildings and the installation of cost-effective improvements in existing residential buildings.

(b) ELIGIBILITY- To be eligible for insurance under the pilot program established under this section a mortgage shall meet the following requirements:

(1) The base loan covered by the mortgage shall be originated by a lender in accordance with title II of the National Housing Act.

(2) The mortgagor shall have a satisfactory income and credit record and shall have an approved application for a base loan.

(3) The cost of cost-effective energy efficiency improvements to the mortgaged property may not exceed 5 percent of the value of the dwelling (not to exceed \$8,000) or \$4,000, whichever is greater.

(c) AUTHORITY- The Secretary of Housing and Urban Development may insure energy efficient mortgages under the pilot program established under this section, and the Secretary shall grant mortgagees the authority to--

(1) permit the total loan amount covered by the mortgage to exceed the maximum allowable amount under title II of the National Housing Act by an amount not to exceed 100 percent of the cost of the cost-effective energy efficiency improvements, provided that the mortgagor's request to add the cost of such improvements is received by the mortgagee before funding of the base loan;

(2) hold in escrow all funds provided to the mortgagor to undertake the energy efficiency improvements until the improvements are actually installed; and

(3) transfer or sell the energy efficient mortgage to an appropriate secondary market agency after the mortgage is issued but before the energy efficiency improvements are actually installed.

(d) PROMOTION OF PILOT PROGRAM- The Secretary of Housing and Urban Development shall encourage participation in the energy efficient mortgage pilot program under this section by--

(1) making information available to lending agencies and other appropriate authorities regarding the availability and benefits of energy efficient mortgages;

(2) requiring mortgagees and designated lending authorities to provide written notice of the availability and benefits of the pilot program to mortgagors applying for financing for residential buildings in States designated by the Secretary for participation under the pilot program; and

(3) requiring all applicants for insurance of mortgages on residential buildings under title II of the National Housing Act in States participating under the pilot program to sign a statement stating that they have been informed of the program and understand the procedures of the program and the benefits of energy efficient mortgages.

(e) TRAINING PROGRAM- Not later than 9 months after the date of the enactment of this Act, the Secretary of Housing and Urban Development, in consultation with the National Home Energy Rating System Council and other appropriate organizations, shall establish and implement a program for training personnel at relevant lending agencies, real estate companies, and other appropriate organizations regarding the benefits of energy efficient mortgages and the operation of the pilot program under this section.

(f) REPORT- Not later than 18 months after the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit a report to the Congress describing the effectiveness and implementation of the energy efficient mortgage pilot program under this section, which shall include an assessment of the potential for expanding the pilot program nationwide.

(g) EXPANSION OF PROGRAM- Not later than the expiration of the 2-year period beginning on the date of the implementation of the energy efficient mortgage pilot program under this section, the Secretary of Housing and Urban Development shall expand the pilot program on a nationwide basis, unless the Secretary determines that such an extension would not be practicable and submit to the Congress, before the expiration of such period, a report explaining why the program should not be expanded.

(h) DEFINITIONS- For purposes of this section:

(1) The term `base loan' means any mortgage loan for a residential building eligible for insurance under title II of the National Housing Act or title 38, United States Code, that does not include the cost of cost-effective energy improvements.

(2) The term `cost-effective' means, with respect to energy efficiency improvements to a residential building, improvements that result in the total present value cost of the improvements (including any maintenance and repair expenses) being less than the total present value of the energy saved over the useful life of the improvement, when 100 percent of the cost of improvements is added to the base loan. For purposes of this paragraph, savings and cost-effectiveness shall be determined pursuant to a home energy rating report sufficient for purposes of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, or by other technically accurate methods.

(3) The term `energy efficient mortgage' means a mortgage on a residential building that recognizes the energy savings of a home that has cost-effective energy saving construction or improvements (including solar water heaters, solar-assisted air conditioners and ventilators, super-insulation, and insulating glass and film) and that has the effect of not disqualifying a borrower who, but for the expenditures on energy saving construction or improvements, would otherwise have qualified for a base loan.

(4) The term `residential building' means any attached or unattached single family residence.

(i) RULE OF CONSTRUCTION- This section may not be construed to affect any other programs of the Secretary of Housing and Urban Development for energy-efficient mortgages. The pilot program carried out under this section shall not replace or result in the termination of such other programs.

(j) REGULATIONS- The Secretary shall issue any regulations necessary to carry out this section not later than the expiration of the 180-day period beginning on the date of the enactment of this Act. The regulations shall be issued after notice and opportunity for public comment pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section).

(k) AUTHORIZATION OF APPROPRIATIONS- There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 515. TITLE I MANUFACTURED HOME LOAN INSURANCE LIMITS.

Section 2(b)(1) of the National Housing Act (12 U.S.C. 1703(b)(1)) is amended by striking subparagraphs (C), (D), and (E) and inserting the following new subparagraphs:

`(C) 70 percent of the median 1-family house price in the area, as determined by the Secretary under section 203(b)(2), if made for the purpose of financing the purchase of a manufactured home;

`(D) 80 percent of the median 1-family house price in the area, as determined by the Secretary under section 203(b)(2), if made for the purpose of financing the purchase of a manufactured home and a suitably developed lot on which to place the home;

`(E) the greater of (i) 20 percent of the median 1-family house price in the area, as determined by the Secretary under section 203(b)(2), or (ii) \$13,500, if made for the purpose of financing the purchase, by an owner of a manufactured home which is the principal residence of the owner, of a suitably developed lot on which to place that manufactured home, and if the owner certifies that the owner will place the manufactured home on the lot acquired with such loan within 6 months after the date of such loan;`.

SEC. 516. STUDY REGARDING HOME WARRANTY PLANS.

The Secretary of Housing and Urban Development shall conduct a study of home and builder's warranties and protection plans regarding the construction of, and materials used in, 1- to 4-family dwellings subject to mortgages insured under title II of the National Housing Act. The study shall analyze the extent to which home sellers and builders use such warranties and plans, how such warranties and plans affect the single family mortgage insurance program under the National Housing Act and the solvency of the Mutual Mortgage Insurance Fund, any effects on homeowners of reliance upon such warranties and plans, the cost of inspections of mortgaged homes not covered by such warranties or plans, and any other issues relating to such warranties and plans that the Secretary considers appropriate. The Secretary shall submit a report to the Congress regarding the findings of the study and any recommendations of the Secretary resulting from the study, not later than the expiration of the 12-month period beginning on the date of the enactment of this Act.

Subtitle B--Secondary Mortgage Market Programs

SEC. 531. LIMITATION ON GNMA GUARANTEES OF MORTGAGE-BACKED SECURITIES.

Section 306(g)(2) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1721(g)(2)) is amended to read as follows:

`(2) Notwithstanding any other provision of law and subject only to the absence of qualified requests for guarantees, to the

authority provided in this subsection, and to the extent of or in such amounts as any funding limitation approved in appropriation Acts, the Association shall enter into commitments to issue guarantees under this subsection in an aggregate amount of \$74,592,000,000 during fiscal year 1993. There is authorized to be appropriated \$6,658,000 to cover the costs (as such term is defined in section 502 of the Congressional Budget Act of 1974) of guarantees issued under this Act by the Association.'

SEC. 532. AUTHORITY FOR GNMA TO MAKE HARDSHIP INTEREST PAYMENTS.

Section 306(g)(1) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1721(g)(1)) is amended by inserting after the period at the end of the third sentence the following new sentence: `In any case in which (I) Federal law requires the reduction of the interest rate on any mortgage backing a security guaranteed under this subsection, (II) the mortgagor under the mortgage is a person in the military service, and (III) the issuer of such security fails to receive from the mortgagor the full amount of interest payment due, the Association may make payments of interest on the security in amounts not exceeding the difference between the amount payable under the interest rate on the mortgage and the amount of interest actually paid by the mortgagor.'

Subtitle C--Improvement of Financing for Multifamily Housing

SEC. 541. SHORT TITLE.

This subtitle may be cited as the `Multifamily Housing Finance Improvement Act'.

SEC. 542. REINSURANCE PILOT PROGRAM.

(a) IN GENERAL- The Secretary of Housing and Urban Development shall carry out a pilot program through the Federal Housing Administration to provide reinsurance of risks related to mortgages on multifamily housing.

(b) PURPOSES- The purposes of the pilot program are--

- (1) to encourage the development of strong primary and secondary markets for prudent multifamily housing mortgage lending sufficient to meet the growing need for such lending in the United States;
- (2) to refine methods through which the Federal Housing Administration may work with the financial institutions to enhance multifamily housing mortgage credit efficiently;
- (3) to improve the supply of prudent multifamily housing mortgage lending, particularly in underserved markets; and
- (4) to develop systems to achieve such purposes while significantly increasing the efficiency of the Federal Housing Administration and significantly reducing exposure of the Federal Government to risk of loss.

(c) AUTHORITY FOR REINSURANCE AGREEMENTS- The Secretary may enter into reinsurance agreements (as such term is defined in section 544) with the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, qualified financial institutions, qualified housing finance agencies, and the Federal Housing Finance Board.

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