

119TH CONGRESS
1ST SESSION

H. R. 4856

To improve the safety of, affordability of, and access to housing.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 1, 2025

Mr. LAWLER introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on Ways and Means, Oversight and Government Reform, Energy and Commerce, and Veterans' Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To improve the safety of, affordability of, and access to
housing.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Revitalizing America’s Housing Act”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

Sec. 1. Short title; Table of contents.

TITLE I—PROMOTING OPPORTUNITY AND INCREASING SUPPLY

- Sec. 101. Identification of regulatory barriers to affordable housing in HUD annual report.
- Sec. 102. Qualifying ordinary income added to special rules for investments in opportunity zones.
- Sec. 103. Relieving strain from shortages of transformers.
- Sec. 104. Incentivizing zoning reform.
- Sec. 105. Decreasing the equity penalty and incentivizing more long-term owners to sell homes.

TITLE II—INCREASING ACCESS TO HOUSING AND ADDRESSING COST

- Sec. 201. Expanding workforce and volunteer housing.
- Sec. 202. Supporting affordability and safety for public servants.
- Sec. 203. Expanding programs supporting homeownership for those serving the community.
- Sec. 204. Improving volunteer first responder housing.
- Sec. 205. Improving access to housing for veterans.
- Sec. 206. Supporting veteran families in need.
- Sec. 207. Attracting private investment to build and rehabilitate owner-occupied homes.
- Sec. 208. Better utilizing and disposing of unused military and government lands for housing.
- Sec. 209. Energy conservation standards for manufactured housing.
- Sec. 210. Rental assistance demonstration program.
- Sec. 211. Creating incentives for small dollar loan originators.
- Sec. 212. Small dollar mortgage points and fees.
- Sec. 213. Removing Outdated Regulation for Manufactured Housing.

TITLE III—SERVING THE MOST VULNERABLE; HEALTH AND SAFETY

- Sec. 301. GAO study to determine proximity of housing to Superfund sites.
- Sec. 302. Ensuring public housing agencies inspect each dwelling unit each year.
- Sec. 303. Incentivizing local solutions to homelessness.
- Sec. 304. Improving mold and health standards.
- Sec. 305. Improving Protection from Lead Hazards.
- Sec. 306. Improving housing for the elderly and disabled.

TITLE IV—GOOD GOVERNANCE

- Sec. 401. Requiring annual testimony and oversight from housing regulators.
- Sec. 402. Requiring annual testimony and oversight for government guaranteed or insured mortgage programs.
- Sec. 403. Testimony and report from United States Interagency Council on Homelessness.
- Sec. 404. Report detailing NYCHA compliance with and HUD oversight of 2019 agreement.
- Sec. 405. FHA reporting requirements on safety and soundness.
- Sec. 406. Combatting squatting.
- Sec. 407. Reallocation of voucher funding.

TITLE V—REGULATORY FLEXIBILITY

- Sec. 501. Authorization of Moving to Work Program.
- Sec. 502. Rescission of Public and Indian Housing Notice 2021–18.

TITLE VI—IMPROVING FINANCIAL LITERACY REGARDING
HOUSING

Sec. 601. Reforms to housing counseling and financial literacy programs.

1 TITLE I—PROMOTING OPPOR-
2 TUNITY AND INCREASING
3 SUPPLY

4 SEC. 101. IDENTIFICATION OF REGULATORY BARRIERS TO
5 AFFORDABLE HOUSING IN HUD ANNUAL RE-
6 PORT.

7 Section 8 of the Department of Housing and Urban
8 Development Act (42 U.S.C. 3536) is amended by adding
9 at the end the following: “Each such annual report shall
10 include an identification of significant regulatory barriers
11 to affordable housing, within the meaning of such term
12 as provided in the first sentence of section 1203 of the
13 Housing and Community Development Act of 1992 (42
14 U.S.C. 12705b), and a discussion and analysis of how to
15 reduce or remove such barriers.”.

16 SEC. 102. QUALIFYING ORDINARY INCOME ADDED TO SPE-
17 CIAL RULES FOR INVESTMENTS IN OPPOR-
18 TUNITY ZONES.

19 (a) IN GENERAL.—Section 1400Z–2 of the Internal
20 Revenue Code of 1986 is amended—

21 (1) in the section heading, by striking “**CAP-**
22 **ITAL GAINS INVESTED**” and inserting “**INVEST-**
23 **MENTS**”,

1 (2) in subsection (a)—

2 (A) in paragraph (1)—

3 (i) in the heading, by inserting
4 “QUALIFYING ORDINARY INCOME AND”
5 after “OF”,

6 (ii) by inserting “qualifying ordinary
7 income and” after “case of”,

8 (iii) by amending subparagraph (A) to
9 read as follows:

10 “(A) gross income for the taxable year
11 shall not include—

12 “(i) so much of such gain as does not
13 exceed the aggregate amount invested by
14 the taxpayer in a qualified opportunity
15 fund during the 180-day period beginning
16 on the date of such sale or exchange, and

17 “(ii) so much of such qualifying ordi-
18 nary income as does not exceed the aggre-
19 gate amount invested by the taxpayer in a
20 qualified opportunity fund during such tax-
21 able year,” and

22 (iv) in subparagraph (B), by inserting
23 “qualifying ordinary income and” after
24 “amount of”,

25 (B) in paragraph (2)—

1 (i) in subparagraph (A), by striking
2 “or” at the end,

3 (ii) in subparagraph (B), by striking
4 the period at the end and inserting “, or”,
5 and

6 (iii) by adding at the end the fol-
7 lowing:

8 “(C) with respect to qualified ordinary in-
9 come received in a taxable year beginning after
10 December 31, 2026.”, and

11 (C) by adding at the end the following:

12 “(3) QUALIFYING ORDINARY INCOME DE-
13 FINED.—In this subsection, the term ‘qualifying or-
14 dinary income’ means ordinary income other than
15 income attributable to capital gains.”,

16 (3) in subsection (b)—

17 (A) in the subsection heading, by inserting
18 “QUALIFYING ORDINARY INCOME AND” after
19 “DEFERRAL OF”,

20 (B) in paragraph (1), by striking “Gain”
21 and inserting “Qualifying ordinary income and
22 gain”, and

23 (C) in paragraph (2)—

24 (i) in subparagraph (A)—

1 (I) by inserting “qualifying ordi-
 2 nary income and” after “amount of”,
 3 and

4 (II) in clause (i), by striking “of
 5 gain”, and

6 (ii) in subparagraph (B)—

7 (I) in the clause (ii) heading, by
 8 striking “GAIN” and inserting
 9 “AMOUNT”, and

10 (II) by striking “the amount of
 11 gain” each place it appears and in-
 12 serting “the amount”, and

13 (4) in subsection (e)(1), by inserting “quali-
 14 fying ordinary income and” after “investments of”.

15 (b) EFFECTIVE DATE.—The amendments made by
 16 this section shall apply to amounts invested after the date
 17 of the enactment of this Act.

18 **SEC. 103. RELIEVING STRAIN FROM SHORTAGES OF TRANS-**
 19 **FORMERS.**

20 Section 321(35) of the Energy Policy and Conserva-
 21 tion Act (42 U.S.C. 6291(35)) is amended by adding at
 22 the end the following:

23 “(C) EFFICIENCY LEVEL.—The Secretary
 24 shall not finalize any rule under which the effi-
 25 ciency level of a liquid-immersed type, low volt-

age dry type, or medium voltage dry type distribution transformer is greater than trial standard level 2 (as described in table V.1 in the proposed rule entitled ‘Energy Conservation Program: Energy Conservation Standards for Distribution Transformers’ (88 Fed. Reg. 1722 (January 11, 2023))).

“(D) EFFECTIVE DATE FOR CERTAIN RULES.—Any rule finalized by the Secretary under which the efficiency level of a liquid-immersed type, low voltage dry type, or medium voltage dry-type distribution transformer is trial standard level 1 or 2 (as described in table V.1 in the proposed rule entitled ‘Energy Conservation Program: Energy Conservation Standards for Distribution Transformers’ (88 Fed. Reg. 1722 (January 11, 2023))) shall not take effect until 10 years after the date on which the rule is finalized.”.

SEC. 104. INCENTIVIZING ZONING REFORM.

(a) PURPOSE.—The purpose of this section is to discourage the use of discriminatory land use policies and remove barriers to making housing more affordable in order to further the original intent of the Community Development Block Grant program.

1 (b) LAND USE PLAN.—

2 (1) IN GENERAL.—Section 104 of the Housing
3 and Community Development Act of 1974 (42
4 U.S.C. 5304) is amended by adding at the end the
5 following:

6 “(n) PLAN TO TRACK DISCRIMINATORY LAND USE
7 POLICIES.—

8 “(1) IN GENERAL.—Prior to receipt in any fis-
9 cal year of a grant from the Secretary under sub-
10 section (b), (d)(1), or (d)(2)(B) of section 106, each
11 recipient shall have prepared and submitted, not less
12 frequently than once during the preceding 5-year pe-
13 riod, in accordance with this subsection and in such
14 standardized form as the Secretary shall, by regula-
15 tion, prescribe, with respect to each land use policy
16 described in paragraph (2) that is applicable to the
17 jurisdiction served by the recipient, a description
18 of—

19 “(A) whether the recipient has already
20 adopted the policy in the jurisdiction served by
21 the recipient;

22 “(B) the plan of the recipient to implement
23 the policy in that jurisdiction; or

24 “(C) the ways in which adopting the policy
25 will benefit the jurisdiction.

1 “(2) LAND USE POLICIES.—The policies de-
2 scribed in this paragraph are as follows:

3 “(A) Enacting high-density single-family
4 and multifamily zoning.

5 “(B) Expanding by-right multifamily zoned
6 areas.

7 “(C) Allowing duplexes, triplexes, or
8 fourplexes in areas zoned primarily for single-
9 family residential homes.

10 “(D) Allowing manufactured homes in
11 areas zoned primarily for single-family residen-
12 tial homes.

13 “(E) Allowing multifamily development in
14 retail, office, and light manufacturing zones.

15 “(F) Allowing single-room occupancy de-
16 velopment wherever multifamily housing is al-
17 lowed.

18 “(G) Reducing minimum lot size.

19 “(H) Ensuring historic preservation re-
20 quirements and other land use policies or re-
21 quirements are coordinated to encourage cre-
22 ation of housing in historic buildings and his-
23 toric districts.

24 “(I) Increasing the allowable floor area
25 ratio in multifamily housing areas.

1 “(J) Creating transit-oriented development
2 zones.

3 “(K) Streamlining or shortening permit-
4 ting processes and timelines, including through
5 one-stop and parallel-process permitting.

6 “(L) Eliminating or reducing off-street
7 parking requirements.

8 “(M) Ensuring impact and utility invest-
9 ment fees accurately reflect required infrastruc-
10 ture needs and related impacts on housing af-
11 fordability are otherwise mitigated.

12 “(N) Allowing prefabricated construction.

13 “(O) Reducing or eliminating minimum
14 unit square footage requirements.

15 “(P) Allowing the conversion of office units
16 to apartments.

17 “(Q) Allowing the subdivision of single-
18 family homes into duplexes.

19 “(R) Allowing accessory dwelling units, in-
20 cluding detached accessory dwelling units, on all
21 lots with single-family homes.

22 “(S) Establishing density bonuses.

23 “(T) Eliminating or relaxing residential
24 property height limitations.

1 “(U) Using property tax abatements to en-
2 able higher density and mixed-income commu-
3 nities.

4 “(V) Donating vacant land for affordable
5 housing development.

6 “(3) EFFECT OF SUBMISSION.—A submission
7 under this subsection shall not be binding with re-
8 spect to the use or distribution of amounts received
9 under section 106.

10 “(4) ACCEPTANCE OR NONACCEPTANCE OF
11 PLAN.—The acceptance or nonacceptance of any
12 plan submitted under this subsection in which the
13 information required under this subsection is pro-
14 vided is not an endorsement or approval of the plan,
15 policies, or methodologies, or lack thereof.”.

16 (2) EFFECTIVE DATE.—The requirements
17 under subsection (n) of section 104 of the Housing
18 and Community Development Act of 1974 (42
19 U.S.C. 5304), as added by paragraph (1), shall—

20 (A) take effect on the date that is 1 year
21 after the date of enactment of this Act; and

22 (B) apply to recipients of a grant under
23 subsection (b), (d)(1), or (d)(2)(B) of section
24 106 of the Housing and Community Develop-

1 ment Act of 1974 (42 U.S.C. 5306) before, on,
2 and after such date.

3 **SEC. 105. DECREASING THE EQUITY PENALTY AND**
4 **INCENTIVIZING MORE LONG-TERM OWNERS**
5 **TO SELL HOMES.**

6 (a) INCREASE OF EXCLUSION OF GAIN FROM SALE
7 OF PRINCIPAL RESIDENCE.—Section 121(b) of the Inter-
8 nal Revenue Code of 1986 is amended—

9 (1) by striking “\$250,000” and inserting
10 “\$500,000” each place it appears,

11 (2) by striking “500,000” and inserting
12 “\$1,000,000” each place it appears,

13 (3) in paragraph (2)(A), in the heading, by
14 striking “\$500,000” and inserting “\$1,000,000”, and

15 (4) by adding at the end the following new
16 paragraph:

17 “(5) ADJUSTMENT FOR INFLATION.—In the
18 case of a taxable year beginning after 2024, the
19 \$500,000 and \$1,000,000 amounts in paragraphs
20 (1), (2), and (4) shall be increased by an amount
21 equal to—

22 “(A) such dollar amount, multiplied by

23 “(B) the cost-of-living adjustment deter-
24 mined under section 1(f)(3) for the calendar
25 year in which the taxable year begins, deter-

1 mined by substituting ‘2023’ for ‘2016’ in sub-
2 paragraph (A)(ii) thereof.

3 If any increase under this clause is not a multiple
4 of \$100, such increase shall be rounded to the next
5 lowest multiple of \$100.”.

6 (b) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to sales and exchanges after the
8 date of the enactment of this Act.

9 **TITLE II—INCREASING ACCESS**
10 **TO HOUSING AND ADDRESS-**
11 **ING COST**

12 **SEC. 201. EXPANDING WORKFORCE AND VOLUNTEER HOUS-**
13 **ING.**

14 (a) CONGRESSIONAL FINDINGS.—The Congress finds
15 that—

16 (1) the lack of affordable housing in the United
17 States is an issue impacting millions of middle-class,
18 working American families;

19 (2) many of these families earn more annually
20 than the income limits for certain Federal housing
21 financing and benefits; and

22 (3) these families are often excluded from living
23 in neighborhoods near their places of work, schools,
24 shopping, and healthcare due to a lack of afford-
25 ability.

1 (b) REPORT TO CONGRESS.—Not later than 180 days
2 after the date of the enactment of this Act, the Comp-
3 troller General of the United States shall submit to the
4 Congress a report that—

5 (1) identifies issues with housing affordability
6 for America’s middle-income homeowners and rent-
7 ers, including identifying geographically where hous-
8 ing is the most unaffordable for these populations;

9 (2) identifies Federal housing programs, includ-
10 ing Federal tax credits, grants, credit programs, and
11 other programs that currently benefit lower-income
12 households, which are not available to middle-income
13 households;

14 (3) identifies any gaps in the inclusion of mid-
15 dle-income households in Federal housing programs
16 designed to promote affordability;

17 (4) sets forth recommendations for a definition
18 of “workforce housing” based on income parameters
19 in order to assist Federal agencies in including mid-
20 dle-income households under existing Federal pro-
21 grams; and

22 (5) analyzes how such a definition could relate
23 to incentives for workforce housing development
24 through Federal programs, policies, and other initia-
25 tives.

1 **SEC. 202. SUPPORTING AFFORDABILITY AND SAFETY FOR**
2 **PUBLIC SERVANTS.**

3 Section 3(a) of the United States Housing Act of
4 1937 (42 U.S.C. 1437a(a)) is amended—

5 (1) in paragraph (1), by striking “Except as
6 provided in paragraph (2)” and inserting “Except as
7 provided in paragraphs (2) and (4)”; and

8 (2) in paragraph (4)—

9 (A) in the heading, by striking “OCCU-
10 PANCY BY POLICE OFFICERS” and inserting,
11 “OCCUPANCY BY POLICE OFFICERS, FIRE-
12 FIGHTERS, AND EMERGENCY MEDICAL TECHNI-
13 CIANS”;

14 (B) by redesignating subparagraph (C) as
15 subparagraph (D);

16 (C) by inserting after subparagraph (B)
17 the following:

18 “(C) RENTAL PAYMENTS.—Notwith-
19 standing paragraph (1), a family of which one
20 or more members are a police officer, fire-
21 fighter, or emergency medical technician shall
22 pay as rent for a dwelling unit assisted under
23 this Act the highest of the following amounts,
24 rounded to the nearest dollar:

25 “(i) 15 per centum of the family’s
26 monthly adjusted income; or

1 “(ii) 5 per centum of the family’s
2 monthly income”; and

3 (D) by amending subparagraph (D), as so
4 redesignated, to read as follows:

5 “(D) DEFINITIONS.—In this paragraph:

6 “(i) POLICE OFFICER.—The term ‘po-
7 lice officer’ means any person determined
8 by a public housing agency to be, during
9 the period of residence of that person in
10 public housing, employed on a full-time
11 basis as a duly licensed professional police
12 officer by a Federal, State, or local govern-
13 ment or by any agency thereof (including
14 a public housing agency having an accred-
15 ited police force).

16 “(ii) FIREFIGHTER.—The term ‘fire-
17 fighter’ means any person determined by a
18 public housing agency to be, during the pe-
19 riod of residence of that person in public
20 housing, employed on a full-time basis as
21 a firefighter by a fire department or emer-
22 gency medical services responder unit of
23 the Federal Government, a State, unit of
24 general local government, or an Indian
25 tribal government.

1 “(iii) EMERGENCY MEDICAL TECHNI-
 2 CIAN.—The term ‘emergency medical tech-
 3 nician’ means any person determined by a
 4 public housing agency to be, during the pe-
 5 riod of residence of that person in public
 6 housing, employed on a full-time basis as
 7 an emergency medical technician by a fire
 8 department or emergency medical services
 9 responder unit of the Federal Government,
 10 a State, unit of general local government,
 11 or an Indian tribal government.”.

12 **SEC. 203. EXPANDING PROGRAMS SUPPORTING HOMEOWN-**
 13 **ERSHIP FOR THOSE SERVING THE COMMU-**
 14 **NITY.**

15 (a) ELIGIBILITY FOR GOOD NEIGHBORS NEXT DOOR
 16 SALES PROGRAM.—Members of the Armed Forces, fire-
 17 fighters, and law enforcement officers shall be eligible to
 18 purchase eligible properties under the Good Neighbor
 19 Next Door Sales Program of the Secretary of Housing and
 20 Urban Development, as provided under subsection (b).

21 (b) ELIGIBLE PROPERTIES.—Notwithstanding sec-
 22 tion 204 of the National Housing Act (12 U.S.C. 1710),
 23 part 291 of the regulations of the Secretary of Housing
 24 and Urban Development (24 C.F.R. part 291), or any
 25 other provision of law, regulation, guideline, order, or no-

1 tice, in carrying out the Good Neighbor Next Door Sales
 2 Program for single-unit properties acquired by the Sec-
 3 retary, properties shall be made available for purchase
 4 under the Program by members of the Armed Forces, by
 5 firefighters, and by law enforcement officers without re-
 6 gard to whether or not they are located in a revitalization
 7 area.

8 (c) REGULATIONS.—The Secretary of Housing and
 9 Urban Development shall amend the regulations of the
 10 Secretary as necessary to carry out subsections (a) and
 11 (b).

12 **SEC. 204. IMPROVING VOLUNTEER FIRST RESPONDER**
 13 **HOUSING.**

14 (a) DEFINITIONS.—In this section:

15 (1) BONA FIDE VOLUNTEER; ELIGIBLE EM-
 16 PLOYER; QUALIFIED SERVICES.—The terms “bona
 17 fide volunteer”, “eligible employer”, and “qualified
 18 services” have the meanings given those terms in
 19 section 457(e) of the Internal Revenue Code of
 20 1986.

21 (2) INDIAN TRIBE.—The term “Indian Tribe”
 22 has the meaning given the term “Indian tribe” in
 23 section 501(b) of the Housing Act of 1949 (42
 24 U.S.C. 1471(b)).

1 (3) QUALIFIED VOLUNTEER FIRST RE-
2 SPONDER.—The term “qualified volunteer first re-
3 sponder” means any individual who—

4 (A) is a bona fide volunteer performing
5 qualified services for an eligible employer;

6 (B) continuously served as a volunteer for
7 the eligible employer during the 2-year period
8 preceding the date on which the individual sub-
9 mits a verification letter under section 3(b) or
10 4(b);

11 (C) during each of the 2 years described in
12 subparagraph (B)—

13 (i) met the minimum requirements for
14 active membership established by the eligi-
15 ble employer; or

16 (ii) if the eligible employer did not es-
17 tablish minimum requirements, volunteered
18 for not less than 200 hours; and

19 (D) is certified as a firefighter or other
20 first responder in the State, political subdivision
21 of a State, or jurisdiction of an Indian Tribe in
22 which the individual is serving as volunteer.

23 (b) DEPARTMENT OF AGRICULTURE SINGLE FAMILY
24 HOUSING GUARANTEED LOAN PROGRAM.—

1 (1) IN GENERAL.—A qualified volunteer first
2 responder who submits to the Secretary of Agri-
3 culture (referred to in this subsection as the “Sec-
4 retary”) a verification letter in accordance with
5 paragraph (2) shall be eligible for a deduction in an-
6 nual income under section 3555.152(c) of title 7,
7 Code of Federal Regulations (or any successor regu-
8 lation), in the amount of \$18,000.

9 (2) VERIFICATION LETTER.—To be eligible for
10 a deduction under paragraph (1), a qualified volun-
11 teer first responder shall submit to the Secretary a
12 verification letter from the head of the eligible em-
13 ployer for which the qualified volunteer first re-
14 sponder volunteers, which shall—

15 (A) include the date on which the qualified
16 volunteer first responder joined the eligible em-
17 ployer as a volunteer;

18 (B) attest to the Secretary that the quali-
19 fied volunteer first responder meets the require-
20 ments under subparagraphs (B) and (C) of sub-
21 section (a)(3); and

22 (C) include a copy of the certification de-
23 scribed in subsection (a)(3)(D).

24 (c) GOOD NEIGHBOR NEXT DOOR SALES PROGRAM
25 AND SIMILAR PROGRAMS.—

1 (1) ELIGIBILITY.—A qualified volunteer first
2 responder who submits to the Secretary of Housing
3 and Urban Development (referred to in this section
4 as the “Secretary”) a verification letter in accord-
5 ance with paragraph (2) shall qualify as a firefighter
6 or emergency medical technician for purposes of any
7 single family property disposition program carried
8 out by the Secretary by regulation under section
9 204(g) of the National Housing Act (12 U.S.C.
10 1710(g)) that offers discounted home prices to fire-
11 fighters or emergency medical technicians.

12 (2) VERIFICATION LETTER.—To qualify to pur-
13 chase a home under a single family property disposi-
14 tion program referred to in paragraph (1), a quali-
15 fied first responder shall submit to the Secretary a
16 verification letter from the head of the eligible em-
17 ployer for which the qualified volunteer first re-
18 sponder volunteers, which shall—

19 (A) include the date on which the qualified
20 volunteer first responder joined the eligible em-
21 ployer as a volunteer;

22 (B) attest to the Secretary that the quali-
23 fied volunteer first responder meets the require-
24 ments under subparagraphs (B) and (C) of sub-
25 section (a)(3);

1 (C) include a copy of the certification de-
 2 scribed in subsection (a)(3)(D); and

3 (D) include a certification from the quali-
 4 fied volunteer first responder of the responder's
 5 good faith intention to continue serving as a
 6 volunteer for the eligible employer for not less
 7 than 1 year following the date of closing.

8 **SEC. 205. IMPROVING ACCESS TO HOUSING FOR VETERANS.**

9 (a) SERVICE CONNECTED DISABILITY COMPENSA-
 10 TION.—Section 102(a)(20) of the Housing and Commu-
 11 nity Development Act of 1974 (42 U.S.C. 5302(a)(20))
 12 is amended by adding at the end the following:

13 “(C) SERVICE-CONNECTED DISABILITY
 14 COMPENSATION.—When determining whether a
 15 person is of a person of low and moderate in-
 16 come, a person of low income, or a person of
 17 moderate income under this paragraph, a State,
 18 unit of general local government, or Indian
 19 tribe shall exclude any service-connected dis-
 20 ability compensation received by such person
 21 from the Department of Veterans Affairs.”.

22 (b) REPORT.—The Comptroller General of the
 23 United States shall, not later than 1 year after the date
 24 of the enactment of this Act, submit to the Congress a
 25 report that—

1 (1) examines how service-connected disability
2 compensation is treated for the purposes of deter-
3 mining eligibility for all programs administered by
4 the Secretary of Housing and Urban Development
5 and identifies any cases where service-connected dis-
6 ability compensation is treated inconsistently across
7 a program; and

8 (2) with respect to each program administered
9 by the Secretary of Housing and Urban Develop-
10 ment, provides legislative recommendations relating
11 to how such program could better serve veteran pop-
12 ulations, and under-served communities.

13 **SEC. 206. SUPPORTING VETERAN FAMILIES IN NEED.**

14 Section 2044(e) of title 38, United States Code, is
15 amended—

16 (1) by redesignating subparagraphs (A) through
17 (H) as paragraphs (1) through (8), respectively; and

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

20 “(9) The amounts that are appropriated to
21 carry out such subsections for fiscal year 2026 and
22 each fiscal year thereafter.”.

1 **SEC. 207. ATTRACTING PRIVATE INVESTMENT TO BUILD**
 2 **AND REHABILITATE OWNER-OCCUPIED**
 3 **HOMES.**

4 (a) IN GENERAL.—Subpart D of part IV of sub-
 5 chapter A of chapter 1 of the Internal Revenue Code of
 6 1986 is amended by inserting after section 42 the fol-
 7 lowing new section:

8 **“SEC. 42A. NEIGHBORHOOD HOMES CREDIT.**

9 “(a) ALLOWANCE OF CREDIT.—For purposes of sec-
 10 tion 38, the neighborhood homes credit determined under
 11 this section for the taxable year is, with respect to each
 12 qualified residence sold by the taxpayer during such tax-
 13 able year in an affordable sale, the lesser of—

14 “(1) an amount equal to—

15 “(A) the excess (if any) of—

16 “(i) the reasonable development costs
 17 paid or incurred by the taxpayer with re-
 18 spect to such qualified residence, over

19 “(ii) the sale price of such qualified
 20 residence (reduced by any reasonable ex-
 21 penses paid or incurred by the taxpayer in
 22 connection with such sale), or

23 “(B) if the neighborhood homes credit
 24 agency determines it is necessary to ensure fi-
 25 nancial feasibility, an amount not to exceed 120
 26 percent of the amount under subparagraph (A),

1 “(2) 35 percent of the eligible development
2 costs paid or incurred by the taxpayer with respect
3 to such qualified residence, or

4 “(3) 28 percent of the national median sale
5 price for new homes (as determined pursuant to the
6 most recent census data available as of the date on
7 which the neighborhood homes credit agency makes
8 an allocation for the qualified project).

9 “(b) DEVELOPMENT COSTS.—For purposes of this
10 section—

11 “(1) REASONABLE DEVELOPMENT COSTS.—

12 “(A) IN GENERAL.—The term ‘reasonable
13 development costs’ means amounts paid or in-
14 curred for the acquisition of buildings and land,
15 construction, substantial rehabilitation, demoli-
16 tion of structures, or environmental remedi-
17 ation, to the extent that the neighborhood
18 homes credit agency determines that such
19 amounts meet the standards specified pursuant
20 to subsection (f)(1)(C) (as of the date on which
21 construction or substantial rehabilitation is sub-
22 stantially complete, as determined by such
23 agency) and are necessary to ensure the finan-
24 cial feasibility of such qualified residence.

1 “(B) CONSIDERATIONS IN MAKING DETER-
2 MINATION.—In making the determination under
3 subparagraph (A), the neighborhood homes
4 credit agency shall consider—

5 “(i) the sources and uses of funds and
6 the total financing,

7 “(ii) any proceeds or receipts gen-
8 erated or expected to be generated by rea-
9 son of tax benefits, and

10 “(iii) the reasonableness of the devel-
11 opmental costs and fees.

12 “(2) ELIGIBLE DEVELOPMENT COSTS.—The
13 term ‘eligible development costs’ means the amount
14 which would be reasonable development costs if the
15 amounts taken into account as paid or incurred for
16 the acquisition of buildings and land did not exceed
17 75 percent of such costs determined without regard
18 to any amount paid or incurred for the acquisition
19 of buildings and land.

20 “(3) SUBSTANTIAL REHABILITATION.—The
21 term ‘substantial rehabilitation’ means amounts paid
22 or incurred for rehabilitation of a qualified residence
23 if such amounts exceed the greater of—

24 “(A) \$20,000, or

1 “(B) 20 percent of the amounts paid or in-
2 curred by the taxpayer for the acquisition of
3 buildings and land with respect to such quali-
4 fied residence.

5 “(4) CONSTRUCTION AND REHABILITATION
6 ONLY AFTER ALLOCATION TAKEN INTO ACCOUNT.—

7 “(A) IN GENERAL.—The terms ‘reasonable
8 development costs’ and ‘eligible development
9 costs’ shall not include any amount paid or in-
10 curred before the date on which an allocation is
11 made to the taxpayer under subsection (e) with
12 respect to the qualified project of which the
13 qualified residence is part unless such amount
14 is paid or incurred for the acquisition of build-
15 ings or land.

16 “(B) LAND AND BUILDING ACQUISITION
17 COSTS.—Amounts paid or incurred for the ac-
18 quisition of buildings or land shall be included
19 under paragraph (A) only if paid or incurred
20 not more than 3 years before the date on which
21 the allocation referred to in subparagraph (A)
22 is made. If the taxpayer acquired any building
23 or land from an entity (or any related party to
24 such entity) that holds an ownership interest in
25 the taxpayer, then such entity must also have

1 acquired such property within such 3-year pe-
 2 riod, and the acquisition cost included under
 3 subparagraph (A) with respect to the taxpayer
 4 shall not exceed the amount such entity paid or
 5 incurred to acquire such property.

6 “(c) QUALIFIED RESIDENCE.—For purposes of this
 7 section—

8 “(1) IN GENERAL.—The term ‘qualified resi-
 9 dence’ means a residence that—

10 “(A) is real property affixed on a perma-
 11 nent foundation,

12 “(B) is—

13 “(i) a house which is comprised of 4
 14 or fewer residential units,

15 “(ii) a condominium unit, or

16 “(iii) a house or an apartment owned
 17 by a cooperative housing corporation (as
 18 defined in section 216(b)),

19 “(C) is part of a qualified project with re-
 20 spect to which the neighborhood homes credit
 21 agency has made an allocation under subsection
 22 (e), and

23 “(D) is located in a qualified census tract
 24 (determined as of the date of such allocation).

25 “(2) QUALIFIED CENSUS TRACT.—

1 “(A) IN GENERAL.—The term ‘qualified
2 census tract’ means a census tract—

3 “(i) which—

4 “(I) has a median family income
5 which does not exceed 80 percent of
6 the median family income for the ap-
7 plicable area,

8 “(II) has a poverty rate that is
9 not less than 130 percent of the pov-
10 erty rate of the applicable area, and

11 “(III) has a median value for
12 owner-occupied homes that does not
13 exceed the median value for owner-oc-
14 cupied homes in the applicable area,

15 “(ii) which—

16 “(I) is located in a city which has
17 a population of not less than 50,000
18 and such city has a poverty rate that
19 is not less than 150 percent of the
20 poverty rate of the applicable area,

21 “(II) has a median family income
22 which does not exceed the median
23 family income for the applicable area,
24 and

1 “(III) has a median value for
2 owner-occupied homes that does not
3 exceed 80 percent of the median value
4 for owner-occupied homes in the ap-
5 plicable area,

6 “(iii) which—

7 “(I) is located in a nonmetropoli-
8 tan county,

9 “(II) has a median family income
10 which does not exceed the median
11 family income for the applicable area,
12 and

13 “(III) has been designated by a
14 neighborhood homes credit agency
15 under this clause, or

16 “(iv) which is not otherwise a quali-
17 fied census tract and is located in a dis-
18 aster area (as defined in section
19 7508A(d)(3)), but only with respect to
20 credits allocated in any period during
21 which the President of the United States
22 has determined that such area warrants in-
23 dividual or individual and public assistance
24 by the Federal Government under the Rob-

ert T. Stafford Disaster Relief and Emergency Assistance Act.

“(B) APPLICABLE AREA.—The term ‘applicable area’ means—

“(i) in the case of a metropolitan census tract, the metropolitan area in which such census tract is located, and

“(ii) in the case of a census tract other than a census tract described in clause (i), the State.

“(d) AFFORDABLE SALE.—For purposes of this section—

“(1) IN GENERAL.—The term ‘affordable sale’ means a sale to a qualified homeowner of a qualified residence that the neighborhood homes credit agency certifies as meeting the standards promulgated under subsection (f)(1)(D) for a price that does not exceed—

“(A) in the case of any qualified residence not described in subparagraph (B), (C), or (D), the amount equal to the product of 4 multiplied by the median family income for the applicable area (as determined pursuant to the most recent census data available as of the date of the contract for such sale),

1 “(B) in the case of a house comprised of
 2 2 residential units, 125 percent of the amount
 3 described in subparagraph (A),

4 “(C) in the case of a house comprised of
 5 3 residential units, 150 percent of the amount
 6 described in subparagraph (A), or

7 “(D) in the case of a house comprised of
 8 4 residential units, 175 percent of the amount
 9 described in subparagraph (A).

10 “(2) QUALIFIED HOMEOWNER.—The term
 11 ‘qualified homeowner’ means, with respect to a
 12 qualified residence, an individual—

13 “(A) who owns and uses such qualified res-
 14 idence as the principal residence of such indi-
 15 vidual, and

16 “(B) whose family income (determined as
 17 of the date that a binding contract for the af-
 18 fordable sale of such residence is entered into)
 19 is 140 percent or less of the median family in-
 20 come for the applicable area in which the quali-
 21 fied residence is located.

22 “(e) CREDIT CEILING AND ALLOCATIONS.—

23 “(1) CREDIT LIMITED BASED ON ALLOCATIONS
 24 TO QUALIFIED PROJECTS.—

1 “(A) IN GENERAL.—The credit allowed
2 under subsection (a) to any taxpayer for any
3 taxable year with respect to one or more quali-
4 fied residences which are part of the same
5 qualified project shall not exceed the excess (if
6 any) of—

7 “(i) the amount allocated by the
8 neighborhood homes credit agency under
9 this paragraph to such taxpayer with re-
10 spect to such qualified project, over

11 “(ii) the aggregate amount of credit
12 allowed under subsection (a) to such tax-
13 payer with respect to qualified residences
14 which are a part of such qualified project
15 for all prior taxable years.

16 “(B) DEADLINE FOR COMPLETION.—No
17 credit shall be allowed under subsection (a)
18 with respect to any qualified residence unless
19 the affordable sale of such residence is during
20 the 5-year period beginning on the date of the
21 allocation to the qualified project of which such
22 residence is a part (or, in the case of a qualified
23 residence to which subsection (i) applies, the re-
24 habilitation of such residence is completed dur-
25 ing such 5-year period).

1 “(2) LIMITATIONS ON ALLOCATIONS TO QUALI-
2 FIED PROJECTS.—

3 “(A) ALLOCATIONS LIMITED BY STATE
4 NEIGHBORHOOD HOMES CREDIT CEILING.—The
5 aggregate amount allocated to taxpayers with
6 respect to qualified projects by the neighbor-
7 hood homes credit agency of any State for any
8 calendar year shall not exceed the State neigh-
9 borhood homes credit amount of such State for
10 such calendar year.

11 “(B) SET-ASIDE FOR CERTAIN PROJECTS
12 INVOLVING QUALIFIED NONPROFIT ORGANIZA-
13 TIONS.—Rules similar to the rules of section
14 42(h)(5) shall apply for purposes of this sec-
15 tion.

16 “(3) DETERMINATION OF STATE NEIGHBOR-
17 HOOD HOMES CREDIT CEILING.—

18 “(A) IN GENERAL.—The State neighbor-
19 hood homes credit amount for a State for a cal-
20 endar year is an amount equal to the sum of—

21 “(i) the greater of—

22 “(I) the product of \$7, multiplied
23 by the State population (determined
24 in accordance with section 146(j)), or

25 “(II) \$9,000,000, and

1 “(ii) any amount previously allocated
2 to any taxpayer with respect to any quali-
3 fied project by the neighborhood homes
4 credit agency of such State which can no
5 longer be allocated to any qualified resi-
6 dence because the 5-year period described
7 in paragraph (1)(B) expires during cal-
8 endar year.

9 “(B) 3-YEAR CARRYFORWARD OF UNUSED
10 LIMITATION.—The State neighborhood homes
11 credit amount for a State for a calendar year
12 shall be increased by the excess (if any) of the
13 State neighborhood homes credit amount for
14 such State for the preceding calendar year over
15 the aggregate amount allocated by the neigh-
16 borhood homes credit agency of such State dur-
17 ing such preceding calendar year. Any amount
18 carried forward under the preceding sentence
19 shall not be carried past the third calendar year
20 after the calendar year in which such credit
21 amount originally arose, determined on a first-
22 in, first-out basis.

23 “(f) RESPONSIBILITIES OF NEIGHBORHOOD HOMES
24 CREDIT AGENCIES.—

1 “(1) IN GENERAL.—Notwithstanding subsection
2 (e), the State neighborhood homes credit dollar
3 amount shall be zero for a calendar year unless the
4 neighborhood homes credit agency of the State—

5 “(A) allocates such amount pursuant to a
6 qualified allocation plan of the neighborhood
7 homes credit agency,

8 “(B) allocates not more than 20 percent of
9 amounts allocated in the previous year (or for
10 allocations made in 2025, not more than 20
11 percent of the neighborhood homes credit ceil-
12 ing for such year) to projects with respect to
13 qualified residences which—

14 “(i) are located in census tracts de-
15 scribed in subsection (c)(2)(A)(iii),
16 (c)(2)(A)(iv), (i)(5), or

17 “(ii) are not located in a qualified
18 census tract but meet the requirements of
19 subsection (i)(8),

20 “(C) promulgates standards with respect
21 to reasonable qualified development costs and
22 fees,

23 “(D) promulgates standards with respect
24 to construction quality,

1 “(E) in the case of any neighborhood
2 homes credit agency which makes an allocation
3 to a qualified project which includes any quali-
4 fied residence to which subsection (i) applies,
5 promulgates standards with respect to pro-
6 tecting the owners of such residences, including
7 the capacity of such owners to pay rehabilita-
8 tion costs not covered by the credit provided by
9 this section and providing for the disclosure to
10 such owners of their rights and responsibilities
11 with respect to the rehabilitation of such resi-
12 dences,

13 “(F) submits to the Secretary (at such
14 time and in such manner as the Secretary may
15 prescribe) an annual report specifying—

16 “(i) the amount of the neighborhood
17 homes credits allocated to each qualified
18 project for the previous year,

19 “(ii) with respect to each qualified
20 residence completed in the preceding cal-
21 endar year—

22 “(I) the census tract in which
23 such qualified residence is located,

24 “(II) with respect to the qualified
25 project that includes such qualified

1 residence, the year in which such
2 project received an allocation under
3 this section,

4 “(III) whether such qualified res-
5 idence was new, substantially rehabili-
6 tated and sold to a qualified home-
7 owner, or substantially rehabilitated
8 pursuant to subsection (i),

9 “(IV) the eligible development
10 costs of such qualified residence,

11 “(V) the amount of the neighbor-
12 hood homes credit with respect to
13 such qualified residence,

14 “(VI) the sales price of such
15 qualified residence, if applicable, and

16 “(VII) the family income of the
17 qualified homeowner (expressed as a
18 percentage of the applicable area me-
19 dian family income for the location of
20 the qualified residence), and

21 “(iii) such other information as the
22 Secretary may require, and

23 “(G) makes available to the general public
24 a written explanation for any allocation of a
25 neighborhood homes credit dollar amount which

1 is not made in accordance with established pri-
2 orities and selection criteria of the neighbor-
3 hood homes credit agency.

4 Subparagraph (B) shall be applied by substituting
5 ‘40 percent’ for ‘20 percent’ each place it appears in
6 the case of any State in which at least 45 percent
7 of the State population resides outside metropolitan
8 statistical areas (within the meaning of section
9 143(k)(2)(B)) and less than 20 percent of the cen-
10 sus tracts located in the State are described in sub-
11 section (c)(2)(A)(i).

12 “(2) QUALIFIED ALLOCATION PLAN.—For pur-
13 poses of this subsection, the term ‘qualified alloca-
14 tion plan’ means any plan which—

15 “(A) sets forth the selection criteria to be
16 used to prioritize qualified projects for alloca-
17 tions of State neighborhood homes credit dollar
18 amounts, including—

19 “(i) the need for new or substantially
20 rehabilitated owner-occupied homes in the
21 area addressed by the project,

22 “(ii) the expected contribution of the
23 project to neighborhood stability and revi-
24 talization, including the impact on neigh-
25 borhood residents,

1 “(iii) the capability and prior perform-
2 ance of the project sponsor, and

3 “(iv) the likelihood the project will re-
4 sult in long-term homeownership,

5 “(B) has been made available for public
6 comment, and

7 “(C) provides a procedure that the neigh-
8 borhood homes credit agency (or any agent or
9 contractor of such agency) shall follow for pur-
10 poses of—

11 “(i) identifying noncompliance with
12 any provisions of this section, and

13 “(ii) notifying the Internal Revenue
14 Service of any such noncompliance of
15 which the agency becomes aware.

16 “(g) REPAYMENT.—

17 “(1) IN GENERAL.—

18 “(A) SOLD DURING 5-YEAR PERIOD.—If a
19 qualified residence is sold during the 5-year pe-
20 riod beginning immediately after the affordable
21 sale of such qualified residence referred to in
22 subsection (a), the seller shall transfer an
23 amount equal to the repayment amount to the
24 relevant neighborhood homes credit agency.

1 “(B) USE OF REPAYMENTS.—A neighbor-
2 hood homes credit agency shall use any amount
3 received pursuant to subparagraph (A) only for
4 purposes of qualified projects.

5 “(2) REPAYMENT AMOUNT.—For purposes of
6 paragraph (1)(A)—

7 “(A) IN GENERAL.—The repayment
8 amount is an amount equal to the applicable
9 percentage of the gain from the sale to which
10 the repayment relates.

11 “(B) APPLICABLE PERCENTAGE.—For
12 purposes of subparagraph (A), the applicable
13 percentage is 50 percent, reduced by 10 per-
14 centage points for each year of the 5-year pe-
15 riod referred to in paragraph (1)(A) which ends
16 before the date of such sale.

17 “(3) LIEN FOR REPAYMENT AMOUNT.—A
18 neighborhood homes credit agency receiving an allo-
19 cation under this section shall place a lien on each
20 qualified residence that is built or rehabilitated as
21 part of a qualified project for an amount such agen-
22 cy deems necessary to ensure potential repayment
23 pursuant to paragraph (1)(A).

24 “(4) WAIVER.—

1 “(A) IN GENERAL.—The neighborhood
 2 homes credit agency may waive the repayment
 3 required under paragraph (1)(A) if the agency
 4 determines that making a repayment would
 5 constitute a hardship to the seller.

6 “(B) HARDSHIP.—For purposes of sub-
 7 paragraph (A), with respect to the seller, a
 8 hardship may include—

9 “(i) divorce,

10 “(ii) disability,

11 “(iii) illness, or

12 “(iv) any other hardship identified by
 13 the neighborhood homes credit agency for
 14 purposes of this paragraph.

15 “(h) OTHER DEFINITIONS AND SPECIAL RULES.—
 16 For purposes of this section—

17 “(1) NEIGHBORHOOD HOMES CREDIT AGEN-
 18 CY.—The term ‘neighborhood homes credit agency’
 19 means the agency designated by the governor of a
 20 State as the neighborhood homes credit agency of
 21 the State.

22 “(2) QUALIFIED PROJECT.—The term ‘qualified
 23 project’ means a project that a neighborhood homes
 24 credit agency certifies will build or substantially re-
 25 habilitate one or more qualified residences.

1 “(3) DETERMINATIONS OF FAMILY INCOME.—
 2 Rules similar to the rules of section 143(f)(2) shall
 3 apply for purposes of this section.

4 “(4) POSSESSIONS TREATED AS STATES.—The
 5 term ‘State’ includes the District of Columbia and
 6 the possessions of the United States.

7 “(5) SPECIAL RULES RELATED TO CONDOMIN-
 8 IUMS AND COOPERATIVE HOUSING CORPORATIONS.—

9 “(A) DETERMINATION OF DEVELOPMENT
 10 COSTS.—In the case of a qualified residence de-
 11 scribed in clause (ii) or (iii) of subsection
 12 (c)(1)(A), the reasonable development costs and
 13 eligible development costs of such qualified resi-
 14 dence shall be an amount equal to such costs,
 15 respectively, of the entire condominium or coop-
 16 erative housing property in which such qualified
 17 residence is located, multiplied by a fraction—

18 “(i) the numerator of which is the
 19 total floor space of such qualified resi-
 20 dence, and

21 “(ii) the denominator of which is the
 22 total floor space of all residences within
 23 such property.

24 “(B) TENANT-STOCKHOLDERS OF COOPER-
 25 ATIVE HOUSING CORPORATIONS TREATED AS

1 OWNERS.—In the case of a cooperative housing
2 corporation (as such term is defined in section
3 216(b)), a tenant-stockholder shall be treated
4 as owning the house or apartment which such
5 person is entitled to occupy.

6 “(6) RELATED PARTY SALES NOT TREATED AS
7 AFFORDABLE SALES.—

8 “(A) IN GENERAL.—A sale between related
9 persons shall not be treated as an affordable
10 sale.

11 “(B) RELATED PERSONS.—For purposes
12 of this paragraph, a person (in this subpara-
13 graph referred to as the ‘related person’) is re-
14 lated to any person if the related person bears
15 a relationship to such person specified in sec-
16 tion 267(b) or 707(b)(1), or the related person
17 and such person are engaged in trades or busi-
18 nesses under common control (within the mean-
19 ing of subsections (a) and (b) of section 52).
20 For purposes of the preceding sentence, in ap-
21 plying section 267(b) or 707(b)(1), ‘10 percent’
22 shall be substituted for ‘50 percent’.

23 “(7) INFLATION ADJUSTMENT.—

24 “(A) IN GENERAL.—In the case of a cal-
25 endar year after 2025, the dollar amounts in

subsections (b)(3)(A), (e)(3)(A)(i)(I),
 (e)(3)(A)(i)(II), and (i)(2)(C) shall each be in-
 creased by an amount equal to—

“(i) such dollar amount, multiplied by

“(ii) the cost-of-living adjustment de-
 termined under section 1(f)(3) for such
 calendar year by substituting ‘calendar
 year 2022’ for ‘calendar year 2016’ in sub-
 paragraph (A)(ii) thereof.

“(B) ROUNDING.—

“(i) In the case of the dollar amounts
 in subsections (b)(3)(A) and (i)(2)(C), any
 increase under paragraph (1) which is not
 a multiple of \$1,000 shall be rounded to
 the nearest multiple of \$1,000.

“(ii) In the case of the dollar amount
 in subsection (e)(3)(A)(i)(I), any increase
 under paragraph (1) which is not a mul-
 tiple of \$0.01 shall be rounded to the near-
 est multiple of \$0.01.

“(iii) In the case of the dollar amount
 in subsection (e)(3)(A)(i)(II), any increase
 under paragraph (1) which is not a mul-
 tiple of \$100,000 shall be rounded to the
 nearest multiple of \$100,000.

1 “(8) REPORT.—

2 “(A) IN GENERAL.—The Secretary shall
3 annually issue a report, to be made available to
4 the public, which contains the information sub-
5 mitted pursuant to subsection (f)(1)(F).

6 “(B) DE-IDENTIFICATION.—The Secretary
7 shall ensure that any information made public
8 pursuant to subparagraph (A) excludes any in-
9 formation that would allow for the identification
10 of qualified homeowners.

11 “(9) LIST OF QUALIFIED CENSUS TRACTS.—
12 The Secretary of Housing and Urban Development
13 shall, for each year, make publicly available a list of
14 qualified census tracts under—

15 “(A) on a combined basis, clauses (i) and
16 (ii) of subsection (c)(2)(A),

17 “(B) clause (iii) of such subsection, and

18 “(C) subsection (i)(5)(A).

19 “(10) DENIAL OF DEDUCTIONS IF CONVERTED
20 TO RENTAL HOUSING.—If, during the 5-year period
21 beginning immediately after the affordable sale of a
22 qualified residence referred to in subsection (a), an
23 individual who owns a qualified residence (whether
24 or not such individual was the purchaser in such af-
25 fordable sale) fails to use such qualified residence as

1 such individual's principal residence for any period
2 of time, no deduction shall be allowed for expenses
3 paid or incurred by such individual with respect to
4 renting, during such period of time, such qualified
5 residence.

6 “(i) APPLICATION OF CREDIT WITH RESPECT TO
7 OWNER-OCCUPIED REHABILITATIONS.—

8 “(1) IN GENERAL.—In the case of a qualified
9 rehabilitation by the taxpayer of any qualified resi-
10 dence which is owned (as of the date that the writ-
11 ten binding contract referred to in paragraph (3) is
12 entered into) by a specified homeowner, the rules of
13 paragraphs (2) through (7) shall apply.

14 “(2) ALTERNATIVE CREDIT DETERMINATION.—
15 In the case of any qualified residence described in
16 paragraph (1), the neighborhood homes credit deter-
17 mined under subsection (a) with respect to such res-
18 idence shall (in lieu of any credit otherwise deter-
19 mined under subsection (a) with respect to such res-
20 idence) be allowed in the taxable year during which
21 the qualified rehabilitation is completed (as deter-
22 mined by the neighborhood homes credit agency)
23 and shall be equal to the least of—

24 “(A) the excess (if any) of—

1 “(i) the amounts paid or incurred by
2 the taxpayer for the qualified rehabilitation
3 of the qualified residence to the extent that
4 such amounts are certified by the neigh-
5 borhood homes credit agency (at the time
6 of the completion of such rehabilitation) as
7 meeting the standards specified pursuant
8 to subsection (f)(1)(C), over

9 “(ii) any amounts paid to such tax-
10 payer for such rehabilitation,

11 “(B) 50 percent of the amounts described
12 in subparagraph (A)(i), or

13 “(C) \$50,000.

14 “(3) QUALIFIED REHABILITATION.—

15 “(A) IN GENERAL.—For purposes of this
16 subsection, the term ‘qualified rehabilitation’
17 means a rehabilitation or reconstruction per-
18 formed pursuant to a written binding contract
19 between the taxpayer and the specified home-
20 owner if the amount paid or incurred by the
21 taxpayer in the performance of such rehabilita-
22 tion or reconstruction exceeds the dollar
23 amount in effect under subsection (b)(3)(A).

24 “(B) APPLICATION OF LIMITATION TO EX-
25 PENSES PAID OR INCURRED AFTER ALLOCA-

1 TION.—A rule similar to the rule of section
2 (b)(4) shall apply for purposes of this sub-
3 section.

4 “(4) SPECIFIED HOMEOWNER.—For purposes
5 of this subsection, the term ‘qualified homeowner’
6 means, with respect to a qualified residence, an indi-
7 vidual—

8 “(A) who owns and uses such qualified res-
9 idence as the principal residence of such indi-
10 vidual as of the date that the written binding
11 contract referred to in paragraph (3) is entered
12 into, and

13 “(B) whose family income (determined as
14 of such date) does not exceed the median family
15 income for the applicable area (with respect to
16 the census tract in which the qualified residence
17 is located).

18 “(5) ADDITIONAL CENSUS TRACTS IN WHICH
19 OWNER-OCCUPIED RESIDENCES MAY BE LOCATED.—
20 In the case of any qualified residence described in
21 paragraph (1), the term ‘qualified census tract’ in-
22 cludes any census tract which—

23 “(A) meets the requirements of subsection
24 (c)(2)(A)(i) without regard to subclause (III)
25 thereof, and

1 “(B) is designated by the neighborhood
2 homes credit agency for purposes of this para-
3 graph.

4 “(6) MODIFICATION OF REPAYMENT REQUIRE-
5 MENT.—In the case of any qualified residence de-
6 scribed in paragraph (1), subsection (g) shall be ap-
7 plied by beginning the 5-year period otherwise de-
8 scribed therein on the date on which the qualified
9 homeowner acquired such residence.

10 “(7) RELATED PARTIES.—Paragraph (1) shall
11 not apply if the taxpayer is the owner of the quali-
12 fied residence described in paragraph (1) or is re-
13 lated (within the meaning of subsection (h)(6)(B))
14 to such owner.

15 “(8) PYRRHOTITE REMEDIATION.—The require-
16 ment of subsection (c)(1)(C) shall not apply to a
17 qualified rehabilitation under this subsection of a
18 qualified residence that is documented by an engi-
19 neer’s report and core testing to have a foundation
20 that is adversely impacted by pyrrhotite or other
21 iron sulfide minerals.

22 “(j) REGULATIONS.—The Secretary shall prescribe
23 such regulations as may be necessary or appropriate to
24 carry out the purposes of this section, including regula-

1 tions that prevent avoidance of the rules, and abuse of
2 the purposes, of this section.”.

3 (b) CREDIT ALLOWED AS PART OF GENERAL BUSI-
4 NESS CREDIT.—Section 38(b) of the Internal Revenue
5 Code of 1986 is amended by striking “plus” at the end
6 of paragraph (37), by striking the period at the end of
7 paragraph (38) and inserting “, plus”, and by adding at
8 the end the following new paragraph:

9 “(39) the neighborhood homes credit deter-
10 mined under section 42A(a).”.

11 (c) CREDIT ALLOWED AGAINST ALTERNATIVE MIN-
12 IMUM TAX.—Section 38(c)(4)(B) of the Internal Revenue
13 Code of 1986 is amended by redesignating clauses (iv)
14 through (xii) as clauses (v) through (xiii), respectively, and
15 by inserting after clause (iii) the following new clause:

16 “(iv) the credit determined under sec-
17 tion 42A,”.

18 (d) BASIS ADJUSTMENTS.—

19 (1) ENERGY EFFICIENT HOME IMPROVEMENT
20 CREDIT.—Section 25C(g) of the Internal Revenue
21 Code of 1986 is amended by adding after the first
22 sentence the following new sentence: “This sub-
23 section shall not apply for purposes of determining
24 the eligible development costs or adjusted basis of
25 any building under section 42A.”.

7 (3) NEW ENERGY EFFICIENT HOME CREDIT.—

(e) EXCLUSION FROM GROSS INCOME.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting before section 140 the following new section:

18 “(a) EXCLUSION FROM GROSS INCOME.—Gross in-
19 come shall not include the value of any subsidy provided
20 to a taxpayer (whether directly or indirectly) by any State
21 energy office (as defined in section 124(a) of the Energy
22 Policy Act of 2005 (42 U.S.C. 15821(a))) for purposes
23 of any energy improvements made to a qualified residence
24 (as defined in section 42A(c)(1)).”.

•HR 4856 IH

“Sec. 42A. Neighborhood homes credit.”.

“Sec. 139J. State energy subsidies for qualified residences.”.

16 SEC. 208. BETTER UTILIZING AND DISPOSING OF UNUSED
17 MILITARY AND GOVERNMENT LANDS FOR
18 HOUSING.

(b) SUBMISSION TO PBRB.—Any Federal agency that receives a petition under subsection (a) shall submit

1 a copy of such petition to the Public Buildings Reform
2 Board.

3 (c) DETERMINATION.—A Federal agency that re-
4 ceives a petition under subsection (a) shall, not less than
5 60 days after receiving such petition determine whether
6 the property is excess.

7 (d) JUSTIFICATION REQUIRED.—If a Federal agency
8 determines under subsection (c) that a property is not ex-
9 cess such Federal agency shall submit to the Office of
10 Management and Budget a statement that justifies why
11 such property is not excess.

12 (e) DONATION BY GSA.—If a Federal agency deter-
13 mines a property to be excess under subsection (b), the
14 General Services Administration may donate such prop-
15 erty to the State or unit of local government that sub-
16 mitted the petition under subsection (a).

17 **SEC. 209. ENERGY CONSERVATION STANDARDS FOR MANU-**
18 **FACTURED HOUSING.**

19 The Secretary of Energy may not, by rule or other-
20 wise, establish energy conservation standards for manu-
21 factured housing.

22 **SEC. 210. RENTAL ASSISTANCE DEMONSTRATION PRO-**
23 **GRAM.**

24 The matter under the heading “Rental Assistance
25 Demonstration” in the Department of Housing and Urban

1 Development Appropriations Act, 2012 (Public Law 112–
2 55), is amended—

3 (1) by striking the second proviso; and

4 (2) by striking the fourth proviso.

5 **SEC. 211. CREATING INCENTIVES FOR SMALL DOLLAR**
6 **LOAN ORIGINATORS.**

7 (a) **SMALL DOLLAR MORTGAGE DEFINED.**—In this
8 section, the term “small dollar mortgage” means a mort-
9 gage loan that—

10 (1) has an original principal obligation of not
11 more than \$70,000;

12 (2) is secured by real property designed for the
13 occupancy of 1 to 4 families; and

14 (3) is—

15 (A) insured by the Federal Housing Ad-
16 ministration under title II of the National
17 Housing Act (12 U.S.C. 1707 et seq.);

18 (B) made, guaranteed, or insured by the
19 Department of Veterans Affairs;

20 (C) made, guaranteed, or insured by the
21 Department of Agriculture; or

22 (D) eligible to be purchased or securitized
23 by the Federal Home Loan Mortgage Corpora-
24 tion or the Federal National Mortgage Associa-
25 tion.

1 (b) REQUIREMENT TO UPDATE REGULATIONS.—Not
 2 later than 270 days after the date of enactment of this
 3 Act, the Director of the Bureau of Consumer Financial
 4 Protection shall issue regulations to update part 1026 of
 5 title 12, Code of Federal Regulations (commonly referred
 6 to as “Regulation Z”) to allow for salaried originators of
 7 residential mortgage loans that only originate small dollar
 8 mortgages.

9 **SEC. 212. SMALL DOLLAR MORTGAGE POINTS AND FEES.**

10 (a) DEFINITION.—In this section, the term “small
 11 dollar mortgage” means a mortgage with an original prin-
 12 cipal obligation of less than \$70,000.

13 (b) AMENDMENTS REQUIRED.—Not later than 180
 14 days after the date of enactment of this Act, the Director
 15 of the Bureau of Consumer Financial Protection, in con-
 16 sultation with the Secretary of Housing and Urban Devel-
 17 opment and the Director of the Federal Housing Finance
 18 Agency, shall amend the limitations with respect to points
 19 and fees under section 1026.32 of title 12, Code of Fed-
 20 eral Regulations, or any successor regulation, to encourage
 21 additional lending for small dollar mortgages.

22 **SEC. 213. REMOVING OUTDATED REGULATION FOR MANU-**
 23 **FACTURED HOUSING.**

24 (a) IN GENERAL.—Section 603(6) of the National
 25 Manufactured Housing Construction and Safety Stand-

ards Act of 1974 (42 U.S.C. 5402(6)) is amended by striking “built on a permanent chassis and”.

(b) IMPLEMENTATION.—Not later than 90 days after the date of the enactment of this Act, the consensus committee established under section 604(a)(3) of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5403(a)(3)) shall meet to develop and recommend to the Secretary of Housing and Urban Development such revisions to the Federal manufactured home construction and safety standards, and related regulations, as are necessary to implement the amendment made by subsection (a) of this section. Such revised standards shall be considered by the Secretary for adoption pursuant to the process set forth in section 604 of such Act.

TITLE III—SERVING THE MOST VULNERABLE; HEALTH AND SAFETY

SEC. 301. GAO STUDY TO DETERMINE PROXIMITY OF HOUSING TO SUPERFUND SITES.

(a) STUDY.—The Comptroller General of the United States shall carry out a study to identify how many residential dwelling units, and how many dwelling units in public housing (as such term is defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C.

1 1437a(B))), are located within one mile of a site that is
2 included on the National Priorities List pursuant to sec-
3 tion 105 of the Comprehensive Environmental Response,
4 Compensation, and Liability Act of 1980 (42 U.S.C.
5 9605).

6 (b) REPORT.—Not later than the expiration of the
7 6-month period beginning on the date of the enactment
8 of this Act, the Comptroller General shall submit a report
9 to the Congress identifying, for each site referred to in
10 subsection (a), how many residential dwelling units, and
11 how many dwelling units in public housing, are located
12 within one mile of such site.

13 **SEC. 302. ENSURING PUBLIC HOUSING AGENCIES INSPECT**
14 **EACH DWELLING UNIT EACH YEAR.**

15 The Secretary of Housing and Urban Development
16 and the Comptroller General of the United States shall,
17 not later than 1 year after the date of the enactment of
18 this section, conduct a study and submit a report to the
19 Congress that identifies:

- 20 (1) how many inspections required to be con-
21 ducted by the Secretary of Housing and Urban De-
22 velopment in the 1-year period are incomplete; and
23 (2) how many inspectors are needed to ensure
24 that all inspections required to be conducted by the

1 Secretary of Housing and Urban Development can
2 be completed each year.

3 **SEC. 303. INCENTIVIZING LOCAL SOLUTIONS TO HOME-**
4 **LESSNESS.**

5 (a) CONTINUUM OF CARE PROGRAM.—Section 428 of
6 the McKinney-Vento Homeless Assistance Act (42 U.S.C.
7 1186b) is amended by adding at the end the following:

8 “(f) INCENTIVES FOR REDUCING HOMELESNESS.—

9 “(1) IN GENERAL.—From the amounts made
10 available to carry out this subtitle for a fiscal year,
11 the Secretary may use not more than 10 percent of
12 the amounts made available to carry out this subtitle
13 for incentives described in paragraph (2).

14 “(2) INCENTIVES.—The Secretary may provide
15 bonuses or other incentives to a geographic area
16 under this subtitle if, during a fiscal year, the Sec-
17 retary determines that an entity receiving funds
18 under this subtitle has demonstrably and measurably
19 improved housing outcomes for homeless individuals
20 in the geographic area.”.

21 (b) EMERGENCY SOLUTIONS GRANTS PROGRAM.—
22 Section 413 of the McKinney-Vento Homeless Assistance
23 Act (42 U.S.C. 11372a) is amended by adding at the end
24 the following:

25 “(c) INCENTIVES FOR REDUCING HOMELESNESS.—

1 “(1) IN GENERAL.—From the amounts made
 2 available to carry out this subtitle for a fiscal year,
 3 the Secretary may use not more than 10 percent of
 4 the amounts made available to carry out this subtitle
 5 for incentives described in paragraph (2).

6 “(2) INCENTIVES.—The Secretary may provide
 7 bonuses or other incentives to a geographic area
 8 under this subtitle if, during a fiscal year, the Sec-
 9 retary determines that an entity receiving funds
 10 under this subtitle has demonstrably and measurably
 11 improved housing outcomes for homeless individuals
 12 in the geographic area.”.

13 **SEC. 304. IMPROVING MOLD AND HEALTH STANDARDS.**

14 (a) DEFINITIONS.—In this section:

15 (1) INDOOR RESIDENTIAL MOLD.—The term
 16 “indoor residential mold” means any form of multi-
 17 cellular fungi in indoor environments, including
 18 cladosporium, penicillium, alternaria, aspergillus, fu-
 19 sarium, trichoderma, memnoniella, mucor,
 20 stachybotrys chartarum, streptomyces, and
 21 epicoccum often found in water-damaged indoor envi-
 22 ronments and building materials.

23 (2) RESIDENTIAL MOLD INSPECTION.—The
 24 term “residential mold inspection” means an inspec-
 25 tion, by a certified or licensed mold inspector or

1 other indoor environmental professional, including
2 through the Real Estate Assessment Center, of real
3 property that is designed to discover—

4 (A) indoor mold growth in residential prop-
5 erties;

6 (B) conditions that facilitate indoor resi-
7 dential mold growth; or

8 (C) indicia of conditions that are likely to
9 facilitate indoor residential mold growth.

10 (3) TOXIGENIC MOLD.—The term “toxigenic
11 mold” means any indoor mold growth that may be
12 capable of producing a toxin or toxic compound, in-
13 cluding mycotoxins and mVOCs, that can cause pul-
14 monary, respiratory, neurological, gastrointestinal,
15 or dermatological illnesses, or other major adverse
16 health impacts, as jointly determined by the Director
17 of the National Institutes of Health, the Secretary
18 of Housing and Urban Development, the Adminis-
19 trator of the Environmental Protection Agency, and
20 the Director of the Centers for Disease Control and
21 Prevention.

22 (b) INTERAGENCY RESEARCH ON HEALTH IMPACTS
23 OF INDOOR RESIDENTIAL MOLD.—

24 (1) RESEARCH.—

1 (A) IN GENERAL.—As soon as practicable
2 after the date of enactment of this Act, the Di-
3 rector of the National Institute of Environ-
4 mental Health Sciences at the National Insti-
5 tutes of Health, in conjunction with the Sec-
6 retary of Housing and Urban Development, the
7 Director of the Centers for Disease Control and
8 Prevention, the Administrator of the Environ-
9 mental Protection Agency, the Secretary of En-
10 ergy, the Secretary of Health and Human Serv-
11 ices, the President of the National Academy of
12 Sciences, and the Chair of the board of direc-
13 tors of the National Institute of Building
14 Sciences shall jointly conduct a comprehensive
15 study of the health effects of indoor residential
16 mold growth, using the most up-to-date sci-
17 entific peer-reviewed medical literature.

18 (B) CONTENTS.—The study conducted
19 under subparagraph (A) shall ascertain, among
20 other things—

21 (i) detailed information about harmful
22 or toxigenic mold, as well as any toxin or
23 toxic compound such mold can produce;

1 (ii) the most accurate research-based
2 methods of detecting harmful or toxigenic
3 mold;

4 (iii) potential dangers of prolonged or
5 chronic exposure to indoor residential mold
6 growth;

7 (iv) the hazards involved with inad-
8 equate residential mold inspections and im-
9 proper indoor residential mold remediation;

10 (v) the estimated current public
11 health burden of new or exacerbated phys-
12 ical illness resulting from exposure to in-
13 door residential mold, including its dis-
14 proportionate impact on vulnerable com-
15 munities, including children and seniors;

16 (vi) improved understanding of the
17 different health symptomology that can re-
18 sult from exposure to mold in indoor resi-
19 dential environments;

20 (vii) ongoing surveillance of the preva-
21 lence of idiopathic pulmonary hemorrhage
22 (AIPH) in infants; and

23 (viii) longitudinal studies on the ef-
24 fects of indoor mold exposure in early child-

1 hood on the development of asthma and
2 other respiratory illnesses.

3 (C) AVAILABILITY.—Not later than the ex-
4 piration of the 3-year period beginning on the
5 date of the enactment of this Act, the results of
6 the study conducted under subparagraph (A)
7 shall be submitted to Congress and the Presi-
8 dent and made available to the general public.

9 (c) MAPPING.—

10 (1) IN GENERAL.—Not later than one year
11 after the date of the enactment of this Act, the Sec-
12 retary of Housing and Urban Development shall,
13 using the previous two years of inspection data, es-
14 tablish a geographic information system mapping
15 tool that identifies areas which are impacted by a
16 known presence of indoor residential mold.

17 (2) REQUIRED INCLUSIONS.—The Secretary
18 shall include, as part of the mapping tool—

19 (A) inspection documentation;

20 (B) management and occupancy reviews;

21 (C) transfers of budget authority for con-
22 tracts under section 8 of the United States
23 Housing Act of 1937 (42 U.S.C. 1437f); and

24 (D) any additional information, as required
25 by the Secretary.

1 (3) UPDATES.—The Secretary shall update the
2 mapping tool with the latest inspection data not less
3 often than once per year.

4 (d) PUBLIC INFORMATION AND EDUCATION CAM-
5 PAIGN.—

6 (1) REQUIREMENT.—The Administrator of the
7 Environmental Protection Agency, the Secretary of
8 Housing and Urban Development, and the heads of
9 any other relevant Federal agencies, as determined
10 by such Administrator and Secretary, shall jointly
11 develop and carry out a public information and edu-
12 cation campaign regarding indoor air quality and re-
13 lated issues that provides information required
14 under this section on a recurring and annual basis
15 through public outreach. The campaign shall com-
16 mence within 1 year after the date of the enactment
17 of this Act.

18 (2) TOPICS.—The information and education
19 campaign shall include information on the dangers
20 and prevention of indoor residential moisture and
21 mold, volatile organic compounds, dust, smoking,
22 pollution, indoor origins of smoke, including cooking,
23 and any other health risks, as determined by such
24 Administrator and Secretary.

1 (3) INDOOR RESIDENTIAL MOLD INFORMA-
2 TION.—The information and education campaign
3 shall include, at minimum, the following information
4 regarding indoor residential mold:

5 (A) The conditions that facilitate indoor
6 residential moisture and mold growth.

7 (B) Guidelines for inspecting indoor resi-
8 dential mold growth.

9 (C) Guidelines for remediating indoor resi-
10 dential mold growth.

11 (D) The dangers and health risks of expo-
12 sure to indoor residential mold growth.

13 (E) The importance of ventilation and
14 methods to prevent moisture accumulation in
15 indoor residential environments.

16 (F) Any other information as determined
17 appropriate by the heads of the agencies re-
18 ferred to in paragraph (1).

19 (4) MODES OF COMMUNICATION.—

20 (A) IN GENERAL.—The public information
21 and education campaign shall provide education
22 and information through modes of communica-
23 tion that are commonly utilized and able to be
24 easily consumed by relevant individuals or orga-
25 nizations, which shall include communication

1 through advertisements on public transit in all
2 50 States and in territories and possessions of
3 the United States, and distribution of the pam-
4 phlet developed pursuant to paragraph (9) as
5 required under such paragraph.

6 (B) AVAILABILITY.—All education and in-
7 formation that is part of the information and
8 education campaign shall be made publicly
9 available on the websites of the Environmental
10 Protection Agency, the Department of Housing
11 and Urban Development, and any other applica-
12 ble Federal agencies.

13 (5) TARGETED GROUPS.—The public informa-
14 tion and education campaign shall be designed to
15 reach tenants, tenant organizations working directly
16 with tenants in project-based rental assistance and
17 other types of federally-assisted housing, resident
18 groups, landlords, health professionals, the general
19 public, homeowners, prospective homeowners, the
20 real estate industry, the home construction and ren-
21 ovation industries, the health, property and casualty,
22 and life insurance industries, technical and voca-
23 tional schools and colleges, and other academic insti-
24 tutions.

1 (6) INFORMATION SPECIFIC TO HEALTH PRO-
2 FESSIONS.—The public information and education
3 campaign shall include information about warning
4 signs of mold and other indoor air exposure pollut-
5 ants and shall include education for health profes-
6 sions on mold-related illness, including for health
7 professions who work with vulnerable populations
8 and children in school or daycare settings.

9 (7) COORDINATION.—In developing and car-
10 rying out the public information and education cam-
11 paign, the heads of the agencies referred to in para-
12 graph (1) may coordinate with the Ad Council.

13 (8) LANGUAGE.—All information provided
14 under the public information and education cam-
15 paign—

16 (A) shall be provided in at least two lan-
17 guages, as determined by the Secretary, based
18 on the most common languages spoken in the
19 neighborhood, tribe, municipality, State, or re-
20 gion, and may be provided in additional lan-
21 guages based on the most common languages
22 spoken in the neighborhood, tribe, municipality,
23 State, or region, as determined by the Sec-
24 retary; and

1 (B) shall be provided in language that is at
2 a sixth grade reading level and is easy to under-
3 stand.

4 (9) PAMPHLET.—

5 (A) REQUIREMENT.—The Secretary of
6 Housing and Urban Development, in consulta-
7 tion with the Director of the National Institutes
8 of Health, the Administrator of the Environ-
9 mental Protection Agency, and the heads of any
10 other agencies the Secretary considers appro-
11 priate, shall develop, publish, and revise, not
12 less frequently than every 5 years, a pamphlet
13 regarding indoor residential mold hazards.

14 (B) CONTENT.—The pamphlet required
15 under this subsection shall—

16 (i) contain information regarding the
17 health risks associated with exposure to in-
18 door residential mold growth;

19 (ii) provide information on the haz-
20 ards of indoor residential mold growth in
21 federally-assisted and federally-owned
22 housing;

23 (iii) describe the risks of indoor resi-
24 dential mold exposure for persons residing
25 in a dwelling with toxigenic mold;

1 (iv) provide information on approved
2 methods for evaluating and reducing in-
3 door residential mold growth and their ef-
4 fectiveness in identifying, reducing, elimi-
5 nating, or preventing indoor residential
6 mold growth;

7 (v) provide advice on how to obtain a
8 list of persons certified to inspect or reme-
9 diate indoor residential mold growth in the
10 area in which the pamphlet is to be used;

11 (vi) include a statement that a risk
12 assessment or inspection for indoor resi-
13 dential mold growth is recommended prior
14 to the purchase, lease, or renovation of tar-
15 get housing;

16 (vii) include a statement that certain
17 State and local laws impose additional re-
18 quirements related to indoor residential
19 mold growth in housing and provide a list-
20 ing of Federal, State, and local agencies in
21 each State, including address, telephone
22 number, and electronic mail address, if
23 available, that can provide information
24 about applicable laws and available govern-

1 mental and private assistance and financ-
2 ing;

3 (viii) provide information considered
4 by the Administrator of the Environmental
5 Protection Agency to be appropriate or
6 necessary to promote awareness of the haz-
7 ards posed by indoor residential mold;

8 (ix) include information on indoor air
9 quality safety generally, including best
10 practices when cooking, taking a shower or
11 bath, and smoking cessation;

12 (x) be publicly available on the
13 websites of the Department of Housing
14 and Urban Development, the Environ-
15 mental Protection Agency, and other appli-
16 cable Federal agencies; and

17 (xi) include any other information
18 considered by the Administrator of the En-
19 vironmental Protection Agency to be ap-
20 propriate or necessary.

21 (10) AUTHORIZATION OF APPROPRIATIONS.—

22 There is authorized to be appropriated such sums as
23 may be necessary to carry out this subsection.

24 (e) GAO STUDY ON HEALTH AND SAFETY CON-

25 CERNS IN FEDERALLY-ASSISTED HOUSING.—Not later

1 than the expiration of the 3-year period beginning on the
2 date of the enactment of this Act, the Comptroller General
3 of the United States shall submit a report to the Congress
4 analyzing and assessing the communication, as applicable,
5 between public housing agencies, landlords, and tenants
6 over resolving problems with the health, safety, or other
7 issues of dwelling units that are federally subsidized and
8 inspected through subpart G of part 5 of title 24, Code
9 of Federal Regulations, landlord responsiveness regarding
10 such issues, opportunities for improvement in such com-
11 munications, and how tenants understand their rights and
12 how they are responded to when issues arise, including
13 protocols for responding to tenant complaints and tenant
14 understanding of such processes. The report shall include
15 recommendations for how to improve such communica-
16 tions and the physical quality of the housing stock for
17 which such assistance is provided.

18 **SEC. 305. IMPROVING PROTECTION FROM LEAD HAZARDS.**

19 (a) DEFINITIONS.—In this section—

20 (1) the term “covered housing” means a dwell-
21 ing unit receiving project-based rental assistance or
22 tenant-based rental assistance under section 8 of the
23 United States Housing Act of 1937 (42 U.S.C.
24 1437f); and

1 (2) the term “Department” means the Depart-
2 ment of Housing and Urban Development.

3 (b) ANNUAL RISK ASSESSMENT AND REPORT.—Not
4 later than 1 year after the date of enactment of this Act,
5 and every year thereafter, the Deputy Assistant Secretary
6 for the Office of Multifamily Housing Programs of the De-
7 partment, in collaboration with the Office of Lead Hazard
8 Control and Healthy Homes of the Department, shall—

9 (1) conduct a risk assessment of covered hous-
10 ing to identify properties with the greatest risk of
11 exposing children under the age of 6 years old to
12 lead hazards, including lead-based paint and lead
13 service lines;

14 (2) develop an action plan relating to remedi-
15 ation, control, and safeguards to address lead haz-
16 ards, including lead-based paint and lead-service
17 lines, in covered housing identified in the risk as-
18 sessment conducted under paragraph (1), with pri-
19 ority given to those properties with children under
20 the age of 6 years old; and

21 (3) submit to Congress a report on properties
22 with covered housing that have lead-based paint or
23 lead service lines, including the number of children
24 under the age of 6 years old living at these prop-
25 erties.

1 (c) UNIFORM PHYSICAL CONDITION STANDARD IN-
 2 SPECTIONS.—In conducting uniform physical condition in-
 3 spections in accordance with part 5 of title 24, Code of
 4 Federal Regulations, or any successor regulation, the Sec-
 5 retary shall include lead-based paint and lead service lines
 6 in the graded scoring as an exigent health and safety defi-
 7 ciency to ensure that—

8 (1) lead-based paint and lead service lines are
 9 tracked at each applicable property; and

10 (2) the owners of those properties are held ac-
 11 countable for remediating deficiencies.

12 **SEC. 306. IMPROVING HOUSING FOR THE ELDERLY AND**
 13 **DISABLED.**

14 The Comptroller General of the United States shall,
 15 not later than 1 year after the date of the enactment of
 16 this section, conduct a study that identifies options to re-
 17 move barriers and improve housing for persons who are
 18 elderly or disabled, including any potential impacts of pro-
 19 viding capital advances for—

20 (1) the program for supportive housing for the
 21 elderly under section 202 of the Housing Act of
 22 1959; and

23 (2) the program for supportive housing for per-
 24 sons with disabilities under section 811 of the Cran-
 25 ston-Gonzalez National Affordable Housing Act.

1 **TITLE IV—GOOD GOVERNANCE**

2 **SEC. 401. REQUIRING ANNUAL TESTIMONY AND OVER-**
3 **SIGHT FROM HOUSING REGULATORS.**

4 (a) TESTIMONY BY SECRETARY.—Section 7 of the
5 Department of Housing and Urban Development Act (42
6 U.S.C. 3535) is amended by adding at the end the fol-
7 lowing new subsection:

8 “(u) ANNUAL TESTIMONY.—The Secretary shall ap-
9 pear before the Committee on Financial Services of the
10 House of Representatives and the Committee on Banking,
11 Housing, and Urban Affairs of the Senate at an annual
12 hearing and present testimony regarding the operations
13 of the Department during the preceding year, including
14 regarding the following topics:

15 “(1) The physical condition of all public hous-
16 ing and other housing assisted by the Department.

17 “(2) The financial health of the mortgage in-
18 surance funds of the FHA.

19 “(3) Oversight by the Department of grantees
20 and sub-grantees engaging in waste, fraud, and
21 abuse.

22 “(4) Ongoing activities of the Department, as
23 appropriate.”.

24 (b) TESTIMONY BY INSPECTOR GENERAL.—Not later
25 than October 1 of each year, the Inspector General of the

1 Department of Housing and Urban Development shall ap-
2 pear before the Committee on Financial Services of the
3 House of Representatives and the Committee on Banking,
4 Housing, and Urban Affairs of the Senate and present tes-
5 timony on the Office of Inspector General's—

6 (1) efforts to detect and prevent fraud, waste,
7 and abuse;

8 (2) ability to conduct and supervise audits, in-
9 vestigations, and reviews;

10 (3) actions to identify opportunities for the pro-
11 grams of the Department of Housing and Urban
12 Development to progress and succeed; and

13 (4) ongoing activities regarding any such addi-
14 tional work, as appropriate.

15 **SEC. 402. REQUIRING ANNUAL TESTIMONY AND OVER-**
16 **SIGHT FOR GOVERNMENT GUARANTEED OR**
17 **INSURED MORTGAGE PROGRAMS.**

18 On an annual basis, the following individuals shall
19 testify before the Committee on Banking, Housing, and
20 Urban Affairs of the Senate and the Committee on Finan-
21 cial Services of the House of Representatives on mortgage
22 loans guaranteed or insured by the Federal Government:

23 (1) The President of the Government National
24 Mortgage Association.

25 (2) The Federal Housing Commissioner.

1 (3) The Administrator of the Rural Housing
2 Service.

3 **SEC. 403. TESTIMONY AND REPORT FROM UNITED STATES**
4 **INTERAGENCY COUNCIL ON HOMELESSNESS.**

5 Section 203(a) of the McKinney-Vento Homeless As-
6 sistance Act (42 U.S.C. 11313(a)) is amended—

7 (1) in paragraph (1)—

8 (A) by striking “Homeless Emergency As-
9 sistance and Rapid Transition to Housing Act
10 of 2009” and inserting “Revitalizing America’s
11 Housing Act”; and

12 (B) by striking “update such plan annu-
13 ally” and inserting the following: “submit to the
14 President and Congress a report every year
15 thereafter that includes—

16 “(A) the status of completion of the plan;

17 “(B) any modifications that were made to
18 the plan and the reasons for those modifica-
19 tions; and

20 “(C) an estimate of when homelessness will
21 be ended;”;

22 (2) by redesignating paragraphs (10) through
23 (13) as paragraphs (11) through (14), respectively;

1 (3) by redesignating the second paragraph (9)
 2 (relating to collecting and disseminating informa-
 3 tion) as paragraph (10);

4 (4) in paragraph (13), as so redesignated, by
 5 striking “and” at the end;

6 (5) in paragraph (14), as so redesignated, by
 7 striking the period at the end and inserting “; and”;
 8 and

9 (6) by adding at the end the following:

10 “(15) testify annually before Congress.”.

11 **SEC. 404. REPORT DETAILING NYCHA COMPLIANCE WITH**
 12 **AND HUD OVERSIGHT OF 2019 AGREEMENT.**

13 (a) CONGRESSIONAL FINDINGS.—The Congress finds
 14 that—

15 (1) the New York City Housing Authority (in
 16 this section referred to as the “Authority”) is the
 17 largest housing authority in the United States, pro-
 18 viding housing for over 520,000 residents in over
 19 177,000 apartments in the City of New York (in
 20 this section referred to as the “City”);

21 (2) the Authority is a public housing agency
 22 that receives Federal financial assistance from the
 23 Department of Housing and Urban Development (in
 24 this section referred to as the “Department”) to ad-
 25 minister its public housing program;

1 (3) the Authority is required to, among other
2 things, provide decent, safe, and sanitary housing
3 for the public housing residents of the City and com-
4 ply with Federal law protecting children from the
5 hazards of lead poisoning;

6 (4) on June 11, 2018, the United States filed
7 a complaint in the United States District Court for
8 the Southern District of New York (in this section
9 referred to as the “Complaint”); which set forth the
10 findings of the United States investigation, alleging,
11 among other things, that the Authority had—

12 (A) routinely failed to comply with lead-
13 based paint safety regulations;

14 (B) failed to provide decent, safe, and san-
15 itary housing, including with respect to the pro-
16 vision of heat and elevators and the control and
17 treatment of mold and pests; and

18 (C) repeatedly misled the Department
19 through false statements and deceptive prac-
20 tices;

21 (5) in a Consent Decree executed June 11,
22 2018, the Authority made admissions regarding,
23 among other things, deficiencies in physical condi-
24 tions with respect to lead, mold, heating, elevators
25 and pests and made untrue statements to the De-

1 partment regarding the conditions of the Authority’s
2 properties and practices with regard to Public Hous-
3 ing Assessment System inspections;

4 (6) based on the Authority’s misconduct as de-
5 tailed in the Complaint, on January 31, 2019, the
6 Secretary of Housing and Urban Development (in
7 this section referred to as the “Secretary”) declared
8 that the Authority is in substantial default within
9 the meaning of section 6(j)(3)(A) of the United
10 States Housing Act of 1937 (42 U.S.C.
11 1437d(j)(3)(A));

12 (7) the Department did not take possession of
13 the Authority or appoint a receiver, but instead en-
14 tered into a voluntary agreement between the Au-
15 thority, the Department, and the City on January
16 31, 2019, under which the Authority agreed to rem-
17 edy noted deficiencies subject to the oversight of a
18 Monitor appointed by the City;

19 (8) as of the date of the enactment of this Act,
20 the Authority has still fully not complied with the
21 agreement, including the remedying of deficiencies
22 or compliance with its obligations under Federal law;

23 (9) the Department and the United States At-
24 torney’s Office for the Southern District of New
25 York have sought to extend the term of a Monitor

1 over the Authority for an additional five years begin-
2 ning in 2024;

3 (10) the residents of housing provided by the
4 Authority should not be required to wait five addi-
5 tional years for the Authority to provide decent,
6 safe, and sanitary housing conditions, as is the
7 Authority's most basic and necessary function under
8 the law; and

9 (11) the Congress believes that it must provide
10 additional oversight over the Authority, the Depart-
11 ment, the City, and the Monitor in order to compel
12 the Authority to fix the appalling conditions and
13 other issues that lead to a declaration of substantial
14 default under section 6(j)(3)(A) of the United States
15 Housing Act of 1937.

16 (b) INVESTIGATION AND REPORT TO CONGRESS.—

17 (1) INVESTIGATION.—The Inspector General of
18 the Department of Housing and Urban Development
19 shall conduct an investigation of the Authority,
20 which shall include at a minimum—

21 (A) determining the status of the New
22 York City Housing Authority's compliance with
23 the agreement entered into between the Author-
24 ity, the Department, and the City on January

1 31, 2019, including specific areas of deficiency
2 and progress towards compliance;

3 (B) conducting a review of actions taken
4 by the Monitor over the Authority pursuant to
5 such Agreement, including any gaps in over-
6 sight by the Monitor;

7 (C) conducting a survey of the physical
8 conditions of housing provided by the Authority
9 for the City's residents;

10 (D) conducting an examination of any
11 waste, fraud, abuse and violations of Federal
12 law committed by employees or contractors of
13 the Authority; and

14 (E) identifying other priority issues and
15 areas, as deemed necessary and appropriate by
16 the Inspector General.

17 (2) REPORT.—Not later than the expiration of
18 the 180-day period beginning on the date of the en-
19 actment of this Act, the Inspector General shall pro-
20 vide to the Committee on Financial Services of the
21 House of Representatives and the Committee on
22 Banking, Housing, and Urban Affairs of the Senate
23 a report setting forth the findings of its investiga-
24 tion, a summary of actions the Department may
25 take to compel the Authority to remedy deficiencies,

1 and any other recommendations of the Inspector
2 General.

3 **SEC. 405. FHA REPORTING REQUIREMENTS ON SAFETY**
4 **AND SOUNDNESS.**

5 (a) MONTHLY REPORTING ON MUTUAL MORTGAGE
6 INSURANCE FUND CAPITAL RATIO.—Section 202(a) of
7 the National Housing Act (12 U.S.C. 1708(a)) is amended
8 by adding at the end the following:

9 “(8) OTHER REQUIRED REPORTING.—The Sec-
10 retary shall—

11 “(A) submit to Congress monthly reports
12 on the capital ratio required under section
13 205(f)(2); and

14 “(B) notify Congress as soon as prac-
15 ticable after the Fund falls below the capital
16 ratio required under section 205(f)(2).”.

17 (b) FIRST-TIME HOMEBUYERS.—

18 (1) DEFINITIONS.—In this section—

19 (A) the terms “consumer report” has the
20 meaning given the term in section 603 of the
21 Fair Credit Reporting Act (15 U.S.C. 1681a);
22 and

23 (B) the term “Federally backed mortgage
24 loan” has the meaning given the term in section
25 4022 of the CARES Act (15 U.S.C. 9056).

1 (2) DEFINITION OF FIRST-TIME HOMEBUYER.—

2 For purposes of qualifying for a Federally backed
3 mortgage loan for which a consumer report is fur-
4 nished to a creditor by a consumer reporting agency
5 described in section 603(p) of the Fair Credit Re-
6 porting Act (15 U.S.C. 1681a(p)), a first-time
7 homebuyer shall be defined as a borrower whose con-
8 sumer report does not indicate that the borrower has
9 or had a loan with a consumer purpose that is se-
10 cured by a 1- to 4-unit residential real property.

11 (c) GAO STUDY ON SUSTAINABLE HOMEOWNER-
12 SHIP.—Not later than 180 days after the date of enact-
13 ment of this Act, the Comptroller General of the United
14 States shall conduct a study and submit to Congress a
15 report on—

16 (1) the value for the Federal Housing Adminis-
17 tration of defining what is sustainable homeowner-
18 ship in way that considers borrower default, refi-
19 nancing to a non-insured mortgage product, paying
20 off a mortgage loan and transitioning back to rent-
21 ing, and other factors that demonstrate whether in-
22 surance provided under title II of the National
23 Housing Act (12 U.S.C. 1707 et seq.) has success-
24 fully served a borrower, including for first-time
25 homebuyers as defined in subsection (b)(2); and

1 (2) the feasibility of the Federal Housing Ad-
2 ministration developing a scorecard using the
3 metrics described in paragraph (1) to measure bor-
4 rower performance and reporting the scorecard data
5 to Congress.

6 **SEC. 406. COMBATTING SQUATTING.**

7 (a) CONGRESSIONAL FINDINGS.—The Congress finds
8 that—

9 (1) unlawfully entering a property without the
10 permission of the property owner and residing in
11 that property for consecutive days without the per-
12 mission of the property owner and without the pay-
13 ment of rent or a rental contract agreed to by the
14 property owner can be defined as “squatting” and
15 should not confer any special status as a tenant or
16 lawful occupant of the property;

17 (2) local law enforcement should take actions to
18 expeditiously remove from a property any persons or
19 persons engaging in squatting and should prosecute
20 such actions as prescribed by local law;

21 (3) Federal Government benefits, including
22 loans, loan guarantees, subsidies, and tax credits,
23 should not be used to reinforce, condone, or other-
24 wise incentivize squatting; and

1 (4) real estate collateral securing a government
2 or government-sponsored enterprise loan, or subject
3 to a loan guarantee, mortgage insurance or other
4 Federal mortgage support program must be pro-
5 tected from persons engaging in squatting as it cre-
6 ates undue risks for the value of such property.

7 (b) PROHIBITION ON CDBG FUNDING.—Section 104
8 of the Housing and Community Development Act of 1974
9 (42 U.S.C. 5304) is amended by adding at the end the
10 following:

11 “(n) WITHHOLDING OF FUNDS FOR JURISDICTIONS
12 THAT PERMIT SQUATTING.—

13 “(1) PROHIBITION.—The Secretary shall, by
14 regulation—

15 “(A) prohibit the allocation and provision
16 of funds under this title for any unit of general
17 local government that permits squatting or con-
18 fers special status for rights of tenancy for a
19 person or persons engaging in the practice of
20 squatting; and

21 “(B) provide for—

22 “(i) units of general local government
23 to take corrective actions to remedy the
24 applicability of the prohibition under sub-

1 paragraph (A) to such unit of general local
2 government; and

3 “(ii) certification by the Secretary
4 upon a determination that such actions
5 taken by a unit of general local govern-
6 ment are sufficient for the unit of general
7 local government to receive funds under
8 this title.

9 “(2) PUBLIC NOTICE.—The Secretary shall
10 make publicly available for each fiscal year a list of
11 all units of general local government that are prohib-
12 ited by paragraph (1) from receiving funds under
13 this title and the justification for inclusion in the list
14 of each such unit of general local government.

15 “(3) SQUATTING.—For purposes of this sub-
16 section, the term ‘squatting’ means the practice of
17 entering a property without the permission of the
18 property owner and residing in that property for 14
19 or more consecutive days without the permission of
20 the property owner and without the payment of rent
21 or a rental contract agreed to by the property
22 owner.”.

23 (c) PROHIBITION ON FEDERAL MORTGAGE SUP-
24 PORT.—

1 (1) PROHIBITION.—No Federal support may be
2 provided for any loan that is secured by a first or
3 subordinate lien on residential real property (includ-
4 ing individual units of condominiums and coopera-
5 tives) and designed principally for the occupancy of
6 from 1- to 4-families if the property securing such
7 loan is located in a unit of general local government
8 that is, at such time, prohibited from receiving funds
9 under title I of the Housing and Community Devel-
10 opment Act of 1974 by section 104(n)(1)(A) of such
11 Act.

12 (2) REGULATIONS.—The heads of the covered
13 agencies shall jointly develop, by regulations issued
14 not later than 90 days after the date of the enact-
15 ment of this Act, guidelines for such covered agen-
16 cies to carry out this subsection.

17 (3) DEFINITIONS.—For purposes of this sub-
18 section, the following definitions shall apply:

19 (A) COVERED AGENCY.—The term “cov-
20 ered agency” means—

21 (i) the Department of Housing and
22 Urban Development;

23 (ii) the Federal Housing Finance
24 Agency;

1 (iii) the Department of Veterans Af-
2 fairs; and

3 (iv) the Department of Agriculture.

4 (B) FEDERAL SUPPORT.—The term “Fed-
5 eral support” means, with respect to a loan—

6 (i) insurance of the loan by the Fed-
7 eral Housing Administration under title II
8 of the National Housing Act (12 U.S.C.
9 1707 et seq.);

10 (ii) insurance of the loan under sec-
11 tion 255 of the National Housing Act (12
12 U.S.C. 1715z–20);

13 (iii) guarantee of the loan under sec-
14 tion 184 or 184A of the Housing and
15 Community Development Act of 1992 (12
16 U.S.C. 1715z–13a, 1715z–13b);

17 (iv) guarantee or insurance of the
18 loan by the Department of Veterans Af-
19 fairs;

20 (v) guarantee or insurance of the loan
21 by the Department of Agriculture;

22 (vi) making of the loan by the Depart-
23 ment of Agriculture; or

24 (vii) purchase or securitization of the
25 loan by the Federal Home Loan Mortgage

1 Corporation or the Federal National Mort-
2 gage Association.

3 (C) SQUATTING.—The term “squatting”
4 means the practice of entering a property with-
5 out the permission of the property owner and
6 residing in that property for 14 or more con-
7 secutive days without the permission of the
8 property owner and without the payment of
9 rent or a rental contract agreed to by the prop-
10 erty owner.

11 **SEC. 407. REALLOCATION OF VOUCHER FUNDING.**

12 Section 8(o) of the United States Housing Act of
13 1937 is amended by adding at the end the following:

14 “(24) REALLOCATION OF AMOUNTS.—The Sec-
15 retary shall, at the end of each fiscal year—

16 “(A) recapture from each public housing
17 agency any amounts provided to such public
18 housing agency for tenant-based assistance
19 under paragraph (1)(A) that such public hous-
20 ing agency did not obligate during such fiscal
21 year; and

22 “(B) provide amounts recaptured under
23 subparagraph (A) to public housing agencies that
24 used all of the amounts provided to them for

1 tenant-based assistance under paragraph
2 (1)(A).”.

3 **TITLE V—REGULATORY**
4 **FLEXIBILITY**

5 **SEC. 501. AUTHORIZATION OF MOVING TO WORK PRO-**
6 **GRAM.**

7 (a) PROGRAM REFORMS.—Section 204 of the Depart-
8 ments of Veterans Affairs and Housing and Urban Devel-
9 opment, and Independent Agencies Appropriations Act,
10 1996 (42 U.S.C. 1437f note) is amended—

11 (1) in the section heading, by striking “DEM-
12 ONSTRATION” and inserting “PROGRAM”;

13 (2) by striking subsection (a) and inserting the
14 following:

15 “(a) PURPOSES.—The purposes of the program
16 under this section are as follows:

17 “(1) ECONOMIC INDEPENDENCE.—To develop
18 measures to promote economic independence for
19 families with children whose head of household is
20 working, seeking work, or preparing for work, for
21 able-bodied individuals, and for persons with disabili-
22 ties who are able to work on a limited basis, to ob-
23 tain employment and become economically inde-
24 pendent, by participating in job training, educational

1 programs, or other supportive services and programs
2 that assist in meeting such goal.

3 “(2) FLEXIBILITY AND COST-EFFECTIVE-
4 NESS.—To give public housing agencies and the Sec-
5 retary of Housing and Urban Development the flexi-
6 bility to design and implement various approaches
7 for providing and administering housing assistance
8 that reduce cost and achieve greater cost effective-
9 ness in Federal expenditures.

10 “(3) HOUSING CHOICE.—To increase housing
11 choices for low-income families.”;

12 (3) in subsection (b)—

13 (A) by striking “(b) PROGRAM AUTHOR-
14 ITY.—The Secretary” and inserting the fol-
15 lowing:

16 “(b) PROGRAM AUTHORITY.—

17 “(1) IN GENERAL.—The Secretary”;

18 (B) in the first sentence, by striking “con-
19 duct a demonstration program” and all that fol-
20 lows through “Indian housing program and”
21 and inserting “carry out a program under this
22 section under which public housing agencies ad-
23 ministering the public housing program or”;

24 (C) by inserting after the first sentence the
25 following: “There shall be no limitation on the

1 number of public housing agencies that may
2 participate in the program under this section.”;

3 (D) by striking “The Secretary shall” and
4 all that follows through “demonstration.” and
5 inserting the following:

6 “(2) IDENTIFICATION OF REPLICABLE MOD-
7 ELS.—The Secretary shall provide training and tech-
8 nical assistance under the program and conduct de-
9 tailed evaluations of various agencies to identify
10 replicable program models promoting the purposes
11 of the program.”;

12 (E) by striking “Under the demonstration”
13 and inserting the following:

14 “(3) COMBINATION OF ASSISTANCE.—Under
15 the program under this section”; and

16 (F) by striking “operating assistance pro-
17 vided under section 9 of the United States
18 Housing Act of 1937, modernization assistance
19 provided under section 14” and inserting
20 “amounts provided to the agency from the Op-
21 erating Fund under section 9(e) of the United
22 States Housing Act of 1937, amounts provided
23 to the agency from the Capital Fund under sec-
24 tion 9(d)”;

25 (4) in subsection (c)—

1 (A) in the matter preceding paragraph (1),
2 by striking “demonstration” and inserting “pro-
3 gram under this section”;

4 (B) in paragraph (1), by striking “9, and
5 14” and inserting “9(d), and 9(e)”;

6 (C) in paragraph (3)—

7 (i) in subparagraph (A), by striking
8 “demonstration”;

9 (ii) in subparagraph (B)—

10 (I) by striking “self-sufficiency”
11 and inserting “economic independ-
12 ence”; and

13 (II) by striking “purpose of this
14 demonstration” and inserting “pur-
15 pose of the program under subsection
16 (a)(1)”;

17 (iii) in subparagraph (D), by striking
18 “demonstration” and inserting “program
19 under this section;”;

20 (iv) in subparagraph (E), by striking
21 “demonstration program” and inserting
22 “program under this section”;

23 (v) by redesignating subparagraphs
24 (A), (B), (C), (D), and (E) as subpara-

1 graphs (B), (C), (D), (G), and (H), respec-
2 tively;

3 (vi) by inserting before subparagraph
4 (B), as so redesignated, the following:

5 “(A) actions to be taken under the pro-
6 posed program to achieve the purposes of the
7 program under paragraphs (1), (2), and (3) of
8 subsection (a);”;

9 (vii) by inserting after subparagraph
10 (D), as so redesignated, the following:

11 “(E) hardship exceptions consistent with
12 the purposes under subsection (a) under which
13 tenants may be temporarily exempted from
14 compliance with the program operated by the
15 agency in the event of extenuating cir-
16 cumstances preventing such compliance and a
17 process that provides tenants with recourse to
18 a speedy determination regarding such an ex-
19 ception and makes available the contents and
20 results of such a determination available to the
21 public and the board of directors or other gov-
22 erning body on request of the tenant concerned
23 or the director or other head official of the
24 agency;

1 “(F) providing assisted families and par-
 2 ticipants in the program operated by the agency
 3 with an informal administrative hearing or
 4 grievance process, prior to any eviction or ter-
 5 mination of assistance, which process shall
 6 make the content and determination of the
 7 hearing available to the public and the board of
 8 directors or other governing body on request of
 9 the tenant concerned or the director or other
 10 head official of the agency;” and

11 (D) in paragraph (4), by striking “dem-
 12 onstration” and inserting “proposed program”;
 13 (5) in subsection (d)—

14 (A) by striking “(d) SELECTION.—In se-
 15 lecting among applications, the Secretary shall
 16 take into account the” and inserting the fol-
 17 lowing:

18 “(d) APPLICATIONS FOR PARTICIPATION.—

19 “(1) SUBMISSION; STANDARDS FOR PARTICIPA-
 20 TION.—The Secretary shall provide for public hous-
 21 ing agencies to submit applications for participation
 22 in the program under this section and shall estab-
 23 lish, and make public, standards and requirements
 24 for participation that further the purposes of this
 25 program set forth in subsection (a), which shall—

1 “(A) provide that all public housing agen-
2 cies not designated as troubled pursuant to part
3 902 or subpart B of part 985, Code of Federal
4 Regulations, at any time during the most recent
5 2 fiscal years are invited to submit applications
6 for consideration;

7 “(B) provide that participation of a public
8 housing agency, upon approval, shall be for a
9 period not shorter than 10 years;

10 “(C) include a common set of budget
11 metrics for use under the program that allow
12 for comparison of the performance of different
13 public housing agencies under the program;

14 “(D) require that each public housing
15 agency include in its application—

16 “(i) a list of innovative proposals to
17 be carried out under the program that are
18 designed to reduce the cost of, and in-
19 crease the cost-efficiency of, housing pro-
20 vided in connection with the program and
21 metrics to assess the progress of the agen-
22 cy toward such goals; and

23 “(ii) a list of innovative manners in
24 which the public housing agency will use
25 the authorities under the program to assist

1 families, goals regarding such activities to
2 accomplish on an annual basis, and metrics
3 to assess the progress of the agency toward
4 such goals; and

5 “(E) include a plan for using, to the great-
6 est extent feasible, electronic data-matching for
7 income verification services.

8 “(2) DETERMINATION AND NOTIFICATION.—

9 “(A) REVIEW AND DETERMINATION.—

10 Upon receipt of an application for participation
11 in the program under this section, the Secretary
12 shall provide for review such application by a
13 selection panel comprised of Federal officials
14 and employees and established by the Secretary
15 for such purpose. Based on such review, such
16 selection panel shall make a determination of
17 whether to approve such agency for participa-
18 tion in the program under this section, based
19 on the criteria under paragraph (4).

20 “(B) NOTIFICATION.—Upon making a de-
21 termination pursuant to subparagraph (A), the
22 selection panel shall notify the public housing
23 agency, the Secretary, and the governments for
24 any counties and municipalities in which the ju-
25 risdiction of the public housing agency is lo-

1 cated of such determination. In the case of dis-
2 approval of an application, such notice shall in-
3 clude a statement specifying the reasons for
4 such disapproval.

5 “(3) TRANSITION.—

6 “(A) NUMERICAL LIMITATION.—

7 “(i) IN GENERAL.—The Secretary
8 shall review and process such applications
9 as to enable the transition of not less than
10 25 public housing agencies per year to the
11 program under this section (subject to ap-
12 provable applications), until such time as
13 there are not 25 public housing agencies
14 whose applications merit approval.

15 “(ii) RESERVED SPOTS FOR SMALL
16 AND RURAL PHAS.—Of the applications of
17 public housing agencies approved in each
18 year pursuant to clause (i), not less than
19 10 shall be applications of public housing
20 agencies that administer, in the aggregate,
21 fewer than 6,000 vouchers for rental as-
22 sistance under section 8 of the United
23 States Housing Act of 1937 (42 U.S.C.
24 1437f) and public housing dwelling units,
25 except that if for any year the Secretary

1 receives fewer than 10 applications by pub-
2 lic housing agencies described in this
3 clause that merit approval, the require-
4 ment under this clause shall apply for such
5 year only to the extent of the number of
6 such approvable applications received.

7 “(iii) TREATMENT OF NEW MTW
8 AGENCIES.—Any agency that is newly
9 transitioned under this subparagraph to
10 participation in the program as in effect
11 pursuant to the amendments made by this
12 Act shall count toward fulfillment of the
13 numerical limitation in clause (i), notwith-
14 standing the authority under section 239
15 of the Transportation, Housing and Urban
16 Development, and Related Agencies Appro-
17 priations Act, 2016 (division L of Public
18 Law 114–113) or any other provision of
19 law other than this section authorizing
20 participation of new agencies.

21 “(B) CONTRACT REVISIONS.—The Sec-
22 retary shall, from time to time and in consulta-
23 tion with public housing agencies, amend con-
24 tracts for participation by agencies in the pro-
25 gram under this section as may be necessary,

1 based on experiences of agencies that have par-
2 ticipated in the program, to correct mistakes
3 and better achieve the goals of this program set
4 forth in subsection (a).

5 “(C) RENEWAL OF CERTIFICATION.—

6 “(i) IN GENERAL.—The Secretary
7 shall provide that upon expiration of a con-
8 tract for participation by a public housing
9 agency in the program under this section,
10 to continue participating in the program
11 the agency shall be required to recertify
12 with the Secretary for such renewed par-
13 ticipation. The standards and requirements
14 applicable to applications for initial partici-
15 pation in the program shall also apply to
16 applications for renewed participation in
17 the program.

18 “(ii) TREATMENT OF NUMERICAL LIM-
19 ITATION.—An agency approved for contin-
20 ued participation in the program pursuant
21 to recertification under this subparagraph
22 shall not count toward fulfillment of the
23 numerical limitation in subparagraph
24 (A)(i).

1 “(4) CRITERIA.—The Secretary shall establish
2 criteria for approval of applications of public housing
3 agencies for participation in the program under this
4 section, which shall provide for approval of applica-
5 tions that are reasonably designed to carry out the
6 purposes of the program under subsection (a). Such
7 criteria shall take into consideration the capacity
8 and”;

9 (B) by striking “each” and inserting
10 “the”;

11 (C) by striking “a program under the dem-
12 onstration” and inserting “the proposed pro-
13 gram in the application”; and

14 (D) by striking “an agency” and inserting
15 “the agency”;

16 (6) in subsection (e)—

17 (A) in paragraph (1), by striking “this
18 demonstration” and inserting “the program
19 under this section”; and

20 (B) in paragraph (2), by striking “dem-
21 onstration” and inserting “program under this
22 section”;

23 (7) in subsection (f), by striking “section 9, or
24 pursuant to section 14 by a public housing agency
25 participating in the demonstration under this part”

1 and inserting “of the United States Housing Act of
2 1937, or provided from the Operating Fund under
3 section 9(e) or from the Capital Fund under section
4 9(d) of such Act, by a public housing agency partici-
5 pating in the program under this section”;

6 (8) in subsection (g)—

7 (A) in paragraph (1), by inserting “, in-
8 cluding performance in achieving each of the
9 purposes of the program specified in subsection
10 (a)”;

11 (B) in paragraph (2)—

12 (i) in the first sentence—

13 (I) by inserting “, and including
14 such content, as shall be” before
15 “specified by the Secretary”; and

16 (II) by inserting “, but not less
17 often than annually” before the period
18 at the end; and

19 (ii) by striking subparagraph (C) and
20 inserting the following:

21 “(C) describe and analyze the effects of
22 the program of the agency and the assisted ac-
23 tivities under such program in addressing and
24 achieving the objectives of the program under
25 this section and each of the purposes specified

1 in subsection (a), including the effects of the
2 program on—

3 “(i) the number of new families the
4 agency has been able to assist from the
5 waiting lists for housing assistance that is
6 administered by the agency, including
7 vouchers for rental assistance under sec-
8 tion 8(o) of the United States Housing Act
9 of 1937 (42 U.S.C. 1437f(o)) and dwelling
10 units in public housing and in housing as-
11 sisted with project-based section 8 assist-
12 ance, as a result of the flexibility of funds
13 and achievement of economic independ-
14 ence;

15 “(ii) the cost and annual change, per
16 family participating in the program, of
17 providing housing assistance referred to in
18 clause (i) that is administered by the agen-
19 cy;

20 “(iii) any cost savings and additional
21 housing resulting from the program;

22 “(iv) the household incomes, and
23 changes in such incomes, of members of
24 families participating in the program who

1 are not exempt from work requirements;
2 and

3 “(v) such other factors as the Sec-
4 retary considers appropriate.”;

5 (C) by redesignating paragraphs (3) and
6 (4) as paragraphs (5) and (6); and

7 (D) by inserting after paragraph (2) the
8 following new paragraphs:

9 “(3) ANNUAL BUDGET PLAN.—

10 “(A) REQUIREMENT.—Each agency shall
11 submit annually to the Secretary, together with
12 the report under paragraph (2), a budget plan
13 for the program of the agency for the upcoming
14 year and shall make such budget plan publicly
15 available.

16 “(B) FORM AND METRICS.—Each annual
17 budget plan shall be set forth in a standard
18 form, prescribed by the Secretary and shall uti-
19 lize a common budget metric that allows for
20 comparison of the budget plans of all public
21 housing agencies participating in the program.

22 “(C) CONTENT.—Each annual budget plan
23 shall include such content as the Secretary shall
24 specify, which shall include—

1 “(i) a description and explanation of
2 all new rules and policy changes adopted
3 by the agency in accordance with this sec-
4 tion and the program under this section
5 and, with respect to such new rules and
6 policy changes—

7 “(I) a description of the effect
8 such rules and changes will have on
9 the operation of the agency as com-
10 pared to the preceding year and as
11 compared to the operations of the
12 agency other than under the program
13 under this section;

14 “(II) a description of the extent
15 to which such rules and changes
16 helped to achieve the annual goals
17 identified in the public housing agen-
18 cy’s application pursuant to sub-
19 section (d)(1)(E) and, in the case of
20 any such goals not achieved, a de-
21 scription of the extent to which such
22 goals were not achieved and the rea-
23 sons for such failure; and

24 “(III) whether the adoption of
25 such new rules and policy changes re-

1 quired an adjustment in the annual
2 goals identified in the public housing
3 agency’s application pursuant to sub-
4 section (d)(1);

5 “(ii) a plan for all capital assets and
6 anticipated construction and rehabilitation
7 activities of the public housing agency in
8 the upcoming year and a description of
9 whether and how such activities are au-
10 thorized and assisted under the program
11 under this section; and

12 “(iii) assurances satisfactory to the
13 Secretary that such plan will conform with
14 all applicable provisions of the Civil Rights
15 Act of 1964 (42 U.S.C. 2000d et seq.), the
16 Fair Housing Act (42 U.S.C. 3601 et
17 seq.), the Rehabilitation Act of 1973 (29
18 U.S.C. 701 et seq.), and the Americans
19 with Disabilities Act of 1990 (42 U.S.C.
20 12101 et seq.).

21 “(4) PUBLIC AND RESIDENT PARTICIPATION.—

22 “(A) NOTIFICATION OF RESIDENTS.—Each
23 public housing agency shall annually hold a
24 meeting to notify all assisted families partici-
25 pating in the program of the public housing

1 agency of the contents of the report under
2 paragraph (2) for such year and budget plan
3 under paragraph (3) for such year and impacts
4 on such assisted families. Any public housing
5 agency that assists, in the aggregate, more than
6 50,000 families or assists families in multiple
7 counties shall hold as many meetings as nec-
8 essary to provide each assisted family a good-
9 faith opportunity to attend such a meeting.

10 “(B) PUBLIC COMMENT.—Each annual re-
11 port under paragraph (2) and annual plan
12 under paragraph (3) shall—

13 “(i) be made available for inspection
14 and public comment 30 days before the
15 meeting required by subparagraph (A) re-
16 garding such plan or report; and

17 “(ii) be approved in a public meeting
18 of the board of directors or other gov-
19 erning body of the public housing agency
20 before submission to the Secretary.

21 “(C) PUBLIC AVAILABILITY.—Each annual
22 report under paragraph (2) and annual plan
23 under paragraph (3) shall, upon submission to
24 the Secretary, be made publicly available and

1 shall include all comments provided pursuant to
2 subparagraph (B).”;

3 (9) in subsection (h)—

4 (A) in paragraph (1), by striking “dem-
5 onstration” and inserting “program under this
6 section”; and

7 (B) by striking paragraph (2) and insert-
8 ing the following:

9 “(2) REVIEW.—The Secretary shall annually
10 review the activities of each public housing agency
11 participating in the program under this section and,
12 based on such review and the information submitted
13 by the agency pursuant to subsection (g), deter-
14 mine—

15 “(A) the impact and effectiveness of the
16 public housing agency’s program and activities
17 in achieving each of the purposes of the pro-
18 gram specified in subsection (a), including an
19 assessment of such impact and effectiveness
20 using the common set of budget metrics estab-
21 lished pursuant to subsection (d)(1)(D);

22 “(B) the progress of the public housing
23 agency toward meeting the goals identified in
24 the public housing agency’s application pursu-
25 ant to subsection (d)(1)(E), using the metrics

1 identified in the public housing agency's appli-
2 cation pursuant to such subsection; and

3 “(C) the extent of compliance by the public
4 housing agency with the requirements of the
5 program under this section and, in determining
6 such extent of compliance, shall take into con-
7 sideration the unique characteristics of the pub-
8 lic housing agency.

9 “(3) VERIFICATION OF ACCURACY.—In assess-
10 ing information submitted by public housing agen-
11 cies pursuant to subsection (g) and in reviewing
12 such information and making determinations pursu-
13 ant to paragraph (2) of this subsection, the Sec-
14 retary shall carry out control activities and proce-
15 dures designed to verify the accuracy of such infor-
16 mation, which shall include auditing a representative
17 sample of such information using standard statis-
18 tical methods.

19 “(4) CONTINUED PARTICIPATION.—The Sec-
20 retary shall not terminate the participation of any
21 public housing agency in the program under this
22 section unless the Secretary finds that the agency—

23 “(A) is in material default of the condi-
24 tions and obligations under the agreement en-

1 tered into between the agency and the Secretary
2 providing for such participation;

3 “(B) as demonstrated in its reports under
4 subsection (g)(2) and its annual budget plans
5 under subsection (g)(3), has persistently failed
6 to meet the goals identified in its application,
7 and the reasons or circumstances specified in
8 the public housing agency’s reports and plans
9 for such failure are not sufficient to justify the
10 continued failure;

11 “(C) has misused or misappropriated
12 funds;

13 “(D) has failed to make a good faith effort
14 to carry out the purposes of the program speci-
15 fied in subsection (a); or

16 “(E) has failed to cure a material defi-
17 ciency in performance after notice and an op-
18 portunity to correct the deficiency.

19 “(5) CORRECTIVE ACTION PROGRAM.—The Sec-
20 retary shall carry out a program—

21 “(A) to identify public housing agencies
22 participating in the program under this section
23 that are at risk of termination of such partici-
24 pation pursuant to paragraph (6);

1 “(B) to consult with such public housing
2 agencies regarding actions that may be taken to
3 avoid such termination;

4 “(C) to establish goals and timelines for
5 such corrective actions; and

6 “(D) to provide appropriate technical as-
7 sistance designed to facilitate such actions and
8 avoid such termination.

9 “(6) TERMINATION OF PARTICIPATION.—Any
10 public housing agency whose participation in the
11 program under this section is terminated shall be
12 subject to the provisions of the United States Hous-
13 ing Act of 1937 (42 U.S.C. 1437 et seq.) and all
14 other provisions of law applicable to public housing
15 agencies not participating in the program, except
16 that the Secretary shall provide a transition period,
17 that begins upon such termination and is not shorter
18 than 18 months, for such public housing agencies to
19 come into compliance with such laws.

20 “(7) REPORTS TO CONGRESS.—Not later than
21 the expiration of the 5-year period beginning on the
22 date of the enactment of this Act, and not later than
23 the expiration of each successive 5-year period there-
24 after, the Secretary shall submit a report to the
25 Congress regarding the program under this section

1 and the results of the reviews conducted under para-
2 graph (2), which shall—

3 “(A) evaluate the programs carried out by
4 public housing agencies participating in the pro-
5 gram, including with respect to each of the pur-
6 poses specified in subsection (a); and

7 “(B) include findings and recommenda-
8 tions for appropriate legislative changes to the
9 program.

10 “(8) GAO REVIEWS AND REPORTS.—Not later
11 than 180 days after the date of enactment of this
12 Act, and not less frequently than every 8 years
13 thereafter, the Comptroller General of the United
14 States shall—

15 “(A) conduct and complete a review of the
16 program under this section, which shall include
17 examination and analysis of the implementation
18 of the program and identification of any short-
19 comings and any means for improving the pro-
20 gram; and

21 “(B) submit to the Congress a report re-
22 garding the review, which shall set forth a de-
23 tailed description of such implementation, any
24 shortcomings of the program identified, and
25 recommendations for improving the program.”;

1 (10) in subsection (i)—

2 (A) in the matter preceding paragraph (1),
3 by striking “section 14 of the United States
4 Housing Act of 1937 for fiscal years 1996,
5 1997, and 1998” and inserting “the Capital
6 Fund under section 9(d) of the United States
7 Housing Act of 1937 in each fiscal year”; and

8 (B) in paragraph (1)(B), by striking “up
9 to 10”; and

10 (11) by striking subsection (j).

11 (b) TREATMENT OF PARTICIPATING AGENCIES.—

12 (1) CONTINUATION OF PARTICIPATION.—This
13 section and the amendments made by this section
14 shall not affect the status of any public housing
15 agency that, as of the date of the enactment of this
16 Act, is participating in the Moving to Work Program
17 under section 204 of the Departments of Veterans
18 Affairs and Housing and Urban Development, and
19 Independent Agencies Appropriations Act, 1996 (42
20 U.S.C. 1437f note), as such a participating agency.

21 (2) ELECTION.—Any public housing agency re-
22 ferred to in paragraph (1) may elect—

23 (A) to continue participation in the Pro-
24 gram under section 204 of the Departments of
25 Veterans Affairs and Housing and Urban De-

1 velopment, and Independent Agencies Appro-
2 priations Act, 1996 (42 U.S.C. 1437f note)
3 under the terms of the agreement entered into
4 between the agency and the Secretary providing
5 for such participation until the date of the expi-
6 ration of such agreement; or

7 (B) at any time before date of the expira-
8 tion of such agreement, to transition to partici-
9 pation under the program under such section
10 204, as amended by this Act.

11 (3) CONVERSION TO REFORMED PROGRAM.—

12 (A) IN GENERAL.—Except as provided in
13 subparagraph (B) of this paragraph, any public
14 housing agency that elects pursuant to para-
15 graph (2)(A) of this subsection to continue par-
16 ticipation in the Program under section 204 of
17 the Departments of Veterans Affairs and Hous-
18 ing and Urban Development, and Independent
19 Agencies Appropriations Act, 1996 (42 U.S.C.
20 1437f note) shall, upon the expiration of the
21 agreement referred to in such paragraph, be
22 considered to have been approved for participa-
23 tion in the Program under such section 204, as
24 amended by this Act, and the Secretary of
25 Housing and Urban Development shall provide

1 for the transition of the agency to participation
2 under the Program under such section as so
3 amended.

4 (B) INAPPLICABILITY.—Subparagraph (A)
5 shall not apply to any public housing agency
6 that is determined by the Secretary to be in
7 material default, upon the expiration of the
8 agreement referred to in paragraph (2)(A), of
9 the conditions and obligations under such
10 agreement.

11 (4) INAPPLICABILITY OF NUMERICAL LIMITA-
12 TION.—Any public housing agency transitioned pur-
13 suant to paragraph (2)(B) or (3)(A) of this sub-
14 section to participation under the program under
15 section 204 of the Departments of Veterans Affairs
16 and Housing and Urban Development, and Inde-
17 pendent Agencies Appropriations Act, 1996 (42
18 U.S.C. 1437f note), as amended by this section,
19 shall not count toward fulfillment of the numerical
20 limitation under section 204(d)(3)(A) of the Depart-
21 ments of Veterans Affairs and Housing and Urban
22 Development, and Independent Agencies Appropria-
23 tions Act, 1996 (42 U.S.C. 1437f note), as added by
24 the amendment made by this section.

1 **SEC. 502. RESCISSION OF PUBLIC AND INDIAN HOUSING**

2 **NOTICE 2021–18.**

3 The Public and Indian Housing Notice 2021–18 of
4 the Department of Housing and Urban Development is
5 hereby rescinded.

6 **TITLE VI—IMPROVING FINAN-**
7 **CIAL LITERACY REGARDING**
8 **HOUSING**

9 **SEC. 601. REFORMS TO HOUSING COUNSELING AND FINAN-**
10 **CIAL LITERACY PROGRAMS.**

11 (a) IN GENERAL.—Section 106(a)(4) of the Housing
12 and Urban Development Act of 1968 (12 U.S.C.
13 1701x(a)(4)) is amended—

14 (1) in subparagraph (B)—

15 (A) by striking “The Secretary” and in-
16 serting the following:

17 “(i) IN GENERAL.—The Secretary”;

18 and

19 (B) by adding at the end the following:

20 “(ii) REQUIREMENT.—The Secretary
21 shall require each organization receiving
22 assistance under this paragraph to employ
23 individuals providing housing counseling
24 who—

25 “(I) are certified to understand
26 sustainable homeownership; and

1 “(II) pass required examinations
2 that determine the ability of the indi-
3 vidual to counsel borrowers on respon-
4 sible homeownership.

5 “(iii) SUSPENSION OF CERTIFI-
6 CATION.—If an individual employed by an
7 organization that receives assistance under
8 this paragraph provides counseling services
9 to borrowers who, after receiving those
10 services, have default rates that exceed the
11 average default rates for borrowers coun-
12 seled by individuals in the area served by
13 the organization, the Secretary—

14 “(I) shall suspend the certifi-
15 cation from the individual; and

16 “(II) may deny future assistance
17 under this paragraph to that organi-
18 zation.

19 “(iv) PROHIBITION ON LOBBYING AC-
20 TIVITIES.—An organization that applies
21 for or receives assistance under this para-
22 graph shall not engage in political activi-
23 ties, advocacy, or lobbying, whether di-
24 rectly or through other parties.”; and

25 (2) by adding at the end the following:

1 “(F) SET ASIDES.—The Secretary shall set
 2 aside 40 percent of amounts authorized to carry
 3 out this paragraph for organizations that pro-
 4 vide rental counseling or pre-foreclosure coun-
 5 seling.

6 “(G) GEOGRAPHIC DIVERSITY.—In making
 7 grants under this paragraph, the Secretary
 8 shall ensure that the recipients are geographi-
 9 cally diverse and include organizations that
 10 serve urban and rural areas.”.

11 (b) REQUIRING PREPURCHASE AND FORECLOSURE
 12 MITIGATION COUNSELING.—

13 (1) COVERED MORTGAGE LOAN DEFINED.—In
 14 this subsection, the term “covered mortgage loan”
 15 means any loan which is secured by a first or subor-
 16 dinate lien on residential real property (including in-
 17 dividual units of condominiums and cooperatives) de-
 18 signed principally for the occupancy of from 1- to 4-
 19 families that is—

20 (A) insured by the Federal Housing Ad-
 21 ministration under title II of the National
 22 Housing Act (12 U.S.C. 1707 et seq.);

23 (B) insured under section 255 of the Na-
 24 tional Housing Act (12 U.S.C. 1715z–20);

1 (C) guaranteed under section 184 or 184A
2 of the Housing and Community Development 3
3 Act of 1992 (12 U.S.C. 1715z–13a, 1715z–4
4 13b);

5 (D) guaranteed or insured by the Depart-
6 ment of Agriculture; or

7 (E) made by the Department of Agri-
8 culture.

9 (2) REQUIREMENT FOR PURCHASERS.—Before
10 purchasing residential real property that secures a
11 covered mortgage loan, the purchaser shall partici-
12 pate in prepurchase housing counseling.

13 (3) REQUIREMENT FOR BORROWERS.—A bor-
14 rower with respect to a covered mortgage loan who
15 is 30 days or more delinquent on payments for the
16 covered mortgage loan shall participate in fore-
17 closure mitigation counseling.

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