

**HUD DEMONSTRATION ACT OF 1993: Sec. 6 (section 8  
community investment demonstration)**

[Public Law 103–120; 107 Stat. 1148; 42 U.S.C. 1437f note]

[As Amended Through P.L. 104–316, Enacted October 19, 1996]

【Currency: This publication is a compilation of the text of Public Law 103–120. It was last amended by the public law listed in the As Amended Through note above and below at the bottom of each page of the pdf version and reflects current law through the date of the enactment of the public law listed at <https://www.govinfo.gov/app/collection/comps/>】

【Note: While this publication does not represent an official version of any Federal statute, substantial efforts have been made to ensure the accuracy of its contents. The official version of Federal law is found in the United States Statutes at Large and in the United States Code. The legal effect to be given to the Statutes at Large and the United States Code is established by statute (1 U.S.C. 112, 204).】

**SEC. 6. [42 U.S.C. 1437f note] SECTION 8 COMMUNITY INVESTMENT DEMONSTRATION PROGRAM.**

(a) DEMONSTRATION PROGRAM.—The Secretary shall carry out a demonstration program to attract pension fund investment in affordable housing through the use of project-based rental assistance under section 8 of the United States Housing Act of 1937.

(b) FUNDING REQUIREMENTS.—In carrying out this section, the Secretary shall ensure that not less than 50 percent of the funds appropriated for the demonstration program each year are used in conjunction with the disposition of either—

- (1) multifamily properties owned by the Department; or
- (2) multifamily properties securing mortgages held by the Department.

(c) CONTRACT TERMS.—

(1) IN GENERAL.—Project-based assistance under this section shall be provided pursuant to a contract entered into by the Secretary and the owner of the eligible housing that—

- (A) provides assistance for a term of not less than 60 months and not greater than 180 months; and
- (B) provides for contract rents, to be determined by the Secretary, which shall not exceed contract rents permitted under section 8 of the United States Housing Act of 1937, taking into consideration any costs for the construction, rehabilitation, or acquisition of the housing.

(2) AMENDMENT TO SECTION 203.—Section 203 of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z–11) is amended by adding at the end the following new subsection:

“(1) Project-based assistance in connection with the disposition of a multifamily housing project may be provided for a contract term of less than 15 years if such assistance is provided—

“(1) under a contract authorized under section 6 of the HUD Demonstration Act of 1993; and

“(2) pursuant to a disposition plan under this section for a project that is determined by the Secretary to be otherwise in compliance with this section.”.

(d) LIMITATION.—(1) The Secretary may not provide (or make a commitment to provide) more than 50 percent of the funding for housing financed by any single pension fund, except that this limitation shall not apply if the Secretary, after the end of the 6-month period beginning on the date notice is issued under subsection (e)—

(A) determines that—

(i) there are no expressions of interest that are likely to result in approvable applications in the reasonably foreseeable future; or

(ii) any such expressions of interest are not likely to use all funding under this section; and

(B) so informs the Committee on Banking, Finance and Urban Affairs of the House of Representatives<sup>1</sup> and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(2) If the Secretary determines that there are expressions of interest referred to in paragraph (1)(A)(ii), the Secretary may reserve funding sufficient in the Secretary’s determination to fund such applications and may use any remaining funding for other pension funds in accordance with this section.

(e) IMPLEMENTATION.—The Secretary shall by notice establish such requirements as may be necessary to carry out the provisions of this section. The notice shall take effect upon issuance.

(f) APPLICABILITY OF ERISA.—Notwithstanding section 514(d) of the Employee Retirement Income Security Act of 1974, nothing in this section shall be construed to authorize any action or failure to act that would constitute a violation of such Act.

(g) REPORT.—Not later than 3 months after the last day of each fiscal year, the Secretary shall submit to the Committee on Banking, Finance and Urban Affairs of the House of Representatives<sup>1</sup> and the Committee on Banking, Housing, and Urban Affairs of the Senate a report summarizing the activities carried out under this section during that fiscal year.

(h) ESTABLISHMENT OF STANDARDS.—Mortgages secured by housing assisted under this demonstration shall meet such standards regarding financing and securitization as the Secretary may establish.

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$100,000,000 for fiscal year 1994 to carry out this section.

[(j) [Repealed.]

<sup>1</sup>Section 1(a) of Public Law 104–14, 109 Stat. 186, provides, in part, that “any reference in any provision of law enacted before January 4, 1995, to... the Committee on Banking, Finance and Urban Affairs of the House of Representatives shall be treated as referring to the Committee on Banking and Financial Services of the House of Representatives”. However, H. Res. 5, 107th Congress, agreed to on January 3, 2001, abolished the Committee on Banking and Financial Services and established the Committee on Financial Services, which has jurisdiction over many of the areas previously under the jurisdiction of the Committee on Banking and Financial Services.

**3 HUD DEMONSTRATION ACT OF 1993: Sec. 6 (section 8... Sec. 6**

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(k) **TERMINATION DATE.**—The Secretary shall not enter into any new commitment to provide assistance under this section after September 30, 1998.