

Public Law 96-399
96th Congress

An Act

Oct. 8, 1980
[S.2719]

To amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation, and related programs, and for other purposes.

Housing and
Community
Development
Act of 1980.
42 USC 5301
note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Housing and Community Development Act of 1980".

TITLE I—COMMUNITY AND NEIGHBORHOOD
DEVELOPMENT AND CONSERVATION

ADMINISTRATION OF COMMUNITY DEVELOPMENT PROGRAM

42 USC 5302.

13 USC 21.
42 USC 5318.
42 USC 5306.

42 USC 5302.

Post, p. 1618.

42 USC 5306.

Effective date.
42 USC 5302
note.
42 USC 5302.
Urban county.

SEC. 101. (a) Section 102(b) of the Housing and Community Development Act of 1974 is amended by adding the following new sentence at the end thereof: "Notwithstanding any other provision of law, for the fiscal years 1981, 1982, and 1983, (1) no data derived from the 1980 Decennial Census, as provided for in subchapter II of title 13, United States Code, except those relating to population and poverty, shall be taken into account for purposes of section 119 or the allocation of amounts under section 106, and (2) no revision to the criteria for establishing a metropolitan area or defining a central city of such an area published after January 1, 1980, shall be taken into account for purposes of this title, except that any area or city which would newly qualify as a metropolitan area or a central city of such an area by reason of any such revision shall be so considered."

(b)(1) Section 102 of such Act is amended by striking out subsection (d) and inserting in lieu thereof the following:

"(d) With respect to program years beginning with the program year for which grants are made available from amounts appropriated for fiscal year 1982 under section 103(a)(1), the population of any unit of general local government which is included in that of an urban county as provided in subsection (a)(6)(B) shall be included in the population of such urban county for three program years beginning with the program year in which its population was first so included and shall not otherwise be eligible for a grant under section 106 as a separate entity, unless the application by the urban county is disapproved or withdrawn prior to or during such three-year period. During any such three-year period, the population of any unit of general local government which is not included in that of the urban county for the first year shall not be eligible for such inclusion in the second or third year."

(2) The amendment made by paragraph (1) shall take effect on October 1, 1981.

(c) Section 102 of such Act is amended by adding at the end thereof the following:

"(e) Any county seeking qualification as an urban county, including any urban county seeking to continue such qualification, shall notify, as provided in this subsection, each unit of general local government,

which is included therein and is eligible to elect to have its population excluded from that of an urban county under subsection (a)(6)(B)(i), of its opportunity to make such an election. Such notification shall, at a time and in a manner prescribed by the Secretary, be provided so as to provide a reasonable period for response prior to the period for which such qualification is sought. The population of any unit of general local government which is provided such notification and which does not inform, at a time and in a manner prescribed by the Secretary, the county of its election to exclude its population from that of the county shall, if the county qualifies as an urban county, be included in the population of such urban county as provided in subsection (d)."

(d) Section 104 of such Act is amended by adding the following new subsection at the end thereof: 42 USC 5304.

"(j) In any case in which a metropolitan city is located, in whole or in part, within an urban county, the Secretary may, upon the joint request of such city and county, approve the inclusion of the metropolitan city as part of the urban county for purposes of planning a joint community development program, meeting the application requirements of this section, and implementing such program."

PRO RATA REDUCTION OF GRANTS

SEC. 102. Section 106(g) of the Housing and Community Development Act of 1974, as redesignated by section 111(d) of this Act, is amended— 42 USC 5306.

(1) by striking out "fiscal year 1978, fiscal year 1979, or fiscal year 1980" and inserting in lieu thereof "any fiscal year";

(2) by striking out "and hold-harmless" wherever it appears; and

(3) by striking out "(d)(2)" and "(f)(1)(B)" and inserting in lieu thereof "(c)" and "(e)", respectively.

INCLUSION OF CERTAIN INDEPENDENT CITIES IN DETERMINING COMMUNITY DEVELOPMENT GRANT AMOUNTS FOR URBAN COUNTIES

SEC. 103. Section 106(b)(4) of the Housing and Community Development Act of 1974 is amended to read as follows: 42 USC 5306.

"(4) In computing amounts or exclusions under this section with respect to any urban county, there shall be excluded units of general local government located in the county the populations of which are not counted in determining the eligibility of the urban county to receive a grant under this subsection, except that there shall be included any independent city (as defined by the Bureau of the Census) which—

"(A) is not part of any county;

"(B) is not eligible for a grant pursuant to subsection (b)(1);

"(C) is contiguous to the urban county;

"(D) has entered into cooperation agreements with the urban county which provide that the urban county is to undertake or to assist in the undertaking of essential community development and housing assistance activities with respect to such independent city; and

"(E) is not included as a part of any other unit of general local government for purposes of this section.

Any independent city which is included in any fiscal year for purposes of computing amounts pursuant to the preceding sentence

shall not be eligible for a grant under subsection (c) or (e) with respect to such fiscal year.”.

ENERGY AND ELIGIBLE ACTIVITIES

42 USC 5301.

SEC. 104. (a) Section 101 of the Housing and Community Development Act of 1974 is amended—

(1) by striking out “and” at the end of paragraph (1) of subsection (a);

(2) by striking out the period at the end of paragraph (2) of subsection (a) and inserting in lieu thereof “; and”;

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

“(3) increasing energy costs which have seriously undermined the quality and overall effectiveness of local community and housing development activities.”;

(4) by striking out “and” at the end of paragraph (2) of subsection (b);

(5) by striking out the period at the end of paragraph (3) of subsection (b) and inserting in lieu thereof “; and”;

(6) by adding the following new paragraph at the end of subsection (b):

“(4) concerted action by Federal, State, and local governments to address the economic and social hardships borne by communities as a consequence of scarce fuel supplies.”;

(7) by striking out “and” at the end of paragraph (7) of subsection (c);

(8) by striking out the period at the end of paragraph (8) of subsection (c) and inserting in lieu thereof “; and”;

(9) by adding the following new paragraph after paragraph (8) of subsection (c):

“(9) the conservation of the Nation’s scarce energy resources, improvement of energy efficiency, and the provision of alternative and renewable energy sources of supply.”.

42 USC 5304.

(b) Section 104(a) of such Act is amended by adding the following new sentence at the end thereof: “The applicant may, at the discretion of the applicant, include (as part of the program summary, formulation, and description requirements described in paragraphs (1), (2), and (3) of this subsection) comparable information with respect to the applicant’s energy conservation and renewable energy resource needs and objectives.”.

42 USC 5305.

(c) Section 105(a) of such Act is amended—

(1) by striking out paragraph (2) and inserting in lieu thereof the following:

“(2) the acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction, or installation which promote energy efficiency) of public works, facilities and site or other improvements—including neighborhood facilities, centers for the handicapped, senior centers, historic properties, utilities (including power generation and distribution facilities using renewable resource energy systems), streets, street lights, water and sewer facilities, foundations and platforms for air rights sites, pedestrian malls and walkways, and parks, playgrounds, and recreation facilities (including parks, playgrounds, and recreational facilities established as a result of reclamation and other construction activities carried out in connection with a river and land adjacent thereto where assistance under other Federal laws or programs is determined to be unavailable), flood

and drainage facilities in cases where assistance for such facilities under other Federal laws or programs is determined to be unavailable, and parking facilities, solid waste disposal facilities, recycling or conversion facilities, and fire protection services and facilities which are located in or which serve designated community development areas;"

(2) by inserting after "rehabilitation" the first time it appears in paragraph (4) the following: "(including rehabilitation which promotes energy efficiency)";

(3) by inserting after "education," in paragraph (8) the following: "energy conservation,"

(4) by inserting after "community economic development" in paragraph (15) the following: "or energy conservation"; and

(5) by striking out "and" at the end of paragraph (14), by striking out the period at the end of paragraph (15) and inserting in lieu thereof "; and", and by adding the following new paragraph at the end thereof:

"(16) activities necessary to the development of a comprehensive community-wide energy use strategy, which may include items such as—

Comprehensive
community-wide
energy use
strategy.

"(A) a description of energy use and projected demand by sector, by fuel type, and by geographic area;

"(B) an analysis of the options available to the community to conserve scarce fuels and encourage use of renewable energy resources;

"(C) an analysis of the manner in, and extent to, which the community's neighborhood revitalization, housing, and economic development strategies will support its energy conservation strategy;

"(D) an analysis of the manner in, and the extent to, which energy conservation objectives will be integrated into local government operations, purchasing and service delivery, capital improvements budgeting, land use planning and zoning, and traffic control, parking, and public transportation functions;

"(E) a statement of the actions the community will take to foster energy conservation and the use of renewable energy resources in the private sector, including the enactment and enforcement of local codes and ordinances to encourage or mandate energy conservation or use of renewable energy resources, financial and other assistance to be provided (principally for the benefit of low- and moderate-income persons) to make energy conserving improvements to residential structures, and any other proposed energy conservation activities;

"(F) appropriate provisions for energy emergencies;

"(G) identification of the local governmental unit responsible for administering the energy use strategy;

"(H) provision of a schedule for implementation of each element in the strategy; and

"(I) a projection of the savings in scarce fossil fuel consumption and the development and use of renewable energy resources that will result from implementation of the energy use strategy."

(d) Section 105(a)(4) of such Act is amended by inserting ", and including the renovation of closed school buildings" after "privately owned properties".

42 USC 5305.

(e) Section 105(a) of such Act is amended—

42 USC 5304.

(1) by inserting after "activities" the first time it appears in paragraph (14) the following: "(as specifically described in the application submitted pursuant to section 104)"; and

(2) by inserting after "project" in paragraph (15) the following: "(as specifically described in the application submitted pursuant to section 104)".

DISPLACEMENT

SEC. 105. (a) Section 104(a)(2) of the Housing and Community Development Act of 1974 is amended—

(1) by striking out "including activities," in clause (B) and inserting in lieu thereof "activities, and objectives, including activities";

(2) by striking out "and objectives," in clause (B); and

(3) by striking out clause (C) and inserting in lieu thereof the following: "(C) takes into account the effect of such activities on the involuntary displacement of low- and moderate-income persons and takes into account appropriate environmental factors;".

Study and report
to Congress

42 USC 5313
note.

(b) The Secretary of Housing and Urban Development shall continue the study on involuntary displacement conducted under section 902 of the Housing and Community Development Amendments of 1978 and shall transmit, not later than March 30, 1981, a report to the Congress which shall contain (1) data collected since the initial report submitted under such section 902, and (2) further recommendations on minimizing involuntary displacement and alleviating problems caused by such displacement.

AUTHORIZATIONS

42 USC 5303.

SEC. 106. (a) The second sentence of section 103(a)(1) of the Housing and Community Development Act of 1974 is amended to read as follows: "There are authorized to be appropriated for these purposes not to exceed \$3,810,000,000 for the fiscal year 1981, not to exceed \$3,960,000,000 for the fiscal year 1982, and not to exceed \$4,110,000,000 for the fiscal year 1983."

(b) Section 103(a)(2) of such Act is amended to read as follows:

"(2) Of the amounts approved in appropriation Acts pursuant to paragraph (1), \$275,000,000 for the fiscal year 1981 shall be added to the amount available for allocation under section 106(c) and shall not be subject to the provisions of section 107."

Post, p. 1621.

42 USC 5307.

42 USC 5303.

(c) Section 103(c) of such Act is amended to read as follows: "(c) There are authorized to be appropriated for supplemental grant assistance under section 119 amounts aggregating not to exceed \$1,475,000,000 for fiscal years prior to the fiscal year 1981, and an additional amount not to exceed \$675,000,000 for each of the fiscal years 1981, 1982, and 1983."

SECTION 107 DISCRETIONARY FUND

42 USC 5307.

42 USC 5303.

SEC. 107. Section 107(a) of the Housing and Community Development Act of 1974 is amended by striking out "of authority to enter into contracts approved in appropriation Acts under section 103(a)(1) for each of the fiscal years 1975, 1976, 1977, 1978, 1979, and 1980, an amount equal to 3 per centum thereof shall" and inserting in lieu thereof "approved in appropriation Acts under section 103(a)(1) for each of the fiscal years 1981, 1982, and 1983, not more than \$104,000,000 for fiscal year 1981, not more than \$104,000,000 for fiscal year 1982, and not more than \$107,000,000 for fiscal year 1983, may".

LIMITATION ON COMMUNITY DEVELOPMENT GUARANTEES

SEC. 108. Section 108 of the Housing and Community Development Act of 1974 is amended—

42 USC 5308.

(1) by inserting after “commitments to guarantee” in the first sentence of subsection (a) the following: “, only to such extent or in such amounts as provided in appropriation Acts.”;

(2) by adding the following new sentence at the end of subsection (a): “During fiscal year 1981, the Secretary may not enter into commitments to guarantee under this section notes and other obligations with an aggregate principal amount in excess of \$300,000,000.”; and

(3) by striking out “Notwithstanding any other provision of this section, the” in subsection (k) and inserting in lieu thereof “The”.

PERFORMANCE REPORTS FOR CERTAIN NON-ENTITLEMENT COMMUNITIES

SEC. 109. Section 104(d) of the Housing and Community Development Act of 1974 is amended—

42 USC 5304.

(1) by striking out “Prior to the beginning of fiscal year 1977 and each fiscal year thereafter, each” in the first sentence and inserting in lieu thereof “Each”;

(2) by inserting after the first sentence the following new sentence: “The performance report shall be submitted annually prior to the beginning of each fiscal year, except that a grantee which receives a grant made pursuant to subsection (c) or (e) of section 106 which the Secretary determines does not fund a comprehensive community development program may submit a report with respect to such grant less frequently than annually as determined by the Secretary.”; and

Post, p. 1621.

(3) by inserting “(or less frequently as the Secretary determines appropriate in the case of a grant for which a report is submitted less frequently than annually in accordance with the second sentence of this paragraph)” after “at least on an annual basis” in the third sentence.

HISTORIC PRESERVATION

SEC. 110. (a) Section 119(c) of the Housing and Community Development Act of 1974 is amended by—

42 USC 5318.

(1) by striking out “and” at the end of paragraph (5);

(2) by striking out the period at the end of paragraph (6) and inserting in lieu thereof “; and”; and

(3) by adding the following new paragraph after paragraph (6);

“(7) include (A) an identification of all properties, if any, which are included on the National Register of Historic Places and which, as determined by the applicant, will be affected by the project for which the application is made; (B) an identification of all other properties, if any, which will be affected by such project and which, as determined by the applicant, may meet the criteria established by the Secretary of the Interior for inclusion on such Register, together with documentation relating to the inclusion of such properties on the Register; and (C) a description of the effect, as determined by the applicant, of the project on the properties identified pursuant to clauses (A) and (B).”.

(b) Section 119 of such Act is amended by adding the following new subsection at the end thereof:

“(n) In the case of any application which identifies any property in accordance with subsection (c)(7)(B), the Secretary may not commit funds with respect to an approved application unless the applicant has certified to the Secretary that the appropriate State historic preservation officer and the Secretary of the Interior have been provided an opportunity to take action in accordance with the provisions of section 121(b).”

Infra.

(c) Title I of such Act is amended by adding the following new section at the end thereof:

“HISTORIC PRESERVATION REQUIREMENTS

Regulations.
42 USC 5320.
42 USC 5318.

“SEC. 121. (a) With respect to applications for assistance under section 119, the Secretary of the Interior, after consulting with the Secretary, shall prescribe and implement regulations concerning projects funded under section 119 and their relationship with—

16 USC 470.

“(1) ‘An Act to establish a program for the preservation of additional historic properties throughout the Nation, and for other purposes’, approved October 14, 1966, as amended; and

16 USC 469.

“(2) ‘An Act to provide for the preservation of historical and archaeological data (including relics and specimens) which might otherwise be lost as a result of the construction of a dam’, approved June 27, 1960, as amended.

Ante, p. 1619.

“(b) In prescribing and implementing such regulations with respect to applications submitted under section 119 which identify any property pursuant to subsection (c)(7)(B) of such section, the Secretary of the Interior shall provide at least that—

Information
submittal.

“(1) the appropriate State historic preservation officer (as determined in accordance with regulations prescribed by the Secretary of the Interior) shall, not later than 45 days after receiving information from the applicant relating to the identification of properties which will be affected by the project for which the application is made and which may meet the criteria established by the Secretary of the Interior for inclusion on the National Register of Historic Places (together with documentation relating to such inclusion), submit his or her comments, together with such other information considered necessary by the officer, to the applicant concerning such properties; and

Application
determination.

“(2) the Secretary of the Interior shall, not later than 45 days after receiving from the applicant the information described in paragraph (1) and the comments submitted to the applicant in accordance with paragraph (1), make a determination as to whether any of the properties affected by the project for which the application is made is eligible for inclusion on the National Register of Historic Places.

Regulations.

“(c) The Advisory Council on Historic Preservation shall prescribe regulations providing for expeditious action by the Council in making its comments under section 106 of the Act referred to in subsection (a)(1) in the case of properties which are included on, or eligible for inclusion on, the National Register of Historic Places and which are affected by a project for which an application is made under section 119.”

Post, p. 1621.

42 USC 5318.

TECHNICAL AMENDMENTS TO THE BLOCK GRANT PROGRAM

42 USC 5302.

SEC. 111. (a) Section 102 of the Housing and Community Development Act of 1974 is amended by striking out “Office of Management and Budget” each place it appears in paragraphs (3), (4), and (8) of

subsection (a) and in subsection (b) and inserting in lieu thereof "Department of Commerce".

(b) Section 103 of such Act is amended by striking out subsection (e). 42 USC 5303.

(c) Section 104 of such Act is amended— 42 USC 5304.

(1) by striking out "106(a)" in the first sentence of subsection (c) and inserting in lieu thereof "106(b)"; and

(2) by striking out "(d)(2)" and "(f)(1)(B)" wherever they appear in subsections (d) and (e) and inserting in lieu thereof "(c)" and "(e)", respectively.

(d) Section 106 of such Act is amended by striking out subsections (c), (g), (h), (i), (j), and (l) and redesignating subsections (d), (e), (f), (k), and (m) as subsections (c), (d), (e), (f), and (g), respectively. 42 USC 5306.

(e) The second sentence of section 106(a) of such Act is amended—

(1) by striking out "subsections (c) and (e)" and inserting in lieu thereof "subsection (d)"; and

(2) by striking out "aggregate", "the greater of" and "or its hold-harmless amount computed pursuant to subsection (g)".

(f) Section 106(c) of such Act, as redesignated by subsection (d) of this section, is amended—

(1) by striking out "allocated by the Secretary, first, for grants to metropolitan cities, urban counties, and other units of general local government within metropolitan areas to meet their hold-harmless needs as determined under subsections (g) and (h), and second, in accordance with the provisions of paragraph (2).

"(2) Any portion of such amounts which remains after applying the provisions of paragraph (1) shall be";

(2) by redesignating paragraph (3) as paragraph (2);

(3) by striking out "paragraph (2)" wherever it appears in paragraph (2), as redesignated by paragraph (2) of this subsection, and inserting in lieu thereof "paragraph (1)";

(4) by striking out the second sentence of paragraph (2), as redesignated; and

(5) by striking out in the final sentence of paragraph (2), as redesignated, ", Indian tribes, and units of general local government which are entitled to hold-harmless grants pursuant to subsection (h)" and inserting in lieu thereof "and Indian tribes".

(g) Section 106(e) of such Act, as redesignated by subsection (d) of this section, is amended—

(1) by striking out in the first sentence of paragraph (1) the following: "allocated by the Secretary—

"(A) first, for grants to units of general local government outside of metropolitan areas to meet their hold-harmless needs as determined under subsection (h); and

"(B) second, any portion of such amount which remains after applying the provisions of subparagraph (A) shall be";

(2) by striking out "(i)" and "(ii)" in the first sentence of paragraph (1) and inserting in lieu thereof "(A)" and "(B)", respectively, and by striking out "(I)", "(II)", and "(III)" wherever they appear in such sentence and inserting in lieu thereof "(i)", "(ii)", and "(iii)", respectively;

(3) by striking out "clause (i) of subparagraph (B)" and "clause (ii) of subparagraph (B)" in the second sentence of paragraph (1) and inserting in lieu thereof "subparagraph (A)", and "subparagraph (B)", respectively;

(4) by striking out "subparagraph (B)" in the third sentence of paragraph (1) and inserting in lieu thereof "this paragraph", and by striking out "such subparagraph" wherever it appears in such sentence and inserting in lieu thereof "such paragraph";

42 USC 5316.

- (5) by striking out the second sentence of paragraph (2);
 - (6) by striking out "paragraph (1)(B)" wherever it appears in paragraph (2) and inserting in lieu thereof "paragraph (1)";
 - (7) by striking out "units of general local government which are entitled to hold-harmless grants pursuant to subsection (h) and" in the last sentence of paragraph (2); and
 - (8) by striking out "paragraph (1)(B)" in the first sentence of paragraph (3) and inserting in lieu thereof "paragraph (1)".
- (h) Section 116 of such Act is amended—
- (1) by striking out subsections (b), (f), and (h), and by redesignating subsection (g) as subsection (b); and
 - (2) by striking out in subsection (b), as redesignated, "or from a unit a general local government for a grant pursuant to section 106(h)".

REALLOCATION OF FUNDS

SEC. 112. Section 106(d) of the Housing and Community Development Act of 1974, as redesignated by section 111(d) of this Act, is amended by striking out "first," and all that follows through the period at the end of the first sentence and inserting in lieu thereof the following: "first, in any metropolitan area in the same State, with a preference for units of general local government in the same metropolitan area to which such funds were originally allocated, and second, in any other metropolitan area."

REPORT ON COMMUNITY DEVELOPMENT GRANT FORMULA

Report to
Congress.
42 USC 5313
note.

42 USC 5301.

SEC. 113. The Secretary of Housing and Urban Development shall, not later than January 1, 1983, report to the Congress with respect to the adequacy, effectiveness, and equity of the formula used for allocation of funds under title I of the Housing and Community Development Act of 1974, with specific analysis and recommendations concerning the manner in which such formula is or could be affected by the data derived from the 1980 decennial census.

REHABILITATION LOANS

42 USC 1452b.

SEC. 114. (a) Section 312(c)(4) of the Housing Act of 1964 is amended—

- (1) by striking out in subparagraph (A) "\$27,000" and inserting in lieu thereof "\$33,500";
 - (2) by inserting "(i)" after "secured by such property" in subparagraph (A);
 - (3) by inserting ", and (ii) if the Secretary determines that such refinancing is necessary and appropriate" before the semicolon at the end of subparagraph (A);
 - (4) by striking out "and" at the end of subparagraph (A);
 - (5) by redesignating subparagraph (B) as subparagraph (D); and
 - (6) by inserting after subparagraph (A) the following:
 - "(B) in the case of residential property in which some or all of the dwelling units do not contain kitchen facilities and to which there is connected a central dining facility where meals can be served to the occupants of such residential property, \$25,000 per dwelling unit;
 - "(C) in the case of residential property in which some or all of the dwelling units do not contain bathroom or kitchen facilities, \$15,000 per dwelling unit; and".
- (b) Section 312(d) of such Act is amended—

(1) by striking out “and not to exceed \$140,000,000 for the fiscal year beginning on October 1, 1979” in the first sentence and inserting in lieu thereof “not to exceed \$140,000,000 for the fiscal year beginning on October 1, 1979, not to exceed \$144,000,000 for the fiscal year beginning on October 1, 1980, and not to exceed \$129,000,000 for the fiscal year beginning on October 1, 1981”;

(2) by inserting the following before the period at the end of the third sentence thereof: “, and not more than \$210,000,000 may be approved in appropriation Acts for such loans with respect to the fiscal year beginning on October 1, 1980”; and

(3) by striking out the fourth and fifth sentences and inserting in lieu thereof the following: “Of the amount available for loans under this section during any fiscal year beginning on or after October 1, 1980, the Secretary may utilize not more than one-third for rehabilitation loans for multifamily properties.”

(c) Section 312(f) of such Act is amended by inserting before the period at the end thereof the following: “, except that the Secretary may not delegate to any agency or organization outside the Department of Housing and Urban Development the authority to determine whether to permit refinancing of existing indebtedness under subsection (c)(4)(A)”.

42 USC 1452b.

(d) Section 312(h) of such Act is amended—

(1) by striking out “October 15, 1980” and inserting in lieu thereof “September 30, 1982”; and

(2) by striking out “October 16, 1980” and inserting in lieu thereof “October 1, 1982”.

NEIGHBORHOOD SELF-HELP DEVELOPMENT

SEC. 115. The first sentence of section 705 of the Housing and Community Development Amendments of 1978 is amended by inserting after “1980” the following: “, and not to exceed \$10,000,000 for the fiscal year 1981”.

42 USC 8124.

URBAN HOMESTEADING

SEC. 116. The first sentence of section 810(h) of the Housing and Community Development Act of 1974 is amended by striking out “subsection (c)” and inserting in lieu thereof “subsections (c) and (g)”.

12 USC 1706e.

UDAG AMENDMENTS RELATING TO GUAM, THE VIRGIN ISLANDS, AND INDIAN TRIBES

SEC. 117. (a) Section 119 of the Housing and Community Development Act of 1974 is amended by adding the following new subsection at the end thereof:

42 USC 5318.

“(o)(1) For the purpose of carrying out this section, the term ‘city’ includes Guam, the Virgin Islands, and Indian tribes.

“City.”

“(2) The application requirements—

“(A) of section 104, and

Application requirements.
42 USC 5304.

“(B) of subsection (c)(2) of this section, to the extent such subsection requires a concentrated urban development action program to be consistent with the program and plan described in paragraphs (2) and (4) of section 104(a),

shall not apply to applications by Guam, the Virgin Islands, or Indian tribes for assistance under this section.

“(3) Grants may be made under this section to Guam, the Virgin Islands, or an Indian tribe only with respect to fiscal years for which Guam, the Virgin Islands, or such Indian tribe, as the case may be,

Grants.

42 USC 5307. has submitted an application meeting requirements prescribed pursuant to section 107.

“(4) The Secretary may not approve a grant to an Indian tribe unless such Indian tribe—

“(A) is located on a reservation or in an Alaskan Native Village; and

31 USC 1221
note.

“(B) is an eligible recipient under the State and Local Fiscal Assistance Act of 1972.”

(b) Section 107(d) of such Act is amended by inserting “under this title” after “Indian tribe” in the first sentence.

TITLE II—HOUSING ASSISTANCE PROGRAMS

LOW INCOME HOUSING

42 USC 1437c. SEC. 201. (a) Section 5(c) of the United States Housing Act of 1937 is amended to read as follows:

Contracts.

“(c)(1) The Secretary may enter into contracts for annual contributions aggregating not more than \$7,875,049,000 per annum, which amount shall be increased by \$1,494,400,000 on October 1, 1980. The additional authority to enter into such contracts provided on or after October 1, 1980, shall be effective only in such amounts as may be approved in appropriation Acts; in addition, the aggregate amount which may be obligated, with respect to the additional authority provided on October 1, 1980, over the duration of the contracts may not exceed \$31,200,000,000. The Secretary, in utilizing the additional authority to enter into such contracts provided on and after October 1, 1980, shall administer the programs authorized by this Act to provide assistance, to the maximum extent practicable, consistent with section 213(d) of the Housing and Community Development Act of 1974.

Post, p. 1629.

“(2)(A) Of the additional authority approved in appropriation Acts and made available on October 1, 1980, the Secretary shall enter into contracts aggregating at least \$100,000,000 for assistance to projects under section 14.

Post, p. 1625.

“(B) Of the balance of such additional authority approved in appropriation Acts and made available on October 1, 1980, which remains after deducting the amount to be provided for assistance to projects under section 14, the Secretary may not enter into contracts aggregating—

42 USC 1437f.

“(i) more than 37.5 per centum of such balance for existing units assisted under section 8, including assistance provided under subsection (j) of such section; and

“(ii) more than 62.5 per centum of such balance for newly constructed and substantially rehabilitated units assisted under this Act, of which not more than \$265,800,000 shall be made available for such units assisted under this Act other than section 8.

“(3) The Secretary shall enter into only such new contracts for preliminary loans as are consistent with the number of dwelling units for which contracts for annual contributions may be entered into.

Appropriation
authorization.

“(4) The full faith and credit of the United States is solemnly pledged to the payment of all annual contributions contracted for pursuant to this section, and there are hereby authorized to be appropriated in each fiscal year, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments.

“(5) All payments of annual contributions pursuant to this section shall be made out of any funds available for purposes of this Act when

such payments are due, except that funds obtained through the issuance of obligations pursuant to section 4(b) (including repayments or other realizations of the principal of loans made out of such funds) shall not be available for the payment of such annual contributions.” 42 USC 1437b.

(b) Section 9(c) of such Act is amended— 42 USC 1437g.

(1) by striking out “and” immediately after “on or after October 1, 1978,”; and

(2) by inserting immediately before the period at the end thereof the following: “, and not to exceed \$826,000,000 on or after October 1, 1980”.

(c) Section 6(b) of such Act is amended— 42 USC 1437d.

(1) by inserting the following before the period at the end of the second sentence: “; except that, for projects to be constructed as a result of assistance provided under this Act and which are to be located on Indian reservations or in Alaskan Native villages, the Secretary shall determine and make the prototype costs available within a reasonable time prior to the beginning of each construction season as is determined to be appropriate for the area in which the project is to be located”; and

(2) by striking out “and” at the end of clause (6) of the third sentence, and by adding the following before the period at the end of such sentence: “, and (8) with respect to remote areas such as may be found in connection with projects developed under the Indian and Alaskan Native housing program assisted under this Act, the extensive transportation required to provide the necessary labor, materials, and equipment to the project site and any additional conditions that the Secretary determines should be taken into consideration under clauses (1) through (7) for such projects”.

(d) Section 9(a)(1) of such Act is amended by striking out “and” before “(B)” in the second sentence, and by inserting the following before the period at the end of the second sentence: “, and (C) with respect to housing projects developed under the Indian and Alaskan Native housing program assisted under this Act, to provide funds (in addition to any other operating costs contributions approved by the Secretary under this section) as determined by the Secretary to be required to cover the administrative costs to an Indian housing authority during the development period of a project approved pursuant to section 5 and until such time as the project is occupied”. 42 USC 1437g.

(e) Section 6(c)(4)(A) of such Act is amended by inserting immediately after “(A)” the following: “except for projects or portions of projects specifically designated for elderly families with respect to which the Secretary has determined that application of this clause would result in excessive delays in meeting the housing needs of such families,”. 42 USC 1437c.
42 USC 1437d.

PUBLIC HOUSING COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM

SEC. 202. (a) The United States Housing Act of 1937 is amended by adding the following new section at the end thereof:

“COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM

“SEC. 14. (a) It is the purpose of this section to provide assistance— 42 USC 1437L

“(1) to improve the physical condition of existing public housing projects, and

"(2) to upgrade the management and operation of such projects,
in order to assure that such projects continue to be available to serve low-income families.

Ante, p. 1624.

"(b) The Secretary may make available and contract to make available financial assistance (in such amounts as are authorized pursuant to section 5(c) and as may be approved in appropriations Acts) to public housing agencies for the purpose of improving the physical condition of existing low-rent public housing projects and for upgrading the management and operation of such projects to the extent necessary to maintain such physical improvements.

Eligibility requirements.

"(c) Assistance under subsection (b) may be made available only for low-rent housing projects which—

Ante, p. 1624.
42 USC 1437g.
42 USC 1437f.

"(1) are owned by public housing agencies;

"(2) are operated as rental housing projects and receive assistance under section 5(c) or section 9 of this Act;

"(3) are not assisted under section 8 of this Act; and

"(4) meet such other requirements consistent with the purposes of this section as the Secretary may prescribe.

Applications.

"(d) Except as provided in subsection (e)(4), no assistance may be made available under subsection (b) unless the Secretary has approved an application from the public housing agency which has been developed in consultation with appropriate local officials and with tenants of the housing projects for which assistance is requested. Such application shall contain at least—

"(1) a comprehensive assessment of (A) the current physical condition of each project for which assistance is requested, and (B) the physical improvements necessary for each such project to meet the standards established by the Secretary pursuant to subsection (j);

"(2) an identification, for each such project, of the equipment systems or structural elements which would normally be replaced (assuming routine and timely maintenance is performed) over the remaining period of the annual contributions contract or during the 30-year period beginning on the date of submission of the application, whichever period is longer;

"(3) a comprehensive assessment of the improvements needed to upgrade the management and operation of each such project so that decent, safe, and sanitary living conditions will be provided in such projects; such assessment shall include at least an identification of needs related to—

"(A) the management, financial, and accounting control systems of the public housing agency which are related to each project eligible for assistance under this section;

"(B) the adequacy and qualifications of personnel employed by such public housing agency (in the management and operation of such projects) for each category of employment; and

"(C) the adequacy and efficacy of—

"(i) tenant programs and services in such projects;

"(ii) the security of each such project and its tenants;

"(iii) policies and procedures of the public housing agency for the selection and eviction of tenants in such projects; and

"(iv) other policies and procedures of such agency relating to such projects, as specified by the Secretary; and

"(4) a plan for making the improvements and replacements, and for meeting the needs, described in paragraphs (1), (2), and (3); such plan shall include at least—

"(A) a schedule of those actions which are to be completed, over a period of not greater than 5 years from the date of approval of such application by the Secretary, within each 12-month period covered by such plan and which are necessary—

"(i) to make the improvements, described in paragraph (1)(B), for each project for which assistance is requested, and

"(ii) to upgrade the management and operation of such projects as described in paragraph (3);

"(B) the estimated cost of each of the actions described in subparagraph (A);

"(C) an estimate of the total costs of the replacement of the items identified for each such project pursuant to paragraph (2) over the remaining period of the annual contributions contract or during the 30-year period beginning on the date of submission of the application, whichever period is longer, including an estimate of the amount of funds necessary to fund the costs which have accrued for the period which ends upon the date on which the application is made, and an estimate of the costs which will accrue during each 12-month period subsequent to such application;

"(D) an operating budget for each such project for each 12-month period covered by such plan, excluding costs described in subparagraphs (B) and (C); and

"(E) an estimate of the financial resources which will be available from all sources to each such project and to the public housing agency (to the extent the resources of the agency relate to such project), and the amounts of assistance which are being requested pursuant to subsection (b) for each 12-month period covered by the plan.

"(e) The amount of financial assistance made available under subsection (b) to any public housing agency with respect to any year may not exceed the sum of—

Financial
assistance,
limitation.

"(1) an amount determined by the Secretary to be necessary to undertake the actions specified for such year in the schedule submitted pursuant to subsection (d)(4)(A);

"(2) the amount determined necessary by the Secretary to fund the replacement costs which have been identified pursuant to subsection (d)(4)(C) for each project, which have accrued for the period ending at the beginning of such year, and for which payment under subsection (b) has not been made previously;

"(3) the amount determined necessary by the Secretary to reimburse the public housing agency for the cost of developing the plan described pursuant to subsection (d)(4), less any amount which has been provided such public housing agency with respect to such year under paragraph (4); and

"(4) in the case of a public housing agency which meets such criteria of financial distress as are established by the Secretary and which has submitted the information described in paragraphs (1), (2), and (3) of subsection (d), the amount determined necessary by the Secretary to enable such agency to develop the plan described pursuant to subsection (d)(4);

except that not more than 5 per centum of the total amount utilized for annual contributions contracts under subsection (b) in any year

Low-rent
housing project,
demolition.

shall be made available for the purposes described in paragraphs (3) and (4).

"(f) Where an application made pursuant to this section proposes demolition of any low-rent housing project or any portion of such a project, the Secretary may not approve such application unless the Secretary determines that—

"(1) timely replacement of the units in such project will be undertaken by the public housing agency;

"(2) the total cost of providing such replacement housing is less than the total cost of rehabilitation of such project, except that the Secretary may waive such requirement where the Secretary determines that the demolition is necessary to meet the purposes of this section; and

"(3) low-income families displaced by such proposed demolition will be provided with decent, safe, sanitary, and affordable housing.

"(g) No assistance shall be made available to a public housing agency pursuant to subsection (b) for any year subsequent to the first year for which such assistance is made available to such agency unless the Secretary has determined that such agency has made substantial efforts to meet the objectives for the preceding year under the plan described in subsection (d)(4) and approved by the Secretary.

"(h) In making assistance available under subsection (b), the Secretary shall give preference to public housing agencies—

"(1) which request assistance for projects (A) having conditions which threaten the health or safety of the tenants, or (B) having a significant number of vacant, substandard units; and

"(2) which have demonstrated a capability of carrying out the activities proposed in the plan submitted by the agency pursuant to subsection (d)(4) and approved by the Secretary.

"(i)(1) In addition to assistance made available under subsection (b), the Secretary may, without regard to the requirements of subsections (c), (d), (e), (g), and (h), make available and contract to make available financial assistance (in such amounts as are authorized pursuant to section 5(c) and as approved in appropriation Acts) to any public housing agency in an amount which the Secretary determines is necessary to meet emergency or special purpose needs. Such needs shall be limited to—

"(A) correcting conditions which threaten the health or safety of the tenants of any project (i) which is described in subsection (c), and (ii) with respect to which an application for assistance pursuant to subsection (d) has not been approved by the Secretary;

"(B) correcting conditions (i) which threaten the health or safety of the tenants of any project with respect to which an application for assistance pursuant to subsection (d) has been approved, and (ii) which were unanticipated at the time of the development of such application;

"(C) correcting conditions which threaten the health or safety of the occupants of any low-income housing project not described in subsection (c) and not assisted pursuant to section 8; or

"(D) physical improvements needs which (i) would not otherwise be eligible for assistance under this section, and (ii) pertain to any low-income housing project other than a project assisted under section 8.

"(2) The Secretary may issue such rules and regulations as may be necessary to carry out this subsection.

Ante, p. 1624.

42 USC 1437f.

“(j)(1) The Secretary may issue such rules and regulations as may be necessary to carry out the provisions and purposes of this section.

“(2) The Secretary shall issue rules and regulations establishing standards which provide for decent, safe, and sanitary living conditions in low-rent public housing projects and for energy conserving improvements in such projects and which, to the extent practicable, are consistent with the Minimum Property Standards for Multi-Family Housing as they reasonably would be applied to existing housing, except that the Secretary may establish higher standards on a project-by-project basis in such cases where the Secretary deems such higher standards appropriate for furthering the purposes of this section.”

(b) Section 13 of such Act is amended—

93 Stat. 1109.

(1) by striking out subsection (a); and

42 USC 1437k.

(2) by striking out “(b)” in subsection (b).

(c) Section 6(f) of such Act is amended by inserting “pursuant to section 14” after “modifications” in the first and second sentences thereof.

42 USC 1437d.

(d) Section 213(d)(1) of the Housing and Community Development Act of 1974 is amended by striking out “modernization of low-income housing projects” and inserting in lieu thereof “carrying out section 14 of such Act”.

42 USC 1439.

Ante, p. 1625.

SECTION 8 AMENDMENTS

SEC. 203. (a) Section 8(c)(1) of the United States Housing Act of 1937 is amended by adding the following new sentence after the second sentence: “In the case of newly constructed and substantially rehabilitated units, the exception in the preceding sentence shall not apply to more than 20 per centum of the total amount of authority to enter into annual contributions contracts for such units which is allocated to an area and obligated with respect to any fiscal year beginning on or after October 1, 1980.”

42 USC 1437f.

(b) Section 8(e)(5) of such Act is amended by inserting the following new sentence after the second sentence thereof: “Notwithstanding subsection (c)(1) of this section, the Secretary may, in carrying out the preceding sentence, establish a maximum monthly rent (for units upgraded pursuant to this paragraph) which exceeds the fair market rental by not more than 20 per centum if such units are located in an area where the Secretary finds cost levels so require, except that the Secretary may approve maximum monthly rents which exceed the fair market rentals by more than 20 but not more than 30 per centum where the Secretary determines that special circumstances warrant such higher rent or where necessary to the implementation of a local housing assistance plan.”

OPERATING ASSISTANCE FOR TROUBLED MULTIFAMILY HOUSING PROJECTS

SEC. 204. (a) The first sentence of section 201(h) of the Housing and Community Development Amendments of 1978 is amended—

12 USC
1715z-1a.

(1) by striking out “and” after “the fiscal year 1979,”; and

(2) by inserting before the period at the end thereof the following: “, and not to exceed \$31,100,000 for the fiscal year 1981”.

(b) Section 236(f)(3)(B) of the National Housing Act is amended—

12 USC 1715z-1.

(1) by striking out “October 15, 1980” in the third sentence and inserting in lieu thereof “September 30, 1981”; and

(2) by striking out "on or after October 1, 1978," in the first sentence and all that follows through "October 31, 1978,".

RENT SUPPLEMENTS

12 USC 1701s. SEC. 205. Section 101(1) of the Housing and Urban Development Act of 1965 is amended—

(1) by striking out "may" the first time it appears in the first sentence and inserting in lieu thereof "shall, not later than 4 years after the date of enactment of the Housing and Community Development Act of 1980,";

(2) by inserting the following new sentence after the first sentence thereof: "In amending such contracts, the Secretary shall provide that the housing with respect to which payments are made under this section be maintained as low- and moderate-income housing during the term of the original contract."; and

(3) by striking out "preceding" in the second sentence and inserting in lieu thereof "the first sentence of this paragraph".

SECTION 235 STANDARD PROGRAM

12 USC 1715z. SEC. 206. (a) Section 235 of the National Housing Act is amended—

(1) by striking out "\$32,000", "\$38,000", "\$38,000", and "\$44,000" in the last proviso in subsection (b)(2) and inserting in lieu thereof "\$40,000", "\$47,500", and "\$47,500", and "\$55,000", respectively;

(2) by striking out "\$32,000", "\$38,000", "\$38,000", and "\$44,000", wherever they appear in subsections (i)(3)(B) and (i)(3)(C), and inserting in lieu thereof "\$40,000", "\$47,500", "\$47,500", and "\$55,000", respectively;

(3) by striking out "\$44,000", and "\$49,000" in subsection (i)(3)(D) and inserting in lieu thereof "\$55,000", and "\$61,250", respectively;

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

Mortgage insurance. "(p) The Secretary may insure a mortgage under this section involving a principal obligation which exceeds, by not more than 10 per centum, the maximum limits specified under subsection (b)(2) or (i)(3) of this section, or, if applicable, the maximum principal obligation insurable pursuant to subsection (o) of this section, if the mortgage relates to a dwelling to be occupied by a physically handicapped person and the Secretary determines that such action is necessary to reflect the cost of making such dwelling accessible to and usable by such person."

(b)(1) Subsection (c) of such section is amended—

(A) by inserting "(1)" after "(c)";

(B) by redesignating paragraphs (1) and (2) of such subsection as subparagraphs (A) and (B), respectively; and

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

"(2)(A) Upon disposition by the homeowner of any property assisted pursuant to this section or where the homeowner ceases for a period of 90 continuous days or more making payments required under the mortgage, loan, or advance of credit secured by such a property, or rents such a property (or the owner's unit in the case of a two- to four-family property) for a period longer than one year, the Secretary shall provide for the recapture of an amount equal to the lesser of (i) the amount of assistance actually received under this section, other than any amount provided under subsection (e), or (ii) an amount

equal to at least 50 per centum of the net appreciation of the property, as determined by the Secretary. For the purpose of this paragraph, the term 'net appreciation of the property' means any increase in the value of the property over the original purchase price, less the reasonable costs of sale, the reasonable costs of improvements made to the property, and any increase in the mortgage amount as of the time of sale over the original mortgage balance due to the mortgage being insured pursuant to section 245. Notwithstanding any other provision of law, any such assistance shall constitute a debt secured by the property to the extent that the Secretary may provide for such recapture.

"Net appreciation of the property."

12 USC 1715z-10.

"(B) Subparagraph (A) does not apply to any property with respect to which there is assumption in accordance with paragraph (1) of this subsection or to any property which is subject to a mortgage, loan, or other advance of credit insured pursuant to subsection (q)."

(2) The amendment made by paragraph (1) does not apply to any assistance contract under section 235 of the National Housing Act entered into pursuant to a commitment issued within 6 months following the date of enactment of this Act.

12 USC 1715z note.
12 USC 1715z.

(c)(1) The Secretary of Housing and Urban Development shall conduct a study of the effects which the application of subsection (n) of section 235 of the National Housing Act has had or is likely to have on the program established by subsection (a) of such section. If the program established by subsection (q) of such section is implemented, the Secretary shall include in the study an analysis of the effects on the subsection (q) program of the application of subsection (n) to such program.

Study.
12 USC 1715z note.

(2) The Secretary shall transmit to the Congress, not later than January 1, 1982, a report containing the findings and conclusions of the study described in paragraph (1).

Report to Congress.

SECTION 235(Q) PROGRAM

SEC. 207. Section 235 of the National Housing Act is amended by adding at the end thereof the following:

12 USC 1715z.

"(q)(1) Notwithstanding any other provision of this section, except subsection (n), if the Secretary determines that there is a substantial need for emergency stimulation of the housing market, the Secretary is authorized to make and enter into contracts to make periodic assistance payments, to the extent of not to exceed 75 per centum of the authority available pursuant to subsection (h)(1), on behalf of homeowners, including owners of manufactured homes, to mortgagees or other lenders holding mortgages, loans, or advances of credit which meet the requirements of this subsection. The Secretary may establish such criteria, terms, and conditions relating to homeowners and mortgages, loans, or advances of credit assisted under this subsection as the Secretary deems appropriate, consistent with the provisions of this subsection. The Secretary is authorized to insure a mortgage which meets the requirements of and is to be assisted under this subsection. The authority to enter into contracts to provide assistance payments and to insure mortgages under this subsection shall terminate on June 1, 1981, or at such earlier date as the Secretary may deem appropriate, upon a determination by the Secretary that the conditions which gave rise to the exercise of authority under this subsection are no longer present, except pursuant to a commitment entered into prior to such date.

Contracts.

Eligibility
requirements.

“(2) Payments under this subsection may be made only on behalf of a homeowner who satisfies such eligibility requirements as may be prescribed by the Secretary and who—

12 USC 1703.

“(A)(i) is a mortgagor under a mortgage which meets the requirements of and is insured under this subsection, or (ii) is the original owner of a new manufactured home consisting of two or more modules and a lot on which the manufactured home is situated, where insurance under section 2 of this Act covering the loan, advance of credit, or purchase of an obligation representing such loan or advance of credit to finance the purchase of such manufactured home and lot has been granted to the lender making such loan, advance of credit, or purchase of an obligation; and

“(B) has a family income, at the time of initial occupancy, which does not exceed 130 per centum of the area median income for the area (with adjustments for smaller and larger families, unusually high or low median family income, or other factors), as determined by the Secretary.

Assistance
payments.

“(3) Assistance payments to a mortgagee or other lender by the Secretary on behalf of a homeowner shall be made only during such time as the homeowner shall continue to occupy the property which secures the mortgage, loan, or advance of credit. The Secretary may, where a mortgage insured under this subsection has been assigned to the Secretary, continue making such assistance payments.

“(4) The amount of the assistance payments in the case of a mortgage shall not at any time exceed the lesser of—

“(A) the balance of the monthly payment for principal, interest, taxes, insurance, and any mortgage insurance premium due under the mortgage remaining unpaid after applying a minimum of 25 per centum of the mortgagor's income, except that the Secretary may reduce such per centum of income to the extent he deems necessary, but not lower than 20 per centum of the mortgagor's income; or

12 USC 1709.
Post, p. 1652.

“(B) the difference between the amount of the monthly payment for principal, interest, and any mortgage insurance premium which would be required if the mortgage were a level payment mortgage bearing interest at a rate equal to the maximum interest rate which is applicable to level payment mortgages insured under section 203(b), other than mortgages subject to section 3(a)(2) of Public Law 90-301, and the monthly payment for principal and interest which the mortgagor would be obligated to pay if the mortgage were a level payment mortgage bearing interest at the rate of at least 9½ per centum per annum.

“(5) Assistance payments on behalf of the owner of a manufactured home shall not at any time exceed the lesser of—

12 USC 1703.

“(A) the balance of the monthly payment for principal, interest, real and personal property taxes, insurance, and insurance premium chargeable under section 2 of this Act due under the loan or advance of credit remaining unpaid after applying a minimum of 25 per centum of the manufactured homeowner's income, except that the Secretary may reduce such per centum of income to the extent he deems necessary, but not lower than 20 per centum of the mortgagor's income; or

“(B) the difference between the amount of the monthly payment for principal, interest, and insurance premium chargeable under section 2 of this Act which the manufactured homeowner is obligated to pay under the loan or advance of credit and the

monthly payment of principal and interest which the owner would be obligated to pay if the loan or advance of credit were to bear an interest rate determined by the Secretary which shall not be less than 12 per centum per annum.

"(6) The Secretary may include in the payment to the mortgagee or other lender such amount, in addition to the amount computed under paragraph (4) or (5), as the Secretary deems appropriate to reimburse the mortgagee or other lender for its reasonable and necessary expenses in handling the mortgage, loan, or advance of credit.

"(7) The Secretary shall prescribe such regulations as the Secretary deems necessary to assure that the sales price of, or other consideration paid in connection with, the purchase by a homeowner of the property with respect to which assistance payments are to be made is not greater than the appraised value as determined by the Secretary.

Regulations.

"(8) Assistance payments pursuant to paragraph (5) shall not be made with respect to more than 20 per centum of the total number of units with respect to which assistance is approved under this subsection.

"(9) The Secretary may, in addition to mortgages insured under subsection (i) or (j), insure, upon application by the mortgagee, a mortgage executed by a mortgagor who meets the eligibility requirements for assistance payments prescribed by the Secretary under paragraph (2). Commitments for the insurance of such mortgages may be issued by the Secretary prior to the date of their execution or disbursement thereon, upon such terms and conditions as the Secretary may prescribe.

Mortgage insurance.

"(10) To be eligible for insurance under this subsection, a mortgage shall—

Eligibility requirements.

"(A) be a first lien on real estate held in fee simple, or on a leasehold under a lease which meets terms and conditions established by the Secretary;

"(B) have been made to, and be held by, a mortgagee approved by the Secretary as responsible and able to service the mortgage properly;

"(C) involve a one- to four-family dwelling which has been approved by the Secretary prior to the beginning of construction, or if not so approved, has been completed within one year prior to the filing of the application for insurance and which has never been sold other than to the mortgagor;

"(D) involve a principal residence the sales price of which does not exceed 82 per centum of the applicable maximum principal obligation of a mortgage which may be insured in the area pursuant to section 203(b)(2), determined without regard to the last sentence of such section;

Post, p. 1654.

"(E) have maturity and amortization provisions satisfactory to the Secretary;

"(F) bear interest (exclusive of premium charges for insurance, and service charges if any) at not to exceed the applicable maximum rate for mortgages insured pursuant to section 203(b);

"(G) be executed by a mortgagor who shall have paid in cash or its equivalent, on account of the property, at least an amount equal to 3 per centum of the Secretary's estimate of the cost of acquisition; and

"(H) contain such other terms and conditions as the Secretary may prescribe.

"(11) The Secretary shall, to the extent practicable, insure mortgages under this subsection which are secured by properties which contribute to the conservation of land and energy resources.

Land and energy conservation.

Graduated
payments.
12 USC 1715z-10.

Allocation
system.

42 USC 1439.
Recapture.

"Net
appreciation of
property."

12 USC 1715z-10.

Income
recertification.

"(12) A mortgage to be assisted under this subsection shall, where the Secretary deems it appropriate, provide for graduated payments pursuant to section 245.

"(13) The Secretary shall develop and utilize a system to allocate assistance under this subsection in a manner which assures a reasonable distribution of such assistance among the various regions of the country and which takes into consideration such factors as population, relative decline in building permits, the need for increased housing production, and other factors he deems appropriate. Assistance provided under this subsection shall not be subject to section 213 of the Housing and Community Development Act of 1974.

"(14) Upon the disposition by the homeowner of any property assisted pursuant to this subsection, or where the homeowner ceases for a period of 90 continuous days or more making payments on the mortgage, loan, or advance of credit secured by the property, or rents the property (or the owner's unit in the case of a two- to four-family residence) for a period longer than one year, the Secretary shall provide for the recapture of an amount equal to the lesser of (A) the amount of assistance actually received under this subsection, other than any amount provided under paragraph (6), or (B) an amount at least equal to 50 per centum of the net appreciation of the property, as determined by the Secretary. For the purpose of this paragraph, the term 'net appreciation of the property' means any increase in the value of the property over the original purchase price, less the reasonable costs of sale, the reasonable costs of improvements made to the property, and any increase in the mortgage balance as of the time of sale over the original mortgage balance due to the mortgage being insured pursuant to section 245. In providing for such recapture, the Secretary shall include incentives for the homeowner to maintain the property in a marketable condition. Notwithstanding any other provision of law, any such assistance shall constitute a debt secured by the property to the extent that the Secretary may provide for such recapture.

"(15) Procedures shall be adopted by the Secretary for recertification of the homeowner's income at intervals of two years (or at shorter intervals where the Secretary deems it desirable) for the purpose of adjusting the amount of such assistance payments within the limits of the formula described in paragraph (4) or (5)."

CONGREGATE SERVICES PROGRAM AMENDMENTS

42 USC 8004.

SEC. 208. (a) Section 405(c) of the Housing and Community Development Amendments of 1978 is amended by inserting after "for assistance" the following: "to provide congregate services to elderly residents".

(b) Section 405(d) of such Act is amended by inserting after "this title" in the first sentence the following: "for the provision of congregate services to elderly residents".

(c) Section 405(e) of such Act is amended—

(1) by striking out "When" and all that follows through "local agency" in paragraph (1) and inserting in lieu thereof the following: "A public housing agency or nonprofit corporation applying for assistance to provide congregate services to nonelderly handicapped residents shall consult with the appropriate agency"; and

(2) by striking out "local" in the first sentence of paragraph (2).

SECURITY PROGRAM FOR PUBLIC HOUSING

SEC. 209. (a) This section may be cited as the "Public Housing Anti-Crime Amendments of 1980".

(b) The Congress finds that—

(1) public housing and surrounding neighborhoods continue to suffer substantially from rising crime and the fear of crime;

(2) funding to provide more security for public housing can be used to leverage funding from other sources and thereby produce more successful anti-crime efforts;

(3) the effects of inflation and the need for reductions in the budget of the Federal Government result in a need for more co-targeting of Federal and local anti-crime resources;

(4) as authorized by the Public Housing Security Demonstration Act of 1978, the Urban Initiatives Anti-Crime Program has performed in a promising manner; and

(5) the First Annual Report to Congress of the Urban Initiatives Anti-Crime Program and the two General Accounting Office reports to Congress on such Program have provided useful suggestions which can now be implemented.

(c) It is, therefore, the purpose of this section to continue the efforts of the Urban Initiatives Anti-Crime Program so that more progress can be made in providing secure, decent, safe, and sanitary dwelling units for low-income and elderly tenants in public housing projects.

(d) Section 207 of the Housing and Community Development Amendments of 1978 is amended—

(1) by striking out subsection (c)(4) and inserting in lieu thereof the following:

"(4) In carrying out the provisions of this section, the Secretary shall coordinate and jointly target resources with other agencies, particularly the Law Enforcement Assistance Administration, the Department of Health and Human Services, the Department of Labor, the Department of Justice, the Department of the Interior, the Department of Commerce, the Department of Education, ACTION, the Community Services Administration, and State and local agencies.

"(5) In order to assess the impact of crime and vandalism in public housing projects, the Secretary may, as part of the Annual Housing Survey conducted by the Department of Housing and Urban Development or by other means, collect data on crime and vandalism and integrate the data collection with the victimization surveys undertaken by the Department of Justice and the Department of Commerce.

"(6) The Secretary shall, to the maximum extent practicable, utilize information derived from the program authorized by this section for assisting in establishing (A) guidelines to be used by public housing authorities in determining strategies to meet the security needs of tenants of public housing projects assisted under the United States Housing Act of 1937, other than under section 8 of such Act, and (B) guidelines for improvements relating to the security of projects (and the tenants living in such projects) assisted under section 14 of such Act.";

(2) by striking out "this Act" in the first sentence of subsection (e) and inserting in lieu thereof "the Housing and Community Development Act of 1980"; and

(3) by adding the following new sentence at the end of subsection (f): "Of the authority approved in appropriation Acts for the purpose of entering into annual contributions contracts under

Public Housing
Anti-Crime
Amendments of
1980.

12 USC 1701z-6
note.

12 USC 1701z-6
note.

12 USC 1701z-6
note.

12 USC 1701z-6
note.

Crime and
vandalism, data
collection.

Guidelines.

42 USC 1437
note, 1437f.

Ante, p. 1625.

Contract
authority.

Ante, p. 1624.

section 5(c) of the United States Housing Act of 1937 with respect to the fiscal year beginning on October 1, 1980, the Secretary may enter into contracts to carry out this section, except that the aggregate amount obligated over the duration of such contracts may not exceed \$10,000,000."

SOLAR ENERGY SYSTEMS IN PUBLIC HOUSING PROJECTS

42 USC 1437c.

SEC. 210. Section 5 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new subsection:

42 USC 1437f.

"(i) In entering into contracts for assistance with respect to newly constructed or substantially rehabilitated projects under this section (other than for projects assisted pursuant to section 8), the Secretary shall require the installation of a passive or active solar energy system in any such project where the Secretary determines that such installation would be cost effective over the estimated life of the system."

SECTION 236 AMENDMENT

12 USC 1715z-1.

SEC. 211. Section 236 of the National Housing Act is amended by adding the following new subsection at the end thereof:

42 USC 1437f.

Ante, p. 1624.

"(q) The Secretary may provide assistance under section 8 of the United States Housing Act of 1937 with respect to residents of units in a project assisted under this section. In entering into contracts under section 5(c) of such Act with respect to the additional authority provided on October 1, 1980, the Secretary shall not utilize more than \$20,000,000 of such additional authority to provide assistance for elderly or handicapped families which, at the time of applying for assistance under such section 8, are residents of a project assisted under this section and are expending more than 50 percent of their income on rental payments."

PAYMENT OF NONFEDERAL SHARE

SEC. 212. The United States Housing Act of 1937 is amended by adding at the end thereof the following new section:

"PAYMENT OF NONFEDERAL SHARE

42 USC 1437m.

"SEC. 15. Any of the following may be used as the non-Federal share required in connection with activities undertaken under Federal grant-in-aid programs which provide social, educational, employment, and other services to the tenants in a project assisted under this Act, other than under section 8:

42 USC 1437f.

"(1) annual contributions under this Act for operation of the project; or

"(2) rental or use-value of buildings or facilities paid for, in whole or in part, from development, modernization, or operation cost financed with loans or debt service annual contributions under this Act."

MANAGEMENT AND PRESERVATION OF HOUSING AND URBAN DEVELOPMENT-OWNED MULTIFAMILY HOUSING PROJECTS

12 USC 1701z-11.

SEC. 213. (a) Section 203(a) of the Housing and Community Development Amendments of 1978 is amended—

(1) by striking out paragraph (1) and inserting in lieu thereof the following:

"(1) preserving the housing units so that at least those units which are occupied by low- and moderate-income persons or which are vacant, at the time of acquisition, are available to and affordable by such persons;"

(2) by striking out "and" at the end of clause (4);

(3) by striking out the period at the end of clause (5) and inserting in lieu thereof "; and"; and

(4) by adding at the end thereof the following:

"(6) maintaining the project for the purpose of providing rental or cooperative housing."

(b) Section 203(b)(1) of such Act is amended by inserting after "considering the low- and moderate-income character of the project" the following: ", including the number of units in the project occupied by low- and moderate-income persons,"

12 USC 1701z-11.

(c) Section 203(c) of such Act is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) of such subsection and inserting in lieu thereof "; and"; and

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

"(3) maintain the project for purposes of providing rental or cooperative housing for the longest feasible period."

(d) Subparagraphs (B) and (C) of section 203(d)(2) of such Act are amended by inserting "except for tenants of above-moderate income," before "to".

(e) Section 203(f) of such Act is amended to read as follows:

"(f) For the purpose of this section, the term 'multifamily housing project' means any multifamily rental housing project which is, or prior to acquisition by the Secretary was, assisted or insured under the National Housing Act, or was subject to a loan under section 202 of the Housing Act of 1959 or section 312 of the Housing Act of 1964, or which is acquired by the Secretary pursuant to any other provision of law."

"Multifamily housing project."

12 USC 1701.

12 USC 1701q,

42 USC 1452b.

RESTRICTION ON USE OF ASSISTED HOUSING

SEC. 214. (a) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development may not make financial assistance available for the benefit of any nonimmigrant student-alien.

Nonimmigrant student aliens.
42 USC 1436a.

(b) For purposes of this section—

Definitions.

(1) the term "financial assistance" means financial assistance made available pursuant to the United States Housing Act of 1937, section 235 or 236 of the National Housing Act, or section 101 of the Housing and Urban Development Act of 1965; and

42 USC 1437

note,

12 USC 1715z,

1715z-1.

(2) the term "nonimmigrant student-alien" means (A) an alien having a residence in a foreign country which he or she has no intention of abandoning, who is a bona fide student qualified to pursue a full course of study and who is admitted to the United States temporarily and solely for purpose of pursuing such a course of study at an established institution of learning or other recognized place of study in the United States, particularly designated by him or her and approved by the Attorney General after consultation with the Department of Education of the United States, which institution or place of study shall have agreed to report to the Attorney General the termination of attendance of each nonimmigrant student, and if any such institution of learning or place of study fails to make reports promptly the approval shall be withdrawn, and (B) the alien

12 USC 1701s, 42
USC 1451, 1465.

spouse and minor children of any such alien if accompanying him or her or following to join him or her.

REPORT ON HOUSING ASSISTANCE BLOCK GRANT PROGRAM

Transmittal to Congress.

SEC. 215. The Secretary shall conduct a comprehensive examination of the feasibility of a housing assistance block grant program, including the feasibility of replacing the categorical housing assistance programs proposed to be utilized in fiscal year 1982, and shall transmit to the Congress a report thereon not later than March 31, 1981. Such examination shall include, but not be limited to—

- (1) simplified and expedited application and review procedures;
- (2) an equitable allocation formula which reflects both current program experience and identified needs; and
- (3) such other recommendations as the Secretary deems appropriate.

FINANCIAL ASSISTANCE IN IMPACTED AREAS

42 USC 1436b.

SEC. 216. The Secretary of Housing and Urban Development shall not exclude from consideration for financial assistance under federally assisted housing programs proposals for housing projects solely because the site proposed is located within an impacted area. For the purposes of this section, the term "federally assisted housing programs" means any program authorized by the United States Housing Act of 1937, sections 235 and 236 of the National Housing Act, section 101 of the Housing and Urban Development Act of 1965, or section 202 of the Housing Act of 1959.

"Federally assisted housing programs."

42 USC 1437
note, 12 USC
1715z, 1715z-1.
12 USC 1701s, 42
USC 1451, 1465.
12 USC 1701q.

TITLE III—PROGRAM AMENDMENTS AND EXTENSIONS

EXTENSION OF FEDERAL HOUSING ADMINISTRATION MORTGAGE INSURANCE PROGRAMS

12 USC 1703.

SEC. 301. (a) Section 2(a) of the National Housing Act is amended by striking out "October 16, 1980" in the first sentence and inserting in lieu thereof "October 1, 1981".

12 USC 1715h.

(b) Section 217 of such Act is amended by striking out "October 15, 1980" and inserting in lieu thereof "September 30, 1981".

12 USC 1715l.

(c) Section 221(f) of such Act is amended by striking out "October 15, 1980" in the fifth sentence and inserting in lieu thereof "September 30, 1981".

12 USC 1715z.

(d) Section 235(m) of such Act is amended by striking out "October 15, 1980" and inserting in lieu thereof "September 30, 1981".

12 USC 1715z-1.

(e) Section 236(n) of such Act is amended by striking out "October 15, 1980" and inserting in lieu thereof "September 30, 1981".

12 USC 1715z-9.

(f) Section 244(d) of such Act is amended by—

- (1) striking out "October 15, 1980" in the first sentence and inserting in lieu thereof "September 30, 1981"; and
- (2) striking out "October 16, 1980" in the second sentence and inserting in lieu thereof "October 1, 1981".

12 USC 1715z-10.

(g) Section 245(a) of such Act is amended by striking out "October 15, 1980" where it appears and inserting in lieu thereof "September 30, 1981".

12 USC 1748h-1.

(h) Section 809(f) of such Act is amended by striking out "October 15, 1980" in the second sentence and inserting in lieu thereof "September 30, 1981".

(i) Section 810(k) of such Act is amended by striking out "October 15, 1980" in the second sentence and inserting in lieu thereof "September 30, 1981". 12 USC 1748h-2.

(j) Section 1002(a) of such Act is amended by striking out "October 15, 1980" in the second sentence and inserting in lieu thereof "September 30, 1981". 12 USC 1749bb.

(k) Section 1101(a) of such Act is amended by striking out "October 15, 1980" in the second sentence and inserting in lieu thereof "September 30, 1981". 12 USC 1749aaa.

FLEXIBLE INTEREST RATE AUTHORITY

SEC. 302. (a) Section 3(a) of Public Law 90-301 is amended by striking out "October 16, 1980" and inserting in lieu thereof "October 1, 1981". 12 USC 1709-1.

(b) Section 3(a) of such Public Law is amended—

(1) by inserting after "finds necessary to meet the mortgage market," in the first sentence thereof the following: "taking into consideration the yields on mortgages in the primary and secondary markets,";

(2) by inserting after "finds necessary to meet the loan market" in the second sentence the following: "taking into consideration the yields on home improvement and manufactured home loans"; and

(3) by adding the following new sentence at the end thereof: "In setting such rates, the Secretary shall seek to minimize uncertainty and speculation in connection with mortgage and loan transactions insured under the National Housing Act, and when effective rates on home mortgages and other such loans are rising, the Secretary shall exercise the authority to set the interest rates for such mortgage and loan insurance programs with sufficient frequency to promote the objective that discount points payable in connection with mortgages and loans insured pursuant to such programs should be minimized." 12 USC 1701.

RESEARCH AUTHORIZATIONS

SEC. 303. The second sentence of section 501 of the Housing and Urban Development Act of 1970 is amended by striking out "and not to exceed \$50,300,000 for the fiscal year 1980" and inserting in lieu thereof "not to exceed \$50,300,000 for the fiscal year 1980, and not to exceed \$51,000,000 for the fiscal year 1981". 12 USC 1701z-1.

AUTHORIZATION FOR FLOOD INSURANCE STUDIES

SEC. 304. Section 1376(c) of the National Flood Insurance Act of 1968 is amended by striking out "and not to exceed \$74,000,000 for the fiscal year 1980" and inserting in lieu thereof "not to exceed \$74,000,000 for the fiscal year 1980, and not to exceed \$61,600,000 for the fiscal year 1981". 42 USC 4127.

FEDERAL HOUSING ADMINISTRATION GENERAL INSURANCE FUND

SEC. 305. Section 519(f) of the National Housing Act is amended by striking out all that follows "General Insurance Fund not to exceed" and inserting in lieu thereof "\$1,738,000,000". 12 USC 1735c.

DEFINITION OF MORTGAGE UNDER THE NATIONAL HOUSING ACT

12 USC 1707.

SEC. 306. Section 201(a) of the National Housing Act is amended by striking out "having a period of not less than fifty years to run from the date the mortgage was executed" and inserting in lieu thereof "having a period of not less than ten years to run beyond the maturity date of the mortgage".

RELIEF OF THE CITY OF SPRINGFIELD, ILLINOIS

42 USC 1500.

SEC. 307. Notwithstanding the provisions of title VII of the Housing Act of 1961 or any other law, the transactions under which land acquired by the city of Springfield, Illinois, in connection with Open-Space Projects Numbered Ill.-OSC-171 (DL) and Numbered Ill.-OSC-246 (DL) was transferred by such city to the United States Department of the Interior for the Lincoln Home National Historic Site shall be deemed to have been made in accordance with all provisions of title VII of such Act and of any other law and with any regulations or other requirements in implementation thereof.

MANUFACTURED HOUSING

12 USC 1703.

SEC. 308. (a) Section 2(b) of the National Housing Act is amended—

(1) by striking out "\$18,000 (\$27,000 in the case of a mobile home containing two or more modules)" in the first sentence and inserting in lieu thereof "\$20,000 (\$30,000 in the case of a manufactured home composed of two or more modules)";

(2) by striking out subparagraph (A) of the second paragraph and inserting in lieu thereof the following:

"(A) involve an amount not exceeding \$26,675 (\$36,675 in the case of a manufactured home composed of more than two modules); and";

(3) by striking out subparagraph (A) of the third paragraph and inserting in lieu thereof the following:

"(A) involve an amount not exceeding \$30,550 (\$40,550 in the case of a manufactured home composed of two or more modules); and"; and

(4) by striking out "\$6,250 in the case of an undeveloped lot, or (ii) \$9,375" in the fourth paragraph and inserting in lieu thereof "\$6,950 in the case of an undeveloped lot, or (ii) \$10,425".

(b) Section 2(b) of the National Housing Act is amended by adding the following new sentence at the end of the last paragraph: "In other areas where there are high land costs or high set-up costs, the Secretary may, by regulation, increase any such dollar amount limitation to—

"(1) \$32,500 (or \$43,000 with respect to a manufactured home composed of two or more modules) in the case of a manufactured home and an undeveloped lot;

"(2) \$38,100 (or \$49,000 with respect to a manufactured home composed of two or more modules) in the case of a manufactured home and a developed lot; and

"(3) \$11,750 (or \$17,450 with respect to a developed lot) in the case of a lot in which to place a manufactured home."

(c)(1) The National Housing Act is amended by striking out "mobile home" each place it appears and inserting in lieu thereof "manufactured home".

(2) Section 235(a)(2)(B) of such Act is amended by striking out "mobile homeowner" and "mobile homeowner's" and inserting in

12 USC 1701
note.

12 USC 1715z.

lieu thereof “manufactured homeowner” and “manufactured homeowner’s”, respectively.

(3) The United States Housing Act of 1937 is amended by striking out “mobile home” each place it appears and inserting in lieu thereof “manufactured home”.

42 USC 1437.

(4) Title VI of the Housing and Community Development Act of 1974 is amended by striking out “Mobile Home” each place it appears, other than in section 601, and inserting in lieu thereof “Manufactured Home” and by striking out “mobile home” each place it appears and inserting in lieu thereof “manufactured home”.

42 USC 5401.

(5) Section 601 of the Housing and Community Development Act of 1974 is amended by striking out “Mobile Home” and inserting in lieu thereof “Manufactured Housing”.

42 USC 5401
note.

(6) Section 501(e)(4) of Public Law 96-221 is amended by striking out “mobile home” and inserting in lieu thereof “manufactured home”.

Ante, p. 163.

(7) In adopting regulations and procedures in accordance with this subsection, the Secretary of Housing and Urban Development shall have discretion to take actions in a manner which he deems necessary to insure that the public is fully aware of the distinctions between the various types of factory-built housing.

42 USC 5424
note.

(d) Section 603(6) of the Housing and Community Development Act of 1974 is amended—

42 USC 5402.

(A) by striking out “is eight body feet or more in width and is thirty-two body feet or more in length” and inserting in lieu thereof “, in the traveling mode, is eight body feet or more in width or forty body feet or more in length, or, when erected on site, is three hundred twenty or more square feet”; and

(B) by inserting the following after the semicolon at the end thereof: “except that such term shall include any structure which meets all the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the Secretary and complies with the standards established under this title;”.

(e) Not later than January 1, 1982, the Secretary of Housing and Urban Development shall develop a procedure for collecting and regularly reporting data on the mean and median sales price for new manufactured homes, and, where available, data on the mean and median sales price for manufactured home lots and combination new manufactured home and lot packages. Such reports shall contain, to the maximum extent feasible, sales price information for the Nation, each census region, each State on an annual basis, and selected standard metropolitan statistical areas having sufficient activity on an annual basis.

Data collection
and reporting.
12 USC 1703
note.

ELIMINATION OF SECTION 8 CONDITION OF GNMA PURCHASE OF CERTAIN MULTIFAMILY MORTGAGES

SEC. 309. The second sentence of section 302(b)(1) of the National Housing Act is amended—

12 USC 1717.

(1) by striking out “(1)”; and

(2) by striking out “, and (2)” and all that follows through “1937”.

INCREASE IN CERTAIN MAXIMUM MORTGAGE AMOUNTS FOR SOLAR ENERGY SYSTEMS AND ENERGY CONSERVING MEASURES

SEC. 310. (a) The last sentence of section 207(c)(3) of the National Housing Act is amended by striking out “therein” and inserting in

12 USC 1713.

- 42 USC 8211. lieu thereof "or residential energy conservation measures (as defined in section 210(11) (A) through (G) and (I) of Public Law 95-619) in cases where the Secretary determines that such measures are in addition to those required under the minimum property standards and will be cost-effective over the life of the measure therein".
- 12 USC 1715e. (b) Section 213 of such Act is amended by adding at the end thereof the following:
- 12 USC 1703. "(p) Notwithstanding any other provision of this section, the project mortgage amounts which may be insured under this section may be increased by up to 20 per centum if such increase is necessary to account for the increased cost of the project due to the installation of a solar energy system (as defined in subparagraph (3) of the last paragraph of section 2(a) of this Act) or residential energy conservation measures (as defined in section 210(11) (A) through (G) and (I) of Public Law 95-619) in cases where the Secretary determines that such measures are in addition to those required under the minimum property standards and will be cost-effective over the life of the measure therein".
- 42 USC 8211. (c) Section 220(d)(3)(B)(iii) of such Act is amended by inserting before the semicolon at the end thereof the following: "*And provided further, That the Secretary may further increase any of the dollar amount limitations which would otherwise apply for the purpose of this clause by not to exceed 20 per centum if such increase is necessary to account for the increased cost of the project due to the installation of a solar energy system (as defined in subparagraph (3) of the last paragraph of section 2(a) of this Act) or residential energy conservation measures (as defined in section 210(11) (A) through (G) and (I) of Public Law 95-619) in cases where the Secretary determines that such measures are in addition to those required under the minimum property standards and will be cost-effective over the life of the measure therein*".
- 12 USC 1715k. (d) Section 221 of such Act is amended by adding at the end thereof the following new subsection:
- 12 USC 1703. "(k) With respect to any project insured under subsection (d)(3) or (d)(4), the Secretary may further increase the dollar amount limitations which would otherwise apply for the purpose of those subsections by up to 20 per centum if such increase is necessary to account for the increased cost of the project due to the installation of a solar energy system (as defined in subparagraph (3) of the last paragraph of section 2(a) of this Act) or residential energy conservation measures (as defined in section 210(11) (A) through (G) and (I) of Public Law 95-619) in cases where the Secretary determines that such measures are in addition to those required under the minimum property standards and will be cost-effective over the life of the measure therein".
- 42 USC 8211. (e) Section 231(c)(2) of such Act is amended by inserting immediately before the semicolon at the end thereof "*Provided, That the Secretary may further increase the dollar amount limitations which would otherwise apply for the purpose of this section by not to exceed 20 per centum if such increase is necessary to account for the increased cost of the project due to the installation of a solar energy system (as defined in subparagraph (3) of the last paragraph of section 2(a) of this Act) or residential energy conservation measures (as defined in section 210(11) (A) through (G) and (I) of Public Law 95-619) in cases where the Secretary determines that such measures are in addition to those required under the minimum property standards and will be cost-effective over the life of the measure therein*".
- 12 USC 1715l. (f) Section 231(c)(2) of such Act is amended by inserting immediately before the semicolon at the end thereof "*Provided, That the Secretary may further increase the dollar amount limitations which would otherwise apply for the purpose of this section by not to exceed 20 per centum if such increase is necessary to account for the increased cost of the project due to the installation of a solar energy system (as defined in subparagraph (3) of the last paragraph of section 2(a) of this Act) or residential energy conservation measures (as defined in section 210(11) (A) through (G) and (I) of Public Law 95-619) in cases where the Secretary determines that such measures are in addition to those required under the minimum property standards and will be cost-effective over the life of the measure therein*".
- 42 USC 8211. (g) Section 231(c)(2) of such Act is amended by inserting immediately before the semicolon at the end thereof "*Provided, That the Secretary may further increase the dollar amount limitations which would otherwise apply for the purpose of this section by not to exceed 20 per centum if such increase is necessary to account for the increased cost of the project due to the installation of a solar energy system (as defined in subparagraph (3) of the last paragraph of section 2(a) of this Act) or residential energy conservation measures (as defined in section 210(11) (A) through (G) and (I) of Public Law 95-619) in cases where the Secretary determines that such measures are in addition to those required under the minimum property standards and will be cost-effective over the life of the measure therein*".

(f) Section 232(d)(2) of such Act is amended to read as follows: 12 USC 1715w.

“(2) The mortgage shall involve a principal obligation in an amount not to exceed 90 per centum of the estimated value of the property or project, including—

“(A) equipment to be used in the operation of the home or facility or combined home and facility when the proposed improvements are completed and the equipment is installed; or

“(B) a solar energy system (as defined in subparagraph (3) of the last paragraph of section 2(a) of this Act) or residential energy conservation measures (as defined in section 210(11) (A) through (G) and (I) of Public Law 95-619) in cases where the Secretary determines that such measures are in addition to those required under the minimum property standards and will be cost-effective over the life of the measure.”.

12 USC 1703.

42 USC 8211.

(g) Section 234 of such Act is amended by adding at the end thereof the following new subsection: 12 USC 1715y.

“(j) The Secretary may further increase the dollar amount limitations which would otherwise apply under subsection (e) by not to exceed 20 per centum if such increase is necessary to account for the increased cost of a project due to the installation of a solar energy system (as defined in subparagraph (3) of the last paragraph of section 2(a) of this Act) or residential energy conservation measures (as defined in section 210(11) (A) through (G) and (I) of Public Law 95-619) in cases where the Secretary determines that such measures are in addition to those required under the minimum property standards and will be cost-effective over the life of the measure therein.”.

12 USC 1703.

42 USC 8211.

(h) Section 242(d)(2) of such Act is amended to read as follows: 12 USC 1715z-7.

“(2) The mortgage shall involve a principal obligation in an amount not to exceed 90 per centum of the estimated replacement cost of the property or project including—

“(A) equipment to be used in the operation of the hospital, when the proposed improvements are completed and the equipment is installed; and

“(B) a solar energy system (as defined in subparagraph (3) of the last paragraph of section 2(a) of this Act) or residential energy conservation measures (as defined in section 210(11) (A) through (G) and (I) of Public Law 95-619) in cases where the Secretary determines that such measures are in addition to those required under the minimum property standards and will be cost-effective over the life of the measure.”.

12 USC 1703.

42 USC 8211.

(i) Section 1101(c)(2) of such Act is amended by inserting immediately after “the boundaries of the property,” the following: “a solar energy system (as defined in subparagraph (3) of the last paragraph of section 2(a) of this Act) or residential energy conservation measures (as defined in section 210(11) (A) through (G) and (I) of Public Law 95-619) in cases where the Secretary determines that such measures are in addition to those required under the minimum property standards and will be cost-effective over the life of the measure,”.

12 USC 1749aaa.

12 USC 1703.

42 USC 8211.

SECTION 220 MORTGAGE INSURANCE IN AREAS OF CONCENTRATED DEVELOPMENT ACTIVITIES

SEC. 311. (a) Section 220(d)(1)(A) of the National Housing Act is amended by inserting after “pursuant to Section 117 of the Housing Act of 1949” the following: “, or (v) an area, designated by the Secretary, where concentrated housing, physical development, and public service activities are being or will be carried out in a coordi-

12 USC 1715k.

42 USC 1468.

nated manner, pursuant to a locally developed strategy for neighborhood improvement, conservation, or preservation”.

12 USC 1715k.

(b) Section 220(d)(3)(B)(iv) of such Act is amended by inserting after “urban renewal plan” the following: “or, where appropriate, with the locally developed strategy for neighborhood improvement, conservation or preservation”.

REPORT ON HOUSING PRODUCTION GOALS

42 USC 1441c.

SEC. 312. Section 1603 of the Housing and Urban Development Act of 1968 is amended—

(1) by striking out “January 20 of each year” and inserting in lieu thereof “March 15 of each year beginning with calendar year 1981”;

(2) by inserting after “current year” in paragraph (2) the following: “and sets general objectives for such activity during the next year”;

(3) by striking out “objective” in paragraph (3) and inserting in lieu thereof “objectives”; and

(4) by inserting after “current year” in paragraph (7) the following: “and, as feasible, the next year”.

FEDERAL NATIONAL MORTGAGE ASSOCIATION AND FEDERAL HOME LOAN MORTGAGE CORPORATION MORTGAGE AMENDMENTS

12 USC 1717.

“Conventional mortgages.”

26 USC 216.

Maximum principal obligation, limitation.

SEC. 313. (a) Section 302(b)(2) of the National Housing Act is amended by striking out the last sentence and inserting in lieu thereof the following: “For the purpose of this section, the term ‘conventional mortgages’ shall include a mortgage, lien, or other security interest on the stock or membership certificate issued to a tenant-stockholder or resident-member of a cooperative housing corporation, as defined in section 216 of the Internal Revenue Code of 1954, and on the proprietary lease, occupancy agreement, or right of tenancy in the dwelling unit of the tenant-stockholder or resident-member in such cooperative housing corporation. The corporation shall establish limitations governing the maximum principal obligation of conventional mortgages purchased by it. Such limitations shall not exceed \$93,750 for a mortgage secured by a single-family residence, \$120,000 for a mortgage secured by a two-family residence, \$145,000 for a mortgage secured by a three-family residence, and \$180,000 for a mortgage secured by a four-family residence, except that such maximum limitations shall be adjusted effective January 1 of each year beginning with 1981. Each such adjustment shall be made by adding to each such amount (as it may have been previously adjusted) a percentage thereof equal to the percentage increase during the twelve-month period ending with the previous October in the national average one-family house price in the monthly survey of all major lenders conducted by the Federal Home Loan Bank Board. With respect to mortgages secured by property comprising five or more family dwelling units, such limitations shall not exceed 125 per centum of the limitations established under section 207(c)(3) of this Act. The foregoing limitations may be increased by not to exceed 50 per centum with respect to properties located in Alaska, Guam, and Hawaii.”.

Ante, p. 1641.

12 USC 1454.

(b) Section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act is amended by striking out the last sentence and inserting in

lieu thereof the following: "The Corporation shall establish limitations governing the maximum principal obligation of conventional mortgages purchased by it. Such limitations shall not exceed \$93,750 for a mortgage secured by a single-family residence, \$120,000 for a mortgage secured by a two-family residence, \$145,000 for a mortgage secured by a three-family residence, and \$180,000 for a mortgage secured by a four-family residence, except that such maximum limitations shall be adjusted effective January 1 of each year beginning with 1981. Each such adjustment shall be made by adding to each such amount (as it may have been previously adjusted) a percentage thereof equal to the percentage increase during the twelve-month period ending with the previous October in the national average one-family house price in the monthly survey of all major lenders conducted by the Federal Home Loan Bank Board. With respect to mortgages of property comprising five or more family dwelling units, such limitations shall not exceed 125 per centum of the limitations established under section 207(c)(3) of the National Housing Act. The foregoing limitations may be increased by not to exceed 50 per centum with respect to properties located in Alaska, Guam, and Hawaii."

Conventional mortgages, maximum principal obligation.

Ante, p. 1641.

SUPPLEMENTARY LOANS

SEC. 314. Section 241(e)(1) of the National Housing Act is amended by inserting after "multifamily housing project" the following: "if such meters are purchased or installed in connection with other energy conserving improvements or with a solar energy system or the project meets minimum standards of energy conservation established by the Secretary,".

12 USC 1715z-6.

NEIGHBORHOOD REINVESTMENT CORPORATION

SEC. 315. Title VI of the Housing and Community Development Amendments of 1978 is amended—

- (1) by striking out "National" in section 603(a);
- (2) by striking out "supervising" in the first sentence of section 606(a)(1) and inserting in lieu thereof the word "monitoring"; and
- (3) by striking out "and not to exceed \$12,000,000 for fiscal year 1980" in section 608(a) and inserting in lieu thereof the following: "not to exceed \$12,000,000 for fiscal year 1980, and not to exceed \$13,426,000 for fiscal year 1981".

42 USC 8102.

42 USC 8105.

42 USC 8107.

MUTUAL HOUSING ASSOCIATION DEMONSTRATION

SEC. 316. (a) The Congress—

- (1) recognizes the significant potential of mutual housing associations for helping make multifamily housing in the United States more affordable; and

42 USC 8106 note.

- (2) commends and encourages the efforts being made in connection with the national demonstration program of mutual housing associations being undertaken by the Neighborhood Reinvestment Corporation and the National Consumer Cooperative Bank with the cooperation of the Department of Housing and Urban Development.

(b) The Neighborhood Reinvestment Corporation, in conjunction with the National Consumer Cooperative Bank and the Secretary of Housing and Urban Development, shall transmit a report to the Congress on the findings and conclusions reached as a result of the demonstration program described in subsection (a)(2), together with legislative recommendations, not later than September 30, 1981.

Report to Congress.

COLLECTION OF DELINQUENCY DATA

Study; report to Congress.

SEC. 317. The Secretary of Housing and Urban Development shall conduct a study to determine the feasibility of collecting data pertaining to all home mortgage delinquencies on an appropriate regional basis, and shall, as soon as practicable, but not later than April 1, 1981, transmit to the Congress a report containing the results of such study.

AMENDMENT TO SECTION 234

12 USC 1715y.

SEC. 318. The first sentence of section 234(c) of the National Housing Act is amended by inserting after "Act)" the following: "or the project was approved for a guarantee, insurance, or a direct loan under chapter 37 of title 38, United States Code".

38 USC 1801 *et seq.*

MODERATE REHABILITATION OF SMALL GROUP HOMES AND SIMILAR FACILITIES FOR THE HANDICAPPED

12 USC 1701q.

SEC. 319. Section 202(d)(3) of the Housing Act of 1959 is amended by adding at the end thereof the following: "In the case of housing to meet the needs of handicapped (primarily nonelderly) persons, such term also means the cost of acquiring existing housing and related facilities, the cost of rehabilitation, alteration, conversion, or improvement, including the moderate rehabilitation, thereof, and the cost of the land on which the housing and related facilities are located.".

TIME OF PAYMENT OF PREMIUM CHARGES

SEC. 320. Title V of the National Housing Act is amended by adding the following new section at the end thereof:

"TIME OF PAYMENT OF PREMIUM CHARGES

12 USC 1735f-8.
12 USC 1702,
1707, 1724, 1747,
1748, 1750,
1749aa, 1749aaa.

"SEC. 530. In carrying out the provisions of titles I, II, IV, VII, VIII, IX, X, and XI pertaining to the payment of loan or mortgage insurance premium charges by a financial institution, other mortgagees, or agent thereof to the Federal Government in connection with a loan or mortgage insurance program established pursuant to any of these titles, the Secretary shall require that payment of such premiums be made promptly upon their receipt from the borrower; except that the Secretary may approve payment of such premiums within twenty-four months of such receipt if the financial institution, mortgagee, or agent thereof pays interest, at a rate specified by the Secretary, to the insurance fund for the period beginning twenty days after receipt from the borrower and ending upon payment of the premiums to the Federal Government.".

FORECLOSURE OF LOANS UNDER THE SECTION 203(k) REHABILITATION LOAN INSURANCE PROGRAM

12 USC 1709.

SEC. 321. Section 203(k)(5) of the National Housing Act is amended by striking out the second sentence and inserting in lieu thereof the following: "Insurance benefits paid with respect to loans secured by a first mortgage and insured under this subsection shall be paid in accordance with section 204, except that all references in section 204 to the Mutual Mortgage Insurance Fund shall be construed as referring to the General Insurance Fund. Insurance benefits paid with respect to loans secured by a mortgage other than a first

12 USC 1710.

mortgage and insured under this subsection shall be paid in accordance with paragraphs (6) and (7) of section 220(h), except that reference to 'this subsection' in such paragraphs shall be construed as referring to this subsection."

12 USC 1715k.

VALLEY HOMES MUTUAL HOUSING CORPORATION

SEC. 322. (a) Notwithstanding any other provision of law, Valley Homes Mutual Housing Corporation, obligor on a note and mortgage secured by a multifamily housing project located at 972 Medosch Avenue, Lincoln Heights, Ohio and held by the Government National Mortgage Association, is hereby relieved of all liability to the Government for the outstanding principal balance on the above mentioned mortgage; for the amount of accrued out unpaid interest thereon; and for taxes, insurance, and other charges previously paid by the Government. This release from liability is in full settlement of all present and any future claims Valley Homes Mutual Housing Corporation, its successors and assigns may have against the United States or any of its Agencies concerning the mortgagor's purchase of the mortgaged premises from the Public Housing Administration in 1954.

(b) The President of the Government National Mortgage Association is authorized and directed to release Valley Homes Mutual Housing Corporation from its liability to the Association and to discharge the mortgage note secured by the mortgage on the multifamily housing project located at 972 Medosch Avenue, Lincoln Heights, Ohio.

(c) No amount in excess of ten per centum of the principal and interest due upon the mortgage released under subsection (b) of this provision shall be paid to or received by an attorney or other person in consideration for services rendered in connection with the claims of Valley Homes Mutual Housing Corporation against the United States or any of its Agencies referred to in subsection (a) of this provision. Any person who violates this subsection shall be fined not more than \$1,000.

Penalty.

STUDY OF FACTORY-BUILT HOUSING

SEC. 323. The Secretary of Housing and Urban Development shall study the feasibility of utilizing factory-built and other appropriate types of housing (other than the traditional type of site-built housing), to the extent practicable, in carrying out housing programs for Indians and Alaskan Native, and shall, not later than eighteen months after the date of enactment of this Act, transmit a report to the Congress containing the findings and conclusions of such study, including a comparison of the costs and benefits of utilizing the traditional type of site-built housing and of utilizing other types of housing in situations in which either type of housing could be used.

Report to
Congress.
12 USC 1715d
note.

USURY PROVISIONS

SEC. 324. (a) Section 501(a)(1)(A) of the Depository Institutions Deregulation and Monetary Control Act of 1980 is amended—

Ante, p. 161.

(1) by striking out "stock" the first place it appears and inserting in lieu thereof "all stock allocated to a dwelling unit"; and

(2) by striking out "where the loan, mortgage, or advance is used to finance the acquisition of such stock".

Ante, p. 164.

Definitions.

(b) Section 511 of such Act is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following:

“(b) For the purpose of this part—

“(1) the term ‘loan’ includes all secured and unsecured loans, credit sales, forbearances, advances, renewals or other extensions of credit made by or to any person or organization for business or agricultural purposes;

“(2) the term ‘interest’ includes any compensation, however denominated, for a loan;

“(3) the term ‘organization’ means a corporation, government or governmental subdivision or agency, trust, estate, partnership, cooperative, association, or other entity; and

“(4) the term ‘person’ means a natural person or organization.”.

Ante, p. 164.

(c)(1) Section 512 of such Act is amended—

(A) by inserting “(a)” after “SEC. 512.”; and

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

“(b) A loan shall be deemed to be made during the period described in subsection (a) if such loan—

“(1)(A) is funded or made in whole or in part during such period, regardless of whether pursuant to a commitment or other agreement therefor made prior to April 1, 1980;

“(B) was made prior to or on April 1, 1980, and bears or provides for interest during such period on the outstanding amount thereof at a variable or fluctuating rate; or

“(C) is a renewal, extension, or other modification during such period of any loan, if such renewal, extension, or other modification is made with the written consent of any person obligated to repay such loan; and

“(2)(A) is an original principal amount of \$25,000 or more (\$1,000 or more on or after the date of enactment of the Housing and Community Development Act of 1980); or

“(B) is part of a series of advances if the aggregate of all sums advanced or agreed or contemplated to be advanced pursuant to a commitment or other agreement therefor is \$25,000 or more (\$1,000 or more on or after the date of enactment of the Housing and Community Development Act of 1980).”.

Ante, p. 1614.

Effective date.
12 USC 86a note.

Ante, p. 164.

(2) The amendments made by paragraph (1) take effect on April 1, 1980.

(d) Part B of title V of such Act, other than section 512(b), is amended by striking out “\$25,000” wherever it appears and inserting in lieu thereof “\$1,000”.

Ante, p. 161.

(e) Section 501(a)(1)(C)(vi) of such Act is amended by inserting before the period at the end thereof the following: “, and any individual who finances the sale or exchange of residential real property which such individual owns and which such individual occupies or has occupied as his principal residence”.

LIQUID, HIGHLY RATED CORPORATE DEBT OBLIGATIONS

Ante, p. 139.

SEC. 325. (a) The first sentence of section 5A(b)(1) of the Federal Home Loan Bank Act is amended—

(1) by striking out “and” before “(E)”;

(2) by redesignating clause (E) as subparagraph (E);

(3) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof a semicolon; and

(4) by adding at the end thereof the following:

"(F) to such extent as the Board may approve as liquid, highly rated corporate debt obligations with 3 years or less remaining until maturity; and

"(G) to such extent as the board may so approve, highly rated commercial paper with 270 days or less remaining until maturity."

(b) Section 916 of the Housing and Urban Development Act of 1970 is amended by adding at the end thereof the following sentence: "In addition, to such extent as the Federal Home Loan Bank Board may so approve, unpledged deposits in the Savings Banks Trust Company, New York, New York, may be considered assets for the purposes of meeting the liquidity requirements of section 5A(b) of the Federal Home Loan Bank Act (12 U.S.C. 1425a(b))."

84 Stat. 1816.

EXTENSION OF DEADLINE FOR ENERGY CONSERVATION STANDARDS FOR NEW BUILDINGS

SEC. 326. (a) Paragraphs (1) and (2) of section 304(a) of the Energy Conservation Standards for New buildings Act of 1976 are amended by striking out "within 6 months after the date of publication of the proposed standards" in the last sentence of each such paragraph and inserting in lieu thereof "by April 1, 1983,".

42 USC 6833.

(b) Section 304(a)(1) of such Act is amended by inserting the following new sentences after the first sentence thereof: "Interim performance standards for new Commercial buildings shall be promulgated by August 1, 1981, and, for at least the 12-month period beginning on such date, the Secretary of Energy shall conduct a demonstration project utilizing such standards in at least two geographical areas in different climatic regions of the country. Prior to the effective date of final performance standards promulgated pursuant to this paragraph and not later than 180 days after completing such demonstration project, such Secretary shall transmit to both Houses of the Congress a report containing an analysis of the findings and conclusions made as a result of carrying out such project, including at least an analysis of the effect such standards would have on the design, construction costs, and the estimated total energy savings (including the types of energy) to be realized from utilizing such energy standards in commercial buildings."

Commercial buildings, demonstration project.

Report to Congress.

(c) Section 304(a)(2) of such Act is amended by inserting the following new sentences after the first sentence thereof: "Interim performance standards for new residential buildings shall be promulgated by August 1, 1981, and, for at least the 12-month period beginning on such date, the Secretary of Energy shall conduct a demonstration project utilizing such standards in at least two geographical areas in different climatic regions of the country. Prior to the effective date of final performance standards promulgated pursuant to this paragraph and not later than 180 days after completing such demonstration project, such Secretary shall transmit to both Houses of the Congress a report containing an analysis of the findings and conclusions made as a result of carrying out such project, including at least (A) an analysis of the impact of such standards on builders (especially on small builders) and on the cost of constructing such buildings and the impact of such cost on the ability of low- and moderate-income persons to purchase or rent such buildings, and (B) an analysis of the estimated total energy savings (including the types of energy) to be realized from utilizing such standards in residential buildings."

Residential buildings, demonstration project.

Report to Congress.

42 USC 6835.

(d) Section 306 of such Act is amended by striking out "final performance standards" and all that follows and inserting in lieu thereof the following: "interim performance standards promulgated pursuant to section 304(a). Upon the effective date of the final performance standards promulgated pursuant to such section, the head of each such agency shall adopt such procedures as may be necessary to assure that construction of any Federal building meets or exceeds the applicable final performance standards."

12 USC 1735f-4

(e) Section 526 of the National Housing Act is amended by striking out " , until such time as the energy conservation performance standards required under the Energy Conservation Standards for New Buildings Act of 1976 become effective" in the second sentence.

42 USC 6801
note.

RENTAL HOUSING PRESERVATION

12 USC 1715n.

SEC. 327. Section 223(f) of the National Housing Act is amended—

(1) by inserting "(1)" after "(f)";

(2) by inserting "(2)" at the beginning of the second sentence and redesignating that sentence as a new paragraph;

(3) by inserting "the purchase or" after "In the case of" in paragraph (2) as so redesignated;

(4) by inserting after "located in an older, declining urban area, the Secretary shall" in paragraph (2), as so redesignated, the following: "make available an amount not to exceed \$30,000,000 of available purchase authority pursuant to section 305 of this Act to reduce interest rates on low- and moderate-income rental housing in projects having 100 units or less which otherwise could not support refinancing and moderate rehabilitation without causing excessive rent burdens on current tenants due to rent increases. The Secretary shall";

12 USC 1720.

(5) by striking out "(1)" before "the refinancing" in paragraph (2), as so redesignated and inserting in lieu thereof "(A)" and by striking out "and" after the semicolon;

(6) in paragraph (2) as so redesignated, by striking out "(2)" before "during" and inserting in lieu thereof "(B)", by inserting "and maintain reasonable profit levels" before "approved by the Secretary";

(7) by inserting after subparagraph (B), as so redesignated, the following:

Ante, p. 1614.

"(3) For all insurance authorized by this subsection and provided pursuant to a commitment entered into after the date of enactment of the Housing and Community Development Act of 1980, the Secretary may not accept an offer to prepay or request refinancing of a mortgage secured by rental housing unless the Secretary takes appropriate action that will obligate the borrower (and successors in interest thereof) to utilize the property as a rental property for a period of five years from the date on which the insurance was provided (twenty years in the case of any such mortgage purchased under section 305) unless the Secretary finds that—

"(A) the conversion of the property to a cooperative, or condominium form of ownership is sponsored by a bona fide tenants' organization representing a majority of the households in the project;

"(B) continuance of the property as rental housing is clearly unnecessary to assure adequate rental housing opportunities for low- and moderate-income people in the community; or

“(C) continuance of the property as rental housing would have an undesirable and deleterious effect on the surrounding neighborhood.”; and

(8) by inserting “(5)” before the sentence beginning “In the case of refinancing of an existing hospital” and redesignating that sentence as paragraph (5).

TITLE INSURANCE RELIEF

SEC. 328. Section 203 of the National Housing Act is amended by adding at the end thereof the following new subsection:

Indian land
claims.
12 USC 1709.

“(p)(1) Notwithstanding any other provision of this section or any other section of this title, the Secretary is authorized to insure, and to commit to insure, under subsection (b) of this section as modified by this subsection a mortgage which meets both the requirements of this subsection and such criteria as the Secretary by regulation shall prescribe to further the purpose of this subsection, in any community where the Secretary determines that—

“(A) temporary adverse economic conditions exist throughout the community as a direct and primary result of outstanding claims to ownership of land in the community by an American Indian tribe, band, or nation;

“(B) such ownership claims are reasonably likely to be settled, by court action or otherwise; and

“(C) fifty or more individual homeowners were joined as parties defendant or were members of a defendant class prior to April 1, 1980, in litigation involving claims to ownership of land in the community by an American Indian tribe, band, group, or nation pursuant to a dispute involving the Articles of Confederation, Trade and Intercourse Act of 1790, or any similar State or Federal law.

USC prec. title I,
1 Stat. 137.

“(2) A mortgage shall be eligible for insurance under subsection (b) of this section as modified by this subsection without regard to limitations in this title relating to marketability of title, or any other statutory restriction which the Secretary determines is contrary to the purpose of this subsection, but only if the mortgagor is an owner-occupant of a home in a community specified in paragraph (1). The Secretary, in connection with any mortgage insured under subsection (b) as modified by this subsection, shall have all statutory powers, authority, and responsibilities which the Secretary has with respect to other mortgages insured under subsection (b), except that the Secretary may modify such powers, authority, or responsibilities where the Secretary deems such action to be necessary because of the special nature of the mortgage involved. Notwithstanding section 202 of this title, the insurance of a mortgage under subsection (b) of this section as modified by this subsection shall be the obligation of the Special Risk Insurance Fund created pursuant to section 238 of this title.”.

12 USC 1708.

12 USC 1715z-3.

PARTICIPATION BY LOCAL PERSONS AND FIRMS IN ASSISTED PROJECTS

SEC. 329. Section 3 of the Housing and Urban Development Act of 1968 is amended—

12 USC 1701u.

(1) by striking out “residing in the area of such project” in paragraph (1) and inserting in lieu thereof “residing within the unit of local government or the metropolitan area (or nonmetropolitan county), as determined by the Secretary, in which the project is located”; and

(2) by striking out "residing in the area of such project" in paragraph (2) and inserting in lieu thereof "residing in the same metropolitan area (or nonmetropolitan county) as the project".

MORTGAGE-BACKED SECURITIES PROGRAM

Report to
Congress.
12 USC 1723a
note.

SEC. 330. If the Federal National Mortgage Association submits to the Secretary of Housing and Urban Development or the Secretary of the Treasury, after the date of enactment of this section, a proposal with respect to undertaking a mortgage-backed securities program, the Secretary of Housing and Urban Development or the Secretary of the Treasury, as the case may be, shall, within 90 days after submission of such proposal, approve the proposal or transmit to the Congress a report explaining why the proposal has not been approved.

EXTENSION OF HUD MINIMUM PROPERTY STANDARDS; LOCAL ACCEPTABLE STANDARDS FOR MASONRY CONSTRUCTION

Thermal
requirements.

SEC. 331. (a) Until the Secretary of Housing and Urban Development submits the report required by subsection (b) to the Congress, any final rule published for effect by the Secretary pertaining to increases in thermal requirements for the Department of Housing and Urban Development's minimum property standards shall provide for the continuation of any local acceptable standards exemptions, approved by the Secretary prior to May 31, 1979, which are applicable to masonry construction.

Analysis, report
to Congress.

(b) The Secretary shall conduct an analysis and, on August 1, 1981, report to Congress on the cost of constructing, heating, and cooling masonry, frame, log, and other buildings that comply with the increased thermal requirements and on the competitive economic impact of applying such increased thermal standards or permitting any exemptions from them.

Exemption.

(c) If such analysis shows there is an economic justification for any exemption from the thermal standards, an appropriate exemption for a specific construction type in a specific geographical location may be provided by the Secretary.

NEGOTIATED INTEREST RATES UNDER SECTION 203

12 USC 1709-1.

SEC. 332. Section 3(a) of Public Law 90-301 is amended—

(1) by inserting "(1)" after "SEC. 3. (a)";

(2) by inserting ", except those provided for in paragraph (2)," in the first sentence after "for all purposes"; and

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

Commitment
agreement.

"(2)(A) Notwithstanding any other provision of law, the Secretary may provide that the interest rate applicable to mortgages insured under section 203(b) of the National Housing Act shall be an interest rate specified in a commitment agreement which is negotiated between the mortgagor and mortgagee if—

12 USC 1709.

"(i) the mortgagee discloses to the borrower, prior to the commitment, information on the applicable maximum rate established under paragraph (1) and a good faith estimate of the prevailing number of discount points associated with such rate;

"(ii) the agreement commits the mortgagee to such specified interest rate for at least 30 days after the date on which it is entered into; and

“(iii) the agreement contains a commitment with respect to any discount points to be charged which shall be binding during the same period as the commitment period with respect to the specified interest rate.

“(B) The number of mortgages which are insured in accordance with this paragraph in any fiscal year may not exceed—

Mortgages,
limitation.

“(i) the number of mortgages which exceeds 10 per centum of all mortgages insured under such section 203 during the preceding fiscal year, or

12 USC 1709.

“(ii) 50,000 mortgages,
whichever is greater.

“(C) The provisions of this paragraph shall not apply with respect to mortgages which are subject to section 245 of the National Housing Act.

12 USC 1715z-10.
Report to
Congress.

“(D) The Secretary shall monitor experience under this paragraph and report to Congress by March 1, 1982, comparing the discount points and effective yields associated with mortgages insured under this paragraph with the discount points and effective yields associated with (i) mortgages in the conventional mortgage market, and (ii) other mortgages insured under section 203(b) of the National Housing Act.”.

DELETION OF REFERENCES TO REMAINING ECONOMIC LIFE

SEC. 333. (a) Section 203(b)(3) of the National Housing Act is amended by striking out the following: “or three-quarters of the Secretary’s estimate of the remaining economic life of the building improvements, whichever is the lesser”.

12 USC 1709.

(b) Section 220(h)(2)(iv) of such Act is amended by striking out the following: “or three-quarters of the remaining economic life of the structure, whichever is the lesser”.

12 USC 1715k.

(c) Section 221(d)(6) of such Act is amended by striking out “: Provided, That no mortgage insured under subsection (d)(2) shall have a maturity exceeding three-quarters of the Secretary’s estimate of the remaining economic life of the building improvements”.

12 USC 1715l.

(d) Section 221(i)(2)(A)(iv) of such Act is amended by striking out “the lesser of” and by striking out “or three-quarters of the Secretary’s estimate of the remaining economic life of the building improvements”.

(e) Section 234(c) of such Act is amended by striking out the following: “or three-fourths of the Secretary’s estimate of the remaining economic life of the project, whichever is the lesser”.

12 USC 1715y.

(f) Section 240(c)(5) of such Act is amended by striking out the following “or three-quarters of the remaining economic life of the home, whichever is the lesser”.

12 USC 1715z-5.

CONGRESSIONAL REVIEW

SEC. 334. (a) Section 7(o)(3) of the Department of Housing and Urban Development Act is amended by striking out “20” each place it appears and inserting in lieu thereof “30”.

42 USC 3535.

(b) The amendment made by subsection (a) shall apply only to rules and regulations which are published as final on or after the date of enactment of this Act.

42 USC 3535
note.

AUTHORITY TO PROTECT FEDERAL GOVERNMENT'S INTERESTS IN
CERTAIN SITUATIONS

12 USC 1721.

SEC. 335. Section 306(g) of the Federal National Mortgage Association Charter Act is amended—

(1) by striking out "Any Federal, State, or other law to the contrary notwithstanding, the" in the fourth sentence and inserting in lieu thereof "The"; and

(2) by inserting after the fourth sentence the following new sentence: "No State or local law, and no Federal law (except Federal law enacted expressly in limitation of this subsection after the effective date of this sentence), shall preclude or limit the exercise by the Association of (A) its power to contract with the issuer on the terms stated in the preceding sentence, (B) its rights to enforce any such contract with the issuer, or (C) its ownership rights, as provided in the preceding sentence, in the mortgages constituting the trust or pool against which the guaranteed securities are issued."

MORTGAGE LIMITS

12 USC 1709.

SEC. 336. (a) Section 203(b)(2) of the National Housing Act is amended by inserting after "four-family residence" the following: "; except that the Secretary may increase the preceding maximum dollar amounts on an area-by-area basis to the extent the Secretary deems necessary, after taking into consideration the extent to which moderate and middle income persons have limited housing opportunities in the area due to high prevailing housing sales prices, but in no case may such limits, as so increased, exceed the lesser of (A) 133½ per centum of the dollar amount specified, or (B) in the case of a one-family residence, 95 per centum of the median one-family house price in the area, as determined by the Secretary; in the case of a two-family residence, 107 per centum of such median price; in the case of a three-family residence, 130 per centum of such median price; or in the case of a four-family residence, 150 per centum of such median price".

12 USC 1715k.

(b) Section 220(d)(3)(A)(i) of such Act is amended—

(1) by striking out "\$67,500" and all that follows through "four-family residence" and inserting in lieu thereof the following: "the applicable maximum principal obligation which may be insured in the area under section 203(b)";

(2) by striking out "\$107,000" the second place it appears and inserting in lieu thereof "the applicable maximum principal obligation secured by a four-family residence which may be insured in the area under section 203(b)"; and

(3) by striking out "\$8,250" and inserting in lieu thereof "\$9,165".

12 USC 1715m.

(c) Section 222(b)(2) of such Act is amended to read as follows:

"(2) involve a dwelling designed principally for a one-family residence or a one-family unit in a condominium project;".

12 USC 1715y.

(d) Section 234(c) of such Act is amended by inserting after "\$67,500," the following: "except that the Secretary may increase such maximum dollar amount on an area-by-area basis to the extent the Secretary deems necessary, after taking into consideration the extent to which moderate and middle income persons have limited housing opportunities in the area due to high prevailing housing sales prices, but in no case may such limit, as so increased, exceed the lesser of 111 per centum of such amount or 95 per centum of the

median one-family house price in the area, as determined by the Secretary.”.

(e) The Secretary of Housing and Urban Development shall conduct a study of the appropriate role of mortgage and loan insurance programs administered by the Federal Housing Administration—

- (1) in assisting various income groups to obtain homeownership;
- (2) in assuring an adequate level of new home construction;
- (3) in assuring an adequate flow of capital into mortgage markets; and
- (4) in moderating housing costs.

In conducting such study, the Secretary shall examine the desirability and feasibility of establishing mortgage limits for the mortgage insurance programs on an area-by-area basis and the desirability and feasibility of doing so by relating such limits to housing sales price data or indices. The Secretary shall prepare a report (including such recommendations as the Secretary deems appropriate) based upon such study and transmit it to the Congress by March 1, 1981.

AMENDMENTS TO THE PROGRAM ESTABLISHED BY THE EMERGENCY
HOME PURCHASE ASSISTANCE ACT OF 1974

SEC. 337. (a) Section 3(b) of the Emergency Home Purchase Assistance Act of 1974 is amended by striking out “October 16, 1980” and inserting in lieu thereof “October 1, 1981”.

(b) Section 313 of the National Housing Act is amended—

(1) by inserting “and if the Secretary determines that the implementation of this section will not significantly worsen inflationary conditions,” after “1968,” in the first sentence of subsection (a)(1);

(2) by striking out “mortgages” in the first sentence of subsection (a)(1) and inserting in lieu thereof “mortgages and securities”;

(3) by striking out “mortgages (1)” in the first sentence of subsection (b) and inserting in lieu thereof “(1) mortgages”;

(4) by striking out “or (2)” in the first sentence of subsection (b) and inserting in lieu thereof “, (2) securities guaranteed by the Association and backed by loans and advances of credit insured under title I of the National Housing Act, or guaranteed under chapter 37 of title 38, United States Code, and made for the purchase of a manufactured home and lot, or manufactured home, or (3) mortgages”;

(5) by inserting “or guaranteed under title V of the Housing Act of 1949” before “or by qualified” in the first sentence of subsection (b);

(6) by striking out all that follows “such mortgage involves an original principal obligation not to exceed” in clause (B) of the second sentence of subsection (b) and inserting in lieu thereof the following: “, for that part of the property attributable to dwelling use in the case of a more than four-family residence, the per unit limitations under the section of the National Housing Act under which the project mortgage is insured or, in the case of a manufactured home loan or advance of credit, the limitation contained in section 2(b) of this Act;”;

(7) by striking out in clause (C) of the second sentence of subsection (b) “such mortgage involves an interest rate not in excess of that which the Secretary may prescribe, taking into account the cost of funds and administrative costs under this

Study.

Report to
Congress

Ante, p. 1364.

12 USC 1723e.

12 USC 1702.

38 USC 1801 *et seq.*

42 USC 1471.

12 USC 1701.

12 USC 1703.

12 USC 1709.

section, but in no event shall such rate exceed the lesser of (i) 7½ per centum, or (ii) the rate set by the Secretary applicable to mortgages insured under section 203(b) of the National Housing Act” and inserting in lieu thereof the following: “such mortgage involves an interest rate which the Secretary may prescribe which shall be as high as feasible consistent with meeting the objectives of this section at the lowest feasible cost, but if such mortgage is executed to finance the acquisition of a one-to-four family residence, it may not bear interest at a rate lower than 3 percentage points below the average contract commitment rate for single family, thirty-year conventional mortgages with loan-to-value ratios of 90 per centum in the monthly survey of all major lenders conducted by the Federal Home Loan Bank Board which is most recently available at the time that funds are released, and if such mortgage is executed to finance the acquisition of a more than four-family residence, it may not bear interest at a rate lower than 4½ percentage points below such average contract commitment rate”;

(8) by striking out all that follows “such mortgage involves a principal residence the sales price of which does not exceed” in clause (D) of the second sentence of subsection (b) and inserting in lieu thereof the following: “92 per centum of the applicable maximum principal obligation which may be insured in the area under section 203(b).”;

(9) by adding the following new sentence at the end of subsection (b):

“A security may be purchased under this section only if all of the loans or advances of credit backing such security (i) finance the purchase of manufactured homes and lots, or manufactured homes, which will be the principal residences of the borrowers, and (ii) involve an interest rate which the Secretary may prescribe which shall be as high as feasible consistent with meeting the objectives of this section at the lowest feasible cost, but in no event shall such rate be lower than 3 percentage points below the rate set by the Secretary and applicable to loans and advances of credit insured under title I of the National Housing Act.”;

12 USC 1702.

(10) by inserting “or securities” after “mortgages” the first time it appears in subsection (d)(2);

(11) by striking out “enactment of this section” in subsection (e) and inserting in lieu thereof “the issuance of the commitment to purchase the mortgage”;

(12) by inserting “or securities” after “mortgages” in subsection (f)(1);

(13) in subsection (h)—

(A) by inserting “and” at the end of clause (3);

(B) by striking out paragraph (4); and

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

(14) by adding at the end thereof the following new subsections:

“(i) The Association may not purchase under this section any mortgage or loan which was executed or made (1) to finance the conversion of an existing rental housing project into a condominium or cooperative project, or (2) to finance the purchase of an individual unit in a condominium project or the purchase of a share in a cooperative project, in connection with such a conversion.

“(j) In carrying out the provisions of this section, the Association shall, to the extent practicable, purchase mortgages secured by dwelling units which contribute to the conservation of land and energy resources.”.

INCREASE IN GOVERNMENT NATIONAL MORTGAGE ASSOCIATION
MORTGAGE PURCHASE AUTHORITY

SEC. 338. Section 305(c) of the Federal National Mortgage Association Charter Act is amended by inserting the following before the period at the end thereof: “, and by \$900,000,000 on October 1, 1980”.

12 USC 1720.

FEDERAL NATIONAL MORTGAGE ASSOCIATION AUTHORITY

SEC. 339. (a)(1) Section 302(b)(3) of the Federal National Mortgage Association Charter Act is amended to read as follows:

12 USC 1717.

“(3) The corporation is authorized, with the approval of the Secretary of Housing and Urban Development, to purchase, service, sell, lend on the security of, and otherwise deal in loans or advances of credit for the purchase and installation of home improvements, including energy conserving improvements or solar energy systems described in the last paragraph of section 2(a) of the National Housing Act and residential energy conservation measures as described in section 210(11) of the National Energy Conservation Policy Act and financed by a public utility in accordance with the requirements of title II of such Act. To be eligible for purchase, any such loan or advance of credit (other than a loan or advance made with respect to energy conserving improvements or solar energy systems or residential energy conservation measures) not insured under title I of the National Housing Act shall be secured by a lien against the property to be improved.”

12 USC 1703.

42 USC 8211.

42 USC 8211.

12 USC 1702.

(2) When the Federal National Mortgage Association submits its proposal to the Secretary of Housing and Urban Development to implement the authority granted by the amendment made by paragraph (1), the Secretary of Housing and Urban Development shall, within 75 days, approve such proposal or transmit to the Congress a report explaining why such proposal has not been approved.

Proposal
submittal; report
to Congress.
12 USC 1717
note.

(b)(1) Section 302(b) of such Act is amended by adding at the end thereof the following:

12 USC 1717.

“(4) The corporation is authorized, with the approval of the Secretary of Housing and Urban Development, to purchase, service, sell, lend on the security of, and otherwise deal in loans or advances of credit secured by mortgages or other liens against manufactured homes.”

(2) When the Federal National Mortgage Association submits its proposal to the Secretary of Housing and Urban Development to implement the authority granted by the amendment made by paragraph (1), the Secretary of Housing and Urban Development shall, within 75 days, approve such proposal or transmit to the Congress a report explaining why such proposal has not been approved.

Proposal
submittal; report
to Congress.
12 USC 1717
note.

HOME MORTGAGE DISCLOSURE ACT AMENDMENTS

SEC. 340. (a) Section 304 of the Home Mortgage Disclosure Act of 1975 is amended—

12 USC 2803.

(1) by striking out “Office of Management and Budget” in subsection (a)(1) and inserting in lieu thereof “Department of Commerce”;

(2) by amending subsection (a)(2)(A) to read as follows:

“(A) The number and dollar amount for each item referred to in paragraph (1), by census tracts for mortgage loans secured by property located within any county with a population of more than 30,000, within that standard metropoli-

- tan statistical area, otherwise, by county, for mortgage loans secured by property located within any other county within that standard metropolitan statistical area.”; and
- (3) by adding at the end thereof the following:
- Disclosure. “(d) Notwithstanding the provisions of subsection (a)(1), data required to be disclosed under this section for 1980 and thereafter shall be disclosed for each calendar year. Any depository institution which is required to make disclosures under this section but which has been making disclosures on some basis other than a calendar year basis shall make available a separate disclosure statement containing data for any period prior to calendar year 1980 which is not covered by the last full year report prior to the 1980 calendar year report.
- Format. “(e) The Board shall prescribe a standard format for the disclosures required under this section.
- Data disclosure system. “(f) The Federal Financial Institutions Examination Council, in consultation with the Secretary, shall implement a system to facilitate access to data required to be disclosed under this section. Such system shall include arrangements for a central depository of data in each standard metropolitan statistical area. Disclosure statements shall be made available to the public for inspection and copying at such central depository of data for all depository institutions which are required to disclose information under this section (or which are exempted pursuant to section 306(b)) and which have a home office or branch office within such standard metropolitan statistical area.”.
- 12 USC 2805. (b) Section 310 of such Act is repealed.
- Repeal. (c) Such Act is amended by adding at the end thereof the following:
- 12 USC 2809.

“COMPILATION OF AGGREGATE DATA

- 12 USC 2809. “SEC. 310. (a) Beginning with data for calendar year 1980, the Federal Financial Institutions Examination Council shall compile each year, for each standard metropolitan statistical area, aggregate data by census tract for all depository institutions which are required to disclose data under section 304 or which are exempt pursuant to section 306(b). The Council shall also produce tables indicating, for each standard metropolitan statistical area, aggregate lending patterns for various categories of census tracts grouped according to location, age of housing stock, income level, and racial characteristics.
- 12 USC 2803. “(b) The Board shall provide staff and data processing resources to the Council to enable it to carry out the provisions of subsection (a).
- 12 USC 2805. “(c) The data and tables required pursuant to subsection (a) shall be made available to the public by no later than December 31 of the year following the calendar year on which the data is based.
- Public availability.

“DISCLOSURE BY THE SECRETARY

- 12 USC 2810. “SEC. 311. Beginning with data for calendar year 1980, the Secretary shall make publicly available data in the Secretary’s possession for each mortgagee which is not otherwise subject to the requirements of this title and which is not exempt pursuant to section 306(b), with respect to mortgage loans approved by the Secretary for insurance under title I or II of the National Housing Act. Such data to be disclosed shall consist of data comparable to the data which would be disclosed if such mortgagee were subject to the requirements of section 304. Disclosure statements containing data for each such mortgagee for a standard metropolitan statistical area shall, at a minimum, be publicly available at the central depository of data
- 12 USC 2805.
- 12 USC 1702, 1707.
- 12 USC 2803.

established pursuant to section 304(f) for such standard metropolitan statistical area. The Secretary shall also compile and make publicly available aggregate data for such mortgagees by census tract, and tables indicating aggregate lending patterns, in a manner comparable to the information required to be made publicly available in accordance with section 310.

“TERMINATION OF AUTHORITY

“SEC. 312. The authority granted by this title shall expire on October 1, 1985.” 12 USC 2811.

(d) The Federal Financial Institutions Examination Council, in consultation with the Administrator of the Small Business Administration, shall conduct a study to assess the feasibility and usefulness of requiring depository institutions which make small business loans to compile and publicly disclose information regarding such loans. The Council shall submit a report on the results of such study, together with recommendations, to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives not later than March 1, 1981. Study.
12 USC 3305 note.
Report to congressional committees.

(e) To promote efficiency and avoid duplication to the maximum extent feasible, the Federal Financial Institutions Examination Council shall transmit a report to the Congress not later than September 30, 1982, on the feasibility and desirability of establishing a unified system for enforcing fair lending laws and regulations, implementing the Community Reinvestment Act of 1977, and satisfying the public disclosure purposes of the Home Mortgage Disclosure Act of 1975. Such report shall evaluate the status and effectiveness of data collection and analysis systems of such agencies involving fair lending and community reinvestment, and shall outline possible specific timetables for implementing such a unified system. Report to Congress
12 USC 3305 note.
12 USC 2901 note.
12 USC 2801 note.

TEMPORARY MORTGAGE ASSISTANCE PAYMENTS

SEC. 341. Section 230 of the National Housing Act is amended to read as follows:

“TEMPORARY MORTGAGE ASSISTANCE PAYMENTS AND ACQUISITION OF MORTGAGES TO AVOID FORECLOSURE

“SEC. 230. (a)(1) Upon receiving notice of the default of any mortgage covering a one-, two-, three-, or four-family residence insured under this Act, the Secretary (for the purpose of avoiding foreclosure of the mortgage, and notwithstanding the fact that the Secretary has previously approved a request of the mortgagee for an extension of the time for curing the default and of the time for commencing foreclosure proceedings or for otherwise acquiring title to the mortgaged property, or has approved a modification of the mortgage for the purpose of changing the amortization provisions by recasting the unpaid balance) may make all or part of the monthly payments due under the mortgage directly to the mortgagee on behalf of the mortgagor, if such default was caused by circumstances which are beyond the mortgagor's control and render the mortgagor temporarily unable to correct a mortgage delinquency and to resume full mortgage payments. Payments may be made only in accordance with the provisions of this subsection and shall be subject to any additional requirements the Secretary may prescribe. Default.
12 USC 1715u.

“(2) No payments may be provided under this subsection unless the Secretary has determined that such payments are necessary to avoid

foreclosure and that there is a reasonable prospect that the mortgagor will be able—

“(A) to resume full mortgage payments within thirty-six months after the beginning of the period for which such payments are provided or upon termination of assistance under this subsection;

“(B) to commence repayment of the payments made under this subsection at a time designated by the Secretary; and

“(C) to pay the mortgage in full by its maturity date or by a later date established by the Secretary for completing the mortgage payments.

“(3) Payments under this subsection may be in an amount determined by the Secretary up to the amount of the principal, interest, taxes, assessments, ground rents, hazard insurance, mortgagee's expenses in connection with payments or repayments under this subsection, and mortgage insurance premiums due under the mortgage, and the initial payment may include an amount necessary to make the payments on the mortgage current. Payments may not exceed amounts which the Secretary determines to be necessary to supplement the amounts, if any, which the mortgagor is capable of contributing toward the mortgage payments.

Payment period,
extension.

Mortgagor's
financial
circumstances,
review.

“(4) Payments under this subsection may be provided for a period of not to exceed eighteen months, and any period of default. Such period may be extended, in the Secretary's discretion, for not to exceed eighteen months where the Secretary has determined that such extension is necessary to avoid foreclosure and that there is a reasonable prospect that the mortgagor will be able to make the payments and repayments specified in paragraph (2) of this subsection. The Secretary shall establish procedures for periodic review of the mortgagor's financial circumstances for the purpose of determining the necessity for continuation, termination, or adjustment in the amount of the payments. Payments shall be discontinued at any time when the Secretary determines that, because of changes in the mortgagor's financial circumstances, the payments are no longer necessary to avoid foreclosure or that there is no longer a reasonable prospect that the mortgagor will be able to make the payments and repayments specified in paragraph (2) of this subsection.

Lien.

Interest.

12 USC 1709.

“(5) All payments shall be secured by a lien on the property and by such other obligation as the Secretary may require. Payments shall be repayable upon terms and conditions prescribed by the Secretary, and such terms and conditions may include requirements for repayment of any amount paid by the Secretary toward a mortgagee's expenses in connection with the payment or repayments made under this subsection. The Secretary may establish interest charges on payments made under this subsection; except that such charges shall not exceed a rate which is more than the maximum interest rate applicable with respect to level payment mortgages insured pursuant to section 203(b) of this Act at the time assistance under this section is approved by the Secretary. Such charges shall be payable notwithstanding any provision of any State constitution or law or local law which limits the rate of interest on loans or advances of credit.

“(6) Payments under this subsection may be made without regard to whether the Secretary has previously taken action to avoid mortgage acquisition or foreclosure, except that payments may be provided on behalf of a mortgagor previously assisted under this section only in cases in which full mortgage payments (and any repayments to the Secretary which may have been requested) have been made by such mortgagor for at least 12 months from the time such previous assistance under this section was terminated.

“(b)(1) When the Secretary receives notice of a default described in subsection (a)(1) and makes a determination that assistance under subsection (a) would be inappropriate in the case of the mortgagor, the Secretary (for the purpose of avoiding foreclosure of the mortgage, and notwithstanding the facts described in the parenthetical material contained in subsection (a)(1) and the fact that payments have been made under subsection (a) with respect to the mortgage) shall, if determined necessary by the Secretary, acquire the mortgage and security therefor upon payment of the insurance benefits in an amount equal to the unpaid principal balance of the mortgage plus any unpaid mortgage interest and reimbursement for such costs and attorney’s fees as the Secretary finds were properly incurred in connection with the defaulted mortgage and its assignment to the Secretary, and for any proper advances theretofore made by the mortgagee under the provisions of the mortgage. After the acquisition of such mortgage by the Secretary, the mortgagee shall have no further rights, liabilities, or obligations with respect thereto. The provisions of section 204 relating to the issuance of debentures incident to the acquisition of foreclosed properties shall apply with respect to debentures issued under this subsection, and the provisions of section 204 relating to the rights, liabilities, and obligations of a mortgagee shall apply with respect to the Secretary when the Secretary has acquired an insured mortgage under this section, in accordance with and subject to regulations (modifying such provisions to the extent necessary to render their application for such purpose appropriate and effective) which shall be prescribed by the Secretary.

Mortgage
acquisition by
Secretary.

Debenture
issuance.
12 USC 1710.

“(2) The Secretary may provide assistance, to a mortgagor whose mortgage has been acquired under paragraph (1) of this subsection, through forbearance of interest or principal, or both, or through other means, for a period of not more than eighteen months after the acquisition of the mortgage, if the mortgagor has not been assisted under subsection (a) within twelve months of the date of such acquisition and if the Secretary determines that there is a reasonable prospect that the mortgagor will be able to meet the conditions described in subsection (a)(2). Such period may be extended, in the Secretary’s discretion, for not to exceed eighteen months where the Secretary has determined that such extension is necessary to avoid foreclosure and that there is a reasonable prospect that the mortgagor will be able to meet the conditions described in subsection (a)(2). Such assistance (which may include any expenses of the Secretary incurred in connection with providing such assistance) shall be repayable upon terms and conditions prescribed by the Secretary, except that in no event shall any interest rate charged on such repayments exceed the interest rate chargeable for repayments of assistance made under subsection (a). Such rate shall be payable notwithstanding any provision of any State constitution or law or local law which limits the rate of interest on loans or advances of credit.

Interest or
principal.

Assistance
repayment.

“(3) In carrying out paragraph (1), the Secretary shall, if determined necessary by the Secretary, acquire a mortgage, with respect to which assistance was being provided under subsection (a) immediately prior to such acquisition, for the sole purpose of extending the term of repayment under the mortgage so that the mortgagor will be able to make the full payments on the mortgage.

“(c) All expenditures made under this section shall be made from the insurance fund chargeable for insurance benefits on the mortgage covering the property to which the payments made relate, and

Insurance fund.

any payments received under this section shall be credited to such fund; except that payments made pursuant to subsection (a) of this section may only be made to the extent approved in appropriation Acts.

Homeownership
counseling.

"(d) The Secretary shall, to the extent practicable, provide homeownership counseling to persons assisted under this section."

TITLE IV—PLANNING ASSISTANCE

SEC. 401. Section 701 of the Housing Act of 1954 is amended to read as follows:

"PLANNING ASSISTANCE

40 USC 461.

"SEC. 701. (a) The Congress finds that—

"(1) the general welfare requires the conservation and the orderly and efficient growth and development of the Nation's communities, particularly communities suffering from fiscal, economic, and social distress;

"(2) effective and coordinated planning efforts at all levels of government are necessary in order for such conservation, growth, and development to be effectively and efficiently achieved;

"(3) a major component of such planning effort should be detailed strategies that can guide governmental actions in order to assure that, to the maximum extent practicable, the goals and objectives of such plans will be achieved through the implementation of such planning efforts;

"(4) such planning efforts and strategies should be consistent with National Policy Objectives; and

"(5) Federal actions and programs, to the extent practicable, should be administered in conformance with State, areawide and local plans and strategies.

"(b) The purposes of this section are—

"(1) to provide assistance to encourage State and local governments and areawide planning organizations to develop strategies for implementing comprehensive plans (or components of such plans) and to the extent necessary comprehensive plans or components of such plans, giving particular emphasis to those strategies which are designed to implement those components of the plan which relate to the National Policy Objectives; and

"(2) to encourage, to the maximum extent practicable, the coordination of Federal policy and program decisions with such plans and strategies.

Definitions.

"(c) As used in this section—

"(1) the term 'Secretary' means the Secretary of Housing and Urban Development;

"(2) the term 'State' means any State of the United States, the District of Columbia, and the Commonwealth of Puerto Rico;

"(3) the term 'unit of general local government' means any city, county, town, township, parish, village, or other general purpose political subdivision of a State;

"(4) the term 'Indian tribe' means any Indian tribe, band, group, and nation, including Alaska Indians, Aleuts, and Eskimos, and any Alaskan Native Village, of the United States, which is considered an eligible recipient under the Indian Self-Determination and Education Assistance Act (Public Law 93-638) or under the State and Local Fiscal Assistance Act of 1972 (Public Law 92-512);

25 USC 450 note,
31 USC 1221
note.

"(5) the term 'metropolitan area' means a standard metropolitan statistical area, established by the Department of Commerce, except that, to the extent the Secretary deems appropriate to carry out the purposes of this section, the Secretary may modify or extend such an area, but such modification or extension shall not affect the boundaries of any standard metropolitan statistical area for any other purpose;

"(6) the term 'areawide planning organization' means any multijurisdictional unit which—

"(A) is established under State law, interstate compact, or interlocal agreement for the purpose of formulating policies and plans for the orderly development of a substate or interstate region;

"(B) is formally charged with carrying out the provisions of section 401 of the Intergovernmental Cooperation Act of 1968;

42 USC 4231.

"(C) in the absence of State law to the contrary, has at least a majority of elected officials from local governments on its governing body; and

"(D) meets such other standards as the Secretary may prescribe by regulation;

"(7) the term 'National Policy Objectives' means—

"(A) the conservation and improvement of existing communities, particularly the improvement of those communities which are characterized by fiscal, economic or social distress;

"(B) an increase in housing and employment opportunities and choices, particularly for lower income, minority persons, women, and persons with special needs such as the elderly and handicapped, and a reduction in the cost of housing; and

"(C) the promotion of orderly and efficient growth and development of communities, regions and States, taking into consideration the necessity of conserving energy;

"(8) the term 'comprehensive plan' means a plan which includes, at least, housing and land use elements which take into account factors prescribed by the Secretary, including those required to achieve the National Policy Objectives;

"(9) the term 'strategy' means a detailed strategy statement designed to identify and describe the actions required to implement such plan, or components of such plan, in order to achieve, to the maximum extent practicable, the goals and objectives of such plan or, in the absence of such plan, the actions which will be required in the course of developing a comprehensive plan; and

"(10) the term 'action program' means a program which includes (A) an identification of specific actions that are necessary for implementing elements included in the strategy statement; (B) an identification of the governmental entity responsible for undertaking each such action; (C) a timetable specifying when each such action may be reasonably expected to be carried out; and (D) to the maximum extent practicable, agreements, by the governmental entities identified as being responsible for undertaking such actions, that they will undertake such actions.

"(d)(1) The Secretary may contract to make, and make, grants on an annual basis which are approved in accordance with the provisions of this section to—

Grants.

"(A) States, for statewide activities;

42 USC 5301.

“(B) States, for the provision of assistance to (i) nonmetropolitan areawide planning organizations; (ii) units of general local government (except counties) having a population of less than 50,000 according to the latest decennial or mid-decade census, as appropriate; (iii) counties, other than urban counties as defined under title I of the Housing and Community Development Act of 1974; and (iv) any group of adjacent units of general local government having a total population of less than 50,000 (according to the latest decennial or mid-decade census, as appropriate) and having common or related planning needs; except that a grant may not be made under this paragraph where the State would be undertaking the activities described in subsection (e) on behalf of such organization, local government, county, or group of adjacent units of local government unless such organization, local government, county, or group of adjacent units of local government requests the State to undertake such activities;

“(C) metropolitan areawide planning organizations;

“(D) units of general purpose local government having a total population of fifty thousand or more according to the latest decennial or mid-decade census, as appropriate;

“(E) urban counties as defined under title I of the Housing and Community Development Act of 1974;

“(F) Indian tribes; and

“(G) the Virgin Islands, Guam, the Northern Mariana Islands, American Samoa, and the Trust Territory of the Pacific Islands.

“(2) In making grants under paragraph (1), the Secretary may make grants to States for the provision of assistance to any entity which is described in subparagraphs (C), (D), or (E) and which does not receive direct funding from the Secretary under paragraph (1), except that such grants may be made only if such entity notifies the Secretary of its desire to receive funding through the State.

“(e) Grants may be made under this section only for those activities determined by the Secretary to be necessary to assist—

“(1) in the development of strategies and action programs to implement a comprehensive plan or a part thereof or related plans or planning and, where such a plan does not exist or is determined by the Secretary to be inadequate, in the development of a comprehensive plan;

“(2) in the development of evaluations or studies related to such plan, strategies, or action programs; or

“(3) in the carrying out of the clearinghouse functions required pursuant to OMB Circular A-95.

Grant recipients,
action programs
and plans.

“(f)(1) The Secretary shall require that each recipient develop strategies and action programs and, except as provided in paragraph (2), maintain and update a comprehensive plan and a planning process.

“(2) In the case of a recipient that is not covered by or does not have a comprehensive plan and a planning process, the Secretary shall require, with respect to such a plan and process, only that such recipient begin the phased development of such a plan and process in a manner designed to assure that such a plan and process will be completed in a reasonable period of time taking into consideration the nature and scope of the recipient's reasonable planning needs and its financial resources.

“(3) In carrying out this subsection, the Secretary shall require—

“(A) citizen participation pursuant to regulations of the Secretary;

“(B) the development and subsequent modifications of an implementation strategy and an action program and, to the extent necessary, a comprehensive plan and the review of such strategy, program, and plan, at least triennially for necessary or desirable amendments; and

“(C) procedures, including criteria set forth in advance, for evaluating programs and activities undertaken pursuant to this section to determine whether such programs and activities are meeting the goals and objectives set forth in the strategies.

“(g) The Secretary may not approve a grant for any year after the first year in which a grant pursuant to this section is made to a recipient unless the Secretary determines that—

Grant approval.

“(1) additional funds are required to assist in the development of the strategy, action program, and, to the extent necessary, the comprehensive plan or part thereof; and

“(2) substantial progress has been made in the development and implementation of the strategy.

To assist the Secretary in making such determinations, the applicant shall submit to the Secretary such information as the Secretary may require, including the performance report required pursuant to subsection (l), except that at least triennially the Secretary shall require the applicant to submit a detailed evaluation of the progress it has made during the preceding three-year period toward the development of such strategy and its implementation.

“(h) The Secretary shall encourage the cooperation of all interested States, areawide planning organizations, municipalities, political subdivisions, public agencies, and other parties in the preparation of and in the carrying out of programs developed pursuant to this section. Such parties shall be afforded by the recipient organization or government a reasonable opportunity to comment on such strategies, plans, and programs.

“(i) States are authorized, subject to approval of the Secretary, to provide for the administration by areawide planning organizations of assistance provided pursuant to subsection (d), except that responsibility for adherence to the requirements of this section and other applicable laws shall remain with the State.

Areawide
planning
organizations.

“(j)(1) Contracts to make grants pursuant to this section shall contain such terms and conditions as the Secretary may prescribe.

Terms and
conditions.

“(2) A grant made under subsection (d) shall not exceed two-thirds of the estimated cost of the work for which the grant is made.

“(3) The Secretary is authorized by grant, contract, or otherwise to provide technical assistance directly to the entities referred to in subsection (d) to assist such entities to carry out the purposes of this section.

“(k) In providing assistance to areawide planning organizations under subsection (d), the Secretary (or the State, in the case of assistance provided through the State) shall give preference to, and may provide additional funding for, organizations which provide for voting rights among their members weighted in proportion to the population of the areas represented by such members.

“(l)(1) The Secretary shall, by regulation, establish criteria for the evaluation and approval of applications for grants under this section.

Grant
application
criteria.

“(2) For each year in which activities assisted under this section are being carried out, each entity receiving assistance directly from the Secretary shall submit to the Secretary a performance report concerning activities carried out with such assistance. The Secretary shall, at least on an annual basis, make such reviews and audits as may be necessary or appropriate to determine whether a recipient of

Performance
reports, reviews,
and audits.

funds under this section has carried out activities substantially as described in its application, whether such actions and activities conformed to the requirements of this section and other applicable laws, and whether the recipient has a continuing capacity to carry out such actions and activities in a timely manner. The Secretary shall adjust, reduce, or withdraw grant funds, or take other action as appropriate in accordance with such reviews and audits.

GAO audits.

"(3) Insofar as they relate to funds provided under this section, the financial transactions of recipients of such funds may be audited by the General Accounting Office under such rules and regulations as may be prescribed by the Comptroller General of the United States. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by such recipients pertaining to such financial transactions and necessary to facilitate the audit.

"(m)(1) Grants made under this section shall only be used to carry out planning and related activities necessary to carry out the purposes of this section.

"(2) Grant assistance under this section shall not be used to defray the cost of the acquisition, construction, repair or rehabilitation of, or the preparation of engineering drawings or similar detailed specifications for, specific housing, capital facilities, public works projects, or for financing routine administrative responsibilities of any State or local government.

Communities,
grant eligibility.

"(3) Grant assistance under this section may be made available for—

"(A) communities with populations of 25,000 or less; or

"(B) communities with populations above 25,000 but less than 50,000 which meet the criteria set forth in section 119(e) of the Housing and Community Development Act of 1974;

42 USC 5318.

for the preparation of applications for Federal financial assistance, except that there shall be a priority for such assistance to communities with populations of 25,000 or less.

"(n)(1) The Secretary shall utilize, to the maximum extent practicable, the plans and strategies approved by the Secretary under this section to guide policy and funding decisions with respect to the programs and activities of the Department of Housing and Urban Development which affect the geographical areas covered by such plans.

"(2) The Secretary shall encourage other Federal departments and agencies to use the plans and strategies approved by the Secretary, to the maximum extent practicable, to guide policy and funding decisions with respect to their programs and activities which affect the geographical areas covered by such plans and strategies. The Secretary shall encourage other Federal departments and agencies, consistent with their program authority, to adopt approved plans (or components thereof) as all or part of the planning requirements of such departments or agencies.

"(3) A plan and strategy approved by the Secretary under this section shall remain in effect for a maximum of three years following the date of its approval. Any extension of a plan and strategy beyond such three-year term, or any major modification (as approved by the Secretary) of such a plan and strategy during such term, shall meet all of the requirements of this section and must be approved by the Secretary. Any proposed modification shall be submitted to the Secretary prior to its incorporation into the plan or strategy.

"(4) The Secretary shall report to the Congress no later than January 15, 1984, and no later than January 15 of every third year thereafter, concerning the progress made in encouraging other Federal departments and agencies to use approved plans and strategies as provided in paragraphs (1) and (2) of this subsection.

Report to Congress.

"(o) The consent of the Congress is hereby given to any two or more States to enter into agreements or compacts, not in conflict with any law of the United States, for cooperative effort and mutual assistance in the comprehensive planning for the growth and development of interstate, metropolitan, or other urban areas, and to establish such agencies, joint or otherwise, as they may deem desirable for making effective such agreements and compacts.

State compacts.

"(p) There is authorized to be appropriated for purposes of this section an amount not to exceed \$40,000,000 for the fiscal year 1981, and not to exceed \$40,000,000 for the fiscal year 1982. Any amounts appropriated shall remain available until expended."

Appropriation authorization.

SEC. 402. This title shall become effective on the effective date of regulations implementing section 401 of this title, but in no event later than May 1, 1981.

Effective date.
40 USC 461 note.

TITLE V—RURAL HOUSING

AUTHORIZATIONS

SEC. 501. (a) Section 513 of the Housing Act of 1949 is amended—

42 USC 1483.

(1) by striking out "not to exceed \$4,484,000,000 with respect to fiscal year ending October 15, 1980" in subsection (a) and inserting in lieu thereof "not to exceed \$3,797,600,000 with respect to the fiscal year ending September 30, 1981";

(2) by striking out "not less than \$3,070,000,000" in subsection (a)(1) and inserting in lieu thereof "not less than \$3,120,000,000";

(3) by striking out "not more than \$38,000,000" in subsection (a)(2) and inserting in lieu thereof "not more than \$25,600,000";

(4) by striking out "and" at the end of subsection (a)(2), by striking out the period at the end of subsection (a)(3) and inserting in lieu thereof "; and", and by adding at the end of subsection (a) the following new paragraph:

"(4) not more than \$100,000,000 of such amount shall be available for loans guaranteed pursuant to this title on behalf of borrowers who do not receive assistance pursuant to subparagraph (B) or (C) of section 521(a)(1).";

42 USC 1490a.

(5) by striking out subsection (b)(2) and inserting in lieu thereof the following:

"(2) not to exceed \$49,000,000 for loans and grants pursuant to section 504 for the fiscal year ending September 30, 1981, of which not more than \$25,000,000 shall be available for grants";

42 USC 1474.

(6) by striking out "not to exceed \$30,000,000 for financial assistance pursuant to section 516 for the fiscal year ending October 15, 1980" in subsection (b)(3) and inserting in lieu thereof "not to exceed \$25,000,000 for financial assistance pursuant to section 516 for the fiscal year ending September 30, 1981"; and

42 USC 1486.

(7) by striking out "not to exceed \$1,500,000 for the purposes of section 525(a) of which not less than \$750,000 shall be used for counseling purchasers and delinquent borrowers and not to exceed \$1,000,000 for the purposes of section 525(b) for the fiscal year ending September 30, 1980" in subsection (b)(4) and inserting in lieu thereof "not to exceed \$2,000,000 for the purposes of

42 USC 1490e.

- 42 USC 1490e. section 525(a), of which not less than \$1,000,000 shall be used for counseling purchasers and delinquent borrowers, for the fiscal year ending September 30, 1981".
- Ante*, p. 1364. (b) Section 515(b)(5) of such Act is amended by striking out "October 15, 1980" and inserting in lieu thereof "September 30, 1981".
- Ante*, p. 1364. (c) Section 517(a)(1) of such Act is amended by striking out "October 15, 1980" and inserting in lieu thereof "September 30, 1981".
- Ante*, p. 1365. (d) Section 523 of such Act is amended—
- (1) by striking out "October 15, 1980" wherever it appears in subsection (f) and inserting in lieu thereof "September 30, 1981"; and
 - (2) by striking out subsection (g) and inserting in lieu thereof the following:
- Appropriation authorization. "(g) There are authorized to be appropriated for the purposes of subsection (b)(1)(B) not to exceed \$2,500,000 for fiscal year 1981. Amounts appropriated under this subsection, together with principal collections from loans made under appropriations in any previous fiscal years, shall be deposited in the Self-Help Housing Land Development Fund, which shall be available as a revolving fund for making loans under subsection (b)(1)(B). Instruments and property acquired by the Secretary in or as a result of making such loans shall be assets of the Self-Help Land Development Fund."
- Rental assistance contracts. 42 USC 1490a. (e) Section 521(a)(2) of such Act is amended by adding the following new subparagraph at the end thereof:
- "(D) The Secretary, to the extent approved in appropriation Acts, may enter into rental assistance contracts aggregating not more than \$493,000,000 in carrying out subparagraph (A) with respect to the fiscal year ending on September 30, 1981, except that such amount shall be reduced by any amount approved in appropriation Acts for use pursuant to section 521(a)(1)(C)."
- Ante*, p. 1364. (f) Section 521(a)(1)(C) of such Act is amended—
- (1) by striking out the second sentence thereof and inserting in lieu thereof the following: "The amount of such additional assistance which may be approved in appropriation Acts may not exceed an aggregate amount of \$100,000,000."; and
 - (2) by striking out "after October 15, 1980" in the third sentence and inserting in lieu thereof "with respect to any fiscal year beginning on or after October 1, 1981".

REFINANCING FOR CONSUMER COOPERATIVE

- 42 USC 1485. SEC. 502. Section 515 of the Housing Act of 1949 is amended by adding at the end thereof the following:
- "(f) Notwithstanding the provisions of subsections (a) and (b) of this section, the Secretary may make and insure loans to consumer cooperatives to enable such cooperatives to finance the transfers of memberships in the cooperatives upon such terms and conditions as low- and moderate-income persons can reasonably afford, except that such loans shall not be made upon terms more favorable than are authorized under section 521(a), and that the total loan to a cooperative under this section shall not exceed the value of the property."
- 42 USC 1490a.

CONTINUED ELIGIBILITY OF CO-OP MEMBERS

- 42 USC 1485. SEC. 503. (a) Section 515(a) of the Housing Act of 1949 is amended—
- (1) by striking out "and" at the end of paragraph (2);
 - (2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

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

“(4) such a loan, when made to a consumer cooperative for cooperative housing purposes, may, notwithstanding any other provision of law, be made upon the condition that any person who is admitted as an eligible member and tenant of the cooperative may not subsequently be deprived of his membership or tenancy by reason of his no longer meeting the income eligibility requirements established by the Secretary.”.

(b) Section 515(b) of such Act is amended—

42 USC 1485.

(1) by striking out “and” at the end of paragraph (4);

(2) by striking out the period at the end of paragraph (5) and inserting in lieu thereof “; and”; and

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

“(6) such a loan, when made to a consumer cooperative for cooperative housing purposes, may, notwithstanding any other provision of law, be made upon the condition that any person who is admitted as an eligible member and tenant of the cooperative may not subsequently be deprived of his membership or tenancy by reason of his no longer meeting the income eligibility requirements established by the Secretary.”.

SURPLUS FEDERAL LAND

SEC. 504. The first sentence of section 414 of the Housing and Urban Development Act of 1969 is amended to read as follows: “Notwithstanding the provisions of the Federal Property and Administrative Services Act of 1949, any Federal surplus real property within the meaning of such Act may, in the discretion of the Administrator of General Services, be transferred to the Secretary of Housing and Urban Development or the Secretary of Agriculture at the request of either such Secretary for sale or lease by either Secretary at its fair value for use in the provision of housing to be occupied predominantly by families or individuals of low- or moderate-income, assisted under a Federal housing assistance program administered by the Secretary of Housing and Urban Development or the Secretary of Agriculture or under a State or local program found by the appropriate Secretary to have the same general purpose, and for related public commercial or industrial facilities approved by the appropriate Secretary.”.

Low- or moderate-income housing.

40 USC 484b.

40 USC 471 note.

INTEREST CREDITS

SEC. 505. Section 521(a)(1)(B) of the Housing Act of 1949 is amended by striking out “may” and inserting in lieu thereof “shall”.

42 USC 1490a.

DEFINITIONS

SEC. 506. Section 501(b) of the Housing Act of 1949 is amended by adding at the end thereof the following new paragraphs:

42 USC 1471.

“(6) For the purposes of this title, the term ‘Indian tribe’ means any Indian tribe, band, group, and nation, including Alaska Indians, Aleuts, and Eskimos, and any Alaskan Native Village, of the United States, which is considered an eligible recipient under the Indian Self-Determination and Education Assistance Act (Public Law 93-638) or under the State and Local Fiscal Assistance Act of 1972 (Public Law 92-512).

25 USC 450 note.

31 USC 1221

note.

“(7) For the purposes of this title, the term ‘rural resident’ shall include a family or a person who is a renter of a dwelling unit in a rural area.

"(8) For the purposes of this title, the term 'adequate dwelling' means a decent, safe, and sanitary dwelling unit."

ASSISTANCE TO INDIANS AND ALASKAN NATIVES AND TO OTHER
PERSONS RESIDING IN RESERVATIONS OR VILLAGES

- 42 USC 1471. SEC. 507. (a) Section 501 of the Housing Act of 1949 is amended by inserting the following after "residents" in subsection (a)(2): "including persons who reside in reservations or villages of Indian tribes,".
- 42 USC 1484. (b) Section 514 of such Act is amended by inserting "or to any Indian tribe for such purpose," before "or to any State" in subsection (a).
- 42 USC 1485. (c) Section 515 of such Act is amended—
- (1) by inserting "and Indian tribes" after "consumer cooperatives" in subsection (a); and
- (2) by inserting "Indian tribe," after "trust," in subsection (b).
- 42 USC 1486. (d) Section 516 of such Act is amended by inserting "or any Indian tribe," after "or political subdivision thereof" in subsection (a).
- 42 USC 1490c. (e) Section 523 of such Act is amended—
- (1) by inserting "Indian tribes," after "organizations," in subsection (b)(1)(A);
- (2) by inserting "and to Indian tribes" after "private nonprofit organizations" in subsection (b)(1)(B); and
- (3) by inserting ", including Indian tribes," after "other associations" in subsection (b)(2).
- 42 USC 1490d. (f) Section 524(a) of such Act is amended by inserting "and to Indian tribes" after "nonprofit organizations" the first time it appears in the first sentence.
- 42 USC 1490e. (g) Section 525 of such Act is amended by inserting "Indian tribes," after "organizations," in the first sentences of subsections (a) and (b).
- 42 USC 1471. (h) The second sentence of section 501(c) of such Act is amended by inserting "or Indian tribe" after "local public agency".

APPLICABILITY OF ENERGY CONSERVATION STANDARDS TO HOMES
ACQUIRED AND SOLD BY THE FARMERS' HOME ADMINISTRATION

- 42 USC 1480. SEC. 508. Section 510(e) of the Housing Act of 1949 is amended by inserting after "standards," in clause (1) the following: "including cost-effective energy conservation standards prescribed under section 509(a),".
- 42 USC 1479.

CONDITION ON RENT INCREASES IN 514, 515, AND 517 PROJECTS

SEC. 509. Title V of the Housing Act of 1949 is amended by adding the following new section at the end thereof:

"CONDITION ON RENT INCREASES IN 514, 515, AND 517 PROJECTS

- 42 USC 1490j. "SEC. 530. The Secretary may not approve any increase in rental payments, with respect to units in which the tenants are paying rentals in excess of 25 per centum of their incomes, in any project which is assisted under section 514, 515, or 517 and under section 521(a)(1)(B) unless the project owner is receiving, or has applied for (within the most recent period of 180 days prior to the effective date of such increase), rental assistance payments with respect to such project under section 521(a)(2)(A) of this title or section 8 of the United States Housing Act of 1937."
- 42 USC 1484, 1485, 1487.
- 42 USC 1490a.
- 42 USC 1487f.

SUBSEQUENT LOANS IN INELIGIBLE AREAS

SEC. 510. Section 510 of the Housing Act of 1949 is amended by inserting the following after "available" in subsection (h): "for subsequent loans to permit necessary dwelling repairs and rehabilitation and". 42 USC 1480.

GUARANTEED LOANS

SEC. 511. Section 517(n) of the Housing Act of 1949 is amended by inserting "moderate or" after "borrowers with". 42 USC 1487.

DISPLACEMENT

SEC. 512. Section 501 of the Housing Act of 1949 is amended by adding at the end thereof the following: 42 USC 1471.

"(g) The programs authorized by this title shall be carried out, consistent with program goals and objectives, so that the involuntary displacement of families and businesses is avoided."

STUDY

SEC. 513. (a) The Secretary of Agriculture shall study the legislative and administrative changes which would be required—

(1) to conform the procedures of the Farmers Home Administration for reporting budget and accounting information with the reporting principles established by the Presidential Commission on Budget Concepts;

(2) to establish procedures to reflect fully in the Federal Budget the budget authority and budget outlays of the programs administered by the Farmers Home Administration;

(3) to remove budget and accounting practices which are inconsistent with the practices for recording debt transactions as provided in the current policy of the Office of Management and Budget; and

(4) to simplify the authorities provided in title V of the Housing Act of 1949. 42 USC 1471.

(b) In carrying out this study, the Secretary shall consult with the appropriate committees of the Congress, the Comptroller General of the United States, and the Office of Management and Budget.

(c) The Secretary shall report to the Congress the results of such study with recommendations for legislative and administrative changes for each of the matters described in paragraphs (1) through (4) of subsection (a), no later than the date on which the President's Budget for Fiscal Year 1982 is submitted to the Congress. Report to Congress.

PREPAYMENT AND REFINANCING OF LOANS UNDER SECTIONS 514 AND 515

SEC. 514. (a) Section 502(c) of the Housing Act of 1949 is amended— 42 USC 1472.

(1) by striking out "Except as provided in paragraph (2), the" in paragraph (1) and inserting in lieu thereof "The";

(2) by striking out "entered into before or after" each time it appears in paragraph (1) and inserting in lieu thereof "entered into after"; and

(3) by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) If any loan which was made or insured under section 514 or 515 pursuant to a contract entered into before December 21, 1979, is Relocation priority. 42 USC 1484, 1485.

prepaid or refinanced on or after the date of enactment of the Housing and Community Development Act of 1980, and tenants of the housing and related facilities financed with such loan are displaced due to a change in the use of the housing, or to an increase in rental or other charges, as a result of such prepayment or refinancing, the Secretary shall provide such tenants a priority for relocation in alternative housing assisted pursuant to this title.”.

Study, report to Congress.
42 USC 1472
note.

(b) The Secretary of Agriculture shall conduct a study of, and report to the Congress not later than 6 months after the date of enactment of this Act on, any adverse effects the amendments made by subsection (a) may have on housing, particularly for the elderly and persons of low income.

Condominium and Cooperative Abuse Relief Act of 1980.

TITLE VI—CONDOMINIUM AND COOPERATIVE CONVERSION PROTECTION AND ABUSE RELIEF

SHORT TITLE

15 USC 3601
note.

SEC. 601. This title may be cited as the “Condominium and Cooperative Abuse Relief Act of 1980”.

FINDINGS AND PURPOSE

15 USC 3601.

SEC. 602. (a) The Congress finds and declares that—

(1) there is a shortage of adequate and affordable housing throughout the Nation, especially for low- and moderate-income and elderly and handicapped persons;

(2) the number of conversions of rental housing to condominiums and cooperatives is accelerating, which in some communities may restrict the shelter options of low- and moderate-income and elderly and handicapped persons;

(3) certain long-term leasing arrangements for recreation and other condominium- or cooperative-related facilities which have been used in the formation of cooperative and condominium projects may be unconscionable; in certain situations State governments are unable to provide appropriate relief; as a result of these leases, economic and social hardships may have been imposed upon cooperative and condominium owners, which may threaten the continued use and acceptability of these forms of ownership and interfere with the interstate sale of cooperatives and condominiums; appropriate relief from these abuses requires Federal action; and

(4) there is a Federal involvement with the cooperative and condominium housing markets through the operation of Federal tax, housing, and community development laws, through the operation of federally chartered and insured financial institutions, and through other Federal activities; that the creation of many condominiums and cooperatives is undertaken by entities operating on an interstate basis.

(b) The purposes of this title are to seek to minimize the adverse impacts of condominium and cooperative conversions particularly on the housing opportunities of low- and moderate-income and elderly and handicapped persons, to assure fair and equitable principles are followed in the establishment of condominium and cooperative opportunities, and to provide appropriate relief where long-term leases of recreation and other cooperative- and condominium-related facilities are determined to be unconscionable.

CONVERSION LENDING

SEC. 603. It is the sense of the Congress that lending by federally insured lending institutions for the conversion of rental housing to condominiums and cooperative housing should be discouraged where there are adverse impacts on housing opportunities of the low- and moderate-income and elderly and handicapped tenants involved. 15 USC 3602.

DEFINITIONS

SEC. 604. For the purpose of this title—

15 USC 3603.

(1) "affiliate of a developer" means any person who controls, is controlled by, or is under common control with a developer. A person "controls" a developer if the person (A) is a general partner, officer, director, or employer of the developer, (B) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than 20 per centum of the voting interests of the developer, (C) controls in any manner the election of a majority of the directors of the developer, or (D) has contributed more than 20 per centum of the capital of the developer. A person "is controlled by" a developer if the developer (i) is a general partner, officer, director or employer of the person, (ii) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than 20 per centum of the voting interests of the person, (iii) controls in any manner the election of a majority of the directors, or (iv) has contributed more than 20 per centum of the capital of the person;

(2) "automatic rent increase clause" means a provision in a lease permitting periodic increases in the fee under the lease which is effective automatically or at the sole option of the lessor, and which provides that the fee shall increase at the rate of an economic, commodity, or consumer price index or at a percentage rate such that the actual increases in the rental payment over the lease term cannot be established with specificity at the time the lease is entered into;

(3) "common elements" means all portions of the cooperative or condominium project, other than the units designated for separate ownership or for exclusive possession or use;

(4) "condominium association" means the organization, whose membership consists exclusively of all the unit owners in the condominium project, which is, or will be, responsible for the operation, administration, and management of the condominium project;

(5) "condominium project" means real estate (A) which has five or more residential condominium units, in each residential structure, and the remaining portions of the real estate are designated for common ownership solely by the owners of those units, each owner having an undivided interest in the common elements, and (B) where such units are or have been offered for sale or sold, directly or indirectly, through the use of any means or instruments of transportation or communication of interstate commerce, or the mails;

(6) "condominium unit" means a portion of a condominium project designated for separate ownership;

(7) "conversion project" means a project, which has five or more residential units, which was used primarily for residential rental purposes immediately prior to being converted to a condominium or cooperative project;

(8) "convey or conveyance" means (A) a transfer to a purchaser of legal title in a unit at settlement, other than as security for an obligation, or (B) the acquisition by a purchaser of a leasehold interest for more than five years;

(9) "cooperative association" means an organization that owns the record interest in the residential cooperative property or a leasehold of the residential property of a cooperative project and that is responsible for the operation of the cooperative project;

(10) "cooperative project" means real estate (A) which has five or more residential cooperative units, in each residential structure, subject to separate use and possession by one or more individual cooperative unit owners whose interest in such units and in the undivided assets of the cooperative association which are appurtenant to the unit are evidenced by a membership or share interest in a cooperative association and a lease or other muniment of title or possession granted by the cooperative association as the owner of all the cooperative property, and (B) an interest in which is or has been offered for sale or lease or sold, or leased directly or indirectly, through use of any means or instruments of transportation or communication in interstate commerce or of the mails;

(11) "cooperative property" means the real estate and personal property subject to cooperative ownership and all other property owned by the cooperative association;

(12) "cooperative unit" means a part of the cooperative property which is subject to exclusive use and possession by a cooperative unit owner. A unit may be improvements, land, or land and improvements together, as specified in the cooperative documents;

(13) "cooperative unit owner" means the person having a membership or share interest in the cooperative association and holding a lease, or other muniment of title or possession, of a cooperative unit that is granted by the cooperative association as the owner of the cooperative property;

(14) "developer" means (A) any person who offers to sell or sells his interest in a cooperative or condominium unit not previously conveyed, or (B) any successor of such person who offers to sell or sells his interests in units in a cooperative or condominium project and who has the authority to exercise special developer control in the project including the right to: add, convert, or withdraw real estate from the cooperative or condominium project, and maintain sales offices, management offices and rental units; exercise easements through common elements for the purpose of making improvements within the cooperative or condominium; or exercise control of the owners' association;

(15) "interstate commerce" means trade, traffic, transportation, communication, or exchange among the States, or between any foreign country and a State, or any transaction which affects such trade, traffic, transportation, communication, or exchange;

(16) "lease" includes any agreement or arrangement containing a condominium or cooperative unit owner's obligation, individually, collectively, or through an association to make payments for a leasehold interest or for other rights to use or possess real estate, or personal property (which rights may include the

right to receive services with respect to such real estate or personal property), except a lease does not include mortgages or other such agreements for the purchase of real estate;

(17) "person" means a natural person, corporation, partnership, association, trust or other entity, or any combination thereof;

(18) "purchaser" means any person, other than a developer, who by means of a voluntary transfer acquires a legal or equitable interest in a unit, other than (A) a leasehold interest (including renewal options) of less than five years, or (B) as security for an obligation;

(19) "real estate" means any leasehold or other estate or interest in, over or under land, including structures, fixtures, and other improvements and interests which by custom, usage, or law pass with a conveyance of land though not described in the contract of sale or instrument of conveyance. "Real estate" includes parcels with or without upper or lower boundaries, and spaces that may be filled with air or water;

(20) "residential" means used as a dwelling;

(21) "sale", "sale of a cooperative unit" or "sale of a condominium unit" means any obligation or arrangement for consideration for conveyance to a purchaser of a cooperative or condominium unit, excluding options or reservations not binding on the purchaser;

(22) "special developer control" means any right arising under State law, cooperative or condominium instruments, the association's bylaws, charter or articles of association or incorporation, or power of attorney or similar agreement, through which the developer may control or direct the unit owners' association or its executive board. A developer's right to exercise the voting share allocated to any condominium or cooperative unit which he owns is not deemed a right of special developer control if the voting share allocated to that condominium or cooperative unit is the same voting share as would be allocated to the same condominium or cooperative unit were that unit owned by any other unit owner at that time;

(23) "State" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States; and

(24) "tenants' organization" means a bona fide organization of tenants who represent a majority of the occupied rental units in a rental housing project.

EXEMPTIONS

SEC. 605. The provisions of this title shall not apply to—

15 USC 3604.

(1) a cooperative or condominium unit sold or offered for sale by the Federal Government, by any State or local government, by any corporate instrumentality of the United States, or by any agency thereof;

(2) a cooperative or condominium project in which all units are restricted to nonresidential purposes or uses; or

(3) any lease or portion thereof—

(A) which establishes any leasehold or other estate or interest in, over or under land on or in which one or more residential condominium or cooperative units are located, the termination of which will terminate the condominium or

cooperative project, or reduce the number of units in such project, or

(B) which establishes a leasehold interest in, or other rights to use, possess, or gain access to, a condominium or cooperative unit.

CONDOMINIUM AND COOPERATIVE CONVERSIONS

15 USC 3605.

SEC. 606. It is the sense of the Congress that, when multifamily rental housing projects are converted to condominium or cooperative use, tenants in those projects are entitled to adequate notice of the pending conversion and to receive the first opportunity to purchase units in the converted projects and that State and local governments which have not already provided for such notice and opportunity for purchase should move toward that end. The Congress believes it is the responsibility of State and local governments to provide for such notice and opportunity to purchase in a prompt manner. The Congress has decided not to intervene and therefore leaves this responsibility to State and local governments to be carried out.

FEDERAL HOUSING ADMINISTRATION INSURANCE

15 USC 3606.

SEC. 607. Where an application for mortgage or loan insurance in connection with a conversion or purchase of a rental housing project being undertaken by a tenants' organization is submitted, the Secretary of Housing and Urban Development shall expedite the processing of the application in every way and shall make a final decision on such application at the earliest practicable time.

OPTIONAL TERMINATION OF SELF-DEALING CONTRACTS

15 USC 3607.

SEC. 608. (a) Any contract or portion thereof which is entered into after the effective date of this title, and which—

(1) provides for operation, maintenance, or management of a condominium or cooperative association in a conversion project, or of property serving the condominium or cooperative unit owners in such project;

(2) is between such unit owners or such association and the developer or an affiliate of the developer;

(3) was entered into while such association was controlled by the developer through special developer control or because the developer held a majority of the votes in such association; and

(4) is for a period of more than three years, including any automatic renewal provisions which are exercisable at the sole option of the developer or an affiliate of the developer,

may be terminated without penalty by such unit owners or such association.

(b) Any termination under this section may occur only during the two-year period beginning on the date on which—

(1) special developer control over the association is terminated;

or

(2) the developer owns 25 per centum or less of the units in the conversion project, whichever occurs first.

(c) A termination under this section shall be by a vote of owners of not less than two-thirds of the units other than the units owned by the developer or an affiliate of the developer.

(d) Following the unit owners' vote, the termination shall be effective ninety days after hand delivering notice or mailing notice by prepaid United States mail to the parties to the contract. Effective date.

CIVIL ACTION; UNCONSCIONABLE LEASES

SEC. 609. (a) Cooperative and condominium unit owners through the unit owners' association may bring an action seeking a judicial determination that a lease or leases, or portions thereof, were unconscionable at the time they were made. An action may be brought under this section if each such lease has all of the following characteristics: 15 USC 3608.

(1) it was made in connection with a cooperative or condominium project;

(2) it was entered into while the cooperative or condominium owners' association was controlled by the developer either through special developer control or because the developer held a majority of the votes in the owners' association;

(3) it had to be accepted or ratified by purchasers or through the unit owners' association as a condition of purchase of a unit in the cooperative or condominium project;

(4) it is for a period of more than twenty-one years or is for a period of less than twenty-one years but contains automatic renewal provisions for a period of more than twenty-one years;

(5) it contains an automatic rent increase clause; and

(6) it was entered into prior to June 4, 1975.

Such action must be authorized by the cooperative or condominium unit owners through a vote of not less than two-thirds of the owners of the units other than units owned by the developer or an affiliate of the developer, and may be brought by the cooperative or condominium unit owners through the units owners' association. Prior to instituting such action, the cooperative or condominium unit owners must, through a vote of not less than two-thirds of the owners of the units other than units owned by the developer or an affiliate of the developer, agree to enter into negotiation with the lessor and must seek through such negotiation to eliminate or modify any lease terms that are alleged to be unconscionable; if an agreement is not reached in ninety days from the date on which the authorizing vote was taken, the unit owners may authorize an action after following the procedure specified in the preceding sentence.

Unit owners
authorization.

(b) A rebuttable presumption of unconscionability exists if it is established that, in addition to the characteristics set forth in subsection (a) of this section, the lease—

(1) creates a lien subjecting any unit to foreclosure for failure to make payments;

(2) contains provisions requiring either the cooperative or condominium unit owners or the cooperative or condominium association as lessees to assume all or substantially all obligations and liabilities associated with the maintenance, management and use of the leased property, in addition to the obligation to make lease payments;

(3) contains an automatic rent increase clause without establishing a specific maximum lease payment; and

(4) requires an annual rental which exceeds 25 per centum of the appraised value of the leased property as improved: *Provided*, That, for purposes of this paragraph "annual rental" means the amount due during the first twelve months of the lease for all units, regardless of whether such units were occupied or sold

"Annual rental."

"Appraised value."

during that period, and "appraised value" means the appraised value placed upon the leased property the first tax year after the sale of a unit in the condominium or after the sale of a membership or share interest in the cooperative association to a party who is not an affiliate of the developer.

Once the rebuttable presumption is established, the court, in making its finding, shall consider the lease or portion of the lease to be unconscionable unless proven otherwise by a preponderance of the evidence to the contrary.

Evidence presentation.

(c) Whenever it is claimed, or appears to the court, that a lease or any portion thereof is, or may have been, unconscionable at the time it was made, the parties shall be afforded a reasonable opportunity to present evidence at least as to—

(1) the commercial setting of the negotiations;

(2) whether a party has knowingly taken advantage of the inability of the other party reasonably to protect his interests;

(3) the effect and purpose of the lease or portion thereof, including its relationship to other contracts between the association, the unit owners and the developer or an affiliate of the developer; and

(4) the disparity between the amount charged under the lease and the value of the real estate subject to the lease measured by the price at which similar real estate was readily obtainable in similar transactions.

Remedial relief.

(d) Upon finding that any lease, or portion thereof, is unconscionable, the court shall exercise its authority to grant remedial relief as necessary to avoid an unconscionable result, taking into consideration the economic value of the lease. Such relief may include, but shall not be limited to rescission, reformation, restitution, the award of damages and reasonable attorney fees and court costs. A defendant may recover reasonable attorneys' fees if the court determines that the cause of action filed by the plaintiff is frivolous, malicious, or lacking in substantial merit.

(e) Nothing in this section may be construed to authorize the bringing of an action by cooperative and condominium unit owners' association, seeking a judicial determination that a lease or leases, or portions thereof, are unconscionable, where such unit owners or a unit owners' association representing them has, after the termination of special developer control, reached an agreement with a holder of such lease or leases which either—

(1) sets forth the terms and conditions under which such lease or leases is or shall be purchased by such unit owners or associations; or

(2) reforms any clause in the lease which contained an automatic rent increase clause, unless such agreement was entered into when the leaseholder or his affiliate held a majority of the votes in the owners' association.

PROHIBITIONS

Developer, reimbursement.
15 USC 3609.

SEC. 610. Any provision in any lease or contract requiring unit owners or the owners' association, in any conversion project involving a contract meeting the requirements of section 608 of this title or in any project involving a lease meeting the requirements of section 609 of this title, to reimburse, regardless of outcome, the developer, his successor, or affiliate of the developer for attorneys' fees or money judgments, in a suit between unit owners or the owners' association

and the developer arising under the lease or agreement, is against public policy and void.

STATE AND LOCAL JURISDICTION

SEC. 611. Nothing in this title may be construed to prevent or limit the authority of any State or local government to enact and enforce any law, ordinance, or code with regard to any condominium, cooperative, or conversion project, if such law, ordinance, or code does not abridge, deny, or contravene any standard for consumer protection established under this title. Notwithstanding the preceding sentence, the provisions of this title, except for the application of section 609 and the prohibition included in section 610 as it relates to a lease with respect to which a cause of action may be established under section 609, shall not apply in the case of any State or local government which has the authority to enact and enforce such a law, ordinance, or code, if, during the three-year period following the date of enactment of this title, such State or local government enacts a law, ordinance, or code, or amendments thereto, stating in substance that such provisions of this title shall not apply in that State or local government jurisdiction.

15 USC 3610.

ADDITIONAL REMEDIES

SEC. 612. (a) Unless otherwise limited as in section 608 or 609 of this title, any person aggrieved by a violation of this title may sue at law or in equity.

15 USC 3611.

(b) In any action authorized by this section for a violation of section 608 or 610 where actual damages have been suffered, such damages may be awarded or such other relief granted as deemed fair, just, and equitable.

(c) Every person who becomes liable to make any payment under this section may recover contributions from any person who, if sued separately, would have been liable to make the same payment.

(d) The amounts recoverable under this section may include interest paid, reasonable attorneys' fees, independent engineer and appraisers' fees, and court costs. A defendant may recover reasonable attorneys' fees if the court determines that the cause of action filed by the plaintiff is frivolous, malicious, or lacking in substantial merit.

JURISDICTION

SEC. 613. The district courts of the United States, the United States courts of any territory, and the United States District Court for the District of Columbia shall have jurisdiction under this title and, concurrent with State courts, of actions at law or in equity brought under this title without regard to the amount in controversy. Any such action may be brought in the district wherein the defendant is found or is an inhabitant or transacts business, or in the district where the sale took place, and process in such cases may be served in other districts of which the defendant is an inhabitant or wherever the defendant may be found. No case arising under this title and brought in any State court of competent jurisdiction shall be removed to any court of the United States, except where any officer or employee of the United States in his official capacity is a party.

15 USC 3612.

LIMITATION OF ACTIONS

15 USC 3613.

SEC. 614. No action shall be maintained to enforce any right or liability created by this title unless brought within six years after such cause of action accrued, except that an action pursuant to section 609 must be brought within four years after the date of enactment of this title.

CONTRARY STIPULATIONS VOID

15 USC 3614.

SEC. 615. Any condition, stipulation, or provision binding any person to waive compliance with any provisions of this title shall be void.

ADDITIONAL REMEDIES

15 USC 3615.

SEC. 616. The rights and remedies provided by this title shall be in addition to any and all other rights and remedies that may exist under Federal or State law.

SEPARABILITY

15 USC 3616.

SEC. 617. If any provisions of this title or the application thereof to any person or circumstance is held invalid, the remainder of this title shall not be affected thereby.

EFFECTIVE DATE15 USC 3601
note.

SEC. 618. The provisions of this title shall become effective upon enactment, except that section 609, and the prohibition included in section 610 as it relates to a lease with respect to which a cause of action may be established under section 609, shall become effective one year after enactment.

Approved October 8, 1980.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 96-979 and supplemental reports Pts. II and III, all accompanying H.R. 7262 (all from Comm. on Banking, Finance, and Urban Affairs) and No. 96-1420 (Comm. of Conference).

SENATE REPORTS: No. 96-716 accompanying S. 2716, No. 96-724 accompanying S. 2711, and No. 96-736 accompanying S. 2719 (all from Comm. on Banking, Housing, and Urban Affairs).

CONGRESSIONAL RECORD, Vol. 126 (1980):

June 20, 21, considered and passed Senate.

Aug. 18, 21, 22, H.R. 7262 considered and passed House; passage vacated and S. 2719, amended, passed in lieu.

Sept. 30, Senate and House agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 16, No. 41:

Oct. 8, Presidential statement.