

110<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5818

To authorize the Secretary of Housing and Urban Development to make loans to States to acquire foreclosed housing and to make grants to States for related costs.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 16, 2008

Ms. WATERS (for herself, Mr. FRANK of Massachusetts, Mrs. MALONEY of New York, Mr. WATT, Mr. MAHONEY of Florida, Ms. VELÁZQUEZ, Mr. AL GREEN of Texas, Mr. GUTIERREZ, Mr. LYNCH, Mr. CARSON, Mr. ELLISON, and Mr. CLAY) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To authorize the Secretary of Housing and Urban Development to make loans to States to acquire foreclosed housing and to make grants to States for related costs.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Neighborhood Sta-  
5       bilization Act of 2008”.

6       **SEC. 2. CONGRESSIONAL PURPOSES.**

7       The purposes of this Act are—

1           (1) to establish a loan and grant program ad-  
2 ministered by the Department of Housing and  
3 Urban Development to help States purchase and re-  
4 habilitate owner-vacated, foreclosed homes with the  
5 goal of stabilizing and occupying them as soon as  
6 possible, either through resale or rental to qualified  
7 families;

8           (2) to distribute these loans and grants to areas  
9 with the highest foreclosure levels;

10          (3) to provide incentives for States to use the  
11 funds to stabilize as many properties as possible;  
12 and

13          (4) to provide housing for low- and moderate-  
14 income families, especially those that have lost  
15 homes to foreclosure.

16 **SEC. 3. LOANS AND GRANTS TO STATES.**

17        The Secretary of Housing and Urban Development  
18 shall, subject to the availability of amounts under section  
19 12, make grants under section 5(a) to qualified States and  
20 make loans under section 6 in accordance with the ap-  
21 proved plans of qualified States, for use to carry out eligi-  
22 ble housing stimulus activities under section 7.

23 **SEC. 4. QUALIFIED PLANS.**

24        (a) IN GENERAL.—The Secretary may make a grant  
25 under this Act only to a State, and may allocate a loan

1 authority amount under this Act only for a State, that  
2 has submitted to the Secretary a plan that meets the re-  
3 quirements under this section and has been approved  
4 under this section.

5 (b) CONTENTS.—A plan under this section for a  
6 State shall—

7 (1) designate a State housing finance agency,  
8 or other agency, department, or entity of the State,  
9 or any other designee, as the State administrator to  
10 act on behalf of the State for purposes of this Act;

11 (2) describe the housing stimulus activities  
12 under section 7 to be carried out with assistance  
13 under this Act for the State by the entities identified  
14 pursuant to paragraph (1) of this subsection;

15 (3) describe how such activities will help restore  
16 or improve the viability of neighborhoods by pro-  
17 viding for purchase or occupancy of qualified fore-  
18 closed properties as soon as practicable and in a  
19 manner that will facilitate repayment of the loans  
20 provided under this Act for carrying out such activi-  
21 ties;

22 (4) set forth the procedures that the State will  
23 use to allocate grant and loan amounts and monitor  
24 for compliance with the requirements of section 7;

1           (5) provide that grant and loan amounts pro-  
2           vided under this Act for the State will be used only  
3           for eligible housing stimulus activities under section  
4           7 that are eligible under such section for assistance  
5           with grant or loan amounts, as applicable;

6           (6) provide preference for activities that serve  
7           the lowest income families, who otherwise meet the  
8           income requirements under section 7, for the longest  
9           period and homeowners, who otherwise meet such in-  
10          come requirements, whose mortgages have been fore-  
11          closed;

12          (7) describe any other preferences the State  
13          may establish, such as housing for school teachers,  
14          veterans, workforce, or homeless persons;

15          (8) provide for obligation and outlay of grant  
16          amounts, and for loan commitments and disburse-  
17          ment, in accordance with the requirements under  
18          section 9; and

19          (9) in the case of any grant or loan amounts,  
20          that will be invested with the possibility of a return  
21          on investment, provide for use of any return on such  
22          investment only for one or more eligible housing  
23          stimulus activities under section 7.

24          (c) SUBMISSION.—

1           (1) IN GENERAL.—The Secretary shall provide  
2           for States to submit plans under this section to the  
3           Secretary and shall establish requirements for the  
4           contents and form of such plans. Except in the case  
5           of plan resubmitted pursuant to subsection (d)(3),  
6           the Secretary may not accept or consider a plan un-  
7           less the plan is submitted to the Secretary before the  
8           expiration of the 30-day period beginning upon the  
9           date of the enactment of this Act.

10           (2) PUBLIC APPROVAL.—A State may not sub-  
11           mit a plan to the Secretary unless the plan is ap-  
12           proved by the governor of the State after a public  
13           hearing on the plan held pursuant to reasonable  
14           public notice.

15           (d) REVIEW AND APPROVAL.—

16           (1) TIMING.—The Secretary shall review, and  
17           approve or disapprove, each plan submitted or resub-  
18           mitted pursuant to paragraph (3) in compliance with  
19           the requirements established under this section be-  
20           fore the expiration of the 15-day period beginning  
21           upon the submission of the plan. If the Secretary  
22           does not approve or disapprove a plan that is sub-  
23           mitted or resubmitted in accordance with the re-  
24           quirements under this section before the expiration  
25           of such 15-day period and notify the State of such

1 approval or disapproval, the plan shall be considered  
2 approved for purposes of this section.

3 (2) STANDARD FOR DISAPPROVAL.—The Sec-  
4 retary may disapprove a plan only if the plan fails  
5 to comply with the requirements of this Act.

6 (3) RESUBMISSION.—If the Secretary dis-  
7 approves the plan of a State, the Secretary shall  
8 submit to the State the reasons for the disapproval,  
9 and the State may, during the 15-day period that  
10 begins upon notification of such disapproval and the  
11 reasons for such disapproval, submit to the Sec-  
12 retary a revised plan for review and approval in ac-  
13 cordance with this subsection.

14 **SEC. 5. ALLOCATION OF AMOUNTS.**

15 (a) GRANTS.—From the total amount made available  
16 under section 12(a) for grants under this Act, the Sec-  
17 retary shall make a grant to each qualified State in the  
18 grant amount determined under subsection (c) of this sec-  
19 tion for the qualified State.

20 (b) LOANS.—From the aggregate amount of author-  
21 ity for the outstanding principal balance of loans made  
22 under this Act pursuant to section 12(b)(1), the Secretary  
23 shall allocate such authority for loans under this Act for  
24 each qualified State in the loan authority amount deter-

1 mined under subsection (c) of this section for the qualified  
2 State.

3 (c) GRANT AMOUNTS AND LOAN AUTHORITY  
4 AMOUNTS.—The grant amount or loan authority amount  
5 for a qualified State shall be the foreclosure grant share  
6 or foreclosure loan share, respectively, for the State deter-  
7 mined under subsection (d), as such share is adjusted in  
8 accordance with an index established or selected by the  
9 Secretary to account for differences between qualified  
10 States in the median price of single family housing in such  
11 States.

12 (d) FORECLOSURE SHARES.—For purposes of this  
13 section:

14 (1) GRANT SHARE.—The foreclosure grant  
15 share for a qualified State shall be the amount that  
16 bears the same ratio to the total amount made avail-  
17 able under section 12(a) as the number of fore-  
18 closures on mortgages for single family housing oc-  
19 ccurring in such State during the most recently com-  
20 pleted four calendar quarters for which such infor-  
21 mation is available, as determined by the Secretary,  
22 bears to the aggregate number of such foreclosures  
23 occurring in all qualified States during such cal-  
24 endar quarters.

1           (2) LOAN SHARE.—The foreclosure loan share  
2           for a qualified State shall be the amount that bears  
3           the same ratio to the aggregate amount of the prin-  
4           cipal balance of loans that may be outstanding at  
5           any time under this Act pursuant to section 12(b)(1)  
6           as the number of foreclosures on mortgages for sin-  
7           gle family housing occurring in such State during  
8           the most recently completed four calendar quarters  
9           for which such information is available, as deter-  
10          mined by the Secretary, bears to the aggregate num-  
11          ber of such foreclosures occurring in all qualified  
12          States during such calendar quarters.

13          (e) DISTRIBUTION OF FULL AMOUNT.—The Sec-  
14          retary shall establish the index referred to in subsection  
15          (c) and the grant and loan authority amounts for the  
16          qualified States in a manner that provides that—

17                (1) the aggregate of the grant amounts for all  
18                qualified States is equal to the total amount made  
19                available under section 12(a); and

20                (2) the aggregate of the loan authority amounts  
21                for all qualified States is equal to the aggregate  
22                amount of authority for the outstanding principal  
23                balance of all loans made under this Act pursuant  
24                to section 12(b)(1).



1           (f) **REQUIREMENT TO ALLOCATE TO QUALIFIED**  
2 **METROPOLITAN CITIES.**—Of any grant amounts and loan  
3 authority amounts allocated pursuant to this section for  
4 a State, such State shall allocate for each qualified metro-  
5 politan city located in such State a portion of such grant  
6 amounts and such loan authority amounts that bears the  
7 same ratio to such grant amounts and loan authority  
8 amounts, respectively, allocated for the State as the num-  
9 ber of foreclosures on mortgages for single family housing  
10 occurring in such qualified metropolitan city during the  
11 most recently completed four calendar quarters for which  
12 such information is available, as determined by the Sec-  
13 retary, bears to the aggregate number of such foreclosures  
14 occurring in the State during such calendar quarters. A  
15 State may adjust such allocation to account for differences  
16 between median single family housing prices in the State  
17 and in qualified metropolitan cities in the State.

18 **SEC. 6. LOANS.**

19           (a) **REQUIREMENT OF LOAN AUTHORITY AMOUNT.**—  
20 The Secretary may make a loan under this Act for use  
21 in a qualified State only to the extent and in such amounts  
22 that loan authority amounts for such State are available.

23           (b) **REVOLVING AVAILABILITY OF LOAN AUTHORITY**  
24 **AMOUNT.**—The loan authority amount allocated for each  
25 qualified State shall—

1           (1) upon the Secretary entering into a binding  
2           commitment to make a loan under this Act for use  
3           in such State, be decreased by the amount of the  
4           principal obligation of such loan; and

5           (2) upon the repayment to the Secretary by any  
6           borrower of any principal amounts borrowed under  
7           a loan this Act for use in such State, be increased  
8           by the amount of principal repaid.

9           (c) ASSISTED ENTITIES.—The loan authority amount  
10          of a qualified State may be used under section 7(a) to  
11          provide a loan for the purchase or finance the purchase  
12          of qualified foreclosed housing by—

13           (1) the State;

14           (2) a unit of local government or a local govern-  
15          mental entity; or

16           (3) a nonprofit organization.

17          (d) LOAN TERMS.—Each loan provided under this  
18          Act from the loan authority amount of a qualified State  
19          shall—

20           (1) bear no interest;

21           (2) have a term to maturity of—

22                   (A) 2 years, in the case of any loan made  
23                   to purchase or finance the purchase of qualified  
24                   foreclosed housing for use under section 7(a)(1)  
25                   for homeownership; and

1 (B) 5 years, in the case of any loan made  
2 to purchase or finance the purchase of qualified  
3 foreclosed housing for use under section 7(a)(2)  
4 for rental;

5 (3) not provide for amortization of the principal  
6 obligation of the loan during such term;

7 (4) require payment of the original principal ob-  
8 ligation under the loan only upon the expiration of  
9 the term of the loan; and

10 (5) have such other terms and conditions as the  
11 Secretary may provide.

12 (e) PROCEDURE.—Upon a request, by a State admin-  
13 istrator, for a loan under this Act from the loan authority  
14 amount of the qualified State for which such adminis-  
15 trator acts, the Secretary shall enter into a loan agreement  
16 as the Secretary determines appropriate with the borrower  
17 under the loan and shall disburse the loan amount in ac-  
18 cordance with such terms, subject only to the absence of  
19 sufficient loan authority amount for the State.

20 (f) ELIGIBILITY FOR REPEAT LENDING.—A loan  
21 under this Act may be made to an entity that has pre-  
22 viously borrowed amounts under a loan under this Act  
23 only if such entity has repaid 95 percent or more of the  
24 amounts due, including principal and interest, under all  
25 previous such loans.

1 (g) SUNSET.—The Secretary may not enter into any  
2 commitment to make a loan under this Act, or make any  
3 such loan, after the expiration of the 24-month period be-  
4 ginning on the date of the enactment of this Act.

5 **SEC. 7. ELIGIBLE HOUSING STIMULUS ACTIVITIES.**

6 (a) LOAN AMOUNTS.—Amounts provided under a  
7 loan under this Act for a qualified State shall be used,  
8 in accordance with the approved plan of such State, only  
9 for the following activities:

10 (1) HOMEOWNERSHIP HOUSING PROVISION.—

11 To purchase or finance the purchase of qualified  
12 foreclosed housing for resale as housing for home-  
13 ownership to families having incomes that do not ex-  
14 ceed 140 percent of the median income for the area  
15 in which the housing is located.

16 (2) RENTAL HOUSING PROVISION.—To pur-

17 chase or finance the purchase of qualified foreclosed  
18 housing for use only as rental housing, subject to  
19 the following requirements:

20 (A) QUALIFIED TENANTS.—All dwelling

21 units in the housing purchased or financed  
22 using any loan amounts shall be available for  
23 rental only by families whose incomes do not  
24 exceed 100 percent of the median income for  
25 the area in which the housing is located.

1           (B) RENTS.—Rents for each dwelling unit  
2           in the housing purchase or financed using any  
3           loan amounts shall be established at amounts  
4           that do not exceed market rents for comparable  
5           dwelling units located in the area in which the  
6           housing is located and in accordance with such  
7           requirements as the Secretary shall establish to  
8           ensure that rents are established in a fair, ob-  
9           jective, and arms-length manner.

10          (3) HOUSING REHABILITATION.—To rehabili-  
11          tate qualified foreclosed housing acquired with as-  
12          sistance provided pursuant to this subsection, to the  
13          extent necessary to comply with applicable laws,  
14          codes, and other requirements relating to housing  
15          safety, quality, and habitability, for the purpose of  
16          reselling the housing, to the extent possible, during  
17          the 3-month period that begins upon completion of  
18          rehabilitation and at a price that is as close as pos-  
19          sible to the acquisition price of the housing.

20          (b) GRANT AMOUNTS.—Grant amounts provided  
21          under this Act to a qualified State shall be used, in accord-  
22          ance with the approved plan of such State, only for the  
23          following activities:

24                (1) OPERATING AND HOLDING COSTS.—For  
25                costs of holding and operating qualified foreclosed

1 housing acquired pursuant to subsection (a), includ-  
2 ing costs of management, taxes, handling, insurance,  
3 and other related costs.

4 (2) COSTS RELATING TO PROPERTY ACQUISI-  
5 TION.—For costs relating to acquisition of qualified  
6 foreclosed housing pursuant to subsection (a), in-  
7 cluding reasonable closing costs.

8 (3) ADMINISTRATIVE COSTS.—For administra-  
9 tive and planning costs of the State in administering  
10 loan authority amounts and grant amounts under  
11 this Act, except that the amount of grant amounts  
12 provided under this Act to a State that may be used  
13 under this paragraph shall not exceed the amount  
14 equal to 4 percent of the sum of the grants amounts  
15 provided to the State pursuant to section 5(a) and  
16 the loan authority amount allocated to the State  
17 pursuant to section 5(b).

18 (c) PROHIBITED USES.—The Secretary shall, by reg-  
19 ulation, set forth prohibited uses of grant or loan amounts  
20 under this Act, which shall include use for—

21 (1) political activities;

22 (2) advocacy;

23 (3) lobbying, whether directly or through other  
24 parties;

25 (4) counseling services;

1 (5) travel expenses; and

2 (6) preparing or providing advice on tax re-  
3 turns.

4 (d) INCOME TARGETING REQUIREMENT.—

5 (1) VERY LOW-INCOME FAMILIES.—Not less  
6 than 50 percent of the total grant amounts a State  
7 or qualified metropolitan city makes available under  
8 this Act shall be used for activities under subsection  
9 (b) in connection with providing housing for families  
10 whose incomes do not exceed 50 percent of the me-  
11 dian income for the area in which the housing is lo-  
12 cated.

13 (2) EXTREMELY LOW-INCOME FAMILIES.—Not  
14 less than 50 percent of the total grant amounts a  
15 State or qualified metropolitan city makes available  
16 under paragraph (1) shall be used for activities  
17 under subsection (b) in connection with providing  
18 housing for families whose incomes do not exceed 30  
19 percent of the median income for the area in which  
20 the housing is located.

21 (3) WAIVER.—The Secretary may waive the re-  
22 quirement under paragraph (2) with respect to a  
23 State or qualified metropolitan city if such State or  
24 city demonstrates to the satisfaction of the Secretary

1       that it has attempted to, but can not comply with,  
2       such requirement.

3       (e) SECURITY.—The Secretary shall retain a lien on  
4 any qualified foreclosed housing purchased or financed  
5 with a loan under this section in the amount of the prin-  
6 cipal obligation under the loan and interest due under the  
7 loan.

8       (f) QUALIFIED HOMEOWNERS.—This Act may not be  
9 construed to prevent the resale of qualified foreclosed  
10 housing to a prior owner or occupant of such housing who  
11 meets the income requirements of this Act.

12       (g) VOUCHER NONDISCRIMINATION.—A recipient of  
13 amounts from a loan or grant under this Act may not  
14 refuse to lease a dwelling unit in housing assisted with  
15 any such loan or grant amounts to a holder of a voucher  
16 or certificate of eligibility under section 8 of the United  
17 States Housing Act of 1937 (42 U.S.C. 1437f) because  
18 of the status of the prospective tenant as such a holder.

19       (h) EFFECT OF FORECLOSURE ON PREEXISTING  
20 LEASE.—

21             (1) IN GENERAL.—In the case of any fore-  
22 closure on any dwelling or residential real property  
23 acquired with any amounts made available under  
24 this Act, any successor in interest in such property



1       pursuant to the foreclosure shall assume such inter-  
2       est subject to—

3               (A) the provision, by the successor in inter-  
4               est, of a notice to vacate to any bona fide ten-  
5               ant at least 90 days before the effective date of  
6               the notice to vacate; and

7               (B) the rights of any bona fide tenant, as  
8               of the date of such notice of foreclosure—

9                       (i) under any bona fide lease entered  
10                      into before the notice of foreclosure to oc-  
11                      cupy the premises until the end of the re-  
12                      maining term of the lease or the end of the  
13                      6-month period beginning on the date of  
14                      the notice of foreclosure, whichever occurs  
15                      first, subject to the receipt by the tenant  
16                      of the 90-day notice under subparagraph  
17                      (A); or

18                     (ii) without a lease or with a lease ter-  
19                     minable at will under State law, subject to  
20                     the receipt by the tenant of the 90-day no-  
21                     tice under subparagraph (A), except that  
22                     nothing under this subparagraph shall af-  
23                     fect the requirements for termination of  
24                     any federally subsidized tenancy.

1           (2) BONA FIDE LEASE OR TENANCY.—For pur-  
2           poses of this section, a lease or tenancy shall be con-  
3           sidered bona fide only if—

4                   (A) the mortgagor under the contract is  
5                   not the tenant;

6                   (B) the lease or tenancy was the result of  
7                   an arms-length transaction; or

8                   (C) the lease or tenancy requires the re-  
9                   ceipt of rent that is not substantially less than  
10                  fair market rent for the property.

11 **SEC. 8. SHARED APPRECIATION AGREEMENT.**

12           Notwithstanding any other provision of this Act, no  
13           amounts from a loan or grant under this Act may be used  
14           under section 7 for any qualified foreclosed housing unless  
15           such binding agreements are entered into, in accordance  
16           with such requirements as the Secretary shall establish,  
17           that ensure that the Federal Government shall, upon any  
18           sale or disposition of the qualified foreclosed housing by  
19           the owner who acquires the housing pursuant to assistance  
20           under this Act, receive an amount equal to 20 percent of  
21           the difference between the net proceeds from such sale or  
22           disposition and the cost of such acquisition of the housing  
23           pursuant to assistance under this Act, after deductions for  
24           expenditures paid or incurred after the date of such acqui-  
25           sition that are properly chargeable to capital account

1 (within the meaning of section 1016 of the Internal Rev-  
2 enue Code of 1986) with respect to such housing.

3 **SEC. 9. SPENDING REQUIREMENTS.**

4 (a) IN GENERAL.—Each qualified State that receives  
5 a grant under this Act or is allocated loan authority  
6 amounts under this Act pursuant to section 5(b) shall—

7 (1) commence obligation of such grant amounts  
8 and commitment of such loan authority amounts not  
9 later than the expiration of the 45-day period that  
10 begins upon approval of the approved plan of State;

11 (2) obligate all such grant amounts and enter  
12 into commitments for all such loan authority  
13 amounts not later than the expiration of the 180-day  
14 period beginning upon such approval; and

15 (3) except as provided in subsection (b), outlay  
16 all such grant amounts and disburse all such loan  
17 authority amounts not later than the 12-month pe-  
18 riod that begins upon such approval.

19 This subsection shall not apply to loan authority amounts  
20 of a qualified State attributable, pursuant to section  
21 6(b)(2), to repayment of principal amounts of loans under  
22 this Act.

23 (b) EXCEPTION TO SPENDING REQUIREMENT.—If a  
24 State in good faith makes a request, in the plan submitted  
25 to the Secretary pursuant to section 4 or otherwise after

1 approval of such plan, for extension of the period referred  
2 to in paragraph (1), (2), or (3) of subsection (a) of this  
3 section, the Secretary may extend the period for not more  
4 than 3 months.

5 **SEC. 10. ACCOUNTABILITY.**

6 (a) REPORTING.—Each qualified State that receives  
7 a grant or allocation of loan authority amount under this  
8 Act shall submit a report to the Secretary, not later than  
9 the expiration of the 12-month period beginning upon the  
10 approval of the qualified plan by the Secretary, regarding  
11 use of such amounts which shall contain such information  
12 as the Secretary shall require.

13 (b) MISUSE OF AMOUNTS.—If the Secretary deter-  
14 mines that any amounts from a grant or loan under this  
15 Act for a qualified State has been used in a manner that  
16 is materially in violation of this Act, any regulations issued  
17 under this Act, or any requirements or conditions under  
18 which such amounts were provided, the Secretary shall re-  
19 quire the State to reimburse the Treasury of the United  
20 States in the amount of any such misused funds.

21 **SEC. 11. DEFINITIONS.**

22 For purposes of this Act, the following definitions  
23 shall apply:

1           (1) APPROVED PLAN.—The term “approved  
2 plan” means a plan of a State that has been ap-  
3 proved pursuant to section 4.

4           (2) COVERED MULTIFAMILY HOUSING.—The  
5 term “covered multifamily housing” means a resi-  
6 dential structure that—

7                   (A) consists of 20 or fewer dwelling units;

8                   and

9                   (B) is predominantly vacant.

10          (3) LOAN AUTHORITY AMOUNT.—The term  
11 “loan authority amount” means, with respect to a  
12 qualified State, the amount of loan authority avail-  
13 able pursuant to section 12(b)(1) that is allocated  
14 for the State pursuant to section 5(b), as such  
15 amount may be increased or decreased pursuant to  
16 section 6(b).

17          (4) NONPROFIT ORGANIZATION.—The term  
18 “nonprofit organization” has the meaning given  
19 such term in section 104 of the Cranston-Gonzalez  
20 National Affordable Housing Act (42 U.S.C.  
21 12704).

22          (5) QUALIFIED FORECLOSED HOUSING.—The  
23 term “qualified foreclosed housing” means housing  
24 that—

1           (A)(i) is single family housing that is not  
2 occupied or vacated by an owner, pursuant to  
3 foreclosure or assignment of the mortgage on  
4 the housing or forfeiture of the housing; or

5           (ii) is covered multifamily housing;

6           (B) is owned by a lender, mortgage com-  
7 pany, investor, financial institution, or other  
8 such entity, or any government entity, pursuant  
9 to foreclosure or assignment of the mortgage on  
10 the housing or forfeiture of the housing; and

11          (C) has a purchase price—

12           (i) in the case of single family hous-  
13 ing, that does not exceed 90 percent of the  
14 average purchase price for single family  
15 housing in the area in which the housing  
16 is located, as determined by the Secretary.

17           (ii) in the case of covered multifamily  
18 housing, that does not exceed the dollar  
19 amount limitation, for housing of the ap-  
20 plicable size located in the area in which  
21 the housing is located, on the amount of a  
22 principal obligation of a mortgage eligible  
23 for insurance under section 207 of the Na-  
24 tional Housing Act (12 U.S.C. 1713), as in  
25 effect on the date of the enactment of this

1 Act pursuant to such section 207(c)(3)(A)  
2 and section 206A of such Act (12 U.S.C.  
3 1712a).

4 (6) QUALIFIED METROPOLITAN CITY.—The  
5 term “qualified metropolitan city” means an incor-  
6 porated place that is among the 25 most populous  
7 incorporated places in the United States, as deter-  
8 mined according to data from the most recent decen-  
9 nial census that is published before the date of the  
10 enactment of this Act.

11 (7) QUALIFIED STATE.—The term “qualified  
12 State” means a State for which there is an approved  
13 plan.

14 (8) SECRETARY.—The term “Secretary” means  
15 the Secretary of Housing and Urban Development.

16 (9) SINGLE FAMILY HOUSING.—The term “sin-  
17 gle family housing” means a residential structure  
18 consisting of from one to four dwelling units.

19 (10) STATE.—The term “State” means any  
20 State of the United States, the District of Columbia,  
21 the Commonwealth of Puerto Rico, the Common-  
22 wealth of the Northern Mariana Islands, Guam, the  
23 Virgin Islands, American Samoa, and other territory  
24 or possession of the United States.

1           (11) STATE ADMINISTRATOR.—The term “State  
2 administrator” means the entity of a qualified State  
3 that is designated, pursuant to section 4(b)(1), in  
4 the approved plan of the State to act for the State  
5 for purposes of this Act.

6 **SEC. 12. FUNDING.**

7           (a) GRANTS.—There is authorized to be appropriated  
8 to the Secretary of the Treasury \$7,500,000,000 for  
9 grants under this Act.

10          (b) DIRECT LOANS.—

11           (1) LOAN COMMITMENT AUTHORITY LIMITA-  
12 TION.—Subject only to the availability of sufficient  
13 amounts for the costs (as such term is defined in  
14 section 502 of the Federal Credit Reform Act of  
15 1990 (2 U.S.C. 661a)) of such loans and the ab-  
16 sence of qualified requests for loans, the Secretary  
17 shall enter into commitments to make loans under  
18 this Act, and shall make such loans, in an amount  
19 such that the aggregate outstanding principal bal-  
20 ance of such loans does not at any time exceed  
21 \$7,500,000,000.

22           (2) AUTHORIZATION OF APPROPRIATIONS FOR  
23 COSTS.—There is authorized to be appropriated such  
24 sums as may be necessary for costs (as such term  
25 is defined in section 502 of the Federal Credit Re-



1 form Act of 1990 (2 U.S.C. 661a)) of loans under  
2 this Act.

3 **SEC. 13. REGULATIONS AND IMPLEMENTATION.**

4 (a) REGULATIONS.—The Secretary shall issue any  
5 regulations necessary to carry out this Act.

6 (b) IMPLEMENTATION.—Pending the effectiveness of  
7 regulations issued pursuant to subsection (a), the Sec-  
8 retary shall take such action as may be necessary to imple-  
9 ment this Act by notice, guidance, and interim rules.

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