

Public Law 98-181
98th Congress

An Act

Making supplemental appropriations for the fiscal year ending September 30, 1984, and for other purposes.

Nov. 30, 1983

[H.R. 3959]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to provide supplemental appropriations for the fiscal year ending September 30, 1984, and for other purposes, namely:

Supplemental
Appropriations
Act, 1984.

TITLE I

CHAPTER I

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND

Title I of the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1984 (Public Law 98-45), is amended by inserting before the period at the end of the paragraph under the heading "Housing for the elderly or handicapped fund" (97 Stat. 219, 220) the following: "*Provided further*, That notwithstanding section 202(a)(3) of the Housing Act of 1959, loans made in fiscal year 1984 shall bear an interest rate which does not exceed 9.25 per centum, including the allowance adequate in the judgment of the Secretary to cover administrative costs and probable losses under the program".

Ante, p. 219.

12 USC 1701q
note.

12 USC 1701q.

EXECUTIVE OFFICE OF THE PRESIDENT

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF
ENVIRONMENTAL QUALITY

For an additional amount for the "Council on Environmental Quality and Office of Environmental Quality", \$600,000 to conduct a study to consider and define a National Center for Water Resources Research, and a study to define and plan a National Clearinghouse for Water Resources Information.

FEDERAL EMERGENCY MANAGEMENT AGENCY

SALARIES AND EXPENSES

The limitation on spending for official reception and representation allowance for fiscal year 1984 contained in the "Salaries and expenses" appropriation for the Federal Emergency Management Agency in the Department of Housing and Urban Development-

Ante, p. 219.

Independent Agencies Appropriation Act, 1984 (Public Law 98-45), is increased from \$500 to \$2,000.

STATE AND LOCAL ASSISTANCE

Ante, p. 219.

The Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1984, under the account, Federal Emergency Management Agency, State and Local Assistance, is amended by adding the following before the period: "*Provided further*, That notwithstanding any other provision of law for the fiscal year 1984, \$55,000,000 is available for contributions to the States under section 205 of the Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2286), for personnel and administrative expenses".

EMERGENCY FOOD DISTRIBUTION AND SHELTER PROGRAM

For an emergency food distribution and shelter program to be carried out by the Director of the Federal Emergency Management Agency, \$30,000,000, such sum to remain available for obligation until March 31, 1984, and to be made available under the following terms and conditions:

(1) The Director of the Federal Emergency Management Agency shall, as soon as practicable after the date of the enactment of this Act, constitute a national board for the purpose of determining how the program funds are to be distributed to individual localities. The national board shall consist of seven members. The United Way of America, the Salvation Army, the National Council of Churches, the National Conference of Catholic Charities, the Council of Jewish Federations, Incorporated, the American Red Cross, and the Federal Emergency Management Agency shall each designate a representative to sit on the national board. The representative of the Federal Emergency Management Agency shall serve as chairman of the national board.

(2) Each locality designated by the national board to receive funds shall constitute a local board for the purpose of determining how its funds will be distributed. The local board shall consist, to the extent practicable, of representatives of the same organizations as the national board except that the mayor or appropriate head of government will replace the Federal Emergency Management Agency member.

(3) The Director of the Federal Emergency Management Agency shall award a grant for \$30,000,000 to the national board within thirty days after the date of the enactment of this Act for the purpose of providing emergency food and shelter to needy individuals through private voluntary organizations.

(4) Eligible private voluntary organizations shall be nonprofit, have a voluntary board, have an accounting system, and practice nondiscrimination.

(5) Participation in the program shall be based upon a private voluntary organization's ability to deliver emergency food and shelter to needy individuals and such other factors as are determined by the local boards.

(6) Total administrative costs may not exceed 2 percent of the total appropriation.

(7) As authorized by the Charter of the Commodity Credit Corporation, the Corporation shall process and distribute sur-

plus food owned or to be purchased by the Corporation under the food distribution and emergency shelter program in cooperation with the Federal Emergency Management Agency.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

CONSTRUCTION OF FACILITIES

For an additional amount for "Construction of facilities", \$20,000,000, to remain available until September 30, 1986, for partial funding of the construction of facilities at the John F. Kennedy Space Center for the Solid Rocket Booster assembly and refurbishment contractor and for warehousing to be used by the Shuttle processing contractor: *Provided*, That with the funds appropriated under the "Space flight, control and data communications" account in the 1984 Housing and Urban Development-Independent Agencies Appropriation Act (Public Law 98-45), NASA may enter into a contract with Morton Thiokol, Inc., to amortize the Thiokol Casting Pit Covers over a twelve-year period for a total cost of not to exceed \$23,000,000 under the authority granted under Public Law 98-45.

Ante, p. 219.

VETERANS ADMINISTRATION

MEDICAL AND PROSTHETIC RESEARCH

For an additional amount for "Medical and prosthetic research", \$53,974,000, to remain available until September 30, 1985.

VETERANS JOB TRAINING

For an additional amount for payment of expenses as authorized by the Emergency Veterans' Job Training Act of 1983 (Public Law 98-77), \$75,000,000, to remain available until September 30, 1986.

Ante, p. 443.

SHORT TITLE AND TABLE OF CONTENTS

SECTION 1. (a) Titles I through XI of this Act may be cited as the "Domestic Housing and International Recovery and Financial Stability Act".

(b) Titles I through V of this Act may be cited as the "Housing and Urban-Rural Recovery Act of 1983".

Domestic
Housing and
International
Recovery and
Financial
Stability Act.
12 USC 1701
note.
Housing and
Urban-Rural
Recovery Act of
1983.
12 USC 1701
note.

TABLE OF CONTENTS

Sec. 1. Short title and table of contents.

TITLE I—COMMUNITY AND NEIGHBORHOOD DEVELOPMENT AND CONSERVATION

PART A—COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Sec. 101. Low and moderate income benefit objective.

Sec. 102. Definitions.

Sec. 103. Authorization of appropriations.

Sec. 104. Statement of activities and review.

Sec. 105. Eligible activities.

Sec. 106. Allocation and distribution of funds.

Sec. 107. Discretionary fund.

Sec. 108. Guarantee of loans.

Sec. 109. Use of grants to settle outstanding urban renewal loans.

Sec. 110. Transition provisions.

PART B—OTHER PROGRAMS

- Sec. 121. Urban development action grants.
- Sec. 122. Urban homesteading.
- Sec. 123. Neighborhood development demonstration.
- Sec. 124. Rehabilitation loans.
- Sec. 125. Neighborhood Reinvestment Corporation.
- Sec. 126. Repeaters.

TITLE II—HOUSING ASSISTANCE PROGRAMS

- Sec. 201. Allocation and use of assisted housing authority.
- Sec. 202. Increase in single person occupancy limitation.
- Sec. 203. Priority for housing assistance.
- Sec. 204. Lease and grievance procedures.
- Sec. 205. Reporting requirements.
- Sec. 206. Amendments affecting tenant rents or contributions.
- Sec. 207. Voucher demonstration.
- Sec. 208. Renewal of section 8 contracts.
- Sec. 209. Repeal of new construction authority.
- Sec. 210. Single room occupancy housing.
- Sec. 211. Shared housing for the elderly and handicapped.
- Sec. 212. Payments for operation of lower income housing projects.
- Sec. 213. Income eligibility.
- Sec. 214. Demolition and disposition of public housing.
- Sec. 215. Financing limitations.
- Sec. 216. Emergency shelter program.
- Sec. 217. Operating assistance for troubled multifamily housing projects.
- Sec. 218. Section 236 assistance.
- Sec. 219. Rent supplement program.
- Sec. 220. Report regarding housing neighborhood strategy area program.
- Sec. 221. Consideration of utility payments made by tenants in assisted housing.
- Sec. 222. Public housing child care demonstration program.
- Sec. 223. Housing for the elderly and handicapped.
- Sec. 224. Congregate services.
- Sec. 225. Demonstration project.
- Sec. 226. Section 235 homeownership assistance.
- Sec. 227. Pet ownership in assisted rental housing for the elderly or handicapped.

TITLE III—RENTAL HOUSING REHABILITATION AND PRODUCTION PROGRAM

- Sec. 301. Rental rehabilitation and development grants.
- Sec. 302. Conforming amendments to the Housing and Community Development Act of 1974.
- Sec. 303. Conforming amendments to the National Housing Act.

TITLE IV—PROGRAM AMENDMENTS AND EXTENSIONS

PART A—FEDERAL HOUSING ADMINISTRATION MORTGAGE INSURANCE PROGRAMS

Subpart 1—General Authorities and Requirements

- Sec. 401. Extension of mortgage insurance programs.
- Sec. 402. Amount to be insured under the National Housing Act.
- Sec. 403. Authorization of appropriations to cover losses to the General Insurance Fund.
- Sec. 404. Elimination of requirement that Federal Housing Administration interest rates be set by law.
- Sec. 405. Minimum property standards.
- Sec. 406. Time of payment of mortgage insurance premiums.
- Sec. 407. Mortgage insurance for American Samoa.
- Sec. 408. Assignment of section 221(g)(4) mortgages to Government National Mortgage Association.
- Sec. 409. Termination of section 221 buy-back provision.

Subpart 2—Single-Family Mortgage Insurance Programs

- Sec. 415. Title I insurance for existing manufactured homes.
- Sec. 416. Increased title I loan limits for manufactured homes and lots.
- Sec. 417. Refinancing manufactured homes under title I.
- Sec. 418. Counseling for persons assisted under temporary mortgage assistance payments program.
- Sec. 419. Cooperative housing.
- Sec. 420. Mortgage insurance for condominium units.

- Sec. 421. Single-family mortgage insurance on Hawaiian home lands.
- Sec. 422. Single family mortgage insurance on Indian reservations.
- Sec. 423. Treatment of Federal Housing Administration single family premiums.
- Sec. 424. Change in maximum loan-to-value ratio for modestly priced single family homes.
- Sec. 425. Nonoccupant single family mortgagors.
- Sec. 426. Payment of claims without acquisition of title.
- Sec. 427. Structural defects in Veterans' Administration-approved, Federal Housing Administration-insured new homes.
- Sec. 428. Reinsurance demonstration program.

Subpart 3—Multifamily and Other Mortgage Insurance Programs

- Sec. 431. Discretionary authority to regulate rents or charges.
- Sec. 432. Removal of refinancing limitations on certain multifamily projects.
- Sec. 433. Limitation on prepayment of mortgages on multifamily rental housing.
- Sec. 434. Assumption of loss under multifamily co-insurance.
- Sec. 435. Mortgage insurance for manufactured home parks for the elderly.
- Sec. 436. Mortgage insurance for public hospitals.
- Sec. 437. Mortgage insurance for board and care homes.

Subpart 4—Insurance of Alternative Mortgage Instruments

- Sec. 441. Indexed mortgages.
- Sec. 442. Graduated payment mortgages for multifamily housing.
- Sec. 443. Adjustable rate mortgages for single family housing.
- Sec. 444. Shared appreciation mortgages for single family housing.
- Sec. 445. Shared appreciation mortgages for multifamily housing.
- Sec. 446. Insurance of mortgages not providing for complete amortization.
- Sec. 447. Premium charges for insurance of alternative mortgage instruments.
- Sec. 448. Report on home equity conversion mortgages for the elderly.

PART B—FLOOD AND PROPERTY INSURANCE PROGRAMS

- Sec. 451. Flood insurance.
- Sec. 452. Crime and riot insurance.
- Sec. 453. Study of sinkhole insurance.

PART C—REGULATORY AND OTHER PROGRAMS

- Sec. 461. Real estate settlement procedures.
- Sec. 462. National Institute of Building Sciences.
- Sec. 463. Solar Energy and Energy Conservation Bank.
- Sec. 464. Weatherization program.
- Sec. 465. Counseling.
- Sec. 466. Research authorization.
- Sec. 467. National housing partnerships.
- Sec. 468. Report regarding program changes.
- Sec. 469. Periodic report on residential mortgage delinquencies and foreclosures.
- Sec. 470. Public notice and comment regarding Department demonstration programs.
- Sec. 471. Multifamily mortgage foreclosure.
- Sec. 472. Alternative mortgage transactions.
- Sec. 473. Due-on-sale clause prohibitions.
- Sec. 474. Cancellation of debt owed the Treasury and liquidation of new communities program.

PART D—SECONDARY MORTGAGE MARKET PROGRAMS

- Sec. 481. Amount to be guaranteed under the Government National Mortgage Association mortgage-backed securities program.
- Sec. 482. Government National Mortgage Association commitment extension.
- Sec. 483. Special assistance and emergency mortgage purchase assistance functions of the Government National Mortgage Association.

TITLE V—RURAL HOUSING

- Sec. 501. Short title.
- Sec. 502. Definitions.
- Sec. 503. Section 502 amendments.
- Sec. 504. Rehabilitation loans.
- Sec. 505. Technical services and research.
- Sec. 506. Standards for adequate housing.
- Sec. 507. General authority of the Secretary.
- Sec. 508. Amendment to section 511.

- Sec. 509. Repeal of section 512.
- Sec. 510. Determination of need for housing under sections 514 and 516.
- Sec. 511. Authorizations.
- Sec. 512. Section 515 amendments.
- Sec. 513. Farm labor housing.
- Sec. 514. Insured rural housing loans.
- Sec. 515. Definition of rural area.
- Sec. 516. Shared housing for the elderly and handicapped.
- Sec. 517. Rental assistance tenant contribution.
- Sec. 518. Technical and supervisory assistance.
- Sec. 519. Condominium housing.
- Sec. 520. FHA insurance.
- Sec. 521. Processing of application.
- Sec. 522. Rural housing preservation grant program.
- Sec. 523. Miscellaneous.

TITLE VI—EXPORT-IMPORT BANK ACT AMENDMENTS OF 1983

- Sec. 601. Short title.

PART A—EXPORT-IMPORT BANK ACT AMENDMENTS

- Sec. 611. Extension of the Export-Import Bank Act.
- Sec. 612. Competitive mandate.
- Sec. 613. Advisory committee.
- Sec. 614. Terms of directors.
- Sec. 615. Report on authority.
- Sec. 616. Exports of services.
- Sec. 617. Competitive insurance.
- Sec. 618. Small business needs.
- Sec. 619. Special facilities in support of United States exports.
- Sec. 620. Technical amendments.
- Sec. 621. Capital level of the Bank.
- Sec. 622. Medium-term financing.
- Sec. 623. Report to Congress.

PART B—MATCHING CREDITS

- Sec. 631. Matching credits.
- Sec. 632. Report.
- Sec. 633. Technical amendment.

PART C—TIED AID CREDIT EXPORT SUBSIDIES

- Sec. 641. Short title.
- Sec. 642. Statement of purpose.
- Sec. 643. Negotiating mandate.
- Sec. 644. Establishment of a tied aid credit program in the United States Export-Import Bank.
- Sec. 645. Establishment of a tied aid credit program in the Agency for International Development.
- Sec. 646. Implementation.
- Sec. 647. Definitions.

TITLE VII—MISCELLANEOUS PROVISIONS

- Sec. 701. Home Mortgage Disclosure Act Amendments.
- Sec. 702. Members to serve until successors are appointed.
- Sec. 703. Extension to March 30, 1984.

TITLE VIII—INTERNATIONAL MONETARY FUND

- Sec. 801. Promoting conditions for exchange rate stability.
- Sec. 802. Quota increase.
- Sec. 803. Special drawing rights.
- Sec. 804. Instructions to the United States Executive Director.
- Sec. 805. Elimination of agricultural export subsidies.
- Sec. 806. Sustaining economic growth.
- Sec. 807. Opposing Fund bailouts of banks.
- Sec. 808. Surplus commodities.
- Sec. 809. International cooperation.
- Sec. 810. IMF interest rates.
- Sec. 811. Borrowing in United States credit markets.
- Sec. 812. Trade provisions.
- Sec. 813. Reports to Congress.

TITLE IX—INTERNATIONAL LENDING SUPERVISION

- Sec. 901. Short title.
- Sec. 902. Declaration of policy.
- Sec. 903. Definitions.
- Sec. 904. Strengthened supervision of international lending.
- Sec. 905. Reserves.
- Sec. 906. Accounting for fees on international loans.
- Sec. 907. Collection and disclosure of certain international lending data.
- Sec. 908. Capital adequacy.
- Sec. 909. Foreign loan evaluations.
- Sec. 910. General authorities.
- Sec. 911. GAO audit authority.
- Sec. 912. Equal representation for the Federal Deposit Insurance Corporation.
- Sec. 913. Reports.

TITLE X—MULTILATERAL DEVELOPMENT BANKS

- Sec. 1001. Inter-American Development Bank.
- Sec. 1002. Asian Development Bank.
- Sec. 1003. African Development Fund.
- Sec. 1004. Human rights.
- Sec. 1005. Study.
- Sec. 1006. Personnel practices.

TITLE XI—IMF APPROPRIATION

- Sec. 1101. IMF appropriation.
- Sec. 1102. Condition of international financial system.

TITLE I—COMMUNITY AND NEIGHBORHOOD
DEVELOPMENT AND CONSERVATION

PART A—COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

LOW AND MODERATE INCOME BENEFIT OBJECTIVE

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

42 USC 5301.

(1) in the first sentence, by inserting after “title” the following: “and of the community development program of each grantee under this title”; and

(2) in the second sentence, by inserting after the first comma the following: “not less than 51 percent of the aggregate of the Federal assistance provided under section 106 and, if applicable, the funds received as a result of a guarantee under section 108, shall be used for the support of activities that benefit persons of low and moderate income, and”.

42 USC 5306.

42 USC 5308.

31 USC 1305.

(b) Section 104(b)(3) of such Act is amended—

42 USC 5304.

(1) by striking out the first semicolon and inserting in lieu thereof “, and”; and

(2) by inserting before the semicolon at the end thereof the following: “, except that the aggregate use of funds received under section 106 and, if applicable, as a result of a guarantee under section 108, during a period specified by the grantee of not more than 3 years, shall principally benefit persons of low and moderate income in a manner that ensures that not less than 51 percent of such funds are used for activities that benefit such persons during such period”.

DEFINITIONS

SEC. 102. (a) Section 102(a)(4) of the Housing and Community Development Act of 1974 is amended—

42 USC 5302.

Metropolitan
city.

Notification.
Classification
deferral.

Urban county.
42 USC 5302.

42 USC 5306.

Definitions.
42 USC 5302.

Post, p. 1179.

42 USC 1437f.

(1) by striking out the semicolon and all that follows through "later"; and

(2) by adding at the end thereof the following new sentences: "In order to permit an orderly transition of each city losing its classification as a metropolitan city by reason of the population data of the 1980 decennial census or revisions in the designation of metropolitan areas or central cities, any city classified as or deemed by law to be a metropolitan city for purposes of assistance under any section of this title for fiscal year 1983 shall retain such qualification for purposes of receiving such assistance for fiscal years 1984 and 1985. Any unit of general local government that becomes eligible to be classified as a metropolitan city for fiscal year 1984 or 1985 while its population is included in an urban county for such fiscal year may, upon submission of written notification to the Secretary, defer its classification as a metropolitan city for all purposes under this title for fiscal years 1984, 1985, and 1986 if such unit of general local government continues to have its population included in such urban county under subsection (d)."

(b) Section 102(a)(6) of such Act is amended by striking out the last sentence and inserting in lieu thereof the following new sentences: "In order to permit an orderly transition of each county losing its classification as an urban county by reason of a decrease in population, any county classified as or deemed to be an urban county under this paragraph for purposes of receiving assistance under any section of this title for fiscal year 1983 shall retain such qualification for purposes of receiving such assistance for fiscal years 1984 and 1985, or for such longer period covered by a cooperation agreement entered into during fiscal year 1984. Notwithstanding the combined population amount set forth in clause (B) of the first sentence, a county shall also qualify as an urban county for purposes of assistance under section 106 if such county (A) complies with all other requirements set forth in the first sentence; (B) has, according to the most recent available decennial census data, a combined population between 190,000 and 199,999, inclusive; (C) had a population growth rate of not less than 15 percent during the most recent 10-year period measured by applicable censuses; and (D) has submitted data satisfactory to the Secretary that it has a combined population of not less than 200,000."

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

"(20) The terms 'persons of low and moderate income' and 'low- and moderate-income persons' have the meaning given the term 'lower income families' in section 3(b)(2) of the United States Housing Act of 1937. The term 'persons of very low income' has the meaning given the term 'very low-income families' in such section. For purposes of such terms, the area involved shall be determined in the same manner as such area is determined for purposes of assistance under section 8 of such Act.

"(21) The term 'buildings for the general conduct of government' means city halls, county administrative buildings, State capital or office buildings or other facilities in which the legislative or general administrative affairs of the government are conducted. Such term does not include such facilities as neighborhood service centers or special purpose buildings located in low- and moderate-income areas that house various nonlegisla-

tive functions or services provided by government at decentralized locations.”

(d) Section 102 of such Act is amended by striking out “Department of Commerce” each place it appears in paragraphs (3), (4), and (9) of subsection (a) and in subsection (b) and inserting in lieu thereof “Office of Management and Budget”.

42 USC 5302.

(e) Section 102(b) of such Act is amended by striking out the last sentence.

(f) The last sentence of section 102(d) of such Act is amended by inserting before the period at the end thereof the following: “, except where the unit of general local government loses the designation of metropolitan city”.

AUTHORIZATION OF APPROPRIATIONS

SEC. 103. Section 103 of the Housing and Community Development Act of 1974 is amended by striking out the second sentence and inserting in lieu thereof the following: “There are authorized to be appropriated for purposes of assistance under sections 106 and 107 not to exceed \$3,468,000,000 for each of the fiscal years 1984, 1985, and 1986.”

42 USC 5303.

42 USC 5306,
5307.

STATEMENT OF ACTIVITIES AND REVIEW

SEC. 104. (a) Section 104(a)(1) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new sentence: “In all cases, beginning in fiscal year 1984, the statement required in this subsection shall include a description of the use of funds made available under section 106 in fiscal year 1982 and thereafter (or, beginning in fiscal year 1985, such use since preparation of the last statement prepared pursuant to this subsection) together with an assessment of the relationship of such use to the community development objectives identified in the statement prepared pursuant to this subsection for such previous fiscal years and to the requirements of section 104(b)(3).”

42 USC 5304.

42 USC 5306.

Ante, p. 1159.

(b) Section 104(a)(2) of such Act is amended—

(1) in the first sentence, by inserting “in a timely manner” after “shall”;

(2) in subparagraph (A)—

(A) by inserting after “citizens” the following: “or, as appropriate, units of general local government”; and

(B) by inserting before the semicolon at the end thereof the following: “, including the estimated amount proposed to be used for activities that will benefit persons of low and moderate income and the plans of the grantee for minimizing displacement of persons as a result of activities assisted with such funds and to assist persons actually displaced as a result of such activities”;

(3) by striking out “and” at the end of subparagraph (B);

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

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

“(D) provide citizens or, as appropriate, units of general local government with reasonable access to records regarding the past use of funds received under section 106 by the grantee; and

42 USC 5306.

“(E) provide citizens or, as appropriate, units of general local government with reasonable notice of, and opportunity to com-

42 USC 5306.

ment on, any substantial change proposed to be made in the use of funds received under section 106 from one eligible activity to another.”; and

(6) by adding at the end thereof the following new sentence: “Any final statement of activities may be modified or amended from time to time by the grantee in accordance with the same procedures required in this paragraph for the preparation and submission of such statement.”.

42 USC 5304.

(c) Section 104(b) of such Act is amended—

(1) by inserting before the semicolon at the end of paragraph (2) the following: “, and the grantee will affirmatively further fair housing”;

(2) by striking out “and” at the end of paragraph (3);

(3) by redesignating paragraph (4) as paragraph (6); and

(4) by inserting after paragraph (3) the following new paragraphs:

“(4) it has developed a community development plan, for the period specified by the grantee under paragraph (3), that identifies community development and housing needs and specifies both short- and long-term community development objectives that have been developed in accordance with the primary objective and requirements of this title;

“(5) the grantee will not attempt to recover any capital costs of public improvements assisted in whole or part under section 106 or with amounts resulting from a guarantee under section 108 by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless (A) funds received under section 106 are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or (B) for purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of very low income, the grantee certifies to the Secretary that it lacks sufficient funds received under section 106 to comply with the requirements of subparagraph (A); and”.

42 USC 5306.

42 USC 5308.

31 USC 1305.

(d) Section 104(c)(1)(A) of such Act is amended by inserting after “community” the first place it appears the following: “(including the number of vacant and abandoned dwelling units)”.

(e) Section 104(d) of such Act is amended—

(1) by inserting “and evaluation” after “performance” in the first sentence;

(2) by inserting “and to the requirements of subsection (b)(3)” after “subsection (a)” in the first sentence; and

(3) by inserting after the first sentence the following: “Such report shall also be made available to the citizens in each grantee’s jurisdiction in sufficient time to permit such citizens to comment on such report prior to its submission, and in such manner and at such times as the grantee may determine. The grantee’s report shall indicate its programmatic accomplishments, the nature of and reasons for changes in the grantee’s program objectives, indications of how the grantee would change its programs as a result of its experiences, and an evaluation of the extent to which, its funds were used for activities that benefited low- and moderate-income persons. The

Report.

report shall include a summary of any comments received by the grantee from citizens in its jurisdiction respecting its program. The Secretary shall encourage and assist national associations of grantees eligible under section 106(d)(2)(B), national associations of States, and national associations of units of general local government in nonentitlement areas to develop and recommend to the Secretary, within one year after the effective date of this sentence, uniform recordkeeping, performance reporting, and evaluation reporting, and auditing requirements for such grantees, States, and units of local government, respectively. Based on the Secretary's approval of these recommendations, the Secretary shall establish such requirements for use by such grantees, States, and units of local government."

Recommendations.
42 USC 5306.

(f) The second sentence of section 104(g)(1) of such Act is amended by inserting after "payment" the following: "and substantial disbursements from such fund must begin within 180 days after receipt of such payment".

Requirements.

42 USC 5304.

(g) Section 104 of such Act is amended by adding at the end thereof the following new subsections:

"(i) Notwithstanding any other provision of law, any unit of general local government may retain any program income that is realized from any grant made by the Secretary, or any amount distributed by a State, under section 106 if (1) such income was realized after the initial disbursement of the funds received by such unit of general local government under such section; and (2) such unit of general local government has agreed that while the unit of general local government is participating in a community development program under this title it will utilize the program income for eligible community development activities in accordance with the provisions of this title. A State may require as a condition of any amount distributed by such State under section 106(d) that a unit of general local government shall pay to such State any such income to be used by such State to fund additional eligible community development activities, except that such State shall waive such condition to the extent such income is applied to continue the activity from which such income was derived.

42 USC 5306.

Payment and waiver.

"(j) Each grantee shall provide for reasonable benefits to any person involuntarily and permanently displaced as a result of the use of assistance received under this title to acquire or substantially rehabilitate property."

ELIGIBLE ACTIVITIES

SEC. 105. (a) Section 105(a)(2) of the Housing and Community Development Act of 1974 is amended to read as follows:

42 USC 5305.

"(2) the acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction, or installation that promote energy efficiency) of public works, facilities (except for buildings for the general conduct of government), and site or other improvements;"

(b)(1) Section 105(a)(8) of such Act is amended—

(A) by striking out "10" and inserting in lieu thereof "15"; and

(B) by inserting before the semicolon at the end thereof the following: "unless such unit of general local government used more than 15 percent of the assistance received under this title

Ante, p. 13.

for fiscal year 1983 for such activities (excluding any assistance received pursuant to Public Law 98-8), in which case such unit of general local government may use not more than the percentage or amount of such assistance used for such activities for such fiscal year, whichever method of calculation yields the higher amount".

42 USC 5305
note.

(2) Section 303(b) of the Housing and Community Development Amendments of 1981 is amended by striking out ", 1983, and 1984" and inserting in lieu thereof "and 1983".

42 USC 5305.

(c) Section 105(a)(14) of the Housing and Community Development Act of 1974 is amended by inserting after "public facilities" the following: "(except for buildings for the general conduct of government)".

Elderly families.

(d) Section 105(a)(15) of such Act is amended by inserting the following before the semicolon at the end thereof: ", including grants to neighborhood-based nonprofit organizations, or other private or public nonprofit organizations, for the purpose of assisting, as part of neighborhood revitalization or other community development, the development of shared housing opportunities (other than by construction of new facilities) in which elderly families (as defined in section 3(b)(3) of the United States Housing Act of 1937) benefit as a result of living in a dwelling in which the facilities are shared with others in a manner that effectively and efficiently meets the housing needs of the residents and thereby reduces their cost of housing".

42 USC 1437a.

(e) Section 105 of such Act is amended by adding at the end thereof the following new subsection:

"(c)(1) In any case in which an assisted activity described in paragraph (14) or (17) of subsection (a) is identified as principally benefiting persons of low and moderate income, such activity shall—

"(A) be carried out in a neighborhood consisting predominately of persons of low and moderate income and provide services for such persons; or

"(B) involve facilities designed for use predominately by persons of low and moderate income; or

"(C) involve employment of persons, a majority of whom are persons of low and moderate income.

"(2) In any case in which an assisted activity described in subsection (a) is designed to serve an area generally and is clearly designed to meet identified needs of persons of low and moderate income in such area, such activity shall be considered to principally benefit persons of low and moderate income if (A) not less than 51 percent of the residents of such area are persons of low and moderate income; or (B) in any jurisdiction having no areas meeting the requirements of subparagraph (A), the area served by such activity has a larger proportion of persons of low and moderate income than not less than 75 percent of the other areas in the jurisdiction of the recipient.

"(3) Any assisted activity under this title that involves the acquisition or rehabilitation of property to provide housing shall be considered to benefit persons of low and moderate income only to the extent such housing will, upon completion, be occupied by such persons."

ALLOCATION AND DISTRIBUTION OF FUNDS

42 USC 5306.

SEC. 106. (a) Section 106(b) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new paragraph:

"(6)(A) Where data are available, the amount determined under paragraph (1) for a metropolitan city that has been formed by the consolidation of one or more metropolitan cities with an urban county shall be equal to the sum of the amounts that would have been determined under paragraph (1) for the metropolitan city or cities and the balance of the consolidated government, if such consolidation had not occurred. This paragraph shall apply only to any consolidation that—

Consolidation.

"(i) included all metropolitan cities that received grants under this section for the fiscal year preceding such consolidation and that were located within the urban county;

"(ii) included the entire urban county that received a grant under this section for the fiscal year preceding such consolidation; and

"(iii) took place on or after January 1, 1983.

"(B) The population growth rate of all metropolitan cities referred to in section 102(a)(12) shall be based on the population of (i) metropolitan cities other than consolidated governments the grant for which is determined under this paragraph; and (ii) cities that were metropolitan cities before their incorporation into consolidated governments. For purposes of calculating the entitlement share for the balance of the consolidated government under this paragraph, the entire balance shall be considered to have been an urban county."

42 USC 5302.

(b) Section 106(c)(1)(B) of such Act is amended to read as follows:

42 USC 5306.

"(B) in reallocating amounts resulting from an action under section 104(d) or section 111, a city or county against whom any such action was taken in a fiscal year shall be excluded from a calculation of share for purposes of reallocating, in the succeeding year, the amounts becoming available as a result of such action; and"

Ante, p. 1162.

42 USC 5311.

(c) Section 106(c) of such Act is amended by adding at the end thereof the following new paragraph:

Transfer of responsibility.

"(3) Notwithstanding the provisions of paragraph (1), the Secretary may upon request transfer responsibility to any metropolitan city for the administration of any amounts received, but not obligated, by the urban county in which such city is located if (A) such city was an included unit of general local government in such county prior to the qualification of such city as a metropolitan city; (B) such amounts were designated and received by such county for use in such city prior to the qualification of such city as a metropolitan city; and (C) such city and county agree to such transfer of responsibility for the administration of such amounts."

(d)(1) Section 106(d)(2)(A) of such Act is amended—

(A) by striking out "the State" and inserting in lieu thereof "a State that has elected, in such manner and at such time as the Secretary shall prescribe"; and

(B) by inserting after clause (ii) the following new sentence: "Any election to distribute funds made after the close of fiscal year 1984 is permanent and final."

(2) Section 106(d)(2)(B) of such Act is amended by striking out "where" and all that follows through the period at the end thereof and inserting in lieu thereof the following: "if the State has not elected to distribute such amounts."

(e) Section 106(d)(2)(C) of such Act is amended by striking out clause (iii) and inserting in lieu thereof the following new clause:

"(iii) will not refuse to distribute such amounts to any unit of general local government on the basis of the particular eligible activity selected by such unit of general local government to meet its community development needs, except that this clause may not be considered to prevent a State from establishing priorities in distributing such amounts on the basis of the activities selected; and".

42 USC 5306.

(f) Section 106(d)(2) of such Act is amended by adding at the end thereof the following new subparagraph:

Certification.

"(D) To receive and distribute amounts allocated under paragraph (1), the Governor of each State shall certify that each unit of general local government to be distributed funds will be required to identify its community development and housing needs, including the needs of low and moderate income persons, and the activities to be undertaken to meet such needs."

Payments.

(g) The second and third sentences of section 106(d)(3)(A) of such Act are amended to read as follows: "The State shall pay from its own resources all administrative expenses incurred by the State in carrying out its responsibilities under this title, except that from the amounts received for distribution in nonentitlement areas, the State may deduct an amount to cover such expenses not to exceed the sum of \$102,000 plus 50 percent of any such expenses in excess of \$100,000. Amounts deducted in excess of \$100,000 shall not exceed 2 percent of the amount so received."

(h) Section 106(d)(3) of such Act is amended by striking out subparagraph (C) and inserting in lieu thereof the following:

"(C) Any amounts allocated for use in a State under paragraph (1) that are not received by the State for any fiscal year because of failure to meet the requirements of subsection (a) or (b) of section 104, or that become available as a result of actions against the State under section 104(d) or 111, shall be added to amounts allocated to all States under paragraph (1) for the succeeding fiscal year."

Ante, p. 1162.

42 USC 5311.

"(D) Any amounts allocated for use in a State under paragraph (1) that become available as a result of actions under section 104(d) or 111 against units of general local government in nonentitlement areas of the State or as a result of the closeout of a grant made by the Secretary under this section in nonentitlement areas of the State shall be added to amounts allocated to the State under paragraph (1) for the fiscal year in which the amounts become so available."

(i) Section 106(d) of such Act is amended by adding at the end thereof the following new paragraphs:

"(5) No amount may be distributed by any State or the Secretary under this subsection to any unit of general local government located in a nonentitlement area unless such unit of general local government certifies that—

"(A) it will minimize displacement of persons as a result of activities assisted with such amounts;

"(B) its program will be conducted and administered in conformity with Public Law 88-352 and Public Law 90-284, and that it will affirmatively further fair housing;

"(C) it will provide for opportunities for citizen participation, hearings, and access to information with respect to its community development program that are comparable to those required of grantees under section 104(a)(2); and

"(D) it will not attempt to recover any capital costs of public improvements assisted in whole or part under section 106 or

42 USC 2000a
note.

82 Stat. 73.

42 USC 5304.

with amounts resulting from a guarantee under section 108 by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless (i) funds received under section 106 are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or (ii) for purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of very low income, the grantee certifies to the Secretary or such State, as the case may be, that it lacks sufficient funds received under section 106 to comply with the requirements of clause (i).

42 USC 5308.
31 USC 1305.

42 USC 5306.

“(6) Any activities conducted with amounts received by a unit of general local government under this subsection shall be subject to the applicable provisions of this title and other Federal law in the same manner and to the same extent as activities conducted with amounts received by a unit of general local government under subsection (a).”

(j) Section 106(f) of such Act is amended to read as follows:

42 USC 5306.

“(f) If the total amount available for distribution in any fiscal year to metropolitan cities and urban counties under this section is insufficient to provide the amounts to which metropolitan cities and urban counties would be entitled under subsection (b), and funds are not otherwise appropriated to meet the deficiency, the Secretary shall meet the deficiency through a pro rata reduction of all amounts determined under subsection (b). If the total amount available for distribution in any fiscal year to metropolitan cities and urban counties under this section exceeds the amounts to which metropolitan cities and urban counties would be entitled under subsection (b), the Secretary shall distribute the excess through a pro rata increase of all amounts determined under subsection (b).”

DISCRETIONARY FUND

SEC. 107. (a) Section 107(a) of the Housing and Community Development Act of 1974 is amended by striking out the first sentence and inserting in lieu thereof the following: “Of the total amount approved in appropriation Acts under section 103 for each of the fiscal years 1984, 1985, and 1986, not more than \$68,200,000 for each such fiscal year may be set aside in a special discretionary fund for grants under subsection (b).”

42 USC 5307.

42 USC 5303.

(b) Section 107(b)(4) of such Act is amended to read as follows:

“(4) to States, units of general local government, Indian tribes, or areawide planning organizations for the purpose of providing technical assistance in planning, developing, and administering assistance under this title; to groups designated by such governmental units to assist them in carrying out assistance under this title; to qualified groups for the purpose of assisting more than one such governmental unit to carry out assistance under this title; and to States and units of general local government for implementing special projects otherwise authorized under this title; and the Secretary may also provide technical assistance, directly or through contracts, to such governmental units and groups; and”

(c) Section 107(b) of such Act is amended—

(1) by striking out "and" at the end of paragraph (3); and
 (2) by adding at the end thereof the following new paragraph:
 "(5) to States and units of general local government for the purpose of allocating amounts to any such State or unit of general local government that is determined by the Secretary to have received insufficient amounts under section 106 as a result of a miscalculation of its share of funds under such section."

42 USC 5306.

GUARANTEE OF LOANS

Financing.
 42 USC 5308.

SEC. 108. (a) Section 108(a) of the Housing and Community Development Act of 1974 is amended by inserting after the first sentence the following new sentence: "A guarantee under this section may be used to assist a grantee in obtaining financing only if the grantee has made efforts to obtain such financing without the use of such guarantee and cannot complete such financing consistent with the timely execution of the program plans without such guarantee."

(b) Section 108(a) of such Act is amended by striking out the last sentence and inserting in lieu thereof the following: "Notwithstanding any other provision of law and subject only to the absence of qualified applicants or proposed activities, to the authority provided in this section, and to any funding limitation approved in appropriation Acts, the Secretary shall enter into commitments during fiscal year 1984 to guarantee notes and obligations under this section with an aggregate principal amount of \$225,000,000."

USE OF GRANTS TO SETTLE OUTSTANDING URBAN RENEWAL LOANS

42 USC 5312.

SEC. 109. Section 112 of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new subsection:

42 USC 1450.

"(c) Any unit of general local government may retain any program income that is realized from a grant made by the Secretary pursuant to subsection (a) or under title I of the Housing Act of 1949 if (1) such income was realized after the initial disbursement of the grant funds by such unit of general local government; and (2) such unit of general local government agrees to utilize the program income for eligible community development activities in accordance with the provisions of this title."

TRANSITION PROVISIONS

42 USC 5316.

SEC. 110. (a) Section 116(b) of the Housing and Community Development Act of 1974 is amended by—

(1) striking out "(in that fiscal year)"; and

(2) striking out "in that year" and inserting in lieu thereof "for that year".

42 USC 5316
 note.

(b) The amendments made by this section shall apply only to funds available for fiscal year 1984 and thereafter.

PART B—OTHER PROGRAMS

URBAN DEVELOPMENT ACTION GRANTS

42 USC 5318.

SEC. 121. (a) Section 119(a) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new sentence: "There are authorized to be appropriated to

carry out the provisions of this section not to exceed \$440,000,000 for each of the fiscal years 1984, 1985, and 1986, and any amount appropriated under this sentence shall remain available until expended."

(b) Section 119(b)(1) of such Act is amended—

(1) in the last sentence, by striking out "where data are available, the extent of unemployment and job lag" and inserting in lieu thereof the following: "the extent of unemployment, job lag, or surplus labor"; and

(2) by adding at the end thereof the following new sentences: "Any city that has a population of less than 50,000 persons and is not the central city of a metropolitan area, and that was eligible for fiscal year 1983 under this paragraph for assistance under this section, shall continue to be eligible for such assistance until the Secretary revises the standards for eligibility for such cities under this paragraph and includes the extent of unemployment, job lag, or labor surplus as a standard of distress for such cities. The Secretary shall make such revision as soon as practicable following the effective date of this sentence."

(c) Subparagraphs (A) and (B) of section 119(b)(2) of such Act are each amended by inserting "neighborhood statistics areas," after "enumeration districts,".

(d) Section 119(c)(3) of such Act is amended—

(1) by striking out ", and (B)" and inserting in lieu thereof "(B)"; and

(2) by inserting the following after "carried out" in clause (B): "; and (C) has made available the analysis described in clause (B) to any interested person or organization residing or located in the neighborhood in which the proposed activities are to be carried out".

(e) Section 119(d)(1) of such Act is amended in the first sentence by adding after the word "criteria" where it first appears: "for a national competition".

(f) Section 119(i) of such Act is amended by adding at the end thereof the following new sentence: "The Secretary shall encourage cooperation by geographically proximate cities of less than 50,000 population by permitting consortia of such cities, which may also include county governments that are not urban counties, to apply for grants on behalf of a city that is otherwise eligible for assistance under this section. Any grants awarded to such consortia shall be administered in compliance with eligibility requirements applicable to individual cities."

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

"(p) An unincorporated portion of an urban county that is approved by the Secretary as an identifiable community for purposes of this section is eligible for a grant under subsection (b)(2) if such portion meets the eligibility requirements contained in the first sentence of subsection (b)(1) and the requirements of subsection (b)(2)(B) (applied to the population of the portion of the urban county) and if it otherwise complies with the provisions of this section.

"(q) Of the amounts appropriated for purposes of this section for any fiscal year, not more than \$2,500,000 may be used by the Secretary to make technical assistance grants to States or their agencies, municipal technical advisory services operated by universi-

Standards
revision.
42 USC 5318.

Consortia of
cities.

ties, or State associations of counties or municipalities, to enable such entities to assist units of general local government described in subsection (i) in developing, applying for assistance for, and implementing programs eligible for assistance under this section.

"(r) In providing assistance under this section, the Secretary may not discriminate among programs on the basis of the particular type of activity involved, whether such activity is primarily a neighborhood, industrial, or commercial activity."

URBAN HOMESTEADING

12 USC 1706e.

SEC. 122. (a) The first sentence of section 810(h) of the Housing and Community Development Act of 1974 is amended by striking out "and (g)" and all that follows through "1983" and inserting in lieu thereof the following: ", (g), (h), and (i), there are authorized to be appropriated not to exceed \$12,000,000 for fiscal year 1984, and such sums as may be necessary for fiscal year 1985".

(b) Section 810(a)(3) of such Act is amended by inserting "by a person legally entitled to reside there" before the semicolon.

(c) Section 810(b)(3) of such Act is amended—

(1) by striking out "three years" in subparagraph (A) and inserting in lieu thereof "5 years, except under such emergency standards as may be prescribed by the Secretary";

(2) by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) repair all defects in the property that pose a substantial danger to health and safety within 1 year of the date of such initial conveyance"; and

(3) by striking out "eighteen months after occupying the property" in subparagraph (C) and inserting in lieu thereof "3 years after the date of initial conveyance".

(d) Section 810(b) of such Act is amended—

(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 at the end thereof the following new paragraph:

"(7) an equitable procedure for selecting the recipients of such properties that—

"(A) gives a special priority to applicants—

"(i) whose current housing fails to meet standards of health and safety, including overcrowding;

"(ii) who currently pay in excess of 30 percent of their income for shelter; and

"(iii) who have little prospect of obtaining improved housing within the foreseeable future through means other than homesteading;

"(B) excludes applicants who are currently homeowners; and

"(C) takes into account the capacity of the applicant to contribute a substantial amount of labor to the rehabilitation process, or to obtain assistance from private sources, community organizations, or other sources."

(e) Section 810(f) of such Act is amended—

(1) by inserting "the Secretary of Agriculture," after "Secretary" each place it appears;

(2) by striking out "one- to four-family residences" and inserting in lieu thereof "residential properties"; and

(3) by adding at the end thereof the following new sentence:
 "Such listing shall be accessible to the public during ordinary business hours at the offices of such unit of general local government or public agency."

Public access.

(f) Section 810 of such Act is amended—

12 USC 1706e.

(1) in subsection (c), by inserting "or (h)" after "subsection (b)";

(2) by redesignating subsection (h) as subsection (k); and

(3) by inserting after subsection (g) the following new subsections:

"(h)(1) The Secretary may, on a demonstration basis during fiscal years 1984 and 1985, convey to any unit of general local government or public agency designated by such unit of general local government any real property—

Property conveyance.

"(A) to which the Secretary holds title; and

"(B) that the Secretary determines to be suitable for a multifamily homesteading program that complies with the requirements of paragraph (2);

for such consideration, if any, as may be agreed upon between the Secretary and such unit of general local government or public agency.

"(2) Any multifamily homesteading program carried out by any unit of general local government or public agency designated by any such unit of general local government shall be considered a multifamily homesteading program that complies with the requirements of this subsection if the Secretary determines that such program contains adequate assurances that—

"(A) the primary use of all homestead properties following conversion or rehabilitation shall be residential; and

"(B) not less than 75 percent of the residential occupants of homestead properties following conversion or rehabilitation shall be lower income families.

"(3) As used in this subsection and subsection (i) the term 'lower income families' has the meaning given such term in section 3(b)(2) of the United States Housing Act of 1937.

"Lower income families."

42 USC 1437a.

"(i)(1) The Secretary shall use not more than \$1,000,000 of the amounts appropriated under this section for each of the fiscal years 1984 and 1985 to undertake a program to demonstrate the feasibility of providing assistance to State or local governments or their agencies for the purchase of any real property that—

"(A) is improved by one- to four-family residence;

"(B) is not occupied by a person legally entitled to reside there;

"(C) is designated by a State or general unit of local government for use in a single family homestead program; and

"(D) will be conveyed to lower income families under such program upon condition that each such family agrees—

"(i) to occupy the property as a principal residence for a period of not less than 5 years, except under such emergency standards as may be prescribed by the Secretary;

"(ii) to repair all defects in the property that pose a substantial danger to health or safety within 1 year of the date of the initial conveyance; and

"(iii) to make such repairs and improvements to the property as may be necessary to meet applicable local

standards for decent, safe, and sanitary housing within 3 years after the date of the initial conveyance.

"(2) The Secretary shall give a preference to demonstrations under this subsection involving the acquisition of properties that become available in satisfaction of public liens such as tax liens.

Evaluation.
Report to
Congress.
Recommendations.

"(j) The Secretary shall conduct a continuing evaluation of the demonstration programs carried out under subsections (h) and (i) and shall transmit to the Congress a report not later than December 31, 1985, containing a summary of his evaluation of all such programs and his recommendations for the future conduct of such programs."

NEIGHBORHOOD DEVELOPMENT DEMONSTRATION

Definitions.
42 USC 5318
note.

SEC. 123. (a) For the purposes of this section:

(1) The term "eligible neighborhood development activity" means—

- (A) creating permanent jobs in the neighborhood;
- (B) establishing or expanding businesses within the neighborhood;
- (C) developing, rehabilitating, or managing neighborhood housing stock;
- (D) developing delivery mechanisms for essential services that have lasting benefit to the neighborhood; or
- (E) planning, promoting, or financing voluntary neighborhood improvement efforts.

(2) The term "eligible neighborhood development organization" means—

- (A) an entity organized as a private, voluntary, nonprofit corporation under the laws of the State in which it operates;
- (B) an organization that is responsible to residents of its neighborhood through a governing body, not less than 51 per centum of the members of which are residents of the area served;
- (C) an organization that has conducted business for at least three years prior to the date of application for participation;
- (D) an organization that operates within an area that meets the requirements for Federal assistance under section 119 of the Housing and Community Development Act of 1974; and
- (E) an organization that conducts one or more eligible neighborhood development activities that have as their primary beneficiaries low- and moderate-income persons, as defined in section 102(a)(20) of the Housing and Community Development Act of 1974.

42 USC 5318.

Ante, p. 1160.

(3) The term "Secretary" means the Secretary of Housing and Urban Development.

Program.

(b)(1) The Secretary shall carry out, in accordance with this section, a demonstration program to determine the feasibility of supporting eligible neighborhood development activities by providing Federal matching funds to eligible neighborhood development organizations on the basis of the monetary support such organizations have received from individuals, businesses, and nonprofit or other organizations in their neighborhoods prior to receiving assistance under this section.

(2) The Secretary shall accept applications from eligible neighborhood development organizations for participation in the demonstration program. Eligible organizations may participate in more than one year of the program, but shall be required to submit a new application and to compete in the selection process for each program year. Not more than 30 per centum of the grants may be for multiyear awards.

Applications.

(3) From the pool of eligible neighborhood development organizations submitting applications for participation in a given program year, the Secretary shall select participating organizations in an appropriate number through a competitive selection process. To be selected, an applicant shall—

(A) have demonstrated measurable achievements in one or more of the activities specified in subsection (a)(4);

(B) specify a business plan for accomplishing one or more of the activities specified in subsection (a)(4); and

(C) specify a strategy for achieving greater long term private sector support.

(c)(1) The Secretary shall award grants under this section among the eligible neighborhood development organizations submitting applications for such grants on the basis of—

(A) the degree of economic distress of the neighborhood involved;

(B) the extent to which the proposed activities will benefit persons of low and moderate income;

(C) the extent of neighborhood participation in the proposed activities, as indicated by the proportion of the households and businesses in the neighborhood involved that are members of the eligible neighborhood development organization involved; and

(D) the extent of voluntary contributions available for the purpose of subsection (e)(4), except that the Secretary shall waive the requirement of this subparagraph in the case of an application submitted by a small eligible neighborhood development organization, an application involving activities in a very low-income neighborhood, or an application that is especially meritorious.

Waiver.

(d) The Secretary shall consult with an informal working group representative of eligible neighborhood organizations with respect to the implementation and evaluation of the program established in this section.

(e)(1) The Secretary shall assign each participating organization a defined program year, during which time voluntary contributions from individuals, businesses, and nonprofit or other organizations in the neighborhood shall be eligible for matching.

(2) Subject to paragraph (3), at the end of each three-month period occurring during the program year, the Secretary shall pay to each participating neighborhood development organization the product of—

Payment.

(A) the aggregate amount of voluntary contributions that such organization certifies to the satisfaction of the Secretary it received during such three-month period; and

(B) the matching ratio established for such test neighborhoods under paragraph (4).

(3) The Secretary shall pay not more than \$50,000 under this Act to any participating neighborhood development organization during a single program year.

Payment.

Federally
matched funds.

(4) For purposes of paragraph (2), the Secretary shall, for each participating organization, determine an appropriate ratio by which monetary contributions made to participating neighborhood development organizations will be matched by Federal funds. The highest such ratios shall be established for neighborhoods having the smallest number of households or the greatest degree of economic distress.

Certification.

(5) The Secretary shall insure that—

(A) grants and other forms of assistance may be made available under this section only if the application contains a certification by the unit of general local government within which the neighborhood to be assisted is located that such assistance is not inconsistent with the housing and community development plans of such unit, except that the failure of a unit of general local government to respond to a request for a certification within thirty days after the request is made shall be deemed to be a certification; and

42 USC 2000a
note.

(B) eligible neighborhood development activities comply with all applicable provisions of the Civil Rights Act of 1964.

(6) To carry out this section, the Secretary—

(A) may issue regulations as necessary;

(B) shall utilize, to the fullest extent practicable, relevant research previously conducted by Federal agencies, State and local governments, and private organizations and persons;

(C) shall disseminate information about the kinds of activities, forms of organizations, and fund-raising mechanisms associated with successful programs;

Evaluation and
report to
Congress.

(D) shall undertake any other activity the Secretary deems necessary to carry out this section, which shall include an evaluation and report to Congress on the demonstration and may include the performance of research, planning, and administration, either directly, or when in the Secretary's judgment such activity will be carried out more effectively, more rapidly, or at less cost, by contract or grant; and

(E) may use not more than 5 per centum of the funds appropriated for administrative or other expenses in connection with the demonstration.

Reports to
Congress.

(f) The Secretary shall submit to the Congress—

(1) not later than three months after the end of each fiscal year in which payments are made under this section, an interim report containing a summary of the activities carried out under this section during such fiscal year and any preliminary findings or conclusions drawn from the demonstration program; and

(2) not later than March 15 of the year after the end of the last fiscal year in which such payments are made, a final report containing a summary of all activities carried out under this section, the evaluation required in subsection (e)(6)(D) and any findings, conclusions, or recommendations for legislation drawn from the demonstration program.

(g) For purposes of carrying out this section, there are authorized to be appropriated not to exceed \$2,000,000 for each of the fiscal years 1984 and 1985.

REHABILITATION LOANS

42 USC 1452b.

SEC. 124. (a) Section 312(d) of the Housing Act of 1964 is amended by adding the following new sentence at the end thereof: "The Secretary may not establish (1) any requirement that a certain

proportion of assistance received under this section be utilized for any particular type of dwelling unit; or (2) any priority for the receipt of such assistance that is based on the receipt or use of funds by an applicant or area under any other program of Federal assistance for housing or community development, other than the urban homesteading program established in section 810 of the Housing and Community Development Act of 1974.”

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

(1) by striking out “November 30, 1983” and inserting in lieu thereof “September 30, 1984”; and

(2) by striking out “December 1, 1983” and inserting in lieu thereof “October 1, 1984”.

12 USC 1706e.
Ante, p. 746.

NEIGHBORHOOD REINVESTMENT CORPORATION

SEC. 125. Section 608(a) of the Neighborhood Reinvestment Corporation Act is amended by striking out “title” and all that follows through “1982” and inserting in lieu thereof the following: “title not to exceed \$16,512,000 for fiscal year 1984, and such sums as may be necessary for fiscal year 1985”.

42 USC 8107.

REPEALERS

SEC. 126. (a)(1) Section 414 of the Housing and Urban Development Act of 1969 hereby is repealed.

(2) Notwithstanding paragraph (1), the Secretary of Housing and Urban Development and the Secretary of Agriculture may dispose of Federal surplus real property pursuant to the terms of section 414 of such Act if, prior to the date of the enactment of this Act, either Secretary had requested the Administrator of General Services to transfer such property for such disposition.

(3) Notwithstanding paragraph (1), section 414(b) of such Act shall continue to apply, where applicable, to all property transferred by either Secretary pursuant to section 414 of such Act, including properties transferred pursuant to paragraph (2).

(b)(1) Section 106(g) of the Housing Act of 1949 hereby is repealed.

(2) Section 703(d) of the Housing and Urban Development Act of 1965 hereby is repealed.

(3) Section 704, and the second sentence of section 706, of the Housing Act of 1961 hereby are repealed.

40 USC 484b.
Property disposal.
40 USC 484b note.

40 USC 484b note.

42 USC 1456.

42 USC 3103.
42 USC 1500c,
1500c-2.

TITLE II—HOUSING ASSISTANCE PROGRAMS

ALLOCATION AND USE OF ASSISTED HOUSING AUTHORITY

SEC. 201. (a)(1) Section 213(a)(1) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following: “Upon receiving an application for such housing assistance, the Secretary shall assure that funds made available under this section shall be utilized to the maximum extent practicable to meet the needs and goals identified in the unit of local government’s housing assistance plan.”

(2) Section 213(d) of such Act is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

“(1) The Secretary shall allocate assistance referred to in subsection (a) (other than assistance approved in appropriation Acts for use under sections 9, 14, and 17 of the United States Housing Act of

42 USC 1439.

42 USC 1437g,
1437f, *post*,
p. 1196.

1937) the first time it is available for reservation on the basis of a formula which is contained in a regulation prescribed by the Secretary, and which is based on the relative needs of different States, areas, and communities as reflected in data as to population, poverty, housing overcrowding, housing vacancies, amount of substandard housing, and other objectively measurable conditions specified in such regulation. Any amounts allocated to a State or areas or communities within a State which are not likely to be utilized within a fiscal year shall not be reallocated for use in another State unless the Secretary determines that other areas or communities within the same State cannot utilize the amounts within that same fiscal year.

42 USC 1437f.

Post, p. 1250.

"(2) Not later than sixty days after approval in an appropriation Act, the Secretary shall allocate from the amounts available for use in nonmetropolitan areas an amount of authority for assistance under section 8(d) of the United States Housing Act of 1937 determined in consultation with the Secretary of Agriculture for use in connection with section 532 of the Housing Act of 1949 during the fiscal year for which such authority is approved. The amount of assistance allocated to nonmetropolitan areas pursuant to this section in any fiscal year shall not be less than 20 nor more than 25 per centum of the total amount of such assistance."

Report to
Congress.

Ante, p. 1175.

42 USC 1437c.

(3) Not later than March 1, 1984, the Secretary shall report to the Congress on the impact of the last sentence of section 213(d)(2) of the Housing and Community Development Act of 1974.

(b) Section 5(c) of the United States Housing Act of 1937 is amended—

(1) by striking out the last sentence of paragraph (1);

(2) by striking out paragraphs (2) and (3) and redesignating the remaining paragraphs accordingly; and

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

Conversion
approval.

42 USC 1437L

"(5) During such period as the Secretary may prescribe for starting construction, the Secretary may approve the conversion of public housing development authority for use under section 14 or for use for the acquisition and rehabilitation of property to be used in public housing, if the public housing agency, after consultation with the unit of local government, certifies that such assistance would be more effectively used for such purpose, and if the total number of units assisted will not be less than 90 per centum of the units covered by the original reservation.

Contracts,
contributions,
and grants.

Post, p. 1196.

"(6) The aggregate amount of budget authority which may be obligated for contracts for annual contributions and for grants under section 17 is increased by \$9,912,928,000 on October 1, 1983, and by such sums as may be approved in appropriation Acts on October 1, 1984.

"(7)(A) Using the additional budget authority provided under paragraph (6) and the balances of budget authority which become available during fiscal year 1984, to the extent approved in appropriations Acts, the Secretary may reserve authority to enter into obligations aggregating—

42 USC 1437f.

12 USC 1701q.

42 USC 1437L

"(i) not to exceed \$1,289,550,000 for public housing, of which not to exceed \$389,550,000 shall be available for Indian housing;

"(ii) not to exceed \$1,926,400,000 for assistance under section 8 in connection with projects developed under section 202 of the Housing Act of 1959;

"(iii) not to exceed \$1,550,000,000 for comprehensive improvement assistance under section 14;

- "(iv) not to exceed \$2,217,150,000 for assistance under section 8(b)(1); 42 USC 1437f.
- "(v) not to exceed \$540,000,000 for assistance under section 8(e)(5); Post, p. 1183.
- "(vi) not to exceed \$242,115,000 for assistance under section 8(o); Post, p. 1181.
- "(vii) not to exceed \$150,000,000 for assistance under section 17 with respect to rental rehabilitation; Post, p. 1196.
- "(viii) not to exceed \$200,000,000 with respect to rental development under section 17; and
- "(ix) not to exceed \$1,603,170,000 for additional assistance under section 8. 42 USC 1437f.
- "(B) Using the additional budget authority provided under paragraph (6) and the balances of budget authority which become available during fiscal year 1985, to the extent approved in appropriations Acts, the Secretary may reserve authority to enter into obligations aggregating—
- "(i) not to exceed such sums as may be approved in an appropriation Act for public housing, of which not to exceed such sums as may be approved in an appropriation Act shall be available for Indian housing;
- "(ii) not to exceed such sums as may be approved in an appropriation Act for assistance under section 8 in connection with projects developed under section 202 of the Housing Act of 1959; 12 USC 1701q.
- "(iii) not to exceed such sums as may be approved in an appropriation Act for comprehensive improvement assistance under section 14; 42 USC 1437L.
- "(iv) not to exceed such sums as may be approved in an appropriation Act for assistance under section 8(b)(1); 42 USC 1437f.
- "(v) not to exceed such sums as may be approved in an appropriation Act for assistance under section 8(e)(5); Post, p. 1183.
- "(vi) not to exceed such sums as may be approved in an appropriation Act for assistance under section 8(o); Post, p. 1181.
- "(vii) not to exceed \$150,000,000 for assistance under section 17 with respect to rental rehabilitation; Post, p. 1196.
- "(viii) not to exceed \$115,000,000 with respect to rental development under section 17; and
- "(ix) not to exceed such sums as may be approved in an appropriation Act for additional assistance under section 8. 42 USC 1437f.
- "(C) The specific authorities under this paragraph are subject to such adjustments as may be made under paragraph (5)."
- (c) Section 6 of such Act is amended by adding at the end thereof the following: 42 USC 1437d.
- "(h) On or after October 1, 1983, the Secretary may enter into a contract involving new construction only if the public housing agency demonstrates to the satisfaction of the Secretary that the cost of new construction is less than the cost of acquisition or acquisition and rehabilitation, including any reserve fund under subsection (i), would be. Contract. Costs.
- "(i) The Secretary may, upon application by a public housing agency in connection with the acquisition of housing for use as public housing, establish and set aside a reserve fund in an amount not to exceed 30 per centum of the acquisition cost which shall be available for use for major repairs to such housing. Reserve fund.
- "(j) On or after October 1, 1983, in entering into commitments for the development of public housing, the Secretary shall give a prior Large-family housing.

ity to projects for the construction of housing suitable for occupancy by large families.”.

INCREASE IN SINGLE PERSON OCCUPANCY LIMITATION

42 USC 1437a.

SEC. 202. Section 3(b)(3) of the United States Housing Act of 1937 is amended by adding at the end thereof the following new sentence: “The Secretary may increase the limitation described in the second sentence of this paragraph to not more than 30 per centum if, following consultation with the public housing agency involved, the Secretary determines that the dwelling units involved are neither being occupied, nor are likely to be occupied within the next 12 months, by families or persons described in clauses (A), (B), and (C), due to the condition or location of such dwelling units, and that such dwelling units may be occupied if made available to single persons described in clause (D).”.

PRIORITY FOR HOUSING ASSISTANCE

42 USC 1437d.

SEC. 203. (a) Section 6(c)(4)(A) of the United States Housing Act of 1937 is amended by inserting “or are paying more than 50 per centum of family income for rent” after “under this Act”.

42 USC 1437f.

(b)(1) Section 8(d)(1)(A) of such Act is amended by inserting “, are paying more than 50 per centum of family income for rent,” after “substandard housing”.

Post, p. 1183.

(2) Section 8(e)(2) of such Act is amended by inserting “, are paying more than 50 per centum of family income for rent,” after “substandard housing”.

12 USC 1701s.

(3) Section 101(e)(1)(B) of the Housing and Urban Development Act of 1965 is amended by inserting “, was paying more than 50 per centum of family income for rent,” after “substandard housing”.

LEASE AND GRIEVANCE PROCEDURES

Ante, p. 1177.

SEC. 204. Section 6 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new subsections:

Regulations.

“(k) The Secretary shall by regulation require each public housing agency receiving assistance under this Act to establish and implement an administrative grievance procedure under which tenants will—

“(1) be advised of the specific grounds of any proposed adverse public housing agency action;

“(2) have an opportunity for a hearing before an impartial party upon timely request within any period applicable under subsection (l);

“(3) have an opportunity to examine any documents or records or regulations related to the proposed action;

“(4) be entitled to be represented by another person of his choice at any hearing;

“(5) be entitled to ask questions of witnesses and have others make statements on his behalf; and

“(6) be entitled to receive a written decision by the public housing agency on the proposed action.

An agency may exclude from its procedure any grievance concerning an eviction or termination of tenancy in any jurisdiction which requires that, prior to eviction, a tenant be given a hearing in court

which the Secretary determines provides the basic elements of due process.

"(1) Each public housing agency shall utilize leases which—

"(1) do not contain unreasonable terms and conditions;

"(2) obligate the public housing agency to maintain the project in a decent, safe, and sanitary condition;

"(3) require the public housing agency to give adequate written notice of termination of the lease which shall not be less than—

"(A) a reasonable time, but not to exceed 30 days, when the health or safety of other tenants or public housing agency employees is threatened;

"(B) 14 days in the case of nonpayment of rent; and

"(C) 30 days in any other case; and

"(4) require that the public housing agency may not terminate the tenancy except for serious or repeated violation of the terms or conditions of the lease or for other good cause."

Leases.

REPORTING REQUIREMENTS

SEC. 205. Section 6 of the United States Housing Act of 1937 is amended by adding at the end thereof the following:

"(m) The Secretary shall not impose any unnecessarily duplicative or burdensome reporting requirements on tenants or public hearing agencies assisted under this Act."

Ante, p. 1178.
42 USC 1437d.

AMENDMENTS AFFECTING TENANT RENTS OR CONTRIBUTIONS

SEC. 206. (a) Section 3(a) of the United States Housing Act of 1937 is amended—

(1) by inserting the following immediately after the first sentence: "Reviews of family income shall be made at least annually."; and

(2) by inserting after "under this Act" in the final sentence the following: "(other than a family assisted under section 8(o))".

(b) Section 3(b) of such Act is amended by striking out the period at the end of paragraph (2) and inserting in lieu thereof the following: ", except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes."

(c) Section 3(b)(5) of the United States Housing Act of 1937 is amended to read as follows:

"(5) The term 'adjusted income' means the income which remains after excluding—

"(A) \$480 for each member of the family residing in the household (other than the head of the household or his spouse) who is under 18 years of age or who is 18 years of age or older and is disabled or handicapped or a full-time student;

"(B) \$400 for any elderly family;

"(C) medical expenses in excess of 3 per centum of annual family income for any elderly family; and

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

42 USC 1437a.

Post, p. 1181.
Income ceilings.

42 USC 1437a.
"Adjusted
income."

42 USC 1437a
note.

95 Stat. 400.

(d)(1) The following provisions of this paragraph apply to determinations of the rent to be paid by or the contribution required of a tenant occupying housing assisted under the authorities amended by this section or subsections (a) through (h) of section 322 of the Housing and Community Development Amendments of 1981 (hereinafter referred to as "assisted housing") on or before the effective date of regulations implementing this section:

(A) Notwithstanding any other provision of this section or subsections (a) through (h) of section 322 of the Housing and Community Development Amendments of 1981, the Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") may provide for delayed applicability, or for staged implementation, of the procedures for determining rents or contributions, as appropriate, required by such provisions if the Secretary determines that immediate application of such procedures would be impracticable, would violate the terms of existing leases, or would result in extraordinary hardship for any class of tenants.

Increases.

(B) The Secretary shall provide that the rent or contribution, as appropriate, required to be paid by a tenant shall not increase as a result of the amendments made by this section and subsections (a) through (h) of section 322 of the Housing and Community Development Amendments of 1981, and as a result of any other provision of Federal law or regulation, by more than 10 per centum during any twelve-month period, unless the increase above 10 per centum is attributable to increases in income which are unrelated to such amendments, law, or regulation.

Increases.

(2) Tenants of assisted housing other than those referred to in paragraph (1) shall be subject to immediate rent payment or contribution determinations in accordance with applicable law and without regard to the provisions of paragraph (1), but the Secretary shall provide that the rent or contribution payable by any such tenant who is occupying assisted housing on the effective date of any provision of Federal law or regulation shall not increase, as a result of any such provision of Federal law or regulation, by more than 10 per centum during any twelve-month period, unless the increase above 10 per centum is attributable to increases in income which are unrelated to such law or regulation.

Increases.

42 USC 1490a.

42 USC 1437f.

(3) In the case of tenants receiving rental assistance under section 521(a)(1) of the Housing Act of 1949 on the effective date of this section whose assistance is converted to assistance under section 8 of the United States Housing Act of 1937 on or after such date, the Secretary shall provide that the rent or contribution payable by any such tenant shall not increase, as a result of such conversion, by more than 10 per centum during any twelve-month period, unless the increase above 10 per centum is attributable to increases in income which are unrelated to such conversion or to any provision of Federal law or regulation.

Conversion and
increase.

79 Stat. 451.

12 USC 1715z-1.

42 USC 5301

note.

42 USC 1437f.

(4)(A) Notwithstanding any other provision of law, in the case of the conversion of any assistance under section 101 of the Housing and Urban Development Act of 1965, section 236(f)(2) of the National Housing Act, or section 23 of the United States Housing Act of 1937 (as in effect before the date of the enactment of the Housing and Community Development Act of 1974) to assistance under section 8 of the United States Housing Act of 1937, any increase in rent payments or contributions resulting from such conversion, and from

the amendments made by this section of any tenant benefiting from such assistance who is sixty-two years of age or older may not exceed 10 per centum per annum.

(B) In the case of any such conversion of assistance occurring on or after October 1, 1981, and before the date of the enactment of this section, the rental payments due after such date of enactment by any tenant benefiting from such assistance who was sixty-two years of age or older on the date of such conversion shall be computed as if the tenant's rental payment or contribution had, on the date of conversion, been the lesser of the actual rental payment or contribution required, or 25 per centum of the tenant's income.

(5) The limitations on increases in rent contained in paragraphs (1)(B), (2), (3), and (4) shall remain in effect and may not be changed or superseded except by another provision of law which amends this subsection.

(6) As used in this subsection, the term "contribution" means an amount representing 30 per centum of a tenant's monthly adjusted income, 10 per centum of the tenant's monthly income, or the designated amount of welfare assistance, whichever amount is used to determine the monthly assistance payment for the tenant under section 3(a) of the United States Housing Act of 1937.

(7) The provisions of subsections (a) through (h) of section 322 of the Housing and Community Development Amendments of 1981 shall be implemented and fully applicable to all affected tenants no later than five years following the date of enactment of such amendments, except that the Secretary may extend the time for implementation if the Secretary determines that full implementation would result in extraordinary hardship for any class of tenants.

(e) Section 322(i) of the Omnibus Budget Reconciliation Act of 1981 is repealed.

VOUCHER DEMONSTRATION

SEC. 207. Section 8 of the United States Housing Act of 1937 is amended by adding at the end thereof the following:

"(o)(1) In connection with the rental rehabilitation and development program under section 17 or the rural housing preservation grant program under section 533 of the Housing Act of 1949, or for other purposes, the Secretary is authorized to conduct a demonstration program using a payment standard in accordance with this subsection. The payment standard shall be used to determine the monthly assistance which may be paid for any family, as provided in paragraph (2) of this subsection, and shall be based on the fair market rental established under subsection (c).

"(2) The monthly assistance payment for any family shall be the amount by which the payment standard for the area exceeds 30 per centum of the family's monthly adjusted income, except that such monthly assistance payment shall not exceed the amount by which the rent for the dwelling unit (including the amount allowed for utilities in the case of a unit with separate utility metering) exceeds 10 per centum of the family's monthly income.

"(3) Assistance payments may be made only for (A) a family determined to be a very low-income family at the time it initially receives assistance, or (B) a family previously assisted under this Act. In selecting families to be assisted, preference shall be given to families which, at the time they are seeking assistance, occupy substandard housing, are involuntarily displaced, or are paying more than 50 per centum of family income for rent.

Conversion.

Increase
limitations.

"Contribution."

Ante, p. 1179.

95 Stat. 400.

42 USC 1437a
note.

42 USC 1437f.
Post, p. 1183.
Payment
standard.
Post, p. 1196.
Post, p. 1250.

Monthly
assistance
payment.

Post, p. 1196.

Post, p. 1250.

Housing quality
standards.

Payment
adjustments.

"(4) The Secretary shall use substantially all of the authority to enter into contracts under this subsection to make assistance payments for families residing in dwellings to be rehabilitated with assistance under section 17 and for families displaced as a result of rental housing development assisted under such section or as a result of activities assisted under section 533 of the Housing Act of 1949.

"(5) If a family vacates a dwelling unit before the expiration of a lease term, no assistance payment may be made with respect to the unit after the month during which the unit was vacated.

"(6) A contract with a public housing agency for annual contributions under this subsection shall be for an initial term of sixty months. The Secretary shall require (with respect to any unit) that (A) the public housing agency inspect the unit before any assistance payment may be made to determine that it meets housing quality standards for decent, safe, and sanitary housing established by the Secretary for the purpose of this section, and (B) the public housing agency make annual or more frequent inspections during the contract term. No assistance payment may be made for a dwelling unit which fails to meet such quality standards, unless any such failure is promptly corrected by the owner and the correction verified by the public housing agency.

"(7)(A) The amount of assistance payments under this subsection may, in the discretion of the public housing agency, be adjusted as frequently as twice during any five-year period where necessary to assure continued affordability. The aggregate amount of adjustments pursuant to the preceding sentence may not exceed the amount of any excess of the annual contributions provided for in the contract over the amount of assistance payments actually paid (including amounts which otherwise become available during the contract period).

"(B) For the purpose of subparagraph (A), each contract with a public housing agency for annual contributions under this subsection shall provide annual contributions equal to 115 per centum of the estimated aggregate amount of assistance required during the first year of the contract.

"(C) Any amounts not needed for adjustments under subparagraph (A) may be used to provide assistance payments for additional families.

"(D) Before making such adjustments the public housing agency shall consult with the public and the general local government regarding the impact of such adjustments on the number of families that can be assisted.

"(8) A public housing agency may utilize not to exceed 5 per centum of the amount of authority available under this subsection to provide assistance with respect to cooperative or mutual housing which has a resale structure which maintains affordability for lower income families where the agency determines such action will assist in maintaining the affordability of such housing for such families."

RENEWAL OF SECTION 8 CONTRACTS

42 USC 1437f.

SEC. 208. Section 8(d)(2) of such Act is amended by adding at the end thereof the following: "A contract under this section may not be attached to the structure except where the Secretary specifically waives the foregoing limitation and the public housing agency approves such action, and the owner agrees to rehabilitate the

structure other than with assistance under this Act and otherwise complies with the requirements of this section. The aggregate term of such contract and any contract extension may not be more than 180 months.”.

REPEAL OF NEW CONSTRUCTION AUTHORITY

SEC. 209. (a) The United States Housing Act of 1937 is amended as follows:

- (1) Section 8(a) is amended by striking out “, newly constructed, and substantially rehabilitated”. 42 USC 1437f.
- (2) Section 8(b)(2) is repealed.
- (3) Section 8(e) of such Act is amended by striking out paragraphs (1), (2), and (3) and by redesignating paragraphs (4) and (5) as paragraphs (1) and (2), respectively.
- (4) Section 8(i) of such Act is repealed.
- (5) Section 8 of such Act is amended by striking out subsections (l) and (m).
- (6) Section 8(n) of such Act is amended by striking out “(e)(5) and subsection (i)” and inserting in lieu thereof “(e)(2)”. Effective date. 42 USC 1437f note.
- (b) The amendments made by subsection (a) shall take effect on October 1, 1983, except that the provisions repealed shall remain in effect—
 - (1) with respect to any funds obligated for a viable project under section 8 of the United States Housing Act of 1937 prior to January 1, 1984; and 42 USC 1437f.
 - (2) with respect to any project financed under section 202 of the Housing Act of 1959. 12 USC 1701q.

SINGLE ROOM OCCUPANCY HOUSING

SEC. 210. Section 8(n) of the United States Housing Act of 1937 is amended— 42 USC 1437f.

- (1) by inserting “subsection (b)(1),” before “subsection (e)(5)”;
 - (2) by inserting a comma after “(e)(5)”;
 - (3) by striking out “and” at the end of paragraph (1);
 - (4) by striking out the period at the end of paragraph (2) and inserting in lieu thereof “; and”; and
 - (5) by inserting after paragraph (2) the following new paragraph: Certification.
- “(3) in the case of assistance under subsection (b)(1), the unit of general local government in which the property is located and the local public housing agency certify to the Secretary that the property complies with local health and safety standards.”.

SHARED HOUSING FOR THE ELDERLY AND HANDICAPPED

SEC. 211. Section 8 of the United States Housing Act of 1937 is amended by adding the following new subsection at the end thereof: 42 USC 1437f.

- “(p) In order to assist elderly families (as defined in section 3(b)(3)) who elect to live in a shared housing arrangement in which they benefit as a result of sharing the facilities of a dwelling with others in a manner that effectively and efficiently meets their housing needs and thereby reduces their cost of housing, the Secretary shall permit assistance provided under the existing housing and moderate rehabilitation programs to be used by such families in such arrangements. In carrying out this subsection, the Secretary shall issue Ante, p. 1178.
- Minimum habitability standards.

minimum habitability standards for the purpose of assuring decent, safe, and sanitary housing for such families while taking into account the special circumstances of shared housing.”.

PAYMENTS FOR OPERATION OF LOWER INCOME HOUSING PROJECTS

42 USC 1437g.

SEC. 212. Section 9(c) of the United States Housing Act of 1937 is amended—

- (1) by striking out “and” after “October 1, 1980,”; and
- (2) by inserting before the period at the end thereof the following: “, not to exceed \$1,500,000,000 on or after October 1, 1983, and by such sums as may be necessary on or after October 1, 1984,”.

INCOME ELIGIBILITY

42 USC 1437n.

SEC. 213. Section 16(a) of the United States Housing Act of 1937 is amended by striking out “10 per centum” and inserting in lieu thereof “25 per centum”.

DEMOLITION AND DISPOSITION OF PUBLIC HOUSING

SEC. 214. (a) The United States Housing Act of 1937 is amended by adding the following new section at the end thereof:

“DEMOLITION AND DISPOSITION OF PUBLIC HOUSING

Application
approval.
42 USC 1437p.

“SEC. 18. (a) The Secretary may not approve an application by a public housing agency for permission, with or without financial assistance under this Act, to demolish or dispose of a public housing project or a portion of a public housing project unless the Secretary has determined that—

“(1) in the case of an application proposing demolition of a public housing project or a portion of a public housing project, the project or portion of the project is obsolete as to physical condition, location, or other factors, making it unusable for housing purposes, or no reasonable program of modifications is feasible to return the project or portion of the project to useful life; or in the case of an application proposing the demolition of only a portion of a project, the demolition will help to assure the useful life of the remaining portion of the project; or

“(2) in the case of an application proposing disposition of real property of a public housing agency by sale or other transfer—

“(A)(i) the property’s retention is not in the best interests of the tenants or the public housing agency because developmental changes in the area surrounding the project adversely affect the health or safety of the tenants or the feasible operation of the project by the public housing agency, because disposition allows the acquisition, development, or rehabilitation of other properties which will be more efficiently or effectively operated as lower income housing projects and which will preserve the total amount of lower income housing stock available in the community, or because of other factors which the Secretary determines are consistent with the best interests of the tenants and public housing agency and which are not inconsistent with other provisions of this Act; and

"(ii) for property other than dwelling units, the property is excess to the needs of a project or the disposition is incidental to, or does not interfere with, continued operation of a project; and

"(B) the net proceeds of the disposition will be used for (i) the payment of development cost for the project and for the retirement of outstanding obligations issued to finance original development or modernization of the project, and (ii) to the extent that any proceeds remain after the application of proceeds in accordance with clause (i), the provision of housing assistance for lower income families through such measures as modernization of lower income housing, or the acquisition, development, or rehabilitation of other properties to operate as lower income housing.

"(b) The Secretary may not approve an application or furnish assistance under this section under this Act unless—

"(1) the application from the public housing agency has been developed in consultation with tenants and tenant councils, if any, who will be affected by the demolition or disposition and contains a certification by appropriate local government officials that the proposed activity is consistent with the applicable housing assistance plan; and

"(2) all tenants to be displaced as a result of the demolition or disposition will be given assistance by the public housing agency and are relocated to other decent, safe, sanitary, and affordable housing, which is, to the maximum extent practicable, housing of their choice, including housing assisted under section 8 of this Act.

"(c) Notwithstanding any other provision of law, the Secretary is authorized to make available financial assistance for applications approved under this section using available annual contributions authorized under section 5(c).

"(d) The provisions of this section shall not apply to the conveyance of units in a public housing project for the purpose of providing homeownership opportunities for lower income families capable of assuming the responsibilities of homeownership."

(b) Section 6(f) and section 14(f) of such Act are repealed.

Proceeds.

42 USC 1437f.

Ante, p. 1176.

42 USC 1437d,
1437l.

FINANCING LIMITATIONS

SEC. 215. The United States Housing Act of 1937 is amended by adding at the end thereof the following:

"FINANCING LIMITATIONS

"SEC. 19. On and after October 1, 1983, the Secretary—

"(1) may only enter into contracts for annual contributions regarding obligations financing public housing projects authorized by section 5(c) if such obligations are exempt from taxation under section 11(b), or if such obligations are issued under section 4 and such obligations are exempt from taxation; and

"(2) may not enter into contracts for periodic payments to the Federal Financing Bank to offset the costs to the Bank of purchasing obligations (as described in the first sentence of section 16(b) of the Federal Financing Bank Act of 1973) issued by local public housing agencies for purposes of financing public housing projects authorized by section 5(c) of this Act."

Contracts.

42 USC 1437q.

Ante, p. 1176.

42 USC 1437i.

42 USC 1437b.

12 USC 2294.

EMERGENCY SHELTER PROGRAM

Grants.

SEC. 216. There are authorized to be appropriated not to exceed \$60,000,000 for fiscal year 1984 for the Secretary to make grants to States, units of general local government, and Indian tribes, and nonprofit organizations which will operate programs on behalf of such units of general local government and Indian tribes, for the provision of shelter and essential services for individuals who are subject to life-threatening situations because of their lack of housing. Such grants shall be awarded on the basis of the extent of the need for emergency housing in the area where the project is, or will be, located, taking into account regional variations in the cost of providing shelter. Such grants may be used to rehabilitate existing structures in order to provide basic shelter, to maintain structures providing such shelter, to pay for utilities and the furnishing of such shelters, to provide for any health and safety measures that are required to protect the individuals using such shelter, and for any activity described in section 105(a) of the Housing and Community Development Act of 1974 that is consistent with the purposes of this paragraph. A structure which is rehabilitated with assistance under this paragraph shall be used for emergency housing for a period of not less than 3 years after such rehabilitation. In providing grants under this paragraph, the Secretary shall take into consideration the special needs of families and single women.

42 USC 5305.

Families and
single women.OPERATING ASSISTANCE FOR TROUBLED MULTIFAMILY HOUSING
PROJECTS12 USC
1715z-1a.

SEC. 217. (a)(1) Section 201(a) of the Housing and Community Development Amendments of 1978 is amended by inserting before the period at the end thereof the following: “, without regard to whether such projects are insured under the National Housing Act”.

(2) Section 201(b) of such Act is amended by inserting before the period at the end thereof the following: “, without regard to whether such projects are insured under the National Housing Act”.

(3) Section 201(c)(1)(A) of such Act is amended by striking out the first semicolon and all that follows through “1979”.

(b)(1) Section 201(a) of such Act is amended by striking out “or under” and inserting in lieu thereof “, the United States Housing Act of 1937, or”.

(2) Section 201(c)(1) of such Act is amended—

(A) by striking out “or” at the end of subparagraph (A);

(B) by redesignating subparagraph (B) as subparagraph (C);
and

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

“(B) is assisted under section 8 of the United States Housing Act of 1937 following conversion to such assistance from assistance under section 236 of the National Housing Act or section 101 of the Housing and Urban Development Act of 1965; or”.

(c) Section 236(f)(3) of the National Housing Act is amended by striking out “September 30, 1982” and inserting in lieu thereof “September 30, 1985”.

42 USC 1437f.
12 USC 1715z-1.
12 USC 1701s; 42
USC 1451.
12 USC 1715z-1.

SECTION 236 ASSISTANCE

SEC. 218. (a) Section 236(f) of the National Housing Act is amended by adding at the end thereof the following:

"(4) To ensure that eligible tenants occupying that number of units with respect to which assistance was being provided under this subsection immediately prior to the date of enactment of this sentence receive the benefit of assistance contracted for under paragraph (2), the Secretary shall offer annually to amend contracts entered into under this subsection with owners of projects assisted but not subject to mortgages insured under this section to provide sufficient payments to cover up to 90 per centum of the necessary rent increases and changes in the incomes of eligible tenants, subject to the availability of authority for such purpose under section 5(c) of the United States Housing Act of 1937. The Secretary shall take such actions as may be necessary to ensure that payments, including payments that reflect necessary rent increases and changes in the incomes of tenants, are made on a timely basis for all units covered by contracts entered into under paragraph (2)."

(b) Section 236(i)(1) of such Act is amended by adding at the end thereof the following new sentence: "The Secretary shall utilize, to the extent necessary after September 30, 1984, any authority under this section that is recaptured either as the result of the conversion of housing projects covered by assistance under subsection (f)(2) to contracts for assistance under section 8 of the United States Housing Act of 1937 or otherwise for the purpose of making assistance payments, including amendments as provided in subsection (h), with respect to housing projects assisted, but not subject to mortgages insured, under this section that remain covered by assistance under subsection (f)(2)."

12 USC 1715z-1.

Contracts and payments.

Ante, p. 1176.

Contracts and payments.

42 USC 1437f.

RENT SUPPLEMENT PROGRAM

SEC. 219. (a) Section 101(g) of the Housing and Urban Development Act of 1965 is amended by adding at the end thereof the following:

"To ensure that qualified tenants occupying that number of units with respect to which assistance was being provided under this section immediately prior to the date of enactment of this sentence receive the benefit of assistance contracted for under this section, the Secretary shall offer annually to amend contracts entered into with owners of projects assisted under this section but not subject to mortgages insured under title II of the National Housing Act to provide sufficient payments to cover up to 90 per centum of the necessary rent increases and changes in the incomes of qualified tenants, subject to the availability of authority for such purpose under section 5(c) of the United States Housing Act of 1937. The Secretary shall take such actions as may be necessary to ensure that payments, including payments that reflect necessary rent increases and changes in the incomes of tenants, are made on a timely basis for all units covered by contracts entered into under this section."

(b) Section 101(l) of such Act is amended by adding at the end thereof the following new sentence: "The Secretary shall utilize, to the extent necessary after September 30, 1984, any authority under this section that is recaptured either as the result of the conversion of housing projects covered by assistance under this section to contracts for assistance under section 8 of the United States Housing Act of 1937 or otherwise (1) for the purpose of making assistance payments, including amendments as provided in subsection (g), with

Contracts and payments.
12 USC 1701s.

12 USC 1707.

Ante, p. 1176.

Payments.

42 USC 1437f.

12 USC 1701.

respect to housing projects assisted under this section, but not subject to mortgages insured under the National Housing Act, that remain covered by assistance under this section; and (2) if not required to provide assistance under this section, and notwithstanding any other provision of law, for the purpose of contracting for assistance payments under section 236(f)(2) of the National Housing Act.”.

12 USC 1715z-1.

REPORT REGARDING HOUSING NEIGHBORHOOD STRATEGY AREA PROGRAM

Transmittal to Congress.

42 USC 1437f.

42 USC 5301.

SEC. 220. Not later than the expiration of the one hundred twenty-day period following the date of the enactment of this Act, the Secretary shall transmit to the Congress a report with respect to the program established by the Secretary to provide assistance under section 8 of the United States Housing Act of 1937 to units of general local government in areas where concentrated housing and community development block-grant assisted physical development and public service activities are conducted under title I of the Housing and Community Development Act of 1974. Such report shall include the following information for each unit of general local government selected to participate in such program:

(1) the total number of dwelling units located in such unit of general local government that have been initially reserved by the Secretary for assistance under such program, and any subsequent revision of such number;

(2) the total amount of funds pledged by such unit of general local government for all public improvements and services, and actual and future expenditures, in connection with such program;

(3) the status of the dwelling units located in such unit of general local government that have been initially reserved by the Secretary for assistance under such program, including the number of units completed and occupied;

(4) the total number of dwelling units required to complete each local program, as estimated by such unit of general local government; and

(5) the total number of local programs considered completed by such unit of general local government.

CONSIDERATION OF UTILITY PAYMENTS MADE BY TENANTS IN ASSISTED HOUSING

42 USC 602 note.

42 USC 601.

42 USC 1437
note.

12 USC 1715z-1.

SEC. 221. Notwithstanding any other provision of law, for purposes of determining eligibility, or the amount of benefits payable, under chapter A of title IV of the Social Security Act, any utility payment, up to the utility allowance, made by a person living in a dwelling unit in a lower income housing project assisted under the United States Housing Act of 1937 or section 236 of the National Housing Act shall be considered to be a rental payment.

PUBLIC HOUSING CHILD CARE DEMONSTRATION PROGRAM

12 USC 1701z-6
note.

SEC. 222. (a) The Secretary of Housing and Urban Development (hereinafter referred to as the “Secretary”) shall carry out a demonstration program to determine the feasibility of using public housing facilities in the provision of child care services for lower income

families who reside in public housing. The Secretary shall design such program to determine the extent to which the availability of child care services in lower income housing projects facilitates the employability of the heads of such families and their spouses.

(b) To carry out the demonstration under this section, the Secretary shall authorize the use of public housing agency facilities located in areas where—

(1) the units of general local government have indicated that funds under title I of the Housing and Community Development Act of 1974 will be made available to make minor renovations to the facilities to make them suitable for use as child care facilities, and to support child care services in such facilities;

42 USC 5301.

(2) the public housing agency does not have a child care services program in operation prior to the demonstration program under this section;

(3) the proposed child care services program will serve preschool children during the day, elementary school children after school, or both, in order to permit eligible persons who head the families of such children to obtain, retain, or train for employment;

(4) the proposed child care services program of such public housing agency is designed, to the extent practicable, to involve the participation of the parents of children benefiting from such program, and to employ in part-time positions elderly individuals who reside in the lower income housing project involved; and

(5) the proposed child care services program of such public housing agency will comply with all applicable State and local laws, regulations, and ordinances.

(c) The Secretary shall conduct periodic evaluations of each child care services demonstration carried out under this section for purposes of determining the effectiveness of such demonstration in providing child care services and permitting eligible persons who head lower income families and their spouses residing in public housing to obtain, retain, or train for employment.

Evaluations.

(d) Nothing in this section may be construed as authorizing the Secretary to establish any health, safety, educational, or other standards with respect to child care services or facilities assisted with grants received under this section.

(e) Not later than the expiration of the two-year period following the date of enactment of this Act, the Secretary shall prepare and submit to the Congress a detailed report setting forth the findings and conclusions of the Secretary as a result of carrying out the demonstration program established in this section. Such report shall include any recommendations of the Secretary with respect to the establishment of a permanent program of using public housing facilities to be used in providing child care services in lower income housing projects.

Report to Congress.

Recommendations.

HOUSING FOR THE ELDERLY AND HANDICAPPED

SEC. 223. (a)(1) Section 202(a)(3) of the Housing Act of 1959 is amended by inserting the following before the period at the end thereof: “, except that such interest rate plus such allowance shall not exceed 9.25 per centum per annum”.

12 USC 1701q.

12 USC 1701q
note.

12 USC 1701q.

(2) The amendment made by paragraph (1) shall apply only with respect to loan agreements entered into after September 30, 1982, and prior to October 1, 1984.

(b) Section 202(a)(4)(B)(i) of such Act is amended—

(1) by striking out “and” after “1980,” in the first sentence; and

(2) by inserting “, to \$6,400,000,000 on October 1, 1983, and to such sum as may be approved in an appropriation Act on October 1, 1985,” after “1981”.

(c) Section 202(a)(4)(C) of such Act is amended by striking out “\$850,848,000” and “1982” in the second sentence and inserting in lieu thereof “\$666,400,000” and “1984”, respectively.

(d) Section 202(h) of such Act is amended—

(1) by striking out “1978” and inserting in lieu thereof “1983”;

(2) by inserting before the period at the end of the first sentence the following: “, and persons described in subparagraphs (B) and (C) of subsection (d)(4) who have been released from residential health treatment facilities”;

(3) in paragraph (1), by striking out “handicapped persons” and inserting in lieu thereof “persons described in the first sentence of this subsection”;

(4) in paragraph (2), by striking out “handicapped persons” and inserting in lieu thereof “persons described in the first sentence of this subsection who are”;

(5) in paragraph (1), by striking out “and” at the end thereof;

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

(e) Section 202 of such Act is amended by adding at the end thereof the following new subsections:

Efficiency units.

“(i)(1) Unless otherwise requested by the sponsor, a maximum of 25 per centum of the units in a project financed under this section may be efficiency units, subject to a determination by the Secretary that such units are appropriate for the elderly or handicapped population residing in the vicinity of such project or to be served by such project.

“(2) The Secretary may require a sponsor of a housing project financed with a loan under this section to deposit an amount not to exceed \$10,000 in a special escrow account to assure the commitment and long-term management capabilities of such sponsor.

Per unit cost
limitations.

“(3) In establishing per unit cost limitations for purposes of this section, the Secretary shall take into account design features necessary to meet the needs of elderly and handicapped residents, and such limitations shall reflect the cost of providing such features. The Secretary shall adjust the per unit cost limitations in effect on January 1, 1983, not less than once annually to reflect changes in the general level of construction costs.

Prepayment and
transfer.

“(j)(1) The Secretary may not approve the prepayment of any loan made under this section, or transfer such loan, unless such prepayment or transfer is made as part of a transaction that will ensure that the project involved will continue to operate until the original maturity date of such loan in a manner that will provide rental housing for the elderly and handicapped on terms at least as advantageous to existing and future tenants as the terms required by the original loan agreement entered into under this section and any other loan agreements entered into under other provisions of law.

"(2) The Secretary may not sell any mortgage held by the Secretary as security for a loan made under this section.

"(k)(1) In the process of selecting projects for loans under this section, the Secretary shall assure the inclusion of special design features and congregate space if necessary to meet the special needs of elderly and handicapped residents.

"(2) The Secretary shall encourage the provision of small and scattered site group homes and independent living facilities for nonelderly handicapped persons and families.

"(l) The basis for selection of a contractor to be employed in the development or construction of a project assisted under this section shall be determined by the project sponsor or borrower if the development cost of the project is less than \$2,000,000, if the project rentals will be less than 110 per centum of the fair market rent applicable to projects financed under this section, or if the sponsor of the project is a labor organization.

"(m) Nothing in this section authorizes the Secretary to prohibit any sponsor from voluntarily providing funds from other sources for amenities and other features of appropriate design and construction suitable for inclusion in such project if the cost of such amenities is (1) not financed with the loan, and (2) not taken into account in determining the amount of Federal subsidy or of the rent contribution of tenants."

Selection of
contractor.

CONGREGATE SERVICES

SEC. 224. (a) Section 408 of the Congregate Housing Services Act of 1978 is amended by adding at the end thereof the following new subsection:

Report to
Congress.
42 USC 8007.

"(c) Not later than March 15, 1984, the Secretary shall prepare and submit to the Congress a report evaluating the effects of any changes in the administration of the congregate housing services program established in this title which have occurred since January 1, 1983. Such report shall include an evaluation by the Secretary of the reorganization or decentralization of the administration of such program, and any legislative recommendations of the Secretary for the establishment of a permanent congregate housing services program and the reasons for such recommendations."

(b) Section 411(a) of the Congregate Housing Services Act of 1978 is amended—

42 USC 8010.

- (1) by striking out "and" at the end of paragraph (3);
- (2) by striking out the period at the end of paragraph (4); and
- (3) by adding the following at the end thereof:
 - "(5) for fiscal year 1984, not to exceed \$4,000,000; and
 - "(6) for fiscal year 1985, such sums as may be necessary."

DEMONSTRATION PROJECT

SEC. 225. (a) The Congress finds that—

12 USC 1701z-6
note.

(1) the Department of Health and Human Services spends in excess of \$5,000,000,000 annually for housing in the form of allowances for shelter for public assistance recipients;

(2) States administering the Department of Health and Human Services public assistance program often specify shelter allowances that have little relationship to the cost or the quality of the housing in which public assistance recipients live;

(3) at least 30 per centum of public assistance recipients live in substandard housing;

(4) the older rental buildings in which many public assistance recipients live are in those neighborhoods that need the assistance of the programs of the Department of Housing and Urban Development for preservation and rehabilitation; and

(5) there is the potential for improving housing for many lower income families by coordinating State and local government efforts in order to assure that families receiving public assistance payments from the Department of Health and Human Services are able to live in decent, safe, and sanitary housing.

(b) The purpose of this section, therefore, is to provide assistance to units of general local government and their designated agencies in order to develop a program that will—

(1) encourage the upgrading of housing occupied primarily by lower income families, including families receiving assistance under the aid for families with dependent children program established under title IV of the Social Security Act; and

(2) provide for better coordination at the local level of the efforts to assist families receiving public assistance from the Department of Health and Human Services so that these families will be able to occupy affordable housing that is decent, safe, and sanitary and that, if necessary, is rehabilitated with funds provided by the Department of Housing and Urban Development.

(c) The Secretary of Housing and Urban Development (hereafter referred to in this section as the "Secretary") shall, to the extent approved in appropriation Acts, establish and maintain a demonstration project to carry out the purpose described in subsection (b).

(d) In carrying out such project, the Secretary shall make grants to units of general local government, or designated agencies thereof, to carry out administrative plans approved by the Secretary in accordance with subsection (e), and the Secretary may make grants to States to provide technical assistance for the purpose of assisting such units of general local government to develop and carry out such plans.

(e)(1) Grants may be made to States and units of general local government and agencies thereof that apply for them in a manner and at a time determined by the Secretary and that, in the case of units of general local government and their agencies, are selected on the basis of an administrative plan described in such application.

(2) No such administrative plan shall be selected by the Secretary unless it sets forth a plan for local government activities that are designed to—

(A) require or encourage owners of rental housing occupied by lower income families to bring such housing into compliance with local housing codes;

(B) provide technical assistance, loans, or grants to assist owners described in subparagraph (A) to undertake cost-effective improvements of such housing;

(C) work with the State to establish and implement a schedule of local shelter allowances for recipients of assistance under title IV of the Social Security Act based on building quality that will be applicable to buildings involved in this program; and

(D) coordinate local housing inspection, housing rehabilitation loan or grant assistance, rental assistance, and social service programs for the purpose of improving the quality and affordability of housing for lower income families.

42 USC 601.

Grants.

Grants.

42 USC 601.

(3) Funds received from any grant made by the Secretary to a unit of general local government shall be made available for use according to the administrative plans and may be used for—

(A) technical assistance or financial assistance to property owners to upgrade housing projects described in paragraph (2)(A) of this subsection;

(B) temporary rental assistance to families who live in buildings assisted under this program and who are eligible for, but are not receiving, assistance under section 8 of the United States Housing Act of 1937, except that such families shall not include families receiving assistance under title IV of the Social Security Act, and the amount of such rental assistance may not exceed 20 per centum of each grant received under this section;

(C) housing counseling and referral and other housing related services;

(D) expenses incurred in administering the program carried out with funds received under this section, except that such expenses may not exceed 10 per centum of the grant received under this section; and

(E) other appropriate activities that are consistent with the purposes of this section and that are approved by the Secretary.

(f) Any recipient of a grant from the Secretary under this section shall agree to—

(1) contribute to the program an amount equal to 15 per centum of the funds received from the Secretary under this section, and the Secretary shall permit the recipient to meet this requirement by the contribution of the value of services carried out specifically in connection with the program assisted under this section;

(2) permit the Secretary and the General Accounting Office to audit its books in order to assure that the funds received under this section are used in accordance with the section; and

(3) other terms and conditions prescribed by the Secretary for the purpose of carrying out this section in an effective and efficient manner.

(g) In making grants available under this section, the Secretary shall select as recipients at least 20 units of general local government (or their designated agencies). The selection of proposals for funding shall be based on criteria that result in a selection of projects that will enable the Secretary to carry out the purpose of this section in an effective and efficient manner and provide a sufficient amount of data necessary to make an evaluation of the demonstration project carried out under this section.

(h)(1) Not later than June 1, 1984, the Secretary shall transmit to the Congress an interim report on the implementation of the demonstration under this section.

(2) The Secretary shall transmit, not later than October 1, 1985, to both Houses of the Congress a detailed report concerning the findings and conclusions that have been reached by the Secretary as a result of carrying out this section, along with any legislative recommendations that the Secretary determines are necessary.

(i) To carry out this section, there are authorized to be appropriated not to exceed \$10,000,000 during fiscal year 1984, and not to exceed \$15,000,000 during fiscal year 1985, to remain available until expended.

42 USC 1437f.

42 USC 601.

Reports to
Congress.

SECTION 235 HOMEOWNERSHIP ASSISTANCE

12 USC 1715z.

SEC. 226. (a) Section 235(c)(1) of the National Housing Act is amended—

(1) by striking out “The” in the first sentence and inserting in lieu thereof “Subject to the second sentence of this paragraph, the”; and

(2) by inserting after the first sentence the following new sentence: “Assistance payments pursuant to any new contract entered into after September 30, 1983, that utilizes authority approved in appropriation Acts for any fiscal year beginning after such date may not be made for more than a 10-year period.”.

Homeowner
assistance fund.

(b) Section 235(c) of such Act is amended by adding at the end thereof the following new paragraph:

“(3)(A) There hereby is established in the Treasury of the United States a fund, which, to the extent approved in appropriation Acts, may be used by the Secretary for purposes of carrying out subparagraph (B). There shall be deposited into such fund (i) any amount recaptured under paragraph (2); (ii) any authority to make assistance payments under subsection (a) that is committed for use in a contract but is unused because the mortgage, loan, or advance of credit involved is refinanced or because such assistance payments are terminated or suspended for other reasons before the original termination date of such contract; and (iii) any amount received under subparagraph (C).

“(B) In the case of any homeowner whose assistance payments are terminated by reason of the 10-year limitation referred to in paragraph (1), and who is determined by the Secretary to be unable to assume the full payments due under the mortgage, loan, or advance of credit involved, the Secretary shall, to the extent of the availability of amounts in the fund established in subparagraph (A), contract to make, and make, continued assistance payments on behalf of such homeowner. Such continued assistance payments shall be made in an amount determined in accordance with the applicable provisions of paragraph (1) or subsection (a)(2)(B) and for such period as the Secretary determines to be appropriate.

“(C) Any amounts in such fund determined by the Secretary to be in excess of the amounts currently required to carry out the provisions of subparagraph (B) shall be invested by the Secretary in obligations of, or obligations guaranteed as to both principal and interest by, the United States or any agency of the United States.”.

(c) Section 235(h)(1) of such Act is amended—

(1) by striking out “and” after “1971,” in the second sentence;

(2) by inserting the following before the period at the end of such sentence: “, and by such sums as may be approved in an appropriation Act on or after October 1, 1983 (from the additional authority to enter into contracts made available on such date under the first sentence of section 5(c)(1) of the United States Housing Act of 1937)”; and

(3) by inserting the following new sentences after the second sentence: “The aggregate amount that may be obligated over the duration of the contracts entered into with the authority provided on or after October 1, 1983, may not exceed such sums of new budget authority as may be appropriated after the date of enactment of this sentence. The Secretary shall begin issuing new commitments and reservations to provide mortgage insur-

42 USC 1437c.

Commitments
and
reservations.

ance and assistance payments under this section before the expiration of the 30-day period following the approval in any appropriation Act of budget authority for this section after the date of the enactment of this sentence.”.

(d) Section 235(i) of such Act is amended—

12 USC 1715z.

(1) in paragraph (3)(A)—

(A) by striking the word “two-family” and inserting “three-family” in lieu thereof; and

(B) by inserting the words “or a two-family” before the word “dwelling” the first time it appears;

(2) in paragraph (3)(D)—

(A) by inserting the words “or three-family” before the word “dwelling”;

(B) by striking the figure “\$55,000” and inserting “\$60,000” in lieu thereof; and

(C) by striking the figure “\$61,250” and inserting “\$66,250” in lieu thereof; and

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

Insurance.

“(4) In insuring eligible mortgages under this subsection, the Secretary may not deny insurance on the basis that a mortgage involves a two- to three-family dwelling or is to be used to finance substantial rehabilitation rather than new construction.

“(5) As a condition of insuring a mortgage on a two- to three-family dwelling, the Secretary shall require the mortgagor (A) not to discriminate against prospective tenants on the basis of their receipt of or eligibility for housing assistance under any Federal, State or local housing assistance program and (B) to agree that during the term of the mortgage each of the rental units shall be occupied by, or available for occupancy by, persons and families whose incomes do not exceed 100 per centum of the area median income.”.

(e) Section 235(j) of such Act is amended—

(1) in paragraph (6) by striking out “two-family” and inserting “two- to three-family” in lieu thereof; and

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

Insurance.

“(9) In insuring eligible mortgages under this subsection, the Secretary may not deny insurance on the basis that a mortgage involves a two- to three-family dwelling or is to be used to finance substantial rehabilitation rather than new construction.”.

PET OWNERSHIP IN ASSISTED RENTAL HOUSING FOR THE ELDERLY OR HANDICAPPED

SEC. 227. (a) No owner or manager of any federally assisted rental housing for the elderly or handicapped may—

12 USC 1701r-1.

(1) as a condition of tenancy or otherwise, prohibit or prevent any tenant in such housing from owning common household pets or having common household pets living in the dwelling accommodations of such tenant in such housing; or

(2) restrict or discriminate against any person in connection with admission to, or continued occupancy of, such housing by reason of the ownership of such pets by, or the presence of such pets in the dwelling accommodations of, such person.

(b)(1) Not later than the expiration of the twelve-month period following the date of the enactment of this Act, the Secretary of Housing and Urban Development and the Secretary of Agriculture shall each issue such regulations as may be necessary to ensure (A) compliance with the provisions of subsection (a) with respect to any

Regulations.

Rules.

program of assistance referred to in subsection (d) that is administered by such Secretary; and (B) attaining the goal of providing decent, safe, and sanitary housing for the elderly or handicapped.

(2) Such regulations shall establish guidelines under which the owner or manager of any federally assisted rental housing for the elderly or handicapped (A) may prescribe reasonable rules for the keeping of pets by tenants in such housing; and (B) shall consult with the tenants of such housing in prescribing such rules. Such rules may consider factors such as density of tenants, pet size, types of pets, potential financial obligations of tenants, and standards of pet care.

(c) Nothing in this section may be construed to prohibit any owner or manager of federally assisted rental housing for the elderly or handicapped, or any local housing authority or other appropriate authority of the community where such housing is located, from requiring the removal from any such housing of any pet whose conduct or condition is duly determined to constitute a nuisance or a threat to the health or safety of the other occupants of such housing or of other persons in the community where such housing is located.

(d) For purposes of this section, the term "federally assisted rental housing for the elderly or handicapped" means any rental housing project that—

(1) is assisted under section 202 of the Housing Act of 1959; or

(2) is assisted under the United States Housing Act of 1937, the National Housing Act, or title V of the Housing Act of 1949, and is designated for occupancy by elderly or handicapped families, as such term is defined in section 202(d)(4) of the Housing Act of 1959.

"Federally assisted rental housing for the elderly or handicapped." *Ante*, p. 1190.
42 USC 1437 note.
12 USC 1701.
42 USC 1471.
12 USC 1701q.

TITLE III—RENTAL HOUSING REHABILITATION AND DEVELOPMENT PROGRAM

RENTAL REHABILITATION AND DEVELOPMENT GRANTS

SEC. 301. The United States Housing Act of 1937 is amended by inserting before section 18 the following:

"RENTAL REHABILITATION AND DEVELOPMENT GRANTS

"SEC. 17. (a) PROGRAM AUTHORITY.—(1) REHABILITATION AND DEVELOPMENT GRANTS.—The Secretary is authorized—

"(A) to make rental rehabilitation grants to States and units of general local government to help support the rehabilitation of privately owned real property to be used for primarily residential rental purposes in accordance with subsection (c); and

"(B) to make development grants for new construction or substantial rehabilitation in accordance with subsection (d).

"(2) AUTHORITY TO RESERVE HOUSING ASSISTANCE.—In connection with a grant under this section, the Secretary may reserve authority to provide housing assistance under section 8(o) to the extent necessary—

"(A) to provide housing assistance to persons displaced by activities under this section; or

"(B) to support the grantee's program.

"(3) AUTHORIZATION.—To carry out the purposes of this section the Secretary may utilize not to exceed \$615,000,000, as provided in section 5(c) for fiscal years 1984 and 1985, of which amount—

42 USC 1437o.

Ante, p. 1181.

Ante, p. 1176.

"(A) not to exceed \$150,000,000 shall be available in each such year for rental rehabilitation, of which \$1,000,000 shall be available each year for technical assistance; and

"(B) not to exceed \$200,000,000 for fiscal year 1984, and \$115,000,000 for fiscal year 1985, shall be available for development grants.

"(b) **DISTRIBUTION OF RENTAL REHABILITATION GRANT FUNDS.**—(1) **FORMULA ALLOCATION.**—Of the amount available in any fiscal year for rehabilitation grants under this section, the Secretary shall allocate amounts for rehabilitation grants under subsection (c) to cities having populations of fifty thousand or more, urban counties, and States for use as provided in subsection (e), on the basis of a formula which shall be contained in a regulation proposed by the Secretary not later than sixty days after the effective date of this section. Such regulation shall be accompanied by the specific fund allocation for fiscal year 1984 for individual cities, urban counties, and States which would result from the proposed formula and any adjustments under paragraph (2). The formula contained in the regulation shall take into account objectively measurable conditions, including such factors as low income renter population, overcrowding of rental housing, the extent of physically inadequate housing stock, and such other objectively measurable conditions as the Secretary deems appropriate to reflect the need for assistance under this section, but excluding data relating to such factors which pertain to areas eligible for assistance under title V of the Housing Act of 1949.

"(2) **ADJUSTMENTS.**—Before an allocation determined under paragraph (1) for any fiscal year is made available for use, the Secretary may adjust the allocation as follows:

"(A) The Secretary is authorized to establish minimum allocation amounts for cities and urban counties, representing program levels below which, in the Secretary's determination, conduct of a rental rehabilitation program would not be feasible. The amount of any allocation which is below this minimum shall be added to the allocation for the State in which the city or county is located and shall be available in accordance with subsection (e).

"(B) Beginning with fiscal years after fiscal year 1984, the Secretary is authorized to adjust the allocation for a city, urban county, or State administering a rental rehabilitation program as provided in subsection (f), by up to 15 per centum above or below the amount of such allocation, based on an annual review of performance in carrying out activities under this section in a timely manner and in achieving the result that at least 80 per centum of the units rehabilitated with assistance under this section in all program years have rents which are and remain at a level which would be affordable by lower income families. The last sentence of subparagraph (A) shall not apply to an allocation which is below the minimum amount described therein by reason of an adjustment under this subparagraph. The Secretary shall establish by regulation performance criteria for purposes of this subparagraph.

"(3) **REALLOCATION.**—After the allocation of rehabilitation grant amounts, the Secretary is authorized to reallocate such amounts among grantees on the basis of the Secretary's assessment of the progress of grantees in carrying out activities under this section in accordance with their specified schedules. Reallocations under this

Regulation.

42 USC 1471.

Rental
rehabilitation
program
administration.

paragraph shall be designed to encourage use of these resources expeditiously, consistent with the sound development and administration of the grantees' rental rehabilitation programs.

"(4) RECAPTURE.—Any rental rehabilitation grant amounts which are not obligated at the end of any fiscal year shall be added to the amount available for allocation for such grants for the succeeding fiscal year.

"(c) GRANTS FOR MODERATE REHABILITATION.—(1) PROGRAM DESCRIPTION.—A rehabilitation grant may be made under this section on the basis of satisfactory information provided in a program description which shall be submitted by the grantee at such time and in such manner as the Secretary may prescribe and which shall contain—

"(A) a description of the grantee's proposed rental rehabilitation program, which shall consist of the activities each grantee proposes to undertake for the fiscal year, including the grantee's anticipated schedule in carrying out those activities, or, in case of a State distributing resources as provided in subsection (e), its proposed method of distributing the resources, which shall have been made available to the public;

"(B) a certification that the grantee's program was developed after consultation with the public;

"(C) a statement of the procedures and standards which will govern selection of proposals by the grantee, which procedures and standards shall take into account the extent to which the proposal represents the efficient use of Federal resources and the extent to which the housing units involved will be adequately maintained and operated with rents at the levels proposed;

"(D) an estimate of the effect of the proposed program on neighborhood preservation;

"(E) evidence demonstrating the financial feasibility of the proposed program, including the availability of non-Federal and private resources and including evidence that the projects to be selected for rehabilitation will be located in neighborhoods where rents are generally affordable to lower income families and that the character of the neighborhood indicates that such rents will not materially change over an extended period; and

"(F) such other information as the Secretary shall prescribe.

"(2) PROGRAM REQUIREMENTS.—A rental rehabilitation program assisted under this section shall provide that—

"(A) grant assistance shall only be used to rehabilitate real property to be used for primarily residential rental purposes;

"(B) grants shall only be used to assist the rehabilitation of real property located in neighborhoods where the median income does not exceed 80 per centum of the median income for the area;

"(C) grant assistance for any structure shall not exceed 50 per centum of the total costs associated with the rehabilitation of that structure, as determined by the Secretary, except that where the Secretary determines that refinancing costs and the special nature of the project require a greater amount of assistance, the grant amount shall be limited to not to exceed 50 per centum of the development cost including acquisition;

"(D) rehabilitation assisted under this section shall only be that which is necessary to correct substandard conditions, to

Rental
rehabilitation.

make essential improvements, and to repair major systems in danger of failure;

"(E) the amount of rental rehabilitation assistance provided under this section for any structure shall not exceed \$5,000 per unit except as otherwise determined by the Secretary in areas of high material and labor costs where the grantee demonstrates that every appropriate step has been taken by the grantee to contain the amount of assistance within the limit set by this paragraph and that an exception is necessary to conduct a rehabilitation program while not exceeding the rehabilitation standards of subparagraph (D);

"(F) a structure may be assisted under this section only if the rehabilitation of such structure will not cause the involuntary displacement of very low-income families by families who are not very low-income families;

Low-income
families,
displacement.

"(G) the owner of each assisted structure agrees—

"(i) not to discriminate against prospective tenants on the basis of their receipt of or eligibility for housing assistance under any Federal, State, or local housing assistance program or, except for a structure for housing for the elderly, on the basis that the tenants have a minor child or children who will be residing with them; and

"(ii) not to convert the units to condominium ownership (or in the case of a cooperative, to condominium ownership or any form of cooperative ownership not eligible for assistance under this section);

for at least 10 years beginning on the date on which the units in the project are completed;

"(H) the State or unit of general local government that receives the assistance certifies to the satisfaction of the Secretary that the assistance will be made available in conformity with Public Law 88-352 and Public Law 90-284; and

"(I) 100 per centum of the amount of assistance provided under this section shall be used by the grantee for the benefit of lower income families, except that such requirement shall be reduced to (i) 70 per centum if the grantee certifies in accordance with standards prescribed by the Secretary that such reduction is necessary, and that the grantee cannot develop a proposed program which complies with such requirement, after consultation with the public regarding the inability to develop a program which complies with such requirement, and (ii) to not less than 50 per centum where the Secretary determines that such further reduction is necessary.

42 USC 2000a
note; 82 Stat. 73.

"(3) SECRETARIAL RESPONSIBILITY.—The Secretary shall assure that—

"(A) an equitable share of the rehabilitation grants under this section is used to assist in the provision of housing for families, including large families with children; and

"(B) a priority shall be given to projects containing units in substandard condition which are occupied by very low-income families.

"(d) GRANTS FOR NEW CONSTRUCTION AND SUBSTANTIAL REHABILITATION.—

"(1) TYPES OF ASSISTANCE.—Development grant funds may be used by the grantee to make grants or loans, provide interest reduction payments, or furnish other comparable assistance to support the

new construction or substantial rehabilitation of real property to be used primarily for residential rental purposes.

Regulations.
Minimum
standards.

"(2) AREA ELIGIBILITY.—To be eligible for development grants under this subsection, a project must be located in an area that is experiencing a severe shortage of decent rental housing opportunities for families and individuals without other reasonable and affordable housing alternatives in the private market. The Secretary shall issue regulations, consistent with the preceding sentence, that set forth minimum standards for determining areas eligible for assistance. Such standards shall be based on objectively measurable conditions, and shall take into account the extent of poverty, the extent of occupancy of physically inadequate housing by lower income families, the extent of housing overcrowding experienced by lower income families, the level and duration of rental housing vacancies, the extent of the lag between the estimated need for and production of rental housing, and other objectively measurable conditions specified by the Secretary consistent with the first sentence of this subsection. The Secretary shall propose regulations under this paragraph not later than 60 days after the date of enactment of this section and shall promptly transmit to the Congress such proposed regulations accompanied by a list of those areas which meet the minimum standards contained in such regulations. Any unit of government located in an area which meets such minimum standards is eligible to submit an application for a rental housing development grant under this section. The Secretary may also consider an application for a project to be located in an area which is not eligible under such standards where the Secretary determines that a project involving assistance for other than moderate rehabilitation is necessary in order to meet special housing needs or to advance a particular neighborhood preservation purpose.

Regulations,
submittal to
Congress.

"(3) APPLICATION.—A development grant may be made under this section on the basis of information provided in an application which shall be submitted by the grantee at such time and in such manner as the Secretary may prescribe. In addition to information relating to the selection criteria set forth in paragraph (5), the application shall contain—

"(A) a description of the grantee's proposed rental development program, which shall consist of the activities the grantee proposes to undertake for the fiscal year, including a specification of the grantee's anticipated schedule in carrying out those activities;

"(B) a certification that the grantee's program was developed after consultation with the public;

"(C) a statement of the procedures and standards which will govern selection of proposals by the grantee, which procedures and standards shall take into account the extent to which the proposal represents the efficient use of Federal resources and the extent to which the housing units involved will be adequately maintained and operated with rents maintained at the levels proposed;

"(D) an estimate of the effect of the proposed program on neighborhood preservation; and

"(E) such other information as the Secretary shall prescribe.

"(4) PROGRAM REQUIREMENTS.—A rental development program assisted under this section shall provide that—

"(A) grant assistance shall be used to develop real property to be used for residential rental purposes only;

"(B) grant assistance for any structure shall not exceed 50 per centum of the total costs associated with the rehabilitation or development of that structure, as determined by the Secretary, except that where the Secretary determines that refinancing costs and the special nature of the project require a greater amount of assistance, the grant amount shall be limited to not to exceed 50 per centum of the development cost including acquisition;

"(C) a structure may be assisted under this section only if the development of such structure will not cause the involuntary displacement of very low-income families by families who are not very low-income families;

Low-income
families,
displacement.

"(D) the owner of each assisted structure agrees—

"(i) not to discriminate against prospective tenants on the basis of their receipt of or eligibility for housing assistance under any Federal, State, or local housing assistance program or, except for a structure for housing for the elderly, on the basis that the tenants have a minor child or children who will be residing with them; and

"(ii) not to convert the units to condominium ownership (or in the case of a cooperative, to condominium ownership or any form of cooperative ownership not eligible for assistance under this section);

during the 20-year period beginning on the date on which the units in the project are available for occupancy;

"(E) the owner of each assisted structure agrees that, during the 20-year period beginning on the date on which 50 per centum of the units in the structure are occupied or completed, at least 20 per centum of the units the construction or substantial rehabilitation of which is provided for under the application shall be occupied, or available for occupancy by, persons and families whose incomes do not exceed 80 per centum of the area median income;

"(F) the structure—

"(i) will have a value after rehabilitation or construction that is not more than the amount of a mortgage on the structure that could be insured under section 207 of the National Housing Act; and

"(ii) is secured by a mortgage which bears a rate of interest and contains such other terms and conditions as the Secretary determines are reasonable;

12 USC 1713.

"(G) the grantee must commence construction or substantial rehabilitation activities not later than 24 months after notice of project selection; and

"(H) the State or unit of general local government that receives the assistance certifies to the satisfaction of the Secretary that the assistance will be made available in conformity with Public Law 88-352 and Public Law 90-284.

"(5) PROJECT SELECTION.—In selecting projects to receive development grants, the Secretary shall make such selection on the basis of the extent—

42 USC 2000a
note; 82 Stat. 73.

"(A) of the severity of the shortage of decent rental housing opportunities in the area in which the project or projects are to be located for families and individuals without other reasonable and affordable housing alternatives in the private market;

"(B) of non-Federal public and private financial or other contributions that reduce the amount of assistance necessary under this section;

"(C) to which the project or projects contribute to neighborhood development and mitigate displacement;

"(D) to which the applicant has established a satisfactory record of performance in meeting assisted housing needs and has the capacity to undertake the program in a timely manner;

"(E) to which the assistance requested will provide the maximum number of units for the least cost to the Federal Government, taking into consideration the extent to which assistance provided will be recaptured and cost differences among different areas, among financing alternatives, and among the types of projects and tenants being served;

"(F) to which the grantee will establish a mechanism to assure the maintenance of affordable rentals for lower income families;

"(G) to which the applicant has demonstrated the financial feasibility of the proposed program, including the availability of non-Federal and private resources; and

"(H) to which an equitable share of the development grant funds under this section will be used to assist in the provision of housing for families, including large families with children.

"(6) PRIORITIES.—In selecting projects for grants under this subsection, the Secretary shall give a priority to proposals involving projects—

"(A) which exceed the minimum requirements of paragraph (4)(E); and

"(B) in areas where the waiting lists for housing assistance are relatively long and where families holding certificates under section 8 require an excessive length of time to find housing.

"(7) ENFORCEMENT OF PROGRAM REQUIREMENTS.—(A) The grantee shall take appropriate legal action to enforce compliance with the requirements of this subsection by the owner of any assisted property or his or her successors in interest during the 20-year period beginning on the date on which 50 per centum of the units are occupied or are completed. For any violation of such agreements, the owner or his or her successors in interest shall make a payment to the grantee of an amount that equals the total amount of assistance provided under this title with respect to such project, plus interest thereon (without compounding), for each year and any fraction thereof that the assistance was outstanding, at a rate determined by the Secretary taking into account the average yield on outstanding marketable long-term obligations of the United States during the month preceding the date on which the assistance was made available. The amount of such assistance (and accrued interest) which is required to be repaid shall be reduced by 10 per centum for each full year in excess of 10 years which intervened between the commencement of the period and the violation. Any amounts recovered by the grantee shall be used to furnish assistance under this section.

"(B) Notwithstanding any other provision of law, any assistance provided under this subsection shall constitute a debt, which is payable in the case of any failure to carry out the agreements, and shall be secured by the security instruments provided by the owner to the grantee.

42 USC 1437f.

Violation,
payment.

"(8)(A) RENT PROVISIONS.—Rents charged for units available for occupancy by lower income families in any project assisted under this subsection shall be approved by the grantee. In approving such rents, the grantee shall provide that the rents of such units are not more than 30 per centum of the adjusted income of a family whose income equals 50 per centum of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families. Not less than 30 days prior written notice of any increase in rents shall be provided to such tenants.

Increase
notification.

"(B) Any schedule of rents submitted by an owner to the grantee for approval shall be deemed to be approved unless the grantee informs the owner, within 60 days after receiving such schedule, that such schedule is disapproved.

"(9) GRANT AMOUNT.—The amount of a development grant provided under this subsection shall not be more than that amount which will provide decent rental or cooperative housing of modest design which is affordable for families and individuals without other reasonable and affordable housing alternatives in the private market, including an amount necessary to achieve compliance with paragraph (8)(A).

"(e) STATE PROGRAM.—(1) Except as provided in paragraph (2), the State shall administer resources made available under subsection (b)(2) for any fiscal year. These resources shall only be used to carry out activities under this section in cities with populations of less than fifty thousand and in urban counties and cities whose allocations are less than the minimum allocation amount established under subsection (b)(2), but may not be used in areas which are eligible for assistance under title V of the Housing Act of 1949. The State may use all or part of these resources (A) to carry out its own rental rehabilitation program, or (B) to distribute them to units of general local government. A city with a population over fifty thousand may, with the agreement of the State government, elect to contract with the State to administer the grant program under this section in any fiscal year.

42 USC 1471.

"(2) States may elect not to administer resources made available under subsection (b)(2) of this section. This election shall be made in such manner and before such time as the Secretary may prescribe. The Secretary shall administer the resources available to any State exercising such an election in accordance with regulations and procedures prescribed by the Secretary, including the administration of grant programs of cities with populations over fifty thousand which elect not to administer their own program. Such regulations shall, to the maximum extent practicable, be comparable to those for cities and urban counties receiving resources under subsection (b).

"(3) A State may apply for and receive, on behalf of a unit of local government located in that State and with the concurrence of that unit of general local government, a rental development grant to be used in accordance with the provisions of subsection (d).

"(4) In any case in which the State is a grantee under any provision of this section, the Secretary shall require that the State take such actions as may be appropriate to assure compliance with the program requirements, owner agreements, and other provisions of this section.

"(f) APPLICABILITY OF REQUIREMENTS OR AGREEMENTS.—Requirements imposed by or agreements made with States and units of general local government regarding rents in structures assisted

under this section (including requirements relating to the rents which may be charged after rehabilitation) shall not apply to a structure assisted under this section unless (1) such requirements are imposed or agreements are entered into pursuant to a State law or local ordinance of general applicability which was enacted and in effect in that jurisdiction prior to the date of enactment of this section, and (2) such requirements or agreements would apply generally to structures not assisted under this section.

Regulations.

“(g) **RELOCATION.**—The Secretary shall by regulation establish such standards governing reasonable relocation payments and other related assistance as the Secretary determines to be appropriate.

“(h) **ADMINISTRATIVE EXPENSES.**—Grantees receiving assistance under this section shall not deduct therefrom any amounts to cover administrative expenses incurred by them in carrying out their responsibilities under this section.

“(i) **PRESERVATION, ENVIRONMENTAL POLICY, AND LABOR STANDARDS.**—(1) The Secretary shall establish procedures which support national historic preservation objectives and which assure that, if any rehabilitation or development proposed to be assisted under this section would affect property which is included on the National Register of Historic Places or which is eligible for inclusion on the National Register of Historic Places, such activity shall not be undertaken unless (A) it will reasonably meet the standards issued by the Secretary of the Interior and the appropriate State historic preservation officer is afforded the opportunity to comment on the specific rehabilitation or development program, or (B) the Advisory Council on Historic Preservation is afforded an opportunity to comment on cases for which the grantee of assistance, in consultation with the State historic preservation officer, determines that the proposed activity cannot reasonably meet such standards or would adversely affect historic property as defined therein.

“(2) The Secretary’s award and grantee’s use of resources made available under this section shall be subject to section 104(f) of the Housing and Community Development Act of 1974.

“(3) A structure assisted under this section shall be treated as a project subject to a mortgage insured under section 220 of the National Housing Act for the purpose of section 212 of such Act.

“(j) **FINANCING.**—Subject to terms and conditions that are prescribed by the Secretary and are consistent with the purpose and other provisions of this section, any obligation issued by a State or local housing agency for the purpose of financing the development of a project or projects assisted under this section is hereby deemed an obligation that meets the requirements of, and has the benefits (including the benefit of interest earned with respect to the obligation being exempt from Federal taxation) associated with, an obligation described in section 11(b).

“(k) **DEFINITIONS.**—For the purpose of this section—

“(1) the term ‘rehabilitation grant’ means a grant to finance moderate rehabilitation;

“(2) the term ‘development grant’ means a grant to finance new construction or substantial rehabilitation;

“(3) the Secretary shall use the same population data and rules for designating cities and urban counties as apply under title I of the Housing and Community Development Act of 1974;

“(4) the term ‘real property to be used primarily for residential rental purposes’ includes cooperative or mutual housing

42 USC 5304.

12 USC 1715k,
1715c.

42 USC 1437i.

42 USC 5301.

which has a resale structure which enables the cooperative to maintain affordability for lower income families; and

"(5) the term 'grantee' means—

"(A) any city or urban county receiving resources under this section;

"(B) any State administering a rental rehabilitation or development program as provided in subsection (f); and

"(C) any unit of general local government which receives assistance from the Secretary as provided in subsection (f)(2).

The Secretary shall encourage cooperation by units of general local government in the administration of grants under this section by permitting consortia of geographically proximate units of general local government to apply for assistance on behalf of their members, including establishment of eligibility under subsection (b) for consortia whose combined populations exceed fifty thousand and which can otherwise meet the requirements of such subsection. Any amounts made available to such a consortium shall be deducted from the allocation to the State in which the units of general local government are located.

Consortium.

"(I) REVIEW AND AUDIT.—The Secretary shall, at least on an annual basis, make such reviews and audits as may be necessary or appropriate to determine—

"(1) where the grantee is a unit of general local government or a State carrying out its own program as provided in subsection (f)(1), whether the grantee has carried out its activities in a timely manner and in accordance with the requirements of this section, and has a continuing capacity to carry out those activities in a timely manner; and

"(2) where the grantee is a State distributing resources made available under this section to units of general local government as provided in subsection (e)(2), whether the State (A) has distributed such resources in a timely manner and in accordance with the requirements of this section, and (B) has made such reviews and audits of the units of general local government as may be necessary or appropriate to determine whether they have satisfied the performance criteria described in paragraph (1).

In addition to the adjustments based on performance authorized by subsection (b)(2), the Secretary may adjust, reduce, or withdraw resources made available to States and units of general local government receiving assistance under this section, or take other action as appropriate in accordance with the findings of these reviews and audits, except that resources already expended on eligible activities shall not be recaptured or deducted from future resources made available to the grantee. Any amounts which become available as a result of actions under this paragraph shall be reallocated in the year in which they become available to such grantee or grantees as the Secretary may determine.

"(m) PERFORMANCE REPORT.—Prior to the beginning of fiscal year 1985 and each fiscal year thereafter, each grantee shall submit to the Secretary a performance report concerning the activities carried out pursuant to this section, together with an assessment by the grantee of the relationship of these activities to the objectives of this section. Such report shall contain an analysis of the program's cost effectiveness, the type and income levels of tenants who benefit from the rehabilitation program, any tenant displacement resulting from

Submittal to Secretary.

the program, and any other information the Secretary may require. To facilitate this reporting requirement, each grantee shall require owners of property rehabilitated under this section to provide verified income data and other pertinent tenant demographic information as prescribed by the Secretary (to include household size and race) or to otherwise arrange for the collection of such information on an annual basis. The Secretary shall stipulate the format for such data collection to assure that such information can be aggregated at the national level to allow congressional oversight.

“(n) REPORT TO CONGRESS.—Prior to the beginning of fiscal year 1985 and each fiscal year thereafter, the Secretary shall provide a report to the Congress as to the overall progress of grantees in meeting the objectives of this section. Such report shall include an analysis of program costs, services delivered, beneficiaries, and the extent to which lower income tenants have been displaced as a result of rehabilitation assisted under this section.”.

CONFORMING AMENDMENTS TO THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974

42 USC 5305.

SEC. 302. (a) Section 105(a) of the Housing and Community Development Act of 1974 is amended—

(1) by striking out “and” at the end of clause (16);

(2) by striking out the period at the end of clause (17) and inserting in lieu thereof “; and”; and

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

Ante, p. 1196.

42 USC 5307.

“(18) the rehabilitation or development of housing assisted under section 17 of the United States Housing Act of 1937.”.

(b) Section 107(d) of such Act is amended—

(1) by striking out “unless the applicant” in paragraph (1) and inserting in lieu thereof the following: “and no assistance may be made available under section 17 of the United States Housing Act of 1937 unless the grantee”; and

(2) by inserting “grantee or” before “applicant” in paragraph (3).

42 USC 5301
note.

(c) Section 817 of such Act is amended—

(1) by striking out “and” after “1966,”; and

(2) by inserting after “and 1970” the following: “, and section 17 of the United States Housing Act of 1937”.

CONFORMING AMENDMENTS TO THE NATIONAL HOUSING ACT

Insurance.
12 USC 1715z-9.

SEC. 303. (a) Section 244 of the National Housing Act is amended by adding at the end thereof the following:

Post, p. 1207.

“(h) Notwithstanding any other provision of this section, in the case of a mortgage insured under section 223(f) secured by property which is to be rehabilitated or developed under section 17 of the United States Housing Act of 1937, such coinsurance may include provisions that—

Ante, p. 1196.

“(1) insurance benefits shall equal the sum of (A) 90 per centum of the mortgage on the date of institution of foreclosure proceedings (or on the date of acquisition of the property otherwise after default), and (B) 90 per centum of interest arrears on the date benefits are paid;

“(2) the mortgagee shall remit to the Secretary, for credit to the General Insurance Fund, 90 per centum of any proceeds of the property, including sale proceeds, net of the mortgagee's

actual and reasonable costs related to the property and the enforcement of security;

"(3) payment of such benefits shall be made in cash unless the mortgagee submits a written request for debenture payment; and

"(4) the underwriter of coinsurance may reinsure 10 per centum of the mortgage amount with a private mortgage insurance company or with a State mortgage insurance agency. No commitment for insurance pursuant to this subsection may be issued on or after October 1, 1985."

(b) Section 223(f) of such Act is amended by adding at the end thereof the following:

"(5) In the case of any purchase or refinancing under this subsection involving property to be rehabilitated or developed under section 17 of the United States Housing Act of 1937, the Secretary may—

"(A) include rehabilitation or development costs of not to exceed \$20,000 per unit, except that the Secretary may increase such amount by not to exceed 25 per centum for specific properties where cost levels so require;

"(B) permit subordinated liens securing up to the full amount of mortgage financing provided by State or local governments or agencies thereof; and

"(C) pay such benefits in cash unless the mortgagee submits a written request for debenture payment."

Insurance
commitment
issuance.
12 USC 1715n.

Ante, p. 1196.

TITLE IV—PROGRAM AMENDMENTS AND EXTENSIONS

PART A—FEDERAL HOUSING ADMINISTRATION MORTGAGE INSURANCE PROGRAMS

Subpart 1—General Authorities and Requirements

EXTENSION OF MORTGAGE INSURANCE PROGRAMS

SEC. 401. (a) Section 2(a) of the National Housing Act is amended by striking out "December 1, 1983" in the first sentence and inserting in lieu thereof "October 1, 1985".

(b) Section 217 of such Act is amended by striking out "November 30, 1983" and inserting in lieu thereof "September 30, 1985".

(c) Section 221(f) of such Act is amended by striking out "November 30, 1983" in the fifth sentence and inserting in lieu thereof "September 30, 1985".

(d)(1) Section 235(m) of such Act is amended by striking out "November 30, 1983" and inserting in lieu thereof "September 30, 1985".

(2) Section 235(q)(1) of such Act is amended by striking out "November 30, 1983" in the last sentence and inserting in lieu thereof "September 30, 1985".

(e) Section 244(d) of such Act is amended—

(1) by striking out "November 30, 1983" in the first sentence and inserting in lieu thereof "September 30, 1985";

(2) by striking out "December 1, 1983" in the second sentence and inserting in lieu thereof "October 1, 1985"; and

(3) by striking out the last two sentences.

Ante, p. 745.

Ante, p. 745.

Ante, p. 745.

Ante, p. 745.
12 USC 1715z.

Ante, p. 745.

Ante, p. 745.

(f) Section 245(a) of such Act is amended by striking out "November 30, 1983" in the last sentence and inserting in lieu thereof "September 30, 1985".

Ante, p. 745.

(g) Section 809(f) of such Act is amended by striking out "November 30, 1983" in the last sentence and inserting in lieu thereof "September 30, 1985".

Ante, p. 745.

(h) Section 810(k) of such Act is amended by striking out "November 30, 1983" in the last sentence and inserting in lieu thereof "September 30, 1985".

Ante, p. 745.

(i) Section 1002(a) of such Act is amended by striking out "November 30, 1983" in the last sentence and inserting in lieu thereof "September 30, 1985".

Ante, p. 745.

(j) Section 1101(a) of such Act is amended by striking out "November 30, 1983" in the last sentence and inserting in lieu thereof "September 30, 1985".

AMOUNT TO BE INSURED UNDER THE NATIONAL HOUSING ACT

12 USC 1735f-9.

SEC. 402. Section 531 of the National Housing Act is amended to read as follows:

"AMOUNT OF INSURED MORTGAGES

12 USC 1707.

"SEC. 531. Notwithstanding any other provision of law and subject only to the absence of qualified requests for insurance, to the authority provided in title II, and to any funding limitation approved in appropriation Acts, the Secretary shall enter into commitments during each of the fiscal years 1984 and 1985 to insure mortgages under title II with an aggregate principal amount of \$50,900,000,000."

AUTHORIZATION OF APPROPRIATIONS TO COVER LOSSES TO THE GENERAL INSURANCE FUND

12 USC 1735c.

SEC. 403. Section 519(f) of the National Housing Act is amended—

(1) by inserting "such sums as may be necessary" after "appropriated"; and

(2) by striking out "not" and all that follows through "1981".

ELIMINATION OF REQUIREMENT THAT FEDERAL HOUSING ADMINISTRATION INTEREST RATES BE SET BY LAW

12 USC 1709-1
and note.
12 USC 1703.

SEC. 404. (a) The Act entitled "An Act to amend chapter 37 of title 38 of the United States Code with respect to the veterans' home loan program, to amend the National Housing Act with respect to interest rates on insured mortgages, and for other purposes", approved May 7, 1968 (Pub. L. 90-301) is amended by striking out sections 3 and 4.

(b)(1) Section 2(b)(5) of the National Housing Act is amended to read as follows:

"(5) No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it unless the obligation has such maturity, bears such insurance premium charges, and contains such other terms, conditions, and restrictions as the Secretary shall prescribe, in order to make credit available for the purpose of this title. Any such obligation with respect to which insurance is granted under this section shall bear interest at such

rate as may be agreed upon by the borrower and the financial institution."

(2) Section 203(b)(5) of such Act is amended to read as follows:

12 USC 1709.

"(5) Bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee."

(3) Section 203(k)(3)(B) of such Act is amended to read as follows:

"(B) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee;"

(4) The first sentence of the first undesignated paragraph of section 207(c)(3) of such Act is amended to read as follows: "The mortgage shall provide for complete amortization by periodic payments within such term as the Secretary shall prescribe, and shall bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee."

12 USC 1713.

(5) The first sentence of section 213(d) of such Act is amended to read as follows: "Any mortgage insured under this section shall provide for complete amortization by periodic payments within such term as the Secretary may prescribe but not to exceed 40 years from the beginning of amortization of the mortgage, and shall bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee."

12 USC 1715e.

(6) The second sentence of section 220(d)(4) of such Act is amended to read as follows: "The mortgage shall bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee and contain such terms and provisions with respect to the application of the mortgagor's periodic payment to amortization of the principal of the mortgage, insurance, repairs, alterations, payment of taxes, default reserves, delinquency charges, foreclosure proceedings, anticipation of maturity, additional and secondary liens, and other matters as the Secretary may in the Secretary's discretion prescribe."

12 USC 1715k.

(7) Section 220(h)(2)(iii) of such Act is amended to read as follows:

"(iii) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee;"

(8) Section 221(d)(5) of such Act is amended by striking out "(exclusive" and all that follows through "mortgage market" and inserting in lieu thereof the following: "at such rate as may be agreed upon by the mortgagor and the mortgagee"

12 USC 1715l.

(9) Section 231(c)(6) of such Act is amended to read as follows:

"(6) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee; and"

12 USC 1715v.

(10) Section 232(d)(3)(B) of such Act is amended to read as follows:

"(B) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee."

12 USC 1715w.

(11) The first sentence of section 234(f) of such Act is amended to read as follows: "Any blanket mortgage insured under subsection (d) shall provide for complete amortization by periodic payments within such terms as the Secretary may prescribe but not to exceed 40 years from the beginning of amortization of the mortgage, and shall bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee."

12 USC 1715y.

(12) Section 235(i)(3) of such Act is amended—

12 USC 1715z.

(A) by striking out "and" at the end of subparagraph (D);

(B) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof "; and"; and

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

"(F) bear interest at a rate not to exceed such percent per annum on the amount of the principal obligation outstanding at any time as the Secretary finds necessary to meet the mortgage market, taking into consideration the yields on mortgages in the primary and secondary markets."

12 USC 1715z-5.

(13) Section 240(c)(4) of such Act is amended to read as follows:

"(4) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee;"

12 USC 1715z-6.

(14) Section 241(b)(3) of such Act is amended to read as follows:

"(3) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee;"

12 USC 1715z-7.

(15) Section 242(d)(3)(B) of such Act is amended to read as follows:

"(B) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee;"

12 USC 1749bb.

(16) Section 1002(d)(2) of such Act is amended to read as follows:

"(2) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee, except that the Secretary may agree to a reasonable extension of the term of a mortgage, the maturity of which is limited by this paragraph to not more than 10 years, if the Secretary determines that unusual or unforeseen circumstances make such extension necessary to avoid undue hardship to the mortgagor;"

MINIMUM PROPERTY STANDARDS

12 USC 1735f-4.

SEC. 405. (a) Section 526 of the National Housing Act is amended—

(1) in the first sentence, by inserting ", other than manufactured homes," after "housing";

(2) by adding the following new sentence at the end thereof: "Following the effective date of this sentence, the energy performance requirements developed and established by the Secretary under this subsection for newly constructed residential housing, other than manufactured homes, shall be at least as effective in performance as the energy performance requirements incorporated in the minimum property standards that were in effect under this subsection on September 30, 1982."; and

(3) by inserting "(a)" after the section designation and adding at the end thereof the following new subsection:

"(b) The Secretary may require that each property, other than a manufactured home, subject to a mortgage insured under this Act shall, with respect to health and safety, comply with one of the nationally recognized model building codes, or with a State or local building code based on one of the nationally recognized model building codes or their equivalent. The Secretary shall be responsible for determining the comparability of the State and local codes to such model codes and for selecting for compliance purposes an appropriate nationally recognized model building code where no such model code has been duly adopted or where the Secretary determines the adopted code is not comparable."

(b) The section heading of section 526 of such Act is amended to read as follows: "MINIMUM PROPERTY STANDARDS".

TIME OF PAYMENT OF MORTGAGE INSURANCE PREMIUMS

12 USC 1735f-8.

SEC. 406. Section 530 of the National Housing Act is amended—

(1) by striking out "promptly upon their receipt from the borrower" and inserting in lieu thereof the following: (1) in the case of loans or mortgages respecting one- to four-family residences, promptly upon their receipt from the borrower, and (2) in any other case, promptly when due to the Secretary";

(2) by inserting "or due date, as appropriate," after "such receipt"; and

(3) by inserting "or after the due date, as appropriate," before "and ending".

MORTGAGE INSURANCE FOR AMERICAN SAMOA

SEC. 407. (a) Section 9 of the National Housing Act is amended by inserting "American Samoa," after "the Trust Territory of the Pacific Islands,".

12 USC 1706d.

(b) Section 201(d) of such Act is amended by inserting "American Samoa," after "the Trust Territory of the Pacific Islands,".

12 USC 1707.

(c) Section 207(a)(7) of such Act is amended by inserting "American Samoa," after "the Trust Territory of the Pacific Islands,".

12 USC 1713.

ASSIGNMENT OF SECTION 221(g)(4) MORTGAGES TO GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

SEC. 408. Section 221(g)(4) of the National Housing Act is amended by inserting "(A)" after the paragraph designation and by adding the following new subparagraph at the end thereof:

12 USC 1715l.

"(B) In processing a claim for insurance benefits under this paragraph, the Secretary may direct the mortgagee to assign, transfer, and deliver the original credit instrument and the mortgage securing it directly to the Government National Mortgage Association in lieu of assigning, transferring, and delivering the credit instrument and the mortgage to the Secretary. Upon the assignment, transfer, and delivery of the credit instrument and the mortgage to the Association, the mortgage insurance contract shall terminate and the mortgagee shall receive insurance benefits as provided in subparagraph (A). The Association is authorized to accept such loan documents in its own name and to hold, service, and sell such loans as agent for the Secretary. The mortgagor's obligation to pay a service charge in lieu of a mortgage insurance premium shall continue as long as the mortgage is held by the Association or by the Secretary. The Secretary shall have the same authority with respect to mortgages assigned to the Secretary or the Association under this subparagraph as provided by section 223(c)."

Contract
termination.

12 USC 1715n.

TERMINATION OF SECTION 221 BUY-BACK PROVISION

SEC. 409. The first sentence of section 221(g)(4)(A) of the National Housing Act, as redesignated by section 408 of this Act, is amended by inserting after "this section" the following: "pursuant to a commitment to insure entered into before the effective date of this clause".

12 USC 1715l.

Subpart 2—Single-Family Mortgage Insurance Programs

TITLE I INSURANCE FOR EXISTING MANUFACTURED HOMES

12 USC 1703.

SEC. 415. Section 2(a) of the National Housing Act is amended by inserting the following before the last undesignated paragraph thereof:

"The insurance authority provided under this section may be made available with respect to any existing manufactured home that has not been insured under this section if such home was constructed in accordance with the standards issued under the National Manufactured Housing Construction and Safety Standards Act of 1974 and it meets standards similar to the minimum property standards applicable to existing homes insured under title II."

42 USC 5401
note.
12 USC 1707.

INCREASED TITLE I LOAN LIMITS FOR MANUFACTURED HOMES AND LOTS

12 USC 1703.

SEC. 416. (a) Section 2(b)(1) of the National Housing Act is amended—

(1) in subparagraph (C), by striking out "\$22,500" and all that follows through "modules" and inserting in lieu thereof "\$40,500";

(2) in subparagraph (D), by striking out "\$35,000" and all that follows through "modules" and inserting in lieu thereof "\$54,000"; and

(3) in subparagraph (E), by striking out "such an amount as may be necessary, but not exceeding \$12,500," and inserting in lieu thereof "\$13,500".

(b) Section 2(b)(2) of such Act is amended by striking out the last sentence and inserting in lieu thereof the following: "In other areas, the maximum dollar amounts specified in subsections (b)(1)(D) and (b)(1)(E) may be increased on an area-by-area basis to the extent the Secretary deems necessary, but not to exceed the percentage by which the maximum mortgage amount of a one-family residence in the area is increased by the Secretary under section 203(b)(2)."

Post, pp. 1216,
1217.

REFINANCING MANUFACTURED HOMES UNDER TITLE I

12 USC 1703.

SEC. 417. Section 2(b)(6) of the National Housing Act is amended by adding at the end thereof the following new subparagraph:

"(C) The owner-occupant of a manufactured home or a home and lot which was purchased without assistance under this section but which otherwise meets the requirements of this section may refinance such home or home and lot under this section if the home was constructed in accordance with standards established under section 604 of the National Manufactured Housing Construction and Safety Standards Act of 1974."

42 USC 5403.

COUNSELING FOR PERSONS ASSISTED UNDER TEMPORARY MORTGAGE ASSISTANCE PAYMENTS PROGRAM

12 USC 1715u.

SEC. 418. Section 230(d) of the National Housing Act is amended by striking out ", to the extent practicable,".

COOPERATIVE HOUSING

12 USC 1709.

SEC. 419. Section 203(n) of the National Housing Act is amended—

- (1) in paragraph (1), by inserting the following before the period at the end of the second sentence: "or the construction of which was completed more than a year prior to the application for the mortgage insurance"; and
- (2) by striking out "nonprofit" in paragraph (2)(A).

MORTGAGE INSURANCE FOR CONDOMINIUM UNITS

SEC. 420. (a) The first sentence of section 234(c) of the National Housing Act is amended by striking out "(2)" and all that follows through the period at the end thereof and inserting in lieu thereof the following: "and (2) at least 80 percent of the units in the project covered by mortgages insured under this title are occupied by the mortgagors or comortgagors."

12 USC 1715y.

(b) The third sentence of section 234(c) of such Act is amended by striking out "(A)" and all that follows through "\$25,000" the second place it appears and inserting in lieu thereof the following: "(A) involve a principal obligation in an amount not to exceed the maximum principal obligation of a mortgage which may be insured in the area pursuant to section 203(b)(2)".

Post, pp. 1216, 1217.

(c) Section 234 of such Act is amended by adding at the end thereof the following:

"(k) With respect to a unit in any project which was converted from rental housing, no insurance may be provided under this section unless (1) the conversion occurred more than one year prior to the application for insurance, (2) the mortgagor or comortgagor was a tenant of that rental housing, or (3) the conversion of the property is sponsored by a bona fide tenants organization representing a majority of the households in the project."

SINGLE-FAMILY MORTGAGE INSURANCE ON HAWAIIAN HOME LANDS

SEC. 421. Title II of the National Housing Act is amended by adding at the end thereof the following new section:

"SINGLE-FAMILY MORTGAGE INSURANCE ON HAWAIIAN HOME LANDS

"SEC. 247. (a) The Secretary, subject to such conditions as the Secretary may prescribe, may insure under any provision of this title that authorizes such insurance, a mortgage covering a property upon which there is located a one- to four-family residence, without regard to any limitation in this Act relating to marketability of title or any other limitation in this Act that the Secretary determines is contrary to promoting the availability of such insurance on Hawaiian home lands, if—

12 USC 1715z-12.

"(1) the mortgage is executed by a native Hawaiian on property located within Hawaiian home lands covered under a homestead lease issued under section 207(a) of the Hawaiian Homes Commission Act, 1920, or under the corresponding provision of the Constitution of the State of Hawaii adopted under section 4 of the Act entitled "An Act to provide for the admission of the State of Hawaii into the Union", approved March 18, 1959 (73 Stat. 5);

48 USC 701.

"(2) the property will be used as the principal residence of the Mortgagor; and

48 USC note prec. 491.

"(3) the Department of Hawaiian Home Lands of the State of Hawaii (A) is a comortgagor; (B) guarantees to reimburse the

Secretary for any mortgage insurance claim paid in connection with a property on Hawaiian home lands; or (C) offers other security acceptable to the Secretary.

"(b) Notwithstanding any other provision of this Act, the Secretary may, with respect to mortgages eligible for insurance under subsection (a), insure and make commitments to insure advances made during construction if the Secretary determines that the proposed construction is otherwise acceptable and that no feasible financing alternative is available.

Definitions.

"(c) For purposes of this section:

"(1) The term 'native Hawaiian' means any descendant of not less than one-half part of the blood of the races inhabiting the Hawaiian Islands before January 1, 1778.

48 USC 698.

"(2) The term 'Hawaiian home lands' means all lands given the status of Hawaiian home lands under section 204 of the Hawaiian Homes Commission Act, 1920, or under the corresponding provision of the Constitution of the State of Hawaii adopted under section 4 of the Act entitled "An Act to provide for the admission of the State of Hawaii into the Union", approved March 18, 1959 (73 Stat. 5)."

48 USC note
prec. 491.

SINGLE FAMILY MORTGAGE INSURANCE ON INDIAN RESERVATIONS

SEC. 422. Title II of the National Housing Act is amended by adding at the end thereof the following new section:

"SINGLE FAMILY MORTGAGE INSURANCE ON INDIAN RESERVATIONS

12 USC
1715z-13.

"SEC. 248. (a) The Secretary, subject to such special conditions as the Secretary may prescribe, may insure under any provision of this title that authorizes such insurance, a mortgage covering a property upon which there is located a one- to four-family residence, without regard to any limitation in this Act relating to marketability of title or any other limitation in this Act that the Secretary determines is contrary to promoting the availability of such insurance on Indian reservations if the mortgage (1) is executed by an Indian tribe and the property is located on trust or otherwise restricted lands; or (2) is executed by a member of an Indian tribe who will use the property as a principal residence and the property is on trust lands or otherwise restricted land.

"(b) Notwithstanding any other provision of this Act, with respect to mortgages covering a property upon which there is located a one- to four-family residence—

"(1) the Secretary may insure and make commitments to insure under this title pursuant to this section advances made during construction where the Secretary determines that the proposed construction is otherwise acceptable and meets an applicable tribal or national model building code, and that no feasible financing alternative is available;

"(2) the applicable percentage limitation on the amount of the principal obligation of a mortgage based on the appraised value or replacement cost, as appropriate, of a one- to four-family owner-occupied residence contained in this title shall apply in the case of all mortgages insured pursuant to this section without regard to whether the residences are owner-occupied where the residences are owned by the tribe; and

"(3)(A) the Secretary may require an Indian tribe, only as a condition of insurance made under this title pursuant to this section, to pledge income from tribal resources or income from tribal assets not subject to a restriction by the Secretary of the Interior or pledge grants under title I of the Housing and Community Development Act of 1974 or any other Federal grant program administered by the Secretary of Housing and Urban Development to be used to reimburse the Secretary for any mortgage insurance claims paid in connection with residences insured pursuant to this section; or

Grants.

42 USC 5301.

"(B) in the case of an individual Indian mortgagor, the Secretary may require a pledge of his or her share of distributed income from tribal resources or income from tribal assets, excluding any Federal grants received by the tribe.

"(c) The Secretary may not refuse to insure a mortgage under this section to an individual home purchaser because there is no distributed tribal or trust fund income attributable to that purchaser.

"(d) Before making any commitment to insure a mortgage under this section with respect to property located on tribal or trust land, the Secretary shall require a showing by the tribe that it has adopted eviction procedures to be used in the event of a default.

Eviction procedures.

"(e) A mortgage insured under this section may be assumed, subject to credit approval by the lender and the consent of the tribe to an assumption of the existing lease or the grant of a new lease, without an adjustment of the interest rate. Any other sale of a property subject to a mortgage insured under this section may be made only if a new lease is granted, except that a sale following a foreclosure may be accompanied by an assumption of the lease with the consent of the tribe.

"(f)(1) The Secretary shall make information regarding the status and payment history of loans insured under this section available to local credit bureaus and prospective creditors. Prior to accepting assignment of a mortgage, the Secretary shall require mortgagees to submit documentation that mortgagors have been counseled in a face-to-face interview, informed of the provisions of this subsection or other available assistance, and provided with the names and addresses of officials of the Department of Housing and Urban Development to whom further communications shall be addressed.

Loan information, availability. Mortgagee counseling.

"(2) Notwithstanding the requirement for conveyance of title under section 204, a mortgagee under this section shall be entitled to receive the benefit of insurance under this section in the case of a mortgage which is more than 90 days in default upon conveyance of the lease agreement and the mortgage documents.

12 USC 1710.

"(3) In the event that any default is cured, the Secretary shall seek to reinstate the loan with the mortgagee or another mortgagee. For purposes of this paragraph, the Secretary may provide appropriate financial incentives to reinstate the loan commensurate with sound management of the insurance fund.

"(4) If the Secretary determines that a mortgagor is not making a good-faith effort to cure a default, and that trust fund or tribal income is available under subsection (b)(3)(B), the Secretary shall commence proceedings for the garnishment of the mortgagor's distributed share of tribal or trust fund income in order to collect loan payments that are past due. Proceedings under this paragraph may be instituted in a tribal court, court of competent jurisdiction designated by the tribe, or Federal district court.

Garnishment.

Foreclosure
proceedings.

"(5) If the Secretary determines such action is necessary to protect the insurance fund from undue loss, the Secretary may initiate foreclosure proceedings with respect to any mortgage acquired under this subsection. Such proceeding may take place in a tribal court, a court of competent jurisdiction, or Federal district court. Any such court shall have jurisdiction to convey to the Secretary the remaining life of a lease on the real property and to order eviction of the delinquent mortgagor.

Premium
charge.

"(g) In the administration of this section, the Secretary shall establish a premium charge for insurance that will be sufficient to cover the full costs of the mortgage insurance program under this section, except that such charge may not exceed 3 percent per annum of the principal amount of the mortgage outstanding at any time. Not later than September 30, 1984, the Secretary shall determine and report to the Congress on the feasibility of eliminating any excess amount of the premium under this section over the premium under section 203. In the event such premiums are not sufficient to cover the full costs of the mortgage insurance program under this section, the Secretary shall make recommendations to the Congress about changes to the program.

Report to
Congress.

12 USC 1709.
Recommendations to
Congress.

Definitions.

"(h) For purposes of this section:

"(1) The term 'Indian tribe' means any Indian or Alaska native tribe, band, nation, or other organized group or community of Indians or Alaska natives recognized as eligible for the services provided to Indians or Alaska natives by the Secretary of the Interior because of its status as such an entity, or that is an eligible recipient under chapter 67 of title 31, United States Code.

31 USC 6701 *et*
seq.

"(2) The term 'trust or otherwise restricted land' means (A) that area of land, as defined by the Secretary of the Interior, over which an Indian tribe is recognized by the United States as having governmental jurisdiction; (B) land held in trust for the benefit of any Indian tribe or individual or held by any Indian tribe or individual subject to a restriction by the United States against alienation; or (C) land acquired by Alaska natives under the Alaska Native Claims Settlement Act or any other land acquired by Alaska natives pursuant to statute by virtue of their unique status as Alaska natives."

43 USC 1601
note.

TREATMENT OF FEDERAL HOUSING ADMINISTRATION SINGLE FAMILY PREMIUMS

12 USC 1709.

SEC. 423. (a) Section 203 of the National Housing Act is amended by inserting the following new subsection after subsection (c):

"(d) Notwithstanding any provision of this title governing maximum mortgage amounts for insuring a mortgage secured by a one-to four-family dwelling, the maximum amount of the mortgage determined under any such provision may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured."

(b)(1) The first sentence of section 203(b)(2) of such Act is amended by striking out the following: "Provided, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured".

12 USC 1715e.

(2) Section 213(b)(2) of such Act is amended by striking out the following: "Provided further, That the foregoing maximum mort-

gage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured".

(3) Section 221(d)(2)(A) of such Act is amended by striking out the following: "*Provided further*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured".

12 USC 1715l.

(4) Clause (A) of the third sentence of section 234(c) of such Act is amended by striking out the following: "*Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured".

12 USC 1715y.

(5) Section 235(i) of such Act is amended—

12 USC 1715z.

(A) by striking out in paragraph (3)(B) the following: "*Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured";

(B) by striking out in paragraph (3)(C) the following: "*Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured"; and

(C) by striking out in paragraph (3)(D) the following: "*Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured".

(c) The amendments made by this section shall take effect only if the Secretary of Housing and Urban Development determines that the program of advance payment of insurance premiums, with specific regard to the effect of the provisions authorized by the amendments made by such sections, is actuarially sound.

Effective date.
12 USC 1709
note.

CHANGE IN MAXIMUM LOAN-TO-VALUE RATIO FOR MODESTLY PRICED SINGLE FAMILY HOMES

SEC. 424. (a) Section 203(b)(2) of the National Housing Act is amended—

12 USC 1709.

(1) by striking out "(except as provided in the next to the last sentence of this paragraph)" in the first sentence and inserting in lieu thereof the following: "(except as otherwise provided in this paragraph)"; and

(2) by inserting after the first sentence the following new sentence: "If the mortgage to be insured under this section covers property on which there is located a one- to four-family residence to be occupied as the principal residence of the owner, and the appraised value of the property, as of the date the mortgage is accepted for insurance, does not exceed \$50,000, the principal obligation may be in an amount not to exceed 97 percent of such appraised value."

(b) The amendment made by subsection (a) shall take effect only if the Secretary finds and reports to the Congress that such amendment, taking into account the higher loan-to-value ratio resulting from the advance payment of mortgage insurance premiums, will not adversely affect the actuarial soundness of the Federal Housing Administration mortgage insurance program.

Effective date.
Report to
Congress.
12 USC 1709
note.

NONOCCUPANT SINGLE FAMILY MORTGAGORS

12 USC 1709.

SEC. 425. Section 203(b)(8) of the National Housing Act is amended by striking out all that follows "an amount equal to" through "subsection:" and inserting in lieu thereof the following: "the lesser of (A) the otherwise applicable maximum dollar amount prescribed under paragraph (2), or (B) 85 percent of the appraised value of the property as of the date the mortgage is accepted for insurance:".

PAYMENT OF CLAIMS WITHOUT ACQUISITION OF TITLE

12 USC 1710.

SEC. 426. (a) Section 204(a) of the National Housing Act is amended—

(1) by striking out "Upon such conveyance and assignment" in the second sentence and inserting in lieu thereof the following: "The Secretary is also authorized, in accordance with such regulations as the Secretary may prescribe, to make the benefit of the insurance as hereinafter provided available to the mortgagee, notwithstanding any provision of this section requiring conveyance of title to the property to the Secretary, (1) upon sale of the insured property at foreclosure, where such sale is for at least the fair market value of the property (with appropriate adjustments), as determined by the Secretary, and (2) upon the assignment to the Secretary of all claims referred to in clause (2) of the preceding sentence. The payment of benefits under the preceding sentence may be made for any mortgage insured pursuant to a commitment to insure issued on or after the effective date of this sentence and, with the approval of the mortgagee, for any mortgage insured pursuant to a commitment issued before that date. Upon the conveyance and assignment referred to in the first sentence of this section or the sale and assignment referred to in the second sentence of this subsection,"; and

(2) by striking out "and any amount" and all that follows through the colon preceding the first proviso of the final sentence and inserting in lieu thereof the following: "any amount received as rent or other income from the property, less reasonable expenses incurred in handling the property, after either of such dates, and, in the case of insurance benefits paid in accordance with the second sentence of this section, any amount received upon the foreclosure sale of the property:".

(b) Section 204(j) of such Act is amended by inserting after "under section 203" the following: "(other than a mortgagee receiving insurance benefits under the second sentence of subsection (a))"

STRUCTURAL DEFECTS IN VETERANS' ADMINISTRATION-APPROVED,
FEDERAL HOUSING ADMINISTRATION-INSURED NEW HOMES

12 USC 1735b.

SEC. 427. Section 518(a) of the National Housing Act is amended by striking out "approved for mortgage insurance prior to the beginning of construction which he finds" and inserting in lieu thereof the following: "that, before the beginning of construction, was approved for mortgage insurance under this Act or for guaranty, insurance, or a direct loan under chapter 37 of title 38, United States Code, and that the Secretary finds".

38 USC 1801 *et seq.*

REINSURANCE DEMONSTRATION PROGRAM

SEC. 428. (a) Title II of the National Housing Act is amended by adding at the end thereof the following:

"REINSURANCE CONTRACTS

"SEC. 249. (a) The purpose of this section is to authorize a demonstration mortgage reinsurance program designed to test the feasibility of entering into reinsurance contracts with private mortgage insurers in order to reduce Government risk and administrative costs, and to speed mortgage processing. The Secretary shall limit the demonstration under this section to not more than two administrative regions of the Department of Housing and Urban Development, and shall assure that the program is in the financial interest of the Government and will not result in loss of employment by any employees of the Department of Housing and Urban Development before September 30, 1985. The aggregate number of mortgages insured under this section in any administrative region of the Department of Housing and Urban Development in any fiscal year may not exceed 10 percent of the aggregate number of mortgages and loans insured by the Secretary under this title in such region during the preceding fiscal year.

12 USC
1715z-14.

"(b) Notwithstanding any other provision of this Act inconsistent with this section, the Secretary is authorized to provide mortgage insurance with respect to one- to four-family dwellings under sections 203(b), 234, and 245 through reinsurance contracts with private mortgage insurance companies which have been determined to be qualified insurers under section 302(b)(2)(C). Such contracts shall require private mortgage insurance companies to—

12 USC 1709,
1715y, 1715z-10,
12 USC 1717.

"(1) assume a percentage of loss on any mortgage insured pursuant to section 203(b), 234, or 245 covering a one- to four-family dwelling, which percentage of loss shall be set forth in the reinsurance contract; and

"(2) carry out (under appropriate delegation) such credit approval, appraisal, inspection, commitment, claims processing, property disposition, or other function as the Secretary pursuant to regulations, shall approve as consistent with the purposes of this section.

"(c) Any contract of reinsurance under this section shall contain such provisions relating to the sharing of premiums on a sound actuarial basis, establishment of insurance reserves, manner of calculating claims on such insurance, conditions with respect to foreclosure, handling and disposition of property prior to claim or settlement, right of assignees, and other similar matters as the Secretary may prescribe pursuant to regulations. Pursuant to a contract under this section, a private mortgage insurance company shall endorse loans for insurance and take such other actions on behalf of the Secretary and in the Secretary's name as the Secretary may authorize.

"(d) The Secretary shall require any private mortgage insurance company participating in the program under this section to provide reinsurance for those mortgages offered by the Secretary for inclusion in the program."

(b) The Secretary of Housing and Urban Development shall evaluate the reinsurance program under section 249 of the National Housing Act and, not later than March 1, 1985, submit to the

Report to
Congress.
12 USC 1715z-14
note.
Supra.

Congress a report setting forth the results of such evaluation. Such report shall include an evaluation of the possible effect of a reinsurance program on the characteristics of the pool of mortgages remaining wholly under the applicable insurance funds and the actuarial soundness of such funds under such conditions.

Subpart 3—Multifamily and Other Mortgage Insurance Programs

DISCRETIONARY AUTHORITY TO REGULATE RENTS OR CHARGES

12 USC 1713.

SEC. 431. (a) Section 207(b)(2) of the National Housing Act is amended—

(1) by striking out “any other mortgagor approved by the Secretary” and all that follows through “reasonable return on the investment.” and inserting in lieu thereof the following: “any other mortgagor approved by the Secretary. The Secretary may, in the Secretary’s discretion, require any such mortgagor to be regulated or restricted as to rents or sales, charges, capital structure, rate of return, and methods of operation so as to provide reasonable rentals to tenants and a reasonable return on the investment. Any such regulations or restrictions shall continue for such period or periods as the Secretary, in the Secretary’s discretion, may require, including until the termination of all obligations of the Secretary under the insurance and during such further period of time as the Secretary shall be the owner, holder, or reinsurer of the mortgage.”;

(2) by striking out “render effective the regulations or restrictions” and inserting in lieu thereof “render effective any such regulations or restrictions”; and

(3) by striking out “and directed” in the second sentence of the first undesignated paragraph.

12 USC 1715y.

(b) Section 234(d)(2) of such Act is amended—

(1) by striking out “shall be regulated or restricted by the Secretary” and inserting in lieu thereof “may, in the Secretary’s discretion, be regulated or restricted”; and

(2) by striking out “the regulation and restriction” and inserting in lieu thereof “any such regulation or restriction”.

12 USC 1713
note.

(c) The amendments made in this section shall not apply with respect to mortgages insured by the Secretary of Housing and Urban Development before the date of the enactment of this Act.

REMOVAL OF REFINANCING LIMITATIONS ON CERTAIN MULTIFAMILY PROJECTS

12 USC 1715k.

SEC. 432. (a) Section 220(d)(3)(B)(ii) of the National Housing Act is amended by striking out “*Provided further*,” the first time it appears and all that follows through “property or project.”.

12 USC 1715l.

(b) Section 221(d)(3)(iii) of such Act is amended—

(1) by striking out “*Provided, That*” and all that follows through “property or project.”; and

(2) by striking out “*further*” the first time it appears.

(c) Section 221(d)(4)(iv) of such Act is amended—

(1) by striking out “*Provided, That*” and all that follows through “property or project.”; and

(2) by striking out “*further*” the first time it appears.

LIMITATION ON PREPAYMENT OF MORTGAGES ON MULTIFAMILY RENTAL HOUSING

SEC. 433. Title II of the National Housing Act is amended by adding at the end thereof the following:

"LIMITATION ON PREPAYMENT OF MORTGAGES ON MULTIFAMILY RENTAL HOUSING

"SEC. 250. (a) During any period in which an owner of a multifamily rental housing project is required to obtain the approval of the Secretary for prepayment of the mortgage, the Secretary shall not accept an offer to prepay the mortgage on such project unless—

12 USC
1715z-15.

"(1) the Secretary has determined that such project is no longer meeting a need for rental housing for lower income families in the area or that the needs of lower income families in such project can more efficiently and effectively be met through other Federal housing assistance taking into account the remaining time the project could meet such needs;

"(2) the Secretary (A) has determined that the tenants have been notified of the owner's request for approval of a prepayment; (B) has provided the tenants with an opportunity to comment on the owner's request; and (C) has taken such comments into consideration; and

"(3) the Secretary has ensured that there is a plan for providing relocation assistance for adequate, comparable housing for any lower income tenant who will be displaced as a result of the prepayment and withdrawal of the project from the program.

"(b) In the case of a project assisted under section 236 or the proviso to section 221(d)(5) of this title, section 101 of the Housing and Urban Development Act of 1965, or section 202 of the Housing Act of 1959 where the owner has the right to prepay the mortgage covering the assisted project without the Secretary's approval, the Secretary shall give a priority for additional assistance under section 8 of the United States Housing Act of 1937 and section 201 of the Housing and Community Development Amendments of 1978 to tenants and applicants to become tenants of the project, if—

12 USC 1715z-1.
12 USC 1715f.
12 USC 1701s, 42
USC 1451.
12 USC 1701q.

"(1) funds to provide such additional assistance are available;

and

"(2) the Secretary determines that making such additional assistance available to the project is necessary to prevent the owner from prepaying the mortgage.

"(c) Any owner of a multifamily rental housing project referred to in subsection (b) who receives additional assistance under section 8 of the United States Housing Act of 1937 under the priority established in subsection (b) shall—

42 USC 1437f.
12 USC 1715z-1
and note,
1715z-1a.

"(1) fully utilize the assistance which is available;

"(2) grant a priority to applicants to become tenants who have the lowest incomes; and

"(3) maintain the low-income character of the project for a period at least equal to the remaining term of the project mortgage to the extent that assistance is provided.

"(d) For purposes of this section, the term 'lower income families' has the meaning given such term in section 3(b)(2) of the United States Housing Act of 1937."

42 USC 1437f.

42 USC 1437a.

ASSUMPTION OF LOSS UNDER MULTIFAMILY CO-INSURANCE

12 USC 1715z-9.

SEC. 434. Section 244(g) of the National Housing Act is amended—
 (1) in paragraph (1), by striking out “the mortgagee is a public housing agency or an insured depository institution and”; and
 (2) by striking out paragraph (5) and inserting in lieu thereof the following new paragraph:

42 USC 1437a.

“(5) As used in this subsection, the term ‘public housing agency’ has the meaning given such term in section 3(b)(6) of the United States Housing Act of 1937.”.

MORTGAGE INSURANCE FOR MANUFACTURED HOME PARKS FOR THE ELDERLY

12 USC 1713.

SEC. 435. The first sentence of the second undesignated paragraph of section 207(b) of the National Housing Act is amended by striking out “no mortgage shall be insured hereunder” and inserting in lieu thereof the following: “the Secretary may not insure any mortgage under this section (except a mortgage with respect to a manufactured home park designed exclusively for occupancy by elderly persons)”.

MORTGAGE INSURANCE FOR PUBLIC HOSPITALS

12 USC 1715z-7.

SEC. 436. Section 242 of the National Housing Act is amended—
 (1) by inserting “public facility,” in subsection (b)(1)(C) after “which is a”; and
 (2) by inserting the following before the period at the end of subsection (f): “, and, in the case of public hospitals, to encourage programs that are undertaken to provide essential health care services to all residents of a community regardless of ability to pay”.

MORTGAGE INSURANCE FOR BOARD AND CARE HOMES

12 USC 1715w.

SEC. 437. (a) Section 232(a)(2) of the National Housing Act is amended by inserting “and board and care homes” after “intermediate care facilities”.

(b) Section 232(b) of such Act is amended—

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

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

42 USC 1382e.

“(4) the term ‘board and care home’ means any residential facility providing room, board, and continuous protective oversight that is regulated by a State pursuant to the provisions of section 1616(e) of the Social Security Act, so long as the home is located in a State that, at the time of an application is made for insurance under this section, has demonstrated to the Secretary that it is in compliance with the provisions of such section 1616(e).”.

(c)(1) Section 232(d) of such Act is amended by inserting “or a board and care home” after “intermediate care facility” the second place it appears.

(2) Section 232(d)(4) of such Act is amended—

(A) by striking out “The” in the first sentence and inserting in lieu thereof the following: “(A) With respect to nursing homes and intermediate care facilities and combined nursing home and intermediate care facilities, the”;

(B) by striking out "(A)" and "(B)" in the first sentence and inserting in lieu thereof "(i)" and "(ii)", respectively; and

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

"(B) With respect to board and care homes, the Secretary shall not insure any mortgage under this section unless he has received from the appropriate State licensing agency a statement verifying that the State in which the home is or is to be located is in compliance with the provisions of section 1616(e) of the Social Security Act."

42 USC 1382e.

12 USC 1715w.

(d) Section 232(g) of such Act is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

(e) Section 232(h) of such Act is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

(f)(1) Section 232(i)(1) of such Act is amended—

(A) by inserting "or to board and care homes" after "intermediate care facilities";

(B) by inserting the following after "Association": "(or any subsequent edition specified by the Secretary of Health and Human Services)";

(C) by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services"; and

(D) by inserting the following before the period at the end thereof: "or as mandated by a State under the provisions of section 1616(e) of such Act".

42 USC 1382e.

(2) Section 232(i)(2) of such Act is amended—

(A) by striking out "and" at the end of subparagraph (D);

(B) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof "; and"; and

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

"(F) in the case of board and care homes, be made with respect to such a home located in a State with respect to which the Secretary has received from the appropriate State licensing agency a statement verifying that the State in which the home is or is to be located is in compliance with the provisions of section 1616(e) of the Social Security Act."

(g) The section heading of section 232 of the National Housing Act is amended to read as follows: "Mortgage Insurance for Nursing Homes, Intermediate Care Facilities, and Board and Care Homes".

Subpart 4—Insurance of Alternative Mortgage Instruments

INDEXED MORTGAGES

SEC. 441. (a) Section 245(a) of the National Housing Act is amended—

12 USC
1715z-10.

(1) in the first sentence, by inserting after "income" the following: "or with monthly payments and outstanding balances adjusted by a percentage change in a selected price index"; and

(2) in the second sentence, by striking out "subsection (b)" and inserting in lieu thereof "subsections (b) and (c)".

(b) Section 245 of such Act is amended by redesignating subsection (c) as subsection (d) and by inserting the following new subsection after subsection (b):

"(c) Notwithstanding the provisions of subsection (a), the Secretary may insure under any provision of this title a mortgage or loan that meets the requirements of the first sentence of subsection (a) and that has provisions permitting adjustment of monthly payments and outstanding principal according to changes or percentages of changes in a selected price index if the Secretary determines—

12 USC 1709.

"(1) the principal obligation of the mortgage or loan initially does not exceed the percentage of the initial appraised value of the property specified in section 203(b) as of the date the mortgage or loan is accepted for insurance; and

"(2) the monthly payments and principal obligation of the mortgage or loan thereafter will not at any time be increased at a rate greater than the percentage change in the price index stipulated in the initial mortgage or loan contract.

Regulations.

In carrying out this subsection, the Secretary shall give a priority to mortgages executed by mortgagors who, as determined by the Secretary, have not owned dwelling units within the preceding 3 years. The Secretary shall, not later than March 31, 1984, prescribe regulations establishing guidelines governing mortgages and loans described in this subsection and shall, to the extent practicable, conduct a demonstration program to insure mortgages and loans in accordance with this subsection during fiscal years 1984 and 1985. The aggregate number of mortgages and loans insured under this subsection, section 251, and section 252 in any fiscal year may not exceed 10 percent of the aggregate number of mortgages and loans insured by the Secretary under this title during the preceding fiscal year."

Post, p. 1225.

12 USC
1715z-10.

(c) The section heading of section 245 of such Act is amended to read as follows: "GRADUATED PAYMENT AND INDEXED MORTGAGES".

GRADUATED PAYMENT MORTGAGES FOR MULTIFAMILY HOUSING

SEC. 442. Section 245 of the National Housing Act, as amended in section 441, is amended by—

(1) redesignating subsection (d) as subsection (e); and

(2) inserting after subsection (c) the following new subsection:

"(d)(1) The Secretary may insure, under any provision of this title relating to multifamily housing projects, mortgages and loans with provisions of varying rates of amortization corresponding to anticipated variations in project income, to the extent the Secretary determines such mortgages or loans (A) have promise for expanding housing opportunities or meet special needs; (B) can be developed to include any safeguards for mortgagors, tenants, or purchasers that may be necessary to offset special risks of such mortgages; and (C) have a potential for acceptance in the private market.

"(2) Notwithstanding any other provision of this title, the principal obligation of a mortgage or loan insured pursuant to this subsection—

"(A) may not exceed initially the percentage of the initial appraised value or replacement cost of the property involved that is required by the provision of this title under which such property is insured; and

"(B) thereafter (including all interest to be deferred and added to principal) may not at any time be scheduled to exceed 100 percent of the projected value of such property.

"(3) For purposes of this subsection, the projected value of a property shall be calculated by the Secretary by increasing the

initial appraised value of such property at a rate not in excess of 2.5 percent per annum.”.

ADJUSTABLE RATE MORTGAGES FOR SINGLE FAMILY HOUSING

SEC. 443. Title II of the National Housing Act is amended by adding at the end thereof the following new section:

“ADJUSTABLE RATE SINGLE FAMILY MORTGAGES

“SEC. 251. (a) The Secretary may insure under any provision of this title a mortgage involving property upon which there is located a dwelling designed principally for occupancy by one to four families, where the mortgage provides for periodic adjustments by the mortgagee in the effective rate of interest charged. Such interest rate adjustments may be accomplished through adjustments in the monthly payment amount, the outstanding principal balance, or the mortgage term, or a combination of these factors, except that in no case may any extension of a mortgage term result in a total term in excess of 40 years. Adjustments in the effective rate of interest shall correspond to a specified national interest rate index approved in regulations by the Secretary, information on which is readily accessible to mortgagors from generally available published sources. Adjustments in the effective rate of interest shall (1) be made on an annual basis; (2) be limited, with respect to any single interest rate increase, to no more than 1 percent on the outstanding loan balance; and (3) be limited to a maximum increase of 5 percentage points above the initial contract interest rate over the term of the mortgage.

12 USC
1715z-16.

Information
accessibility.

“(b) The Secretary shall issue regulations requiring that the mortgagee make available to the mortgagor, at the time of loan application, a written explanation of the features of the adjustable rate mortgage, including a hypothetical payment schedule that displays the maximum potential increases in monthly payments to the mortgagor over the first 5 years of the mortgage term.

Regulations.

“(c) The aggregate number of mortgages and loans insured under this section, section 245(c), and section 252 in any fiscal year may not exceed 10 percent of the aggregate number of mortgages and loans insured by the Secretary under this title during the preceding fiscal year.”.

Ante, p. 1223.
Infra.

SHARED APPRECIATION MORTGAGES FOR SINGLE FAMILY HOUSING

SEC. 444. Title II of the National Housing Act is amended by adding at the end thereof the following new section:

“SHARED APPRECIATION MORTGAGES FOR SINGLE FAMILY HOUSING

“SEC. 252. (a) Notwithstanding any provision of this title that is inconsistent with this section, the Secretary may insure, under any provision of this title providing for insurance of mortgages on properties upon which there is located a dwelling designed principally for occupancy by one to four families, a mortgage secured by a first lien on such a property or on the stock allocated to a dwelling unit in a residential cooperative housing corporation, which—

12 USC
1715z-17.

“(1) provides for the mortgagee to share in a predetermined percentage of the property's or stock's net appreciated value;

"(2) bears interest at a rate which meets criteria prescribed by the Secretary;

"(3) provides for amortization over a period of not to exceed 30 years, but the actual term of the mortgage (excluding any refinancing) may be not less than 10 nor more than 30 years, and contains such provisions relating to refinancing of the principal balance of the mortgage and any contingent deferred interest as the Secretary may provide; and

"(4) meets such other conditions as the Secretary may require by regulation.

"Net appreciated value."

"(b) The mortgagee's share of a property's or stock's net appreciated value shall be payable upon sale or transfer (as defined by the Secretary) of the property or stock or payment in full of the mortgage, whichever occurs first. For purposes of this section, the term 'net appreciated value' means the amount by which the sales price of the property or stock (less the mortgagor's selling costs) exceeds the value of the property or stock at the time the commitment to insure is issued (with adjustments for capital improvements stipulated in the loan contract). If there has been no sale or transfer at the time the mortgagee's share of net appreciated value becomes payable, the sales price for purposes of this section shall be determined by means of an appraisal conducted in accordance with procedures approved by the Secretary and provided for in the mortgage.

Ante, p. 1218.

"(c) In the event of a default, the mortgagee shall be entitled to receive the benefits of insurance in accordance with section 204(a), but such insurance benefits shall not include the mortgagee's share of net appreciated value. The term 'original principal obligation of the mortgage' as used in section 204 shall not include the mortgagee's share of net appreciated value.

"(d) Mortgages insured pursuant to this section which contain provisions for sharing appreciation or which otherwise require or permit increases in the outstanding loan balance which are authorized under this section or under applicable regulations shall not be subject to any State constitution, statute, court decree, common law, rule, or public policy limiting or prohibiting increases in the outstanding loan balance after execution of the mortgage.

"(e) In carrying out the provisions of this section, the Secretary shall encourage the use of insurance under this section by low and moderate income tenants who would otherwise be displaced by the conversion of their rental housing to condominium or cooperative ownership.

Consumer protections and disclosure requirements.

"(f) The Secretary shall prescribe adequate consumer protections and disclosure requirements with respect to mortgages insured under this section, and may prescribe such other terms and conditions as may be appropriate to carry out the provisions of this section.

Ante, pp. 1223, 1225.

"(g) The aggregate number of mortgages and loans insured under this section, section 245(c), and section 251 in any fiscal year may not exceed 10 percent of the aggregate number of mortgages and loans insured by the Secretary under this title during the preceding fiscal year."

SHARED APPRECIATION MORTGAGES FOR MULTIFAMILY HOUSING

SEC. 445. Title II of the National Housing Act is amended by adding at the end thereof the following new section:

"SHARED APPRECIATION MORTGAGES FOR MULTIFAMILY HOUSING

"SEC. 253. (a) Notwithstanding any provision of this title that is inconsistent with this section, the Secretary may insure, under any provision of this title providing for insurance of mortgages on properties including 5 or more family units, a mortgage secured by a first lien on the property that (1) provides for the mortgagee to share in a predetermined percentage of the property's net appreciated value; and (2) meets such other conditions, including limitations on the rate of interest which may be charged, as the Secretary may require by regulation.

12 USC
1715z-18.

"(b) The mortgagee's share of a property's net appreciated value shall be payable upon maturity or upon payment in full of the loan or sale or transfer (as defined by the Secretary) of the property, whichever occurs first. The term of the mortgage shall not be less than 15 years, and shall be repayable in equal monthly installments of principal and fixed interest during the mortgage term in an amount which would be sufficient to retire a debt with the same principal and fixed interest rate over a period not exceeding 30 years. In the case of a mortgage which will not be completely amortized during the mortgage term, the principal obligation of the mortgage may not exceed 85 percent of the estimated value of the property or project. For purposes of this section, the term 'net appreciated value' means the amount by which the sales price of the property (less the mortgagor's selling costs) exceeds the value (or replacement cost, as appropriate) of the property at the time the commitment to insure is issued (with adjustments for capital improvements stipulated in the loan contract). If there has been no sale or transfer at the time the mortgagee's share of net appreciated value becomes payable, the sales price for purposes of this section shall be determined by means of an appraisal conducted in accordance with procedures approved by the Secretary and provided for in the mortgage.

"Net
appreciated
value."

"(c) In the event of a default, the mortgagee shall be entitled to receive the benefits of insurance in accordance with section 204, but such insurance benefits shall not include the mortgagee's share of net appreciated value. The term 'original principal obligation of the mortgage' as used in section 204(a) shall not include the mortgagee's share of net appreciated value.

12 USC 1710.

"(d) The Secretary shall establish by regulation the maximum percentage of net appreciated value which may be payable to a mortgagee as the mortgagee's share. The Secretary shall also establish disclosure requirements applicable to mortgagees making mortgage loans pursuant to this section, to assure that mortgagors are informed of the characteristics of such mortgages.

Regulations.

Disclosure
requirements.

"(e) Mortgages insured pursuant to this section which contain provisions for sharing appreciation or which otherwise require or permit increases in the outstanding loan balance which are authorized under this section or under applicable regulations shall not be subject to any State constitution, statute, court decree, common law, rule, or public policy limiting or prohibiting increases in the outstanding loan balance after execution of the mortgage.

"(f) The number of dwelling units included in properties covered by mortgages insured pursuant to this section in any fiscal year may not exceed 5,000."

Dwelling units,
limitation.

INSURANCE OF MORTGAGES NOT PROVIDING FOR COMPLETE
AMORTIZATION

- 12 USC 1713. SEC. 446. (a) The first sentence of the first undesignated paragraph of section 207(c)(3) of the National Housing Act is amended by inserting immediately after "periodic payments" the following: "(unless otherwise approved by the Secretary)".
- 12 USC 1715k. (c) Section 220(d)(4) of such Act is amended by inserting after "periodic payments" the following: "(unless otherwise approved by the Secretary)".
- 12 USC 1715l. (d) Section 221(d)(6) of such Act is amended by inserting after "periodic payments" the following: "(unless otherwise approved by the Secretary)".
- 12 USC 1715v. (e) Section 231(c)(5) of such Act is amended by inserting after "periodic payments" the following: "(unless otherwise approved by the Secretary)".
- 12 USC 1713 note. (f) The aggregate number of dwelling units included in properties covered by mortgages insured pursuant to the authority granted in the amendments made by this section in any fiscal year may not exceed 10,000.

PREMIUM CHARGES FOR INSURANCE OF ALTERNATIVE MORTGAGE
INSTRUMENTS

- 12 USC 1709. SEC. 447. The first proviso in section 203(c) of the National Housing Act is amended by inserting after "fixed for insurance" the following: "(1) under section 245, 247, 251, 252, or 253, or any other financing mechanism providing alternative methods for repayment of a mortgage that is determined by the Secretary to involve additional risk, or (2)".
- Ante*, pp. 1223, 1213, 1225, 1227.

REPORT ON HOME EQUITY CONVERSION MORTGAGES FOR THE ELDERLY

- Report to Congress. SEC. 448. The Secretary of Housing and Urban Development shall evaluate the existing use of home equity conversion mortgages for the elderly and, not later than the expiration of the 1-year period following the date of the enactment of this Act, submit to the Congress a report setting forth the results of such evaluation. Such report shall include—
- 12 USC 1709 note. (1) an evaluation of whether the use of such mortgages improves the financial situation, or otherwise meets the special needs, of elderly homeowners;
- (2) an evaluation of any risks incurred by mortgagors as a result of the use of such mortgages, and any recommendations of the Secretary for appropriate safeguards to be included in such mortgages to minimize such risks;
- (3) an evaluation of the potential for acceptance of such mortgages in the private market; and
- (4) any recommendations of the Secretary for the establishment of a Federal program of insuring such mortgages.

PART B—FLOOD AND PROPERTY INSURANCE PROGRAMS

FLOOD INSURANCE

SEC. 451. (a) Section 1319 of the National Flood Insurance Act of 1968 is amended by striking out "November 30, 1983" and inserting in lieu thereof "September 30, 1985".

Ante, p. 746.

(b) Section 1336(a) of such Act is amended by striking out "November 30, 1983" and inserting in lieu thereof "September 30, 1985".

Ante, p. 746.

(c) Section 1376(c) of such Act is amended—

42 USC 4127.

(1) by striking out "and" after "1981,"; and

(2) by inserting the following before the period at the end thereof "not to exceed \$49,752,000 for the fiscal year 1984, and such sums as may be necessary for fiscal year 1985".

(d)(1) The National Flood Insurance Act of 1968 is amended by striking out "Secretary" and "Secretary's" each place they appear therein (other than as a reference to a Secretary other than the Secretary of Housing and Urban Development) and inserting in lieu thereof "Director" and "Director's", respectively.

42 USC 4001
note.

(2) Section 1304(a) of such Act is amended by striking out "Secretary of Housing and Urban Development" and inserting in lieu thereof "Director of the Federal Emergency Management Agency".

42 USC 4011.

(3) Section 1333 of such Act is amended by inserting "original exclusive" before "jurisdiction".

42 USC 4053.

(4) Section 1340(a)(2) of such Act is amended by striking out "officers and employees of the Department of Housing and Urban Development, and".

42 USC 4071.

(5) Section 1341 of such Act is amended by inserting "original exclusive" before "jurisdiction".

42 USC 4072.

(6) Section 1360(a)(2) of such Act is amended by striking out "within fifteen years following such date" and inserting in lieu thereof "by September 30, 1985".

42 USC 4101.

(7) Section 1360 of such Act is amended by adding at the end thereof the following new subsection:

"(d) The Director shall, not later than September 30, 1984, submit to the Congress a plan for bringing all communities containing flood-risk zones into full program status by September 30, 1987."

Plan, submittal
to Congress.

(8) Section 1370(a)(6) of such Act is amended to read as follows:

42 USC 4121.

"(6) the term 'Director' means the Director of the Federal Emergency Management Agency."

(e)(1) The Flood Disaster Protection Act of 1973 is amended by striking out "Secretary" and "Secretary's" each place they appear therein (other than as a reference to a Secretary other than the Secretary of Housing and Urban Development) and inserting in lieu thereof "Director" and "Director's", respectively.

42 USC 4003,
4012a,
4105-4107, 4128.

(2) Section 3(a)(6) of such Act is amended to read as follows:

42 USC 4003.

"(6) 'Director' means the Director of the Federal Emergency Management Agency."

(f) Section 15(e) of the Federal Flood Insurance Act of 1956 is amended by striking out "Secretary" the first and third places it appears therein and inserting in lieu thereof "Director of the Federal Emergency Management Agency".

42 USC 2414.

(g)(1) The premium rates charged for flood insurance under any program established pursuant to the National Flood Insurance Act of 1968 may not be increased during the period beginning on the date of the enactment of this Act and ending on September 30, 1984.

42 USC 4015
note.
42 USC 4001
note.

Report to
Congress.

42 USC 4001
note.

(2) The Federal Insurance Administrator shall, not later than June 30, 1984, submit to the Congress a report with respect to the premium rate structure for flood insurance made available pursuant to the National Flood Insurance Act of 1968. Such report shall include an explanation of any increases in such premiums that the Administrator anticipates will be made before October 1, 1985.

CRIME AND RIOT INSURANCE

Ante, p. 746.

SEC. 452. (a)(1) Section 1201(b)(1) of the National Housing Act is amended by striking out "this title shall terminate on November 30, 1983," and inserting in lieu thereof the following: "part B shall terminate on November 30, 1983, and parts A, C, and D shall terminate on September 30, 1984,".

(2) Section 1201(b) of such Act is amended by adding at the end thereof the following new paragraph:

"(3) The Administrator shall notify participating insurers under part B that the reinsurance authority of the Administrator under such part shall terminate on November 30, 1983."

12 USC 1749bbb
et seq.

(b)(1) Title XII of such Act is amended by striking out "Secretary" and "Secretary's" each place they appear therein (other than as a reference to a Secretary other than the Secretary of Housing and Urban Development) and inserting in lieu thereof "Director" and "Director's", respectively.

12 USC
1749bbb-2.

(2) Section 1203(a) of such Act is amended—

(A) by striking out "and" at the end of paragraph (15);

(B) by striking out the period at the end of paragraph (16) and inserting "; and" in lieu thereof; and

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

"(17) 'Director' means the Director of the Federal Emergency Management Agency."

12 USC
1749bbb-10b.

(3) Section 1232(2) of such Act is amended by striking out "officers and employees of the Department of Housing and Urban Development, and".

12 USC
1749bbb-17.

(4) Section 1247 of such Act is amended by inserting "of the Secretary of Housing and Urban Development" after "regulations".

STUDY OF SINKHOLE INSURANCE

42 USC 4122
note.

SEC. 453. The Director of the Federal Emergency Management Agency may make a grant to a nonprofit organization, educational institution or affiliated agency or entity, or State or local agency to finance a study of the feasibility of expanding the national flood insurance program to cover damage or loss arising from sinkholes. There is authorized to be appropriated not to exceed \$1,000,000 to carry out the provisions of this section.

PART C—REGULATORY AND OTHER PROGRAMS

REAL ESTATE SETTLEMENT PROCEDURES

12 USC 2602.

SEC. 461. (a) Section 3 of the Real Estate Settlement Procedures Act of 1974 is amended—

(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 a semicolon; and

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

"(7) the term 'controlled business arrangement' means an arrangement in which (A) a person who is in a position to refer business incident to or a part of a real estate settlement service involving a federally related mortgage loan, or an associate of such person, has either an affiliate relationship with or a direct or beneficial ownership interest of more than 1 percent in a provider of settlement services; and (B) either of such persons directly or indirectly refers such business to that provider or affirmatively influences the selection of that provider; and

"Controlled
business
arrangement."

"(8) the term 'associate' means one who has one or more of the following relationships with a person in a position to refer settlement business: (A) a spouse, parent, or child of such person; (B) a corporation or business entity that controls, is controlled by, or is under common control with such person; (C) an employer, officer, director, partner, franchisor, or franchisee of such person; or (D) anyone who has an agreement, arrangement, or understanding, with such person, the purpose or substantial effect of which is to enable the person in a position to refer settlement business to benefit financially from the referrals of such business."

"Associate."

(b) Section 8(c) of such Act is amended—

12 USC 2607.

(1) by striking out "or" before "(3)";

(2) by redesignating clause (4) as clause (5);

(3) by inserting the following after "brokers," at the end of clause (3): "(4) controlled business arrangements so long as (A) at or prior to the time of the referral a disclosure is made of the existence of such an arrangement to the person being referred and, in connection with the referral, such person is provided a written estimate of the charge or range of charges generally made by the provider to which the person is referred, except that where a lender makes the referral, this requirement may be satisfied as part of and at the time that the estimates of settlement charges required under section 5(c) are provided, (B) such person is not required to use any particular provider of settlement services, and (C) the only thing of value that is received from the arrangement, other than the payments permitted under this subsection, is a return on the ownership interest or franchise relationship,"; and

12 USC 2604.

(4) by inserting the following new sentence at the end thereof: "For purposes of the preceding sentence, the following shall not be considered a violation of clause 4(B): (i) any arrangement that requires a buyer, borrower, or seller to pay for the services of an attorney, credit reporting agency, or real estate appraiser chosen by the lender to represent the lender's interest in a real estate transaction, or (ii) any arrangement where an attorney or law firm represents a client in a real estate transaction and issues or arranges for the issuance of a policy of title insurance in the transaction directly as agent or through a separate corporate title insurance agency that may be established by that attorney or law firm and operated as an adjunct to his or its law practice."

(c) Section 8(d) of such Act is amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) Any person or persons who violate the prohibitions or limitations of this section shall be jointly and severally liable to the person or persons charged for the settlement service involved in the viola-

Violations.

tion in an amount equal to three times the amount of any charge paid for such settlement service.

Ante, p. 1231.

"(3) No person or persons shall be liable for a violation of the provisions of section 8(c)(4)(A) if such person or persons proves by a preponderance of the evidence that such violation was not intentional and resulted from a bona fide error notwithstanding maintenance of procedures that are reasonably adapted to avoid such error.

"(4) The Secretary, the Attorney General of any State, or the insurance commissioner of any State may bring an action to enjoin violations of this section.

Court costs and attorney fees.

"(5) In any private action brought pursuant to this subsection, the court may award to the prevailing party the court costs of the action together with reasonable attorneys fees.

"(6) No provision of State law or regulation that imposes more stringent limitations on controlled business arrangements shall be construed as being inconsistent with this section."

12 USC 2614.

(d) Section 16 of such Act is amended to read as follows:

"JURISDICTION OF COURTS

12 USC 2607, 2608.

"Sec. 16. Any action pursuant to the provisions of section 8 or 9 may be brought in the United States district court or in any other court of competent jurisdiction, for the district in which the property involved is located, or where the violation is alleged to have occurred, within one year from the date of the occurrence of the violation, except that actions brought by the Secretary, the Attorney General of any State, or the insurance commissioner of any State may be brought within 3 years from the date of the occurrence of the violation."

12 USC 2617.

(e) Section 19 of such Act is amended by adding the following new subsection at the end thereof:

Investigations.

"(c)(1) The Secretary may investigate any facts, conditions, practices, or matters that may be deemed necessary or proper to aid in the enforcement of the provisions of this Act, in prescribing of rules and regulations thereunder, or in securing information to serve as a basis for recommending further legislation concerning real estate settlement practices. To aid in the investigations, the Secretary is authorized to hold such hearings, administer such oaths, and require by subpoena the attendance and testimony of such witnesses and production of such documents as the Secretary deems advisable.

"(2) Any district court of the United States within the jurisdiction of which an inquiry is carried on may, in the case of contumacy or refusal to obey a subpoena of the Secretary issued under this section, issue an order requiring compliance therewith; and any failure to obey such order of the court may be punished by such court as a contempt thereof."

Effective date.
12 USC 2602
note.

(f) The amendments made by this section shall become effective on January 1, 1984.

NATIONAL INSTITUTE OF BUILDING SCIENCES

Appropriation
authorization.
12 USC 1701j-2.

SEC. 462. Section 809(h) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new sentences: "In addition to the amounts authorized to be appropriated under the first sentence of this section, there is authorized to be appropriated to the Institute to carry out the

provisions of this section not to exceed \$250,000 for fiscal year 1984. Any amount appropriated under the preceeding sentence shall be made available for expenditure or obligation by the Institute only to the extent of an equal amount received by the Institute after the effective date of this sentence from persons or entities other than the Federal Government."

SOLAR ENERGY AND ENERGY CONSERVATION BANK

SEC. 463. (a)(1) Section 504(6) of the Solar Energy and Energy Conservation Bank Act is amended—

12 USC 3602.

(A) by inserting after subparagraph (G) the following new subparagraphs:

"(H) air-conditioning systems having better than average energy efficiency ratings;

"(I) any residential energy audit;";

(B) by redesignating subparagraphs (H) and (I) as subparagraphs (J) and (K), respectively; and

(C) in subparagraph (K), as so redesignated in this paragraph—

(i) by striking out "any residential energy audit;"; and

(ii) by striking out "(H)" and inserting in lieu thereof "(J)".

(2) Section 504(7) of the Solar Energy and Energy Conservation Bank Act is amended—

(A) by inserting after subparagraph (I) the following new subparagraphs:

"(J) air-conditioning systems having better than average energy efficiency ratings;

"(K) any commercial energy audit;";

(B) by redesignating subparagraphs (J) and (K) as subparagraphs (L) and (M), respectively; and

(C) in subparagraph (M), as so redesignated in this paragraph—

(i) by striking out ", and any commercial energy audit;"; and

(ii) by striking out "(J)" and inserting in lieu thereof "(L)".

(b) Section 508(f) of such Act is amended by adding at the end thereof the following new sentence: "Each such advisory committee shall meet at the call of its chairperson or a majority of its members, and shall meet not less than twice during each year."

12 USC 3606.

(c)(1) Section 511(a) of such Act is amended—

12 USC 3609.

(A) by striking out "and" at the end of paragraph (3);

(B) by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and"; and

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

"(5) in the case of a residential building with 2 to 4 dwelling units and an owner or tenant whose income exceeds 150 percent of the median area income, or in the case of a residential building that is available for rent and is owned by a person whose income exceeds 150 percent of the median area income—

"(A) an amount equal to 20 percent of the cost of the residential energy conservation improvements; or

"(B) the sum of \$400 times the number of dwelling units in such building in the case of an owner, or \$400 in the case of a tenant,

whichever is less."

12 USC 3609.

(2) Section 511 of such Act is amended by adding at the end thereof the following new subsection:

"(d) The Board may not limit the amount of financial assistance that may be provided under this subtitle for the purchase or installation of residential or commercial energy conserving improvements on the basis of the projected amount of energy conserved as a result of such improvements."

Installation
warranties.
12 USC 3612.

(c)(1) Section 514(a)(2) of such Act is amended to read as follows:

"(2)(A) the contractor who installs residential or commercial energy conserving improvements in a building shall, in connection with such improvements, warrant in writing that the owner or tenant receiving the proceeds of such loan shall (for those improvements found within 1 year of installation to be defective due to materials manufacture, design, or installation) at a minimum be entitled to obtain within a reasonable period of time and at no charge appropriate replacement parts, materials, or installation; and

"(B) in the case of energy conserving improvements installed by an owner or tenant without the assistance of a contractor, such owner or tenant shall certify to the financial institution that he or she has obtained warranties as appropriate from the supplier for the energy conserving measures;"

(2) Section 514(b)(4) of such Act is amended by inserting before the semicolon at the end thereof the following: "unless such residential energy conserving improvements are installed in a building which is either located in an area which is not served by a public utility described in section 211(a) of such Act or which is located in an area served by such a public utility but in which no list has been made public by the public utility under section 215(a)(3) of such Act or by the Secretary of Energy".

42 USC 8811.

42 USC 8815.

(3) Section 514(b)(5) of such Act is amended to read as follows:

"(5)(A) the contractor who installs residential or commercial energy conserving improvements in a building shall, in connection with such improvements, warrant in writing that the owner or tenant receiving the proceeds of such loan shall (for those improvements found within 1 year of installation to be defective due to materials manufacture, design, or installation) at a minimum be entitled to obtain within a reasonable period of time and at no charge appropriate replacement parts, materials, or installation; and

"(B) in the case of energy conserving improvements installed by an owner or tenant without the assistance of a contractor, such owner or tenant shall certify to the financial institution that he or she has obtained warranties as appropriate from the supplier for the energy conserving measures;"

12 USC 3618.

Regulations.

(e) Section 520 of such Act is amended—

(1) by inserting "(a)" after the section designation; and

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

"(b) Not later than 90 days after the effective date of this subsection, the Board shall issue regulations that—

"(1) permit the provision of financial assistance under this subtitle for the purchase and installation of solar energy systems of the active type, and the purchase and installation of passive and active type solar space heating and water heating in new and existing residential buildings and multifamily residential buildings;

"(2) do not prohibit the use of tax-exempt financing in connection with any purchase or installation of residential or commercial energy conserving improvements or solar energy systems assisted under this subtitle;

"(3) provide that a residential energy audit shall not be required as a condition of the receipt of financial assistance by an owner or tenant of a residential building under this subtitle, except that such regulations may require such audit with respect to any such building located in an area in which an audit is available under the provisions of title II or VII of the National Energy Conservation Policy Act;

Residential
energy audit.

"(4)(A) establish a maximum limitation on the percentage or amount of any financial assistance provided under this subtitle that may be used for administrative expenses, which limitation shall be 12 percent (or such higher percentage as the Secretary may determine to be appropriate), or \$20,000, whichever amount is greater; and

42 USC 8211,
8281.

"(B) provide that not more than one-half of any such amount may be used by any State for its administrative expenses, except that if any State is the sole administrative entity in such State with respect to financial assistance under this subtitle such State may use all of such amount for such expenses;

"(5) establish criteria for the allocation of financial assistance under this subtitle among eligible financial institutions; and

"(6) provide that any amount of unexpended financial assistance under this subtitle that is recaptured by the Board shall be reallocated by the Board to eligible financial institutions under this subtitle."

(f)(1) Section 1071 of the Omnibus Budget Reconciliation Act of 1981 is amended—

12 USC 3620
note.

(A) by striking out "such fiscal year" and inserting in lieu thereof "of fiscal years 1982 and 1983"; and

(B) by inserting after "\$50,000,000" the following: ", and for fiscal year 1984 not to exceed \$35,000,000,"

(2) Section 522 of the Solar Energy and Energy Conservation Bank Act is amended—

12 USC 3620.

(A) by striking out the hyphen before paragraph (1) in subsection (a) and all that follows through the period at the end of subsection (b) and inserting in lieu thereof the following: "and of solar energy systems such sums as may be necessary for fiscal year 1985."; and

(B) by redesignating subsection (c) as subsection (b).

WEATHERIZATION PROGRAM

SEC. 464. Section 422 of the Energy Conservation in Existing Buildings Act of 1976 is amended to read as follows:

42 USC 6872.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 422. Of the funds authorized by section 1005(1) of the Omnibus Budget Reconciliation Act of 1981 for energy conservation for fiscal year 1984, not less than \$190,000,000 is authorized to be appropriated to carry out the weatherization program under this part. There is authorized to be appropriated such sums as may be necessary for fiscal year 1985 to carry out such weatherization

42 USC 7270
note.

program. Any amount appropriated under this section shall remain available until expended."

COUNSELING

12 USC 1701x.

SEC. 465. Section 106(a)(3) of the Housing and Urban Development Act of 1968 is amended—

(1) by striking out "1982" and inserting in lieu thereof "1984"; and

(2) by striking out "\$4,000,000" and inserting in lieu thereof "\$3,500,000".

RESEARCH AUTHORIZATION

12 USC 1701z-1.

SEC. 466. (a) Section 501 of the Housing and Urban Development Act of 1970 is amended by striking out the second sentence and inserting in lieu thereof the following: "There are authorized to be appropriated for activities under this title not to exceed \$19,000,000 for fiscal year 1984, and such sums as may be necessary for fiscal year 1985. Of the amount appropriated under the preceding sentence for fiscal year 1984, not less than \$2,000,000 shall be provided for implementation of a research program to be developed in consultation with public housing agencies, which program shall identify current problems of public housing management, specific solutions to such problems, and incentives to encourage implementation of such solutions."

(b) Title V of the Housing and Urban Development Act of 1970 is amended by adding at the end thereof the following new section:

"BIENNIAL SURVEY OF ECONOMIC AND HOUSING MARKET CONDITIONS

12 USC
1701z-10a.

"SEC. 512. The Secretary shall, not less than biennially, survey national, regional, and local economic and housing market conditions in a manner that provides data comparable to the data collected in such survey conducted in 1981."

NATIONAL HOUSING PARTNERSHIPS

42 USC 3936.

SEC. 467. Section 906(a)(1) of the Housing and Urban Development Act of 1968 is amended—

(1) by striking out "or" after "building" and inserting in lieu thereof a comma; and

(2) by inserting after "rehabilitation" the following ", acquisition, and financing".

REPORT REGARDING PROGRAM CHANGES

Transmittal to
Congress.

SEC. 468. The Secretary of Housing and Urban Development shall, not later than March 1, 1984, transmit a report to both Houses of the Congress that describes—

(1) the standards utilized by the Department of Housing and Urban Development to make determinations concerning whether program requirements and changes to those requirements are implemented through the use of regulations, handbooks, memoranda, telegrams, or other forms of formal or informal notices; and

(2) the system currently utilized by the Department to assure that changes in the operation of departmental programs that

substantially affect the eligibility, rights, or benefits of persons applying for or receiving assistance under any such programs are subject to requirements of notice and publication, especially those requirements specified in subsections (b) through (e) of section 553 of title 5, United States Code.

PERIODIC REPORT ON RESIDENTIAL MORTGAGE DELINQUENCIES AND FORECLOSURES

SEC. 469. As soon as practicable following the date of the enactment of this Act, the Secretary of Housing and Urban Development, with the cooperation of the Federal Home Loan Bank Board, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, and the Comptroller of the Currency, shall develop a method of accurately reporting to the Congress on a periodic basis with respect to residential mortgage delinquencies and foreclosures. Each such report shall include information with respect to the number of residential mortgage foreclosures, and the number of sixty- and ninety-day residential mortgage delinquencies, in the Nation and in each State.

12 USC 1701p-1.

PUBLIC NOTICE AND COMMENT REGARDING DEPARTMENT DEMONSTRATION PROGRAMS

SEC. 470. (a) No demonstration program not expressly authorized in law may be commenced by the Secretary of Housing and Urban Development until (1) a description of such demonstration program is published in the Federal Register, which description may be included in a notice of funding availability; and (2) there expires a period of sixty calendar days following the date of such publication, during which period the Secretary shall fully consider any public comments submitted with respect to such demonstration program.

Publication in
Federal
Register.
42 USC 3542.

(b) Nothing in this section may be considered to authorize the conducting of any demonstration program by the Secretary of Housing and Urban Development.

MULTIFAMILY MORTGAGE FORECLOSURE

SEC. 471. Section 364 of the Multifamily Mortgage Foreclosure Act of 1981 is amended by adding at the end thereof the following new sentence: "If the Secretary forecloses on any such mortgage pursuant to such other foreclosure procedures available, the provisions of section 367(b) may be applied at the discretion of the Secretary."

12 USC 3703.

12 USC 3706.

ALTERNATIVE MORTGAGE TRANSACTIONS

SEC. 472. Section 805(a) of the Alternative Mortgage Transaction Parity Act of 1982 is amended by inserting after "transactions" the following: "(or to any class or type of alternative mortgage transaction)".

12 USC 3804.

DUE-ON-SALE CLAUSE PROHIBITIONS

SEC. 473. Section 341(d) of the Thrift Institutions Restructuring Act is amended by striking out "A lender" and inserting in lieu thereof the following: "With respect to a real property loan secured by a lien on residential real property containing less than five dwelling units, including a lien on the stock allocated to a dwelling

12 USC 1701j-3.

unit in a cooperative housing corporation, or on a residential manufactured home, a lender”.

CANCELLATION OF DEBT OWED THE TREASURY AND LIQUIDATION OF
NEW COMMUNITIES PROGRAM

12 USC
1701g-5b.

42 USC 3901.
42 USC 4501.

12 USC 1701g-5.

42 USC 4518.

Ante, p. 219.
Report to
Congress.

SEC. 474. (a) In order to provide for the management and orderly liquidation of the assets, and discharge the liabilities, acquired or incurred in connection with the new communities program authorized pursuant to title IV of the Housing and Urban Development Act of 1968 and title VII of the Housing and Urban Development Act of 1970 (hereafter referred to in this section as “title IV” and “title VII”, respectively), the liquidation of the new communities program shall be carried out pursuant to the provisions of law applicable to the revolving fund (liquidating programs) established pursuant to title II of the Independent Offices Appropriations Act, 1955, upon the transfer by the Secretary of Housing and Urban Development (hereafter in this section referred to as the “Secretary”) of the assets and liabilities of the fund authorized under section 717 of title VII to such revolving fund, as required in title I of the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1984. The Secretary shall report to the Congress not less than sixty days prior to taking any action with respect to the disposition of real property (other than a purchase money mortgage) which involves any further potential liability of or assistance from the Department of Housing and Urban Development with respect to any property so transferred.

42 USC 3902,
4514.

(b) In carrying out the purposes of subsection (a), all moneys in the revolving fund (liquidating programs) shall be available for necessary administrative and other expenses of servicing and liquidating obligations guaranteed pursuant to section 403 and section 713 of title IV and title VII, respectively, including costs of services (including legal services) performed on a contract or fee basis, and to discharge any other liability acquired or incurred in connection with the new communities program. Notwithstanding any other provision of law relating to the acquisition, handling, improvement, or disposal of real and other property by the United States, the Secretary of Housing and Urban Development shall also have power, for the protection of the interests of the revolving fund (liquidating programs), to pay out of any moneys in such fund all expenses or charges in connection with the acquisition, handling, improvement, or disposal of any property, real or personal, acquired by the Secretary either prior or subsequent to the date of the enactment of this Act as a result of recoveries under security, subrogation, or other rights in connection with the new communities program.

Ante, p. 219.

42 USC 3902,
4514.

(c) After making the transfer required in title I of the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1984, the Secretary of Housing and Urban Development may issue obligations to the Secretary of the Treasury in an amount sufficient to enable the Secretary of Housing and Urban Development to satisfy any guarantee made pursuant to section 403 or 713 of title IV or title VII, respectively, and otherwise carry out the functions authorized by this section. The obligations issued under this subsection shall have such maturities and bear such rate or rates of interest as shall be determined by the Secretary of the Treasury. The Secretary of the Treasury is authorized and directed to purchase any obligations so issued, and for that purpose the

Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under chapter 31 of title 31, United States Code, and the purposes for which securities may be issued under such chapter are extended to include purchases of obligations issued under this subsection.

31 USC 3101 *et seq.*

(d) Upon the transfer required in title I of the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1984, each obligation issued by the Secretary of Housing and Urban Development to the Secretary of the Treasury pursuant to section 407(a) or 717(b) of title IV or title VII, respectively, together with any promise to repay the principal and unpaid interest which has accrued on each obligation, and any other term or condition specified by each such obligation, is canceled.

Ante, p. 219.

42 USC 3906, 4518.

(e) Title IV, except for sections 408, 411, 413, 414, and 416, and part B of title VII, except for sections 724, 725, 726, and subsections (b) through (e) of section 727, are hereby repealed. Section 717 of title VII shall remain in effect until completion of the transfer required in title I of the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1984. The Secretary may not implement the amendment to section 214 of the Housing and Community Development Act of 1980, made by section 329(a) of the Housing and Community Development Amendments of 1981, before the expiration of the one-year period following the date of the enactment of this Act. Any actions taken, prior to repeal, under the authority of any of the sections which are repealed by this section shall continue to be valid. Nothing in this subsection shall impair the validity of any guarantees which have been made pursuant to title IV or title VII and any such guarantees shall continue to be governed by the provisions of title IV or title VII, as applicable, as they existed immediately before the date of the enactment of this Act.

42 USC 3901.

42 USC 4511.

42 USC 4518 note.

42 USC 1436a note.

42 USC 1436a.

42 USC 3901 note.

42 USC 3901, 4501.

PART D—SECONDARY MORTGAGE MARKET PROGRAMS

AMOUNT TO BE GUARANTEED UNDER THE GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE-BACKED SECURITIES PROGRAM

SEC. 481. Section 306(g)(2) of the Federal National Mortgage Association Charter Act is amended to read as follows:

12 USC 1721.

“(2) Notwithstanding any other provision of law and subject only to the absence of qualified requests for guarantees, to the authority provided in this subsection, and to any funding limitation approved in appropriation Acts, the Association shall enter into commitments for each of the fiscal years 1984 and 1985 to issue guarantees under this subsection for each such fiscal year in an aggregate amount of \$68,250,000,000.”.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION COMMITMENT EXTENSION

SEC. 482. The commitment issued under section 305(b) of the Federal National Mortgage Association Charter Act, known as GNMA commitment numbered 926-984, to purchase a mortgage insured under such Act shall be granted for 43 months without the imposition of additional fees beyond the initial commitment fee.

Post, p. 1240.

SPECIAL ASSISTANCE AND EMERGENCY MORTGAGE PURCHASE ASSISTANCE FUNCTIONS OF THE GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

Repeals.

12 USC 1720,

1723e.

12 USC 1723e

note.

12 USC 1720

note.

SEC. 483. (a) Sections 305 and 313 of the Federal National Mortgage Association Charter Act and section 3(b) of the Emergency Home Purchase Assistance Act of 1974 are hereby repealed.

(b) Any purchase or commitment to purchase any mortgage pursuant to section 305 or 313 of the Federal National Mortgage Association Charter Act made before the date of the enactment of this Act, and the servicing and disposition of any such mortgage, shall continue to be governed by the provisions of such sections as they existed immediately before the effective date of this section.

Rural Housing
Amendments of
1983.

TITLE V—RURAL HOUSING

SHORT TITLE

42 USC 1441
note.

SEC. 501. This title may be cited as the "Rural Housing Amendments of 1983".

DEFINITIONS

42 USC 1471.

SEC. 502. (a) Section 501(b)(4) of the Housing Act of 1949 is amended to read as follows:

"(4) For the purpose of this title, the terms 'low income families or persons' and 'very low-income families or persons' means those families and persons whose incomes do not exceed the respective levels established for lower income families and very low-income families by the Secretary of Housing and Urban Development under the United States Housing Act of 1937."

42 USC 1437
note.

(b) Section 501(b)(5) of such Act is amended to read as follows:

"(5) For the purpose of this title, the terms 'income' and 'adjusted income' have the meanings given by sections 3(b)(4) and 3(b)(5), respectively, of the United States Housing Act of 1937."

Ante, p. 1179.

SECTION 502 AMENDMENTS

42 USC 1472.

SEC. 503. (a) Section 502 of the Housing Act of 1949 is amended by adding at the end thereof the following:

Supra.

"(d) On and after the effective date of the Rural Housing Amendments of 1983—

"(1) not less than 40 per centum of the dwelling units financed under this section shall be available only for occupancy by very low-income families or persons; and

"(2) not less than 30 per centum of the dwelling units in each State financed under this section shall be available only for occupancy by very low-income families or persons.

"(e)(1) A loan which may be made or insured under this section with respect to housing shall be made or insured with respect to a manufactured home or with respect to a manufactured home and lot, whether such home or such home and lot is real property, personal property, or mixed real and personal property, if—

42 USC 5401.

"(A) the manufactured home meets the standards prescribed pursuant to title VI of the Housing and Community Development Act of 1974;

"(B) the manufactured home, or the manufactured home and lot, meets the installation, structural, and site requirements

which would apply under title II of the National Housing Act; and

12 USC 1707.

"(C) the manufactured home meets the energy conserving requirements established under paragraph (2), or until the energy conserving requirements are established under paragraph (2), the manufactured home meets the energy conserving requirements applicable to housing other than manufactured housing financed under this title.

"(2) Energy conserving requirements established by the Secretary for the purpose of paragraph (1)(C) shall—

Energy conserving requirements.

"(A) reduce the operating costs for a borrower by maximizing the energy savings and be cost-effective over the life of the manufactured home or the term of the loan, whichever is shorter, taking into account variations in climate, types of energy used, the cost to modify the home to meet such requirements, and the estimated value of the energy saved over the term of the mortgage; and

"(B) be established so that the increase in the annual loan payment resulting from the added energy conserving requirements in excess of those required by the standards prescribed under title VI of the Housing and Community Development Act of 1974 shall not exceed the projected savings in annual energy costs."

42 USC 5401.

(b) Within 18 months from the issuance by the Secretary of Agriculture of regulations under section 502(e)(2) of the Housing Act of 1949, the Secretary of Energy, in consultation with the Secretary of Housing and Urban Development and the Secretary of Agriculture, shall conduct a study and transmit to the Congress a report that compares the increased construction costs, actual annual energy use, and the projected value of energy saved over the expected life of the home or the mortgage term, whichever is shorter, of manufactured homes which are financed under titles I and II of the National Housing Act, or under title V of the Housing Act of 1949 and which are built according to national manufactured housing safety standards with other homes insured under either such Act.

Report to Congress.
42 USC 1472 note.
Ante, p. 1240.

12 USC 1702,
1707.
42 USC 1471.

(c) Section 527 of such Act is repealed.

Repeal.
42 USC 1490g.
42 USC 1472.

(d) Section 502(a) of such Act is amended—

(1) by inserting "(1)" after the subsection designation;

(2) by striking out all after "making of the loan with interest" and inserting in lieu thereof a period and the following: "The Secretary may accept the personal liability of any person with adequate repayment ability who will cosign the applicant's note to compensate for any deficiency in the applicant's repayment ability. At the borrower's option, the borrower may prepay to the Secretary as escrow agent, on terms and conditions prescribed by him, such taxes, insurance, and other expenses as the Secretary may require in accordance with section 501 (e)."; and

42 USC 1471.

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

"(2) The Secretary may extend the period of any loan made under this section if the Secretary determines that such extension is necessary to permit the making of such loan to any person whose income does not exceed 60 per centum of the median income for the area and who would otherwise be denied such loan because the payments required under a shorter period would exceed the financial capacity of such person. The aggregate period for which any

Loan extension period.

loan may be extended under this paragraph may not exceed 5 years.”.

REHABILITATION LOANS

42 USC 1474.

SEC. 504. The first and second sentences of section 504(a) of the Housing Act of 1949 are amended to read as follows: “The Secretary may make a loan, grant, or combined loan and grant to an eligible very low-income applicant in order to improve or modernize a rural dwelling, to make the dwelling safer or more sanitary, or to remove hazards. The Secretary may make a loan or grant under this subsection to the applicant to cover the cost of any or all repairs, improvements, or additions such as repairing roofs, providing sanitary waste facilities, providing a convenient and sanitary water supply, repairing or providing structural supports, or making similar repairs, additions, improvements, including all preliminary and installation costs in obtaining central water and sewer service. The maximum amount of a grant, a loan, or a loan and grant shall not exceed such limitations as the Secretary determines to be appropriate.”.

TECHNICAL SERVICES AND RESEARCH

42 USC 1476.

SEC. 505. Section 506(b) of the Housing Act of 1949 is amended by adding at the end thereof the following: “In carrying out this subsection, the Secretary may permit demonstrations involving innovative housing units and systems which do not meet existing published standards, rules, regulations, or policies if the Secretary finds that in so doing, the health and safety of the population of the area in which the demonstration is carried out will not be adversely affected, except that the aggregate expenditures for such demonstrations may not exceed \$10,000,000 in any fiscal year. The Secretary shall report to the Congress at the close of each fiscal year on the results of such demonstrations.”.

Report to
Congress.

STANDARDS FOR ADEQUATE HOUSING

42 USC 1479.

SEC. 506. (a) Section 509(a) of the Housing Act of 1949 is amended by adding at the end thereof the following: “The Secretary shall approve a residential building as meeting such standards if the building is constructed in accordance with (1) the minimum standards prescribed by the Secretary, (2) the minimum property standards prescribed by the Secretary of Housing and Urban Development for mortgages insured under title II of the National Housing Act, (3) the standards contained in any of the voluntary national model building codes, or (4) in the case of manufactured housing, the standards referred to in section 502(e) of this Act. To the maximum extent feasible, the Secretary shall promote the use of energy saving techniques through standards established by such Secretary for newly constructed residential housing assisted under this title. Such standards shall, insofar as is practicable, be consistent with the standards established pursuant to section 526 of the National Housing Act and shall incorporate the energy performance requirements developed pursuant to such section.”.

12 USC 1707.

Ante, p. 1240.

Ante, p. 1210.

Repeal.
42 USC 1490i.

(b) Section 529 of such Act is repealed.

GENERAL AUTHORITY OF THE SECRETARY

SEC. 507. (a) Section 510(e) of such Act is amended by adding before the semicolon at the end thereof the following: "and the authority of the Secretary under this paragraph includes the authority to transfer section 502 inventory properties for use as rental or cooperative units under section 515 with mortgages containing repayment terms with up to fifty years to private nonprofit organizations or public bodies. Such a transfer may be made even where rental assistance may be required so long as the authority to provide such assistance is available after taking into account the requirements of section 521(d)(1). Where the Secretary determines the transfer will contribute to the provision of housing for very low-income persons and families, the transfer may be made at the lesser of the appraised value or the Farmers Home Administration's investment".

42 USC 1480.

42 USC 1472.

42 USC 1485.

Post, p. 1249.

(b) Section 510 of such Act is amended by redesignating subsection (j) as subsection (k) and inserting after subsection (i) the following new subsection:

42 USC 1480.

"(j) utilize the services of fee inspectors and fee appraisers to expedite the processing of applications for loans and grants under this title, which services shall be utilized in any case in which a county or district office is unable to expeditiously process such loan and grant applications, and to include the cost of such services in the amount of such loans and grants; and".

AMENDMENT TO SECTION 511

SEC. 508. The second sentence of section 511 of the Housing Act of 1949 is repealed.

42 USC 1481.

REPEAL OF SECTION 512

SEC. 509. Section 512 of the Housing Act of 1949 is repealed.

42 USC 1482.

DETERMINATION OF NEED FOR HOUSING UNDER SECTIONS 514 AND 516

SEC. 510. Section 514 of the Housing Act of 1949 is amended by adding the following new subsection at the end thereof:

42 USC 1484.

"(h) In making available assistance in any area under this section or section 516, the Secretary shall—

42 USC 1486.

"(1) in determining the need for the assistance, take into consideration the housing needs only of domestic farm labor, including migrant farmworkers, in the area; and

"(2) in determining whether to provide such assistance, make such determination without regard to the extent or nature of other housing needs in the area.".

AUTHORIZATIONS

SEC. 511. (a) Section 513 of the Housing Act of 1949 is amended to read as follows:

42 USC 1483.

"PROGRAM LEVELS AND AUTHORIZATIONS

"SEC. 513. (a) The Secretary may insure and guarantee loans under this title during fiscal years 1984 and 1985 in an aggregate amount not to exceed such sums as may be approved in an appropriation Act.

"(b) There are authorized to be appropriated for fiscal years 1984 and 1985—

42 USC 1474.

"(1) such sums as may be necessary for grants pursuant to section 504;

42 USC 1479.

"(2) such sums as may be necessary for the purposes of section 509(c);

42 USC 1481.

"(3) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 511 equal to (A) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 503, and (B) the interest due on a similar sum represented by notes or other obligations issued by the Secretary;

42 USC 1473.

"(4) such sums as may be necessary for financial assistance pursuant to section 516;

42 USC 1486.

"(5) such sums as may be necessary for the purposes of section 523;

42 USC 1490c.

42 USC 1490e.

"(6) such sums as may be necessary for purposes of section 525 (a);

Post, p. 1249.

"(7) not to exceed \$100,000,000 for each such year for grants under section 531, of which 5 per centum shall be available for technical assistance; and

12 USC 1715z,

1715z-1.

42 USC 1437f.

"(8) such sums as may be required by the Secretary to administer the provisions of sections 235 and 236 of the National Housing Act and section 8 of the United States Housing Act of 1937.

Post, p. 1248.

Ante, p. 746.

"(c) The Secretary may enter into rental assistance contracts aggregating such sums as may be approved in appropriation Acts under section 521(a)(2)(A) during fiscal years 1984 and 1985."

(b) Section 515(b)(5) of such Act is amended by striking out "November 30, 1983" and inserting in lieu thereof "September 30, 1985".

Ante, p. 746.

(c) Section 517(a)(1) of such Act is amended by striking out "November 30, 1983" and inserting in lieu thereof "September 30, 1985".

Ante, p. 746.

42 USC 1490c.

(d) Section 523(f) of such Act is amended—

(1) by striking out the first sentence; and

(2) by striking out "November 30, 1983" and inserting in lieu thereof "September 30, 1985".

(e) Section 523(g) of such Act is amended—

(1) by striking out "fiscal year 1982" in the second sentence and inserting in lieu thereof "fiscal year 1985"; and

(2) by striking out the first sentence.

SECTION 515 AMENDMENTS

Rent increases,
limitations.
42 USC 1485.

SEC. 512. (a) Section 515 of the Housing Act of 1949 is amended by adding at the end thereof the following:

"(g) The Secretary shall limit increases in rents on or after the date of enactment of this subsection for newly constructed or substantially rehabilitated projects assisted under this section to the lesser of the actual operating cost increases incurred or the amount of operating cost increases incurred with respect to comparable rental dwelling units of various sizes and types in the same market area which are suitable for occupancy by families and persons assisted under this section. Where no comparable dwelling units exist in the same market area, the Secretary shall have authority to

approve such increases in accordance with the best available data regarding operating cost increases in rental dwelling units.

"(h) After approving a project involving newly constructed or substantially rehabilitated units under this section, the Secretary shall limit cost increases to those approved by the Secretary. The Secretary may approve those increases only for unforeseen factors beyond the owner's control, design changes required by the Secretary or the local government, or changes in financing approved by the Secretary.

"(i) For the purpose of achieving the lowest cost in providing units in newly constructed projects assisted under this section, the Secretary shall give a preference in entering into contracts under this section for projects which are to be located on specific tracts of land provided by States, units of local government, or others if the Secretary determines that the tract of land is suitable for such housing, and that affording such preference will be cost effective.

"(j) The Secretary shall assure that management fees are not excessive when a project developed under this section is managed by the developer or an affiliate of the developer.

"(k) For purposes of determining the market feasibility of any project to be assisted under this section—

"(1) in the case of any applicant whose project is expected to utilize rental assistance payments under section 521, the Secretary shall only require such applicant to demonstrate that a market exists for persons and families eligible for such rental assistance payments; and

"(2) in the case of any applicant whose project is expected to utilize any assistance under a program of a State, or political subdivision thereof, that is similar to such assistance payments under section 521, the Secretary shall only require such applicant to demonstrate that—

"(A) a market exists for persons and families eligible for such program of assistance;

"(B) such program of assistance will provide rental assistance for a period of not less than five years, and for the term of the loan remaining after the period of such assistance, that an adequate rental market exists for the project without such assistance; and

"(C) during the term of such rental assistance contracts, such State or political subdivision shall make available the amounts required for such rental assistance not less than annually.

"(l) The Secretary shall establish standards for housing and related facilities rehabilitated or repaired with amounts received under a loan made or insured under this section. Standards established by the Secretary under this subsection shall provide that except for substantial rehabilitation the particular items or systems repaired or rehabilitated must meet appropriate levels of quality or performance comparable to those levels prescribed by the Secretary of Housing and Urban Development for rehabilitation, but shall not require that such items or systems or the remainder of the property meet the standards which are applicable to new construction. The Secretary shall ensure that standards prescribed under this subsection provide decent, safe, and sanitary housing and related facilities.

"(m) The Secretary may not deny assistance under this section or section 521 on the basis that the project involved is to be located on more than one site.

Management
fees.

42 USC 1490a.

Housing
standards.

42 USC 1490a.

Post, p. 1248.Income
determination.42 USC 1437
note.

42 USC 1485.

"(n) The Secretary may not (1) deny assistance under this section on the basis that rental assistance payments under section 521 may be required unless the authority to provide such assistance is not available; or (2) promulgate any regulation that would have the effect of denying occupancy to eligible persons on the basis that such persons require rental assistance payments under section 521.

"(o)(1) To the extent assistance is available under section 521(a)(2), not more than 25 per centum of the dwelling units which were available for occupancy under this section prior to the date of enactment of this subsection, and which will be leased on or after such effective date shall be available for leasing by low income persons and families other than very low-income persons and families.

"(2) To the extent assistance is available under section 521(a)(2), not more than 5 per centum of the dwelling units which become available for occupancy under this section on or after the date of enactment of this subsection shall be available for leasing by low income persons and families other than very low-income persons and families.

"(3) Units in projects financed under this section which become available for occupancy after the date of enactment of this subsection shall not be available for occupancy by persons and families other than very low-income persons and families if the authority to provide assistance for such persons is available.

"(p) In determining the income of a person or family occupying housing financed under this section, the Secretary shall consider the value of that person's or family's assets in the same manner as the Secretary of Housing and Urban Development considers such value for the purpose of the United States Housing Act of 1937."

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

(1) by striking out "and" at the end of clause (5);

(2) by striking out the period at the end of clause (6) and inserting in lieu thereof "; and"; and

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

"(7) loans may be made to owners who are otherwise eligible under this section to purchase and convert single-family residences to rental units of two or more dwellings."

(c) Section 515 of such Act is amended—

(1) by striking out subsection (a)(2);

(2) by redesignating subsections (a)(3) and (a)(4) as subsections (a)(2) and (a)(3), respectively;

(3) by striking out subsection (b)(2); and

(4) by redesignating subsections (b)(3), (b)(4), (b)(5), (b)(6), and (b)(7) as subsections (b)(2), (b)(3), (b)(4), (b)(5), and (b)(6), respectively.

(d) Section 515(c) of such Act is amended by adding at the end thereof the following: "A loan may be made or insured under subsection (a) or (b) with respect to detached units, including those on scattered sites, for cooperative housing."

(e) Section 515(d)(1) of such Act is amended by inserting before the first semicolon the following: ", and such term also means manufactured home rental parks where either the lots or both the lots and the homes are available for use by occupants eligible under this section".

FARM LABOR HOUSING

SEC. 513. Section 516 of the Housing Act of 1949 is amended by adding at the end thereof the following subsection:

42 USC 1486.

“(i) The Secretary shall utilize not more than 10 per centum of the amounts available for any fiscal year for purposes of this section for financial assistance to eligible private and public nonprofit agencies to encourage the development of domestic and migrant farm labor housing projects under this title.”

INSURED RURAL HOUSING LOANS

SEC. 514. (a) Section 517 of the Housing Act of 1949 is amended—

42 USC 1487.

(1) by striking out all after “insured” in subsection (a) and inserting in lieu thereof a period and the following: “The amount of such a loan to a low income person or family shall not exceed the amount necessary to provide adequate housing which is modest in size, design, and cost (as determined by the Secretary).”; and

(2) by striking out “(b)(4)” in subsection (b) and inserting in lieu thereof “(b)(3)”.

(b) Section 517(j) of such Act is amended—

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

(2) by striking out paragraph (6).

(c) Section 517(o) of such Act is repealed.

(d) Section 517 of such Act is amended by adding at the end thereof the following:

“(o) The Secretary shall promulgate rules which encourage the rehabilitation or purchase of existing buildings for the purpose of providing housing which is economical in cost and operation.”

Rules.

DEFINITION OF RURAL AREA

SEC. 515. Section 520 of the Housing Act of 1949 is amended by adding at the end thereof the following new sentence: “For purposes of this title, any area classified as ‘rural’ or a ‘rural area’ prior to the receipt of data from or after the 1980 decennial census and determined not to be ‘rural’ or a ‘rural area’ as a result of such data shall continue to be so classified through the end of fiscal year 1984, if such area has a population in excess of 10,000 but not in excess of 20,000.”

42 USC 1490.

SHARED HOUSING FOR THE ELDERLY AND HANDICAPPED

SEC. 516. Section 521(a)(2) of the Housing Act of 1949 is amended by adding the following new subparagraph at the end thereof:

42 USC 1490a.

“(E) In order to assist elderly or handicapped persons or families who elect to live in a shared housing arrangement in which they benefit as a result of sharing the facilities of a dwelling with others in a manner that effectively and efficiently meets their housing needs and thereby reduces their cost of housing, the Secretary shall permit rental assistance to be used by such persons or families if the shared housing arrangement is in a single-family dwelling. For the purpose of this subparagraph, the Secretary shall prescribe minimum habitability standards to assure decent, safe, and sanitary

housing for such families while taking into account the special circumstances of shared housing.”.

RENTAL ASSISTANCE TENANT CONTRIBUTION

42 USC 1490a.

SEC. 517. (a) Section 521(a)(2)(A) of the Housing Act of 1949 is amended by striking out the last two sentences.

(b) Section 521(a) of such Act is amended by adding at the end thereof the following:

42 USC 1484,
1485.

“(3)(A) In the case of loans under sections 514 and 515 approved prior to the effective date of this paragraph with respect to which rental assistance is provided, the rent for tenants receiving such assistance shall not exceed the highest of (i) 30 per centum of monthly adjusted income, (ii) 10 per centum of monthly income, or (iii) if the person or family is receiving payments for welfare assistance from a public agency, the portion of such payments which is specifically designated by such agency to meet the person’s or family’s housing costs.

“(B) In the case of a section 515 loan approved prior to the effective date of this paragraph with respect to which interest credits are provided, the tenant’s rent shall not exceed the highest of (i) 30 per centum of monthly adjusted income, (ii) 10 per centum of monthly income, or (iii) if the person or family is receiving payments for welfare assistance from a public agency, the portion of such payments which is specifically designated by such agency to meet the person’s or family’s housing costs, or, where no rental assistance authority is available, the rent level established on a basis of a 1 per centum interest rate on debt service.

“(C) No rent for a unit financed under section 514 or 515 shall be increased as a result of this subsection or other provision of Federal law or Federal regulation by more than 10 per centum in any twelve-month period, unless the increase above 10 per centum is attributable to increases in income which are unrelated to this subsection or other law, or regulation.

“(4) In the case of a loan with respect to the purchase of a manufactured home with respect to which rental assistance is provided, the monthly payment for principal and interest on the manufactured home and for lot rental and utilities shall not exceed the highest of (A) 30 per centum of monthly adjusted income, (B) 10 per centum of monthly income, or (C) if the person or family is receiving payments for welfare assistance from a public agency, the portion of such payments which is specifically designated by such agency to meet the person’s or family’s housing costs.”.

(c) Section 521(a)(2)(A) of such Act is amended by striking out “25 per centum of income.” and inserting in lieu thereof “the highest of (i) 30 per centum of monthly adjusted income, (ii) 10 per centum of monthly income; or (iii) if the person or family is receiving payments for welfare assistance from a public agency, the portion of such payments which is specifically designated by such agency to meet the person’s or family’s housing costs. Any rent or contribution of any recipient shall not increase as a result of this section or any other provision of Federal law or regulation by more than 10 per centum during any twelve-month period, unless the increase above 10 per centum is attributable to increases in income which are unrelated to this subsection or other law or regulation.”.

42 USC 1490j.

(d) Section 530 of such Act is amended by striking out “25” and inserting in lieu thereof “30”.

(e) Section 521 of such Act is amended by adding at the end thereof the following:

42 USC 1490a.

"(d)(1)(A) In entering into contracts for assistance under this section and utilizing rental assistance authority which becomes available, the Secretary shall first assure that expiring contracts are extended for those units occupied by persons and families of low income, and that additional assistance is used where necessary to provide the full amount authorized pursuant to existing contracts.

Contracts.

"(B) Remaining funds shall be used for contracts which assist very low-income persons and families occupying projects receiving commitments under section 514, 515, or 516 after fiscal year 1983, except that up to 5 per centum of the units assisted may be occupied by persons and families of low income.

42 USC
1484-1486.

"(C) To the extent any funds are available after providing assistance in accordance with subparagraphs (A) and (B), the Secretary shall provide additional assistance to existing projects which would become occupied and affordable by very low-income persons and families, except that up to 5 per centum of the units assisted may be occupied by persons and families of low income.

"(2) The Secretary shall transfer rental assistance contract authority under this section from projects where such authority is unused after initial rentup and not needed because of a lack of eligible tenants in the area to projects where such authority is needed.

Transfer
authority.

"(e) Any rent or contribution of any recipient shall not increase as a result of this section, any amendment thereto, or any other provision of Federal law or regulation by more than 10 per centum during any twelve-month period, unless the increase above 10 per centum is attributable to increases in income which are unrelated to this subsection or other law or regulation."

(f) The amendments made by this section shall take effect six months after the date of enactment of this Act, or upon the earlier promulgation of regulations implementing this section by the Secretary.

Effective date.
42 USC 1490a
note.

TECHNICAL AND SUPERVISORY ASSISTANCE

SEC. 518. (a) The last sentence of section 525(b) of the Housing Act of 1949 is amended by striking out all after "sooner" and inserting in lieu thereof a period.

42 USC 1490e.

(b) Section 525(c) of such Act is repealed.

CONDOMINIUM HOUSING

SEC. 519. (a) Section 526 of the Housing Act of 1949 is amended—
(1) by striking out "in his discretion" in subsection (a); and
(2) by striking out "in his discretion" in subsection (c).

42 USC 1490f.

FHA INSURANCE

SEC. 520. Title V of the Housing Act of 1949 is amended by adding at the end thereof the following:

"FHA INSURANCE

"SEC. 531. The Secretary is authorized to act as an agent of the Secretary of Housing and Urban Development to recommend insur-

42 USC 1490k.

12 USC 1709.

ance of any mortgage meeting the requirements of section 203 of the National Housing Act.”.

PROCESSING OF APPLICATION

SEC. 521. Title V of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

“PROCESSING OF APPLICATIONS

42 USC 1490f.

“SEC. 532. (a) The Secretary shall, in making assistance available under this title, give a priority to applications submitted by—

“(1) persons and families that have the greatest housing assistance needs because of their low income and their residing in inadequate dwellings;

“(2) applicants applying for assistance for projects that will serve such persons and families; and

“(3) applicants residing in areas which are the most rural in character.

42 USC 1483.

42 USC 1490a.

“(b) In making available the assistance authorized by section 513 and section 521(a) with respect to projects involving insured and guaranteed loans and interest credits and rental assistance payments, the Secretary shall process and approve requests for such assistance in a manner that provides for a preliminary reservation of assistance at the time of initial approval of the project.”.

RURAL HOUSING PRESERVATION GRANT PROGRAM

SEC. 522. Title V of the Housing Act of 1949 is amended by adding at the end thereof the following:

“HOUSING PRESERVATION GRANTS

42 USC 1490m.

“SEC. 533. (a) The purpose of this section is to authorize the Secretary to make grants to eligible grantees including private nonprofit organizations, Indian tribes, general units of local government, counties, States, and consortia of other eligible grantees, in order to—

“(1) rehabilitate single family housing in rural areas which is owned by low- and very low-income persons and families, and

“(2) rehabilitate rental properties or cooperative housing which has a membership resale structure that enables the cooperative to maintain affordability for persons of low income in rural areas serving low- and very low-income occupants.

Ante, p. 1181.

The Secretary may also provide assistance payments as provided by section 8(o) of the United States Housing Act of 1937 upon the request of grantees in order to minimize the displacement of very low-income tenants residing in units rehabilitated with assistance under this section.

“(b) Rehabilitation programs assisted under this section shall—

“(1) be used to provide loans or grants to owners of single family housing in order to cover the cost of repairs and improvements;

“(2) be used to provide interest reduction payment;

“(3) be used to provide loans or grants to owners of rental housing, except that rental rehabilitation assistance provided under this subsection for any structure shall not exceed 75 per

centum of the total costs associated with the rehabilitation of that structure;

"(4) be used to provide other comparable assistance that the Secretary deems appropriate to carry out the purpose of this section, designed to reduce the costs of such repair and rehabilitation in order to make such housing affordable by persons of low income and, to the extent feasible, by persons and families whose incomes do not exceed 50 per centum of the area median income;

"(5) benefit low- and very low-income persons and families in rural areas, without causing the displacement of current residents; and

"(6) raise health and safety conditions to meet those specified in section 509(a).

"(c)(1) The Secretary shall allocate rehabilitation grant funds for use in each State on the basis of a formula contained in a regulation prescribed by the Secretary using the average of the ratios between—

"(A) the population of the rural areas in that State and the population of the rural areas of all States;

"(B) the extent of poverty in the rural areas in that State and the extent of poverty in the rural areas of all States; and

"(C) the extent of substandard housing in the rural areas of that State and the extent of substandard housing in the rural areas of all States.

Any funds which are allocated to a State but uncommitted to grantees will be transferred to the State office of the Farmers Home Administration in a timely manner and be used for authorized rehabilitation activities under section 504.

"(2) Unless there is only one eligible grantee in a State, a single grantee may not receive more than 50 per centum of a State's allocation.

"(d)(1) Eligible grantees may submit a statement of activity to the Secretary at the time specified by the program administrator, containing a description of its proposed rehabilitation program. The statement shall consist of the activities each entity proposes to undertake for the fiscal year, and the projected progress in carrying out those activities. The statement of activities shall be made available to the public for comment.

"(2) In preparing such statement, the grantee shall consult with and consider the views of appropriate local officials.

"(3) The Secretary shall evaluate the merits of each statement on the basis of such criteria as the Secretary shall prescribe, including the extent—

"(A) to which the repair and rehabilitation activities will assist persons of low income who lack adequate shelter, with priority given to applications assisting the maximum number of persons and families whose incomes do not exceed 50 per centum of the area median income;

"(B) to which the repair and rehabilitation activities include the participation of other public or private organizations in providing assistance, in addition to the assistance provided under this section, in order to lower the costs of such activities or provide for the leveraging of available funds to supplement the rural housing preservation grant program;

Ante, p. 1242.
Funding
allocations.

Uncommitted
funds.

42 USC 1474.

Activity
statements by
grantees.

Public
availability.

Evaluation by
Secretary.

“(C) to which such activities will be undertaken in rural areas having populations below 10,000 or in remote parts of other rural areas;

“(D) to which the repair and rehabilitation activities may be expected to result in achieving the greatest degree of repair or improvement for the least cost per unit or dwelling;

“(E) to which the program would minimize displacement;

“(F) to which the program would alleviate overcrowding in rural residences inhabited by low- and very low-income persons and families;

“(G) to which the program would minimize the use of grant funds for administrative purposes; and

“(H) to which the owner agrees to meet the requirement of subsection (e)(1)(B)(iv) for a period longer than 5 years; and shall assess the demonstrated capacity of the grantee to carry out the program as well as the financial feasibility of the program.

“(4) The amount of assistance provided under this section with respect to any housing shall be the least amount that the Secretary determines is necessary to provide, through the repair and rehabilitation of such housing, decent housing of modest design that is affordable for persons of low income.

“(e)(1) Assistance under this section may be provided with respect to rental or cooperative housing only if—

“(A) the owner has entered into such agreements with the Secretary as may be necessary to assure compliance with the requirements of this section, to assure the financial feasibility of such housing, and to carry out the other provisions of this section;

“(B) the owner agrees—

“(i) to pass on to the tenants any reduction in the debt service payments resulting from the assistance provided under this section;

“(ii) not to convert the units to condominium ownership (or in the case of a cooperative, to condominium ownership or any form of cooperative ownership not eligible for assistance under this section);

“(iii) not refuse to rent a dwelling unit in the structure to a family solely because the family is receiving or is eligible to receive assistance under any Federal, State, or local housing assistance program; and

“(iv) that the units repaired and rehabilitated with such assistance will be occupied, or available for occupancy, by persons of low income;

during the 5-year period beginning on the date on which the units in the housing are available for occupancy;

“(C) the unit of general local government or nonprofit organization that receives the assistance certifies to the satisfaction of the Secretary that the assistance will be made available in conformity with Public Law 88-352 and Public Law 90-284;

“(D) the owner agrees to enter into and abide by written leases with the tenants, which leases shall provide that tenants may be evicted only for good cause; and

“(E) the unit of general local government or nonprofit organization will agree to supervise repairs and rehabilitation and will agree to have a disinterested party inspect such repairs and rehabilitation.

Rental or
cooperative
housing
assistance.

42 USC 2000a
note.
82 Stat. 73.

"(2) Assistance under this section provided with respect to any housing other than rental or cooperative housing may be provided only if the owner complies with the requirements set forth in subparagraph (E) of paragraph (1) and any other requirements established by the Secretary to carry out the purpose of this section.

"(3)(A) The Secretary shall provide that if the owner or his or her successors in interest fail to carry out the agreements described in subparagraphs (A) and (B) of paragraph (1) during the applicable period, the owner or his or her successors in interest shall make a payment to the Secretary of an amount that equals the total amount of assistance provided under this section with respect to such housing, plus interest thereon (without compounding), for each year and any fraction thereof that the assistance was outstanding, at a rate determined by the Secretary taking into account the average yield on outstanding marketable long-term obligations of the United States during the month preceding the date on which the assistance was made available.

"(B) Notwithstanding any other provision of law, any assistance provided under this section shall constitute a debt, which is payable in the case of any failure to carry out the agreements described in subparagraphs (A), (B), and (C) of paragraph (1), and shall be secured by the security instruments provided by the owner to the Secretary.

"(f) The Secretary shall provide for such advance payments of assistance under this section as the Secretary determines is necessary to effectively carry out the provisions of this section.

Advance
assistance
payments.

"(g) The Secretary shall, at least on an annual basis, make such review and audits as may be necessary or appropriate to determine whether the grantee has carried out its activities in a timely manner and in accordance with the requirements of this section, the degree to which the activities assisted benefitted persons of low income and very low-income who lacked adequate housing, and whether the grantee has a continuing capacity to carry out the activities in a timely manner. The Secretary may adjust, reduce, or withdraw resources made available to grantees receiving assistance under this section, or take other action as appropriate in accordance with the findings of these reviews and audits. Any amounts which became available as a result of actions under this subsection shall be reallocated in the year in which they become available to such grantee or grantees as the Secretary may determine.

Review and
audits.

"(h) The Secretary is authorized to prescribe such rules and regulations and make such delegations of authority as he deems necessary to carry out this section within 90 days after the date of enactment of this section.

"(i) The Secretary shall establish procedures which support national historic preservation objectives and which assure that, if any rehabilitation proposed to be assisted under this section would affect property that is included or is eligible for inclusion on the National Register of Historic Places, such activity shall not be undertaken unless (1) it will reasonably meet the standards for rehabilitation issued by the Secretary of the Interior and the appropriate State historic preservation officer is afforded the opportunity to comment on the specific rehabilitation plan, or (2) the Advisory Council on Historic Preservation is afforded an opportunity to comment on cases for which the recipient of assistance, in consultation with the State historic preservation officer, determines that the proposed rehabilitation activity cannot reasonably meet such standards or would adversely affect historic property as defined therein.

Procedures
supporting
historic
preservation.

Report to
Congress.

"(j) Not later than 180 days after the close of each fiscal year in which assistance under this section is furnished, the Secretary shall submit to the Congress a report which shall contain—

"(1) a description of the progress made in accomplishing the objectives of this section; and

"(2) a summary of the use of such funds during the preceding year.

The Secretary shall require grantees under this section to submit to him such reports, and other information as may be necessary in order for the Secretary to make the report required by this subsection."

MISCELLANEOUS

SEC. 523. Title V of the Housing Act of 1949 is amended by adding at the end thereof the following:

"REVIEW OF RULES AND REGULATIONS

Publication in
Federal
Register.
42 USC 1490n.

"SEC. 534. (a) Notwithstanding any other provision of law, no rule or regulation pursuant to this title may become effective unless it has first been published for public comment in the Federal Register for at least 60 days, and published in final form for at least 30 days.

Transmittal to
congressional
committees.

"(b) The Secretary shall transmit to the chairman and ranking Member of the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House, all rules and regulations at least 15 days before they are sent to the Federal Register for purposes of subsection (a).

"(c) The provisions of this section shall not apply to a rule or regulation which the Secretary certifies is issued on an emergency basis.

"RECIPROCITY IN APPROVAL OF HOUSING SUBDIVISIONS AMONG FEDERAL AGENCIES

42 USC 1490o.

"SEC. 535. The Secretary of Agriculture, the Secretary of Housing and Urban Development, and the Administrator of Veterans' Affairs shall each accept an administrative approval of any housing subdivision made by any of the others so that not later than January 1, 1984, there is total reciprocity for housing subdivision approvals among the agencies which they head."

Export-Import
Bank Act
Amendments of
1983.

TITLE VI—EXPORT-IMPORT BANK ACT AMENDMENTS OF 1983

SHORT TITLE

12 USC 635 note.

SEC. 601. This title may be cited as the "Export-Import Bank Act Amendments of 1983".

PART A—EXPORT-IMPORT BANK ACT AMENDMENTS

EXTENSION OF THE EXPORT-IMPORT BANK ACT

Ante, p. 916.

SEC. 611. Section 8 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) is amended by striking out "November 18, 1983" and inserting in lieu thereof "September 30, 1986".

COMPETITIVE MANDATE

SEC. 612. (a) The second sentence of section 2(b)(1)(A) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)(A)) is amended—

(1) by inserting “in all its programs” after “objective”; and

(2) by inserting “fully” after “which are”.

(b) The first sentence of section 2(b)(1)(B) of such Act (12 U.S.C. 635(b)(1)(B)) is amended by striking out “It is” and all that follows through “exports of other countries;” and inserting in lieu thereof the following: “It is further the policy of the United States that loans made by the Bank in all its programs shall bear interest at rates determined by the Board of Directors, consistent with the Bank’s mandate to support United States exports at rates and on terms and conditions which are fully competitive with exports of other countries, and consistent with international agreements. For the purpose of the preceding sentence, rates and terms and conditions need not be equivalent to those offered by foreign countries, but should be established so that the effect of such rates, terms, and conditions for all the Bank’s programs, including those for small businesses and for medium-term financing, will be to neutralize the effect of such foreign credit on international sales competition. The Bank shall consider its average cost of money as one factor in its determination of interest rates, where such consideration does not impair the Bank’s primary function of expanding United States exports through fully competitive financing. It is also the policy of the United States”.

(c) The first sentence of section 2(b)(1)(B) of such Act (12 U.S.C. 635(b)(1)(B)), as in effect on the day before the date of the enactment of this title, is amended by inserting “export trading companies,” after “independent export firms,”.

ADVISORY COMMITTEE

SEC. 613. Section 3(d) of the Export-Import Bank Act of 1945 (12 U.S.C. 635a(d)) is amended to read as follows:

“(d)(1)(A) There is established an Advisory Committee to consist of twelve members who shall be appointed by the Board of Directors on the recommendation of the President of the Bank.

“(B) Such members shall be broadly representative of production, commerce, finance, agriculture, labor, services, and State government.

“(2) Not less than three members appointed to the Advisory Committee shall be representative of the small business community.

“(3) The Advisory Committee shall meet at least once each quarter.

“(4) The Advisory Committee shall advise the Bank on its programs, and shall submit, with the report specified in section 2(b)(1)(A) of this Act, its own comments to the Congress on the extent to which the Bank is meeting its mandate to provide competitive financing to expand United States exports, and any suggestions for improvements in this regard.”.

Comments,
submittal to
Congress.
12 USC 635.

TERMS OF DIRECTORS

SEC. 614. (a) Section 3(c) of the Export-Import Bank Act of 1945 (12 U.S.C. 635a(c)) is amended—

(1) by redesignating the first sentence through the seventh sentence of such section as paragraphs (1) through (7), respectively;

(2) in the fifth paragraph of such section, as so redesignated by paragraph (1), by striking out "Terms of the directors shall be at the pleasure of the President of the United States, and the" and inserting in lieu thereof "The"; and

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

"(8)(A) The terms of the directors, including the President and the First Vice President of the Bank, appointed under this section shall be four years, except that—

"(i) during their terms of office, the directors shall serve at the pleasure of the President of the United States;

"(ii) the term of any director appointed after the date of enactment of this paragraph to serve before January 20, 1985, shall expire on January 20, 1985;

"(iii) of the directors first appointed to serve beginning on or after January 21, 1985, two directors (other than the President and First Vice President of the Bank) shall be appointed for terms of two years, as designated by the President of the United States at the time of their appointment; and

"(iv) any director first appointed to serve for a term beginning on any date after January 21, 1985, shall serve only for the remainder of the period for which such director would have been appointed if such director's term had begun on January 21, 1985. If such term would have expired before the date on which such director's term actually begins, the term of such director shall be the four-year period, or remainder thereof, as if such director had been preceded by a director whose term had begun on January 21, 1985.

"(B) Of the five members of the Board appointed by the President, not less than one such member shall be selected from among the small business community and shall represent the interests of small business.

Vacancy.

"(C) Any person chosen to fill a vacancy shall be appointed only for the unexpired term of the director whom such person succeeds.

"(D) Any director whose term has expired may be reappointed."

12 USC 635a
note.
Ante, p. 1255.

(b) In order to carry out the amendment made by subsection (a) regarding section 3(c)(8)(B) of the Export-Import Bank Act of 1945, the first member, other than a member who will serve as Chairman or Vice Chairman of the Bank, appointed by the President of the United States to the Board of Directors of the Export-Import Bank of the United States after the date of the enactment of this section shall be selected from among the small business community and shall represent the interests of small business.

REPORT ON AUTHORITY

SEC. 615. Section 7(a)(2) of the Export-Import Bank Act of 1945 (12 U.S.C. 635e(a)(2)) is amended to read as follows:

"(2)(A)(i) Not later than March 31 of each fiscal year, the President of the United States shall determine whether the authority available to the Bank for such fiscal year will be sufficient to meet the Bank's needs, particularly those needs arising from—

"(I) increases in the level of exports unforeseen at the time of the original budget request for such fiscal year;

"(II) any increased foreign export credit subsidies; or

“(III) the lack of progress in negotiations to reduce or eliminate export credit subsidies.

“(ii) Not later than April 15 of each year, the President of the United States shall transmit to the Congress a report on such determination.

Transmittal to Congress.

“(B)(i) If the President of the United States finds that the amount of direct loan authority or guarantee authority available to the Bank for the fiscal year involved exceeds the amount which will be necessary to carry out the Bank’s functions consistent with the availability of qualified applications and limitations imposed by law during such year, the President of the United States shall promptly transmit to the Congress a request for legislation to eliminate the amount of such excess direct loan, loan guarantee, or insurance authority.

Presidential request for legislation to Congress.

“(ii) The Bank shall continue to make remaining amounts of its authority available for the fiscal year involved, in accordance with its practices and the requirements of this Act, unless otherwise directed pursuant to law.”.

EXPORTS OF SERVICES

SEC. 616. (a) Section 2 of the Export-Import Bank Act of 1945 (12 U.S.C. 635) is amended—

(1) in the second sentence of subsection (a)(1), by inserting “and services” after “exchange of commodities”;

(2) in the second sentence of subsection (b)(1)(A), by inserting “of goods and services” after “exports”; and

(3) by inserting after subsection (b)(1)(C) the following:

“(D)(i) It is further the policy of the United States to foster the delivery of United States services in international commerce. In exercising its powers and functions, the Bank shall give full and equal consideration to making loans and providing guarantees for the export of services (independently, or in conjunction with the export of manufactured goods, equipment, hardware or other capital goods) consistent with the Bank’s policy to neutralize foreign subsidized credit competition and to supplement the private capital market.

“(ii) The Bank shall include in its annual report a summary of its programs regarding the export of services.”.

(b) Section 206 of the Export Trading Company Act of 1982 (Public Law 97-290) is amended—

12 USC 635a-4.

(1) by striking out “or” after “export accounts receivable” and inserting in lieu thereof a comma; and

(2) by inserting after “exportable goods,” the following: “accounts receivable from leases, performance contracts, grant commitments, participation fees, member dues, revenue from publications, or such other collateral as the Board of Directors may deem appropriate,”.

COMPETITIVE INSURANCE

SEC. 617. Section 2 of the Export-Import Bank Act of 1945 (12 U.S.C. 635) is amended by adding at the end thereof the following:

“(d)(1) In carrying out its responsibilities under this Act, the Bank shall work to ensure that United States companies are afforded an equal and nondiscriminatory opportunity to bid for insurance in connection with transactions assisted by the Bank.

"(2) In furtherance of such effort, the Chairman of the Bank shall review Bank policies and programs in regard to this issue, and in coordination with the United States Trade Representative and the appropriate agencies of the Department of State, the Department of the Treasury, and the Department of Commerce, undertake actions designed to promote equal and nondiscriminatory opportunities to bid for insurance in connection with all aspects of international trade activities.

Bank report to congressional committees.

"(3) The Bank shall report to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate not later than May 15, 1984, regarding—

"(A) the existing obstacles to equal and nondiscriminatory bidding for insurance related to transactions assisted by the Bank;

"(B) the efforts that the Bank has taken in addressing such problems; and

"(C) recommendations for such legislative or administrative actions as the Bank considers necessary."

SMALL BUSINESS NEEDS

SEC. 618. (a) Section 2(b)(1) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)) is amended—

(1) in subparagraph (B), by striking out "that the Bank shall give due recognition to the policy stated in section 2(a) of the Small Business Act" and all that follows through "the Small Business Administration and other departments and agencies in matters affecting small business concerns;"; and

Ante, p. 1257.

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

"(E)(i)(I) It is further the policy of the United States to encourage the participation of small business in international commerce.

"(II) In exercising its authority, the Bank shall develop a program which gives fair consideration to making loans and providing guarantees for the export of goods and services by small businesses.

15 USC 631.

"(ii) It is further the policy of the United States that the Bank shall give due recognition to the policy stated in section 2(a) of the Small Business Act that 'the Government should aid, counsel, assist, and protect, insofar as is possible, the interests of small business concerns in order to preserve free competitive enterprise'.

"(iii) In furtherance of this policy, the Board of Directors shall designate an officer of the Bank who—

"(I) shall be responsible to the President of the Bank for all matters concerning or affecting small business concerns; and

"(II) among other duties, shall be responsible for advising small business concerns of the opportunities for small business concerns in the functions of the Bank and for maintaining liaison with the Small Business Administration and other departments and agencies in matters affecting small business concerns.

Ante, pp. 1255, 1256.

"(iv) The Director appointed to represent the interests of small business under section 3(c) of this Act shall ensure that the Bank carries out its responsibilities under clauses (ii) and (iii) of this subparagraph and that the Bank's financial and other resources are, to the maximum extent possible, appropriately used for small business needs.

"(v) To assure that the purposes of clauses (i) and (ii) of this subparagraph are carried out, the Bank shall make available, from the aggregate loan, guarantee, and insurance authority available to it, an amount to finance exports by small business concerns (as defined under section 3 of the Small Business Act) which shall be not less than—

"(I) 6 per centum of such authority for fiscal year 1984;

"(II) 8 per centum of such authority for fiscal year 1985; and

"(III) 10 per centum of such authority for fiscal year 1986 and thereafter.

"(vi) The Bank shall utilize the amount set aside pursuant to clause (v) of this subparagraph to offer financing for small business exports on terms which are fully competitive with regard to interest rates and with regard to the portion of financing which may be provided, guaranteed, or insured. Financing under this clause (vi) shall be available without regard to whether financing for the particular transaction was disapproved by any other Federal agency.

"(vii)(I) The Bank shall utilize a part of the amount set aside pursuant to clause (v) to provide lines of credit or guarantees to consortia of small or medium size banks, export trading companies, State export finance agencies, export financing cooperatives, small business investment companies (as defined in section 103 of the Small Business Investment Act of 1958), or other financing institutions or entities in order to finance small business exports.

"(II) Financing under this clause (vii) shall be made available only where the consortia or the participating institutions agree to undertake processing, servicing, and credit evaluation functions in connection with such financing.

"(III) To the maximum extent practicable, the Bank shall delegate to the consortia the authority to approve financing under this clause (vii).

"(IV) In the administration of the program under this clause (vii), the Bank shall provide appropriate technical assistance to participating consortia and may require such consortia periodically to furnish information to the Bank regarding the number and amount of loans made and the creditworthiness of the borrowers.

"(viii) In order to assure that the policy stated in clause (i) is carried out, the Bank shall promote small business exports and its small business export financing programs in cooperation with the Secretary of Commerce, the Office of International Trade of the Small Business Administration, and the private sector, particularly small business organizations, State agencies, chambers of commerce, banking organizations, export management companies, export trading companies, and private industry."

(b) Section 9 of such Act (12 U.S.C. 635g) is amended—

(1) in the first sentence of subsection (b), by inserting before the period at the end thereof the following: "and of the activities of the member of the Board appointed to represent the interests of small business"; and

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

"(c)(1) The Bank shall include in its annual report to the Congress a report on the allocation of the sums set aside for small business exports pursuant to section 2(b)(1)(E).

"(2) Such report shall specify—

"(A) the total number and dollar volume of loans made from the sums set aside;

Financing.

15 USC 632.

15 USC 662.

Annual report to Congress.

Ante, p. 1258.

Ante, p. 1258.

"(B) the number and dollar volume of loans made through the consortia program under section 2(b)(1)(E)(vii);

"(C) the amount of guarantees and insurance provided for small business exports;

"(D) the number of recipients of financing from the sums set aside who have not previously participated in the Bank's programs;

"(E) the number of commitments entered into in amounts less than \$500,000; and

"(F) any recommendations for increasing the participation of banks and other institutions in the programs authorized under section 2(b)(1)(E).

Transmittal to congressional committees.

"(3) For the purpose of this subsection, the Bank's report shall be transmitted to the Committee on Small Business of the Senate and the Committee on Small Business of the House of Representatives."

Ante, p. 1258.

(c) Section 2(b)(1) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)) is amended by adding at the end thereof the following:

"(F) Consistent with international agreements, the Bank shall urge the Foreign Credit Insurance Association to provide coverage against 100 per centum of any loss with respect to exports having a value of less than \$100,000."

SPECIAL FACILITIES IN SUPPORT OF UNITED STATES EXPORTS

SEC. 619. (a) The Export-Import Bank Act of 1945 (12 U.S.C. 635 et seq.) is amended by adding at the end thereof the following:

"SPECIAL FACILITIES IN SUPPORT OF UNITED STATES EXPORTS

12 USC 635i-1.

"SEC. 13. The Bank is authorized to establish general facilities consisting of guarantees and insurance in support of export transactions to Brazil in the aggregate amount of \$1,500,000,000 and to Mexico in the aggregate amount of \$500,000,000. No such guarantees may be made, or insurance issued, after March 31, 1985."

(b) The first sentence of section 2(b)(3) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(3)) is amended by inserting "or general guarantee or insurance facility" after "no loan or financial guarantee".

(c) Section 2(b)(3)(A) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(3)(A)) is amended to read as follows:

"(A) in the case of a loan or financial guarantee—

"(i) a brief description of the purposes of the transaction;

"(ii) the identity of the party or parties requesting the loan or financial guarantee;

"(iii) the nature of the goods or services to be exported and the use for which the goods or services are to be exported; and

"(iv) in the case of a general guarantee or insurance facility—

"(I) a description of the nature and purpose of the facility;

"(II) the total amount of guarantees or insurance; and

"(III) the reasons for the facility and its methods of operation; and"

(d) Section 2(b) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)) is amended—

- (1) by redesignating paragraph (8) as paragraph (9);
- (2) by redesignating paragraph (7), the second time it appears therein, as paragraph (8); and
- (3) by adding at the end thereof the following:

“(10)(A) The Bank shall not, without a specific authorization by law, guarantee, insure, or extend credit (or participate in the extension of credit) to—

“(i) assist specific countries with balance of payments financing; or

“(ii) assist (as the primary purpose of any such guarantee, insurance, or credit) any country in the management of its international indebtedness, other than its outstanding obligations to the Bank.

“(B) Nothing contained in subparagraph (A) shall preclude guarantees, insurance, or credit the primary purpose of which is to support United States exports.”.

TECHNICAL AMENDMENTS

SEC. 620. (a) Section 2(b)(4) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(4)) is amended by striking out “he” wherever it appears and inserting in lieu thereof “the Secretary”.

(b) Section 3(e) of the Export-Import Bank Act of 1945 (12 U.S.C. 635a(e)) is amended—

(1) by striking out “his” and inserting in lieu thereof “such individual’s”; and

(2) by striking out “he” and inserting in lieu thereof “such individual”.

(c) Section 4 of the Export-Import Bank Act of 1945 (12 U.S.C. 635b) is amended by striking out “he” and inserting in lieu thereof “the President”.

(d) Section 7(b) of the Export-Import Bank Act of 1945 (12 U.S.C. 635e(b)) is amended by striking out “he” wherever it appears and inserting in lieu thereof “the President”.

CAPITAL LEVEL OF THE BANK

SEC. 621. The Export-Import Bank Act of 1945 (12 U.S.C. 635 et seq.) is amended by adding at the end thereof the following:

“CAPITAL LEVEL OF THE BANK

“SEC. 14. After fiscal year 1983, if at the end of any fiscal quarter the value of the total capital stock and retained earnings of the Bank falls below 50 per centum of the value of the total capital stock and retained earnings of the Bank at the end of fiscal year 1983, the Board of Directors shall notify the Congress of the decrease in the level of the capital stock of the Bank not later than thirty days after the end of the fiscal quarter involved and the Congress shall take appropriate action.”.

Notification of
Congress.
12 USC 635i-2.

MEDIUM-TERM FINANCING

SEC. 622. Section 2(a) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(a)) is amended by adding at the end thereof the following:

"(2) In order for the Bank to be competitive in all of its financing programs with countries whose exports compete with United States exports, the Bank shall establish a program that—

"(A) provides medium-term financing where necessary to be fully competitive—

"(i) at rates of interest to the customer which are equal to rates established in international agreements; and

"(ii) in amounts up to 85 percent of the total cost of the exports involved; and

"(B) enables the Bank to cooperate fully with the Secretary of Commerce and the Administrator of the Small Business Administration to develop a program for purposes of disseminating information (using existing private institutions) to small business concerns regarding the medium-term financing provided under this paragraph."

REPORT TO CONGRESS

Ante, p. 1259.

SEC. 623. Section 9 of the Export-Import Bank Act of 1945 (12 U.S.C. 635g) is amended by adding at the end thereof the following:

"(d)(1) The report shall include a detailed description of all actions which have been taken by the Bank or which will be taken by the Bank—

"(A) to maintain the competitive position of key linkage industries in the United States;

"(B) to support industries which are engaged in the export of high value added products;

"(C) to support industries which are engaged in the development of new capital goods technology;

"(D) to preserve and create high skilled jobs in the United States economy; and

"(E) to enhance the opportunity for growth and expansion of small businesses and entrepreneurial enterprises.

"(2) Such report shall include the comments of the Advisory Committee regarding the objectives specified in paragraph (1)."

PART B—MATCHING CREDITS

MATCHING CREDITS

12 USC 635a-3.

SEC. 631. Section 1912 of the Export-Import Bank Act Amendments of 1978 is amended—

(1) by adding at the end of subsection (a)(1) the following: "The inquiry, and where appropriate, the determination and authorization to the Export-Import Bank of the United States referred to in this section shall be completed and made within 60 days of the receipt of such information."; and

(2) in subsection (b)(1), by striking out "determining factor" and inserting in lieu thereof "significant factor".

REPORT

12 USC 635a-2.

SEC. 632. Section 1911 of the Export-Import Bank Act Amendments of 1978 is amended by adding at the end thereof the following: "After October 1, 1983, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section."

TECHNICAL AMENDMENT

SEC. 633. (a) Section 1912(b) of the Export-Import Bank Act Amendments of 1978 is amended by striking out "he" and inserting in lieu thereof "the Secretary".

12 USC 635a-3.

(b) Section 1912(a)(2) of the Export-Import Bank Act Amendments of 1978 is amended by striking out "he" and inserting in lieu thereof "the Secretary".

PART C—TIED AID CREDIT EXPORT SUBSIDIES

Trade and
Development
Enhancement
Act of 1983.

SHORT TITLE

SEC. 641. This part may be referred to as the "Trade and Development Enhancement Act of 1983".

12 USC 635o
note.

STATEMENT OF PURPOSE

SEC. 642. The purpose of this part is—

12 USC 635o.

(1) to expand employment and economic growth in the United States by expanding United States exports to the markets of the developing world;

(2) to stimulate the economic development of countries in the developing world by improving their access to credit for the importation of United States products and services for developmental purposes;

(3) to neutralize the predatory financing engaged in by many nations whose exports compete with United States exports, and thereby restore export competition to a market basis; and

(4) to encourage foreign governments to enter into effective and comprehensive agreements with the United States to end the use of tied aid credits for exports, and to limit and govern the use of export credit subsidies generally.

NEGOTIATING MANDATE

SEC. 643. The President shall vigorously pursue negotiations to limit and set rules for the use of tied aid for exports. The negotiating objectives of the United States should include reaching agreements—

Presidential
action.
12 USC 635p.

(1) to define the various forms of tied aid credit, particularly mixed credits under the Arrangement on Guidelines for Officially Supported Export Credits established through the Organization for Economic Cooperation and Development (hereinafter in this part referred to as the "Arrangement");

(2) to phase out the use of government-mixed credits by a date certain;

(3) to set rules governing the use of public-private cofinancing, or other forms of mixed financing, which may have the same result as government-mixed credits of drawing on concessional development assistance to produce subsidized export financing;

(4) to raise the threshold for notification of the use of tied aid credit to a 50 per centum level of concessionality;

(5) to improve notification procedures so that advance notification must be given on all uses of tied aid credit; and

(6) to prohibit the use of tied aid credit for production facilities for goods which are in structural oversupply in the world.

ESTABLISHMENT OF A TIED AID CREDIT PROGRAM IN THE UNITED STATES
EXPORT-IMPORT BANK

12 USC 635q.

SEC. 644. (a)(1) The Chairman of the Export-Import Bank of the United States shall establish, within the Export-Import Bank of the United States, a program of tied aid credits for United States exports.

Cooperation
with AID.

(2) The program shall be carried out in cooperation with the Agency for International Development and with private financial institutions or entities, as appropriate.

Program
inclusions.

(3) The program may include—

(A) the combined use of the credits, loans, or guarantees offered by the Export-Import Bank of the United States with concessional financing or grants offered by the Agency for International Development, by methods including the blending of the financing of, or parallel financing by, the Bank and the Agency for International Development; and

(B) the combined use of credits, loans, or guarantees offered by the Bank, with financing offered by private financial institutions or entities, by methods including the blending of the financing of, or parallel financing by, the Bank and private institutions or entities.

(b) The purpose of the tied aid credit program under this section is to offer or arrange for financing for the export of United States goods and services which is substantially as concessional as foreign financing for which there is reasonable proof that such foreign financing is being offered to, or arranged for, a bona fide foreign competitor for a United States export sale.

(c) The Chairman of the Bank is authorized to establish a fund, as necessary, for carrying out the tied aid credit program described in this section.

Congressional
financing or
grants.

(d) Concessional financing or grants offered by the Agency for International Development for the purposes of the mixed financing program established under this section shall be made available in accordance with the provisions of subsections (c) and (d) of section 645 of this Act.

ESTABLISHMENT OF A TIED AID CREDIT PROGRAM IN THE AGENCY FOR
INTERNATIONAL DEVELOPMENT

12 USC 635r.

SEC. 645. (a) The Administrator of the Agency for International Development shall establish within the Agency a program of tied aid credits for United States exports. The program shall be carried out in cooperation with the Export-Import Bank of the United States and with private financial institutions or entities, as appropriate. The program may include—

Program
inclusions.

(1) the combined use of the credits, loans, or guarantees offered by the Bank with concessional financing or grants offered by the Agency for International Development, by methods including the blending of the financing of, or parallel financing by, the Bank and the Agency for International Development; and

(2) the combination of concessional financing or grants offered by the Agency for International Development with financing offered by private financial institutions or entities, by methods including the blending of the financing of, or parallel financing

by, the Agency for International Development and private institutions or entities.

(b) These funds may be combined with financing by the Export-Import Bank of the United States or private commercial financing in order to offer, or arrange for, financing for the exportation of United States goods and services which is substantially as concessional as foreign financing for which there is reasonable proof that such foreign financing is being offered to, or arranged for, a bona fide foreign competitor for a United States export sale.

Combined
funding.

(c)(1) Funds of the agency for International Development which are used to carry out a tied aid credit program authorized by subsections (a) and (b) shall be offered only to finance United States exports which can reasonably be expected to contribute to the advancement of the development objectives of the importing country or countries, and shall be consistent with the economic, security, and political criteria used to establish country allocations of Economic Support Funds.

(2) The Administrator of the Agency for International Development is authorized to establish a fund, as necessary, for carrying out a tied aid credit financing program as described in this section.

(d) The Administrator of the Agency for International Development may draw on Economic Support Funds allocated for Commodity Import Programs to finance a tied aid credit activity.

Allocations.

IMPLEMENTATION

SEC. 646. (a)(1) The National Advisory Council on International Monetary and Financial Policies shall coordinate the implementation of the tied aid credit programs authorized by sections 644 and 645.

12 USC 635s.

(2) No financing may be approved under the tied aid credit programs authorized by section 644 or section 645 without the unanimous consent of the members of the National Advisory Council on International Monetary and Financial Policies.

Ante, p. 1264.

DEFINITIONS

SEC. 647. For purposes of this part—

12 USC 635t.

(1) the term "tied aid credit" means credit—

- (A) which is provided for development aid purposes;
- (B) which is tied to the purchase of exports from the country granting the credit;
- (C) which is financed either exclusively from public funds, or, as a mixed credit, partly from public and partly from private funds; and
- (D) which has a grant element, as defined by the Development Assistance Committee of the Organization for Economic Cooperation and Development, greater than zero percent;

(2) the term "government-mixed credits" means the combined use of credits, insurance, and guarantees offered by the Export-Import Bank of the United States with concessional financing or grants offered by the Agency for International Development to finance exports;

(3) the term "public-private cofinancing" means the combined use of either official development assistance or official export credit with private commercial credit to finance exports;

(4) the term "blending of financings" means the use of various combinations of official development assistance, official export credit, and private commercial credit, integrated into a single package with a single set of financial terms, to finance exports;

(5) the term "parallel financing" means the related use of various combinations of separate lines of official development assistance, official export credits, and private commercial credit, not combined into a single package with a single set of financial terms, to finance exports; and

(6) the term "Bank" means the Export-Import Bank of the United States.

19 USC 1671a.

SEC. 650. (a) Section 702 of the Tariff Act of 1930 as amended, is amended by adding after subsection 702(b)(2) a new subsection 702(b)(3) as follows:

Publication in
Federal
Register.

"(3) PETITION BASED UPON A DEROGATION OF AN INTERNATIONAL UNDERTAKING ON OFFICIAL EXPORT CREDITS.—If the sole basis of a petition filed under subsection 702(b)(1) is the derogation of an international undertaking on official export credits, the Administering Authority shall immediately notify the Secretary of the Treasury who shall, in consultation with the Administering Authority, within twenty days determine the existence and estimated value of the derogation, if any, and shall publish such determination in the Federal Register."

19 USC 1671b.

(b) Section 703 of the Tariff Act of 1930, as amended, is amended by redesignating subsection 703(b) as subsection 703(b)(1) and adding a new subsection 703(b)(2) as follows:

"(2) Notwithstanding subsection (b)(1), when the petition is one subject to subsection 702(b)(3), the Administering Authority shall, taking into account the nature of the subsidy concerned, make the determination required by subsection 703(b)(1) on an expedited basis and within 85 days after the date on which the petition is filed under section 702(b) unless the provisions of section 703(c) apply."

(c) Title VII of the Tariff Act of 1930 is amended by adding at the end thereof the following new section—

19 USC 1671g.

"SEC. 708. Nothing in this title shall be interpreted as superseding the provisions of section 1912 of the Export-Import Bank Act Amendments of 1978, except that in the event of an assessment of duty based on a derogation under section 706 or action under section 703(d)(2), the Secretary of the Treasury shall not authorize the Bank to provide guarantees, insurance and credits to competing United States sellers pursuant to section 1912 of such Act."

12 USC 635a-3.

19 USC 1671e.

19 USC 1671b.

TITLE VII—MISCELLANEOUS PROVISIONS

HOME MORTGAGE DISCLOSURE ACT AMENDMENTS

SEC. 701. (a) Sections 304, 310, and 311 of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2803, 2809, and 2810) are amended by striking out "standard metropolitan statistical area" wherever it appears and inserting in lieu thereof "primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas".

(b) Section 308 of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2807) is amended by striking out "standard metropolitan statistical areas" wherever it appears and inserting in lieu thereof "primary metropolitan statistical areas, metropolitan statistical

areas, or consolidated metropolitan statistical areas that are not comprised of designated primary metropolitan statistical areas".

(c) Section 203(1) of the Depository Institutions Management Interlocks Act (12 U.S.C. 3202(1)) is amended by striking out "standard metropolitan statistical area" and inserting in lieu thereof "primary metropolitan statistical area, the same metropolitan statistical area, or the same consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas".

MEMBERS TO SERVE UNTIL SUCCESSORS ARE APPOINTED

SEC. 702. (a) Section 2 of the Federal Deposit Insurance Act (12 U.S.C. 1812) is amended by inserting after the third sentence the following: "Each such appointive member may continue to serve after the expiration of his term until a successor has been appointed and qualified."

(b) Section 17(a) of the Federal Home Loan Bank Act (12 U.S.C. 1436(a)) is amended by adding at the end thereof the following: "Upon the expiration of the term of office of a member of the Board, such member may continue to serve until a successor has been appointed and qualified."

12 USC 1437.

DEFENSE PRODUCTION ACT EXTENSION

SEC. 703. The first sentence of Section 717(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2166(a)) is amended by striking out "September 30, 1983" and inserting in lieu thereof "March 30, 1984".

Ante, p. 53.

TITLE VIII—INTERNATIONAL MONETARY FUND

PROMOTING CONDITIONS FOR EXCHANGE RATE STABILITY

SEC. 801. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"PROMOTING CONDITIONS FOR EXCHANGE RATE STABILITY

"SEC. 40. (a) In order to help assure that the resources provided under section 41 are used to support pro-growth policies which will help establish the economic conditions necessary for more appropriate financial and exchange rate alignment and stability, it is the sense of Congress that the Secretary of the Treasury shall—

Initiatives by
Treasury
Secretary.
22 USC 286y.
Post, p. 1268.

"(1) in consultation with the Secretary of State and the United States Trade Representative, initiate discussions with other countries regarding the economic dislocations which result from structural exchange rate imbalances; and

"(2) instruct the United States Executive Director of the Fund to work for adoption of policies in the Fund, both within the framework of article IV (of the Articles of Agreement of the Fund) consultations and with respect to the conditions associated with Fund-supported balance of payments adjustments programs, which promote conditions contributing to the stability of exchange rates and avoid the manipulation of exchange rates between major currencies. Among other initiatives, the Secretary of the Treasury shall propose strengthening the article IV consultation procedures of the Fund to attempt to

ensure that countries which are artificially maintaining undervalued or overvalued rates of exchange agree to adopt market determined exchange rates.

Assistance
extensions.

"(b) In determining his vote on extensions of assistance to any Fund borrower, the United States Executive Director of the Fund shall take into account whether such borrower's policies are consistent with the requirements of article IV of the Articles of Agreement of the Fund."

QUOTA INCREASE

SEC. 802. (a) The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended—

22 USC 286e-2.

(1) in section 17(a)—

(A) by striking out "decision of January 5, 1962," and inserting in lieu thereof "decisions of January 5, 1962, and February 24, 1983, as amended in accordance with their terms,"; and

(B) by striking out "not to exceed \$2,000,000,000 outstanding at any one time," and inserting in lieu thereof "in an amount not to exceed the equivalent of 4,250,000,000 Special Drawing Rights, limited to such amounts as are provided in advance in appropriations Acts, except that prior to activation, the Secretary of the Treasury shall certify that supplementary resources are needed to forestall or cope with an impairment of the international monetary system and that the Fund has fully explored other means of funding,";

Supplementary
resources.

(2) in section 17(b), by striking out "\$2,000,000,000," and inserting in lieu thereof "4,250,000,000 Special Drawing Rights, except that prior to activation, the Secretary of the Treasury shall certify whether supplementary resources are needed to forestall or cope with an impairment of the international monetary system and that the Fund has fully explored other means of funding,";

(3) by adding at the end of section 17 the following:

"(d) Unless the Congress by law so authorizes, neither the President, the Secretary of the Treasury, nor any other person acting on behalf of the United States, may instruct the United States Executive Director to the Fund to consent to any amendment to the Decision of February 24, 1983, of the Executive Directors of the Fund, if the adoption of such amendment would significantly alter the amount, terms, or conditions of participation by the United States in the General Arrangements to Borrow.";

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

"QUOTA INCREASE

22 USC 286e-1i.

"SEC. 41. (a) The United States Governor of the Fund is authorized to consent to an increase in the quota of the United States in the Fund equivalent to 5,310,800,000 Special Drawing Rights, limited to such amounts as are provided in advance in appropriations Acts.

"(b)(1) The Secretary of the Treasury shall consult with the chairman and the ranking minority member of—

Consultation
with
congressional
committees.

"(A) the Committee on Banking, Finance and Urban Affairs and the Committee on Appropriations of the House of Representatives, and any appropriate subcommittee of each such committee; and

"(B) the committee on Foreign Relations, the Committee on Appropriations, and the Committee on Banking, Housing, and Urban Affairs of the Senate, and any appropriate subcommittee of each such committee, for purposes of discussing the position of the executive branch and the views of the Congress with respect to any international negotiations being held to consider any future quota increase for the International Monetary Fund which may involve an increased contribution, subscription, or loan by the United States.

"(2) Such consultation shall be made—

"(A) not later than thirty days before the initiation of such international negotiations;

"(B) during the period in which such negotiations are being held, in a frequent and timely manner; and

"(C) before a session of such negotiations is held at which the United States representatives may agree to such quota increase.

"COLLECTION AND EXCHANGE OF INFORMATION ON MONETARY AND FINANCIAL PROBLEMS

"SEC. 42. (a) It is the sense of the Congress that—

22 USC 286z.

"(1) the lack of sufficient information currently available to allow members of the Fund to make sound and prudent decisions concerning their public and private sector international borrowing, and to allow lenders to make sound and prudent decisions concerning their international lending, threatens the stability of the international monetary system; and

"(2) in recognition of the Fund's duties, as provided particularly by article VIII of the Articles of Agreement of the Fund, to act as a center for the collection and exchange of information on monetary and financial problems, the Fund should adopt necessary and appropriate measures to ensure that more complete and timely financial information will be available.

"(b) To this end, the Secretary of the Treasury shall instruct the United States Executive Director of the Fund to initiate discussions with other directors of the Fund and with Fund management, and to propose and vote for, the adoption of procedures, within the Fund—

"(1) to collect and disseminate information, on a quarterly basis, from and to Fund members, and to such other persons as the Fund deems appropriate, concerning—

"(A) the extension of credit by banks or nonbanks to private and public entities, including all government entities, instrumentalities, and central banks of member countries; and

"(B) the receipt of such credit by those private and public entities of member countries, where such banks or nonbanks are not principally established within the borders of the member country to which the credits are extended; and

"(2) to disseminate publicly information which is developed in the course of the Fund's collection, and to review and comment on efforts which the Fund determines would serve to enhance the informational base upon which international borrowing and lending decisions are taken.

"(c) For purposes of this section, the term 'credit' includes—

"Credit."

"(1) outstanding loans to private and public entities, including government entities, instrumentalities, and central banks of any member, and

Presidential
authority.
22 USC 286f.

"(2) unused lines of credit which have been made available to those private and public entities of any member, where such loans or lines of credit are repayable in freely convertible currency.

"(d) The President is authorized to use the authority provided under section 8 of this Act to require any person (as defined in such section) subject to the jurisdiction of the United States to provide such information as the Fund determines to be necessary in order to carry out the provisions of this section."

SPECIAL DRAWING RIGHTS

SEC. 803. Section 6 of the Special Drawing Rights Act (22 U.S.C. 286q) is amended—

(1) by inserting "(a)" after "SEC. 6."; and

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

"(b)(1) Neither the President nor any person or agency shall on behalf of the United States vote to allocate Special Drawing Rights under article XVIII, sections 2 and 3, of the Articles of Agreement of the Fund without consultations by the Secretary of the Treasury at least 90 days prior to any such vote, with the Chairman and ranking minority members of the Committee on Foreign Relations and 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, and the appropriate subcommittees thereof.

"(2) Such consultations shall include an explanation of the consistency of such proposal to allocate with the requirements of the Articles of Agreement of the Fund, in particular the requirement that in all its decisions with respect to allocation of Special Drawing Rights, the Fund shall 'seek to meet the long-term global need, as and when it arises, to supplement existing reserve assets in such manner as will promote the attainment of its purposes and will avoid economic stagnation and deflation as well as excess demand and inflation in the world'."

INSTRUCTIONS TO THE UNITED STATES EXECUTIVE DIRECTOR

SEC. 804. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"INSTRUCTIONS TO THE UNITED STATES EXECUTIVE DIRECTOR

"SEC. 43. (a) The Congress hereby finds that Communist dictatorships result in severe constraints on labor and capital mobility and other highly inefficient labor and capital supply rigidities which contribute to balance of payments deficits in direct contradiction of the goals of the International Monetary Fund. Therefore, the Secretary of the Treasury shall instruct the United States Executive Director of the Fund to actively oppose any facility involving use of Fund credit by any Communist dictatorship, unless the Secretary of the Treasury certifies and documents in writing upon request and so notifies and appears, if requested, before the Foreign Relations and Banking, Housing, and Urban Affairs Committees of the Senate and the Banking, Finance and Urban Affairs Committee of the House of Representatives, at least twenty-one days in advance of any vote on such drawing that such drawing—

Consultations
with Treasury
Secretary and
congressional
committees.

22 USC 286aa.

Appearance
before
congressional
committees.

(1) provides the basis for correcting the balance of payments difficulties and restoring a sustainable balance of payments position;

(2) would reduce the severe constraints on labor and capital mobility or other highly inefficient labor and capital supply rigidities and advances market-oriented forces in that country; and

(3) is in the best economic interest of the majority of the people in that country.

Should the Secretary not meet a request to appear before the aforementioned committees at least twenty-one days in advance of any vote on any facility involving use of Fund credit by any communist dictatorship and certify and document in writing that these three conditions have been met, the United States Executive Director shall vote against such program.

"(b) The Congress hereby finds that the practice of apartheid results in severe constraints on labor and capital mobility and other highly inefficient labor and capital supply rigidities which contribute to balance of payments deficits in direct contradiction of the goals of the International Monetary Fund. Therefore, the President shall instruct the United States Executive Director of the Fund to actively oppose any facility involving use of Fund credit by any country which practices apartheid unless the Secretary of the Treasury certifies and documents in writing, upon request, and so notifies and appears, if requested, before the Foreign Relations and Banking, Housing, and Urban Affairs Committees of the Senate and the Banking, Finance and Urban Affairs Committee of the House of Representatives, at least twenty-one days in advance of any vote on such drawing, that such drawing: (1) would reduce the severe constraints on labor and capital mobility, through such means as increasing access to education by workers and reducing artificial constraints on worker mobility and substantial reduction of racially-based restrictions on the geographical mobility of labor; (2) would reduce other highly inefficient labor and capital supply rigidities; (3) would benefit economically the majority of the people of any country which practices apartheid; (4) is suffering from a genuine balance of payments imbalance that cannot be met by recourse to private capital markets. Should the Secretary not meet a request to appear before the aforementioned committees at least twenty-one days in advance of any vote on any facility involving use of Fund credit by any country practicing apartheid and certify and document in writing that these four conditions have been met, the United States Executive Director shall vote against such program."

Countries practicing apartheid, restricted funding. Notification of congressional committees.

ELIMINATION OF AGRICULTURAL EXPORT SUBSIDIES

SEC. 805. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"ELIMINATION OF AGRICULTURAL EXPORT SUBSIDIES

"SEC. 44. The Secretary of the Treasury shall instruct the United States Executive Director of the Fund to propose and work for the adoption of a policy encouraging Fund members to eliminate all predatory agricultural export subsidies which might result in the reduction of other member countries' exports."

22 USC 286bb.

SUSTAINING ECONOMIC GROWTH

SEC. 806. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"SUSTAINING ECONOMIC GROWTH

Presidential
instructions.
22 USC 286cc.

"SEC. 45. (a)(1) The President shall instruct the Secretary of the Treasury, the Secretary of State, and other appropriate Federal officials, and shall request the Chairman of the Board of Governors of the Federal Reserve System, to use all appropriate means to encourage countries to formulate economic adjustment programs to deal with their balance of payment difficulties and external debt owed to private banks.

Economic
adjustment
programs.

"(2) Such economic adjustment programs should be designed to safeguard, to the maximum extent feasible, international economic growth, world trade, employment, and the long-term solvency of banks, and to minimize the likelihood of civil disturbances in countries needing economic adjustment programs.

"(b) To ensure the effectiveness of economic adjustment programs supported by Fund resources—

"(1) the United States Executive Director of the Fund shall recommend and shall work for changes in Fund guidelines, policies, and decisions which would—

"(A) convert short-term bank debt which was made at high interest rates into long-term debt at lower rates of interest;

"(B) assure that the annual external debt service, which shall include principal, interest, points, fees, and other charges required of the country involved, is a manageable and prudent percentage of the projected annual export earnings of such country; and

"(C) provide that in approving any economic adjustment program the Fund shall take into account the number of countries applying to the Fund for economic adjustment programs and the aggregate effects that such programs will have on international economic growth, world trade, exports and employment of other member countries, and the long-term solvency of banks; and

Written
documenta-
tion to
congressional
committees.

"(2) except as provided in subsection (c) of this section, the United States Executive Director of the Fund shall oppose and vote against providing assistance from the Fund for any economic adjustment program for a country in which the annual external debt service exceeds 85 per centum of the annual export earnings of such country, unless the Secretary of the Treasury first determines and provides written documentation to the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives that—

"(A) the economic adjustment program converts high interest rate, short-term bank debt into long-term debt at significantly narrower interest rate spreads than the average interest rate spreads prevailing on bank debt reschedulings negotiated between August 1982 and August 1983 for countries receiving assistance from the Fund for economic adjustment programs in order to minimize the burdens of

adjustment on the debtor nation, provided that such interest rate spreads are consistent with that nation's need to obtain adequate external private financing;

"(B) the annual external debt service required of the country involved is a manageable and prudent percentage of the projected annual export earnings of such country; and

"(C) the economic adjustment program will not have an adverse impact on international economic growth, world trade, exports, and employment of other member countries, and the long-term solvency of banks.

"(c) The provisions of subsection (b)(2) shall not apply in any case in which the Secretary of the Treasury first determines and provides written documentation to the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives that—

Warranted
assistance
in certain
circumstances.

"(1) an emergency exists in a nation that has applied to the Fund for assistance that requires an immediate short-term loan to avoid disrupting orderly financial markets;

"(2) a sudden decrease in export earnings in the country applying to the Fund for assistance has increased the ratio of annual external debt service to annual export earnings, to greater than 85 per centum for a period projected to be no more than one year; or

"(3) other extraordinary circumstances exist which warrant waiving the provisions of subsection (b)(2)."

OPPOSING FUND BAILOUTS OF BANKS

SEC. 807. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"OPPOSING FUND BAILOUTS OF BANKS

"SEC. 46. The Secretary of the Treasury shall instruct the United States Executive Director of the Fund—

22 USC 286dd.

"(1) to oppose and vote against any Fund drawing by a member country where, in his judgment, the Fund resources would be drawn principally for the purpose of repaying loans which have been imprudently made by banking institutions to the member country; and

"(2) to work to insure that the Fund encourages borrowing countries and banking institutions to negotiate, where appropriate, a rescheduling of debt which is consistent with safe and sound banking practices and the country's ability to pay."

SURPLUS COMMODITIES

SEC. 808. (a) Section 4(b) of the Bretton Woods Agreements Act (22 U.S.C. 286b(b)) is amended by adding at the end thereof the following:

"(8) The general policy objectives for the guidance of the United States Executive Director of the Bank shall take into account the effect that development assistance loans have upon individual industry sectors and international commodity markets—

"(A) to minimize projected adverse impacts; and

"(B) to avoid, wherever possible, government subsidization of production and exports of international commodities without regard to economic conditions in the markets for such commodities."

INTERNATIONAL COOPERATION

SEC. 809. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"INTERNATIONAL COOPERATION

Lending policies,
adoption.
22 USC 286ee.

"SEC. 47. The Secretary of the Treasury shall instruct the United States Executive Director of the Fund to propose that the Fund adopt the following policies with respect to international lending:

"(1) In its consultations with a member government on its economic policies pursuant to article IV of the Articles of Agreement of the Fund, the Fund should—

"(A) intensify its examination of the trend and volume of external indebtedness of private and public borrowers in the member country and comment, as appropriate, in its report to the Executive Board from the viewpoint of the contribution of such borrowings to the economic stability of the borrower; and

"(B) consider to what extent and in what form these comments might be made available to the international banking community and the public.

"(2) As part of any Fund-approved stabilization program, the Fund should give consideration to placing limits on public sector external short- and long-term borrowing.

"(3) As a part of its annual report, and at such times as it may consider desirable, the Fund should publish its evaluation of the trend and volume of international lending as it affects the economic situation of lenders, borrowers, and the smooth functioning of the international monetary system."

IMF INTEREST RATES

SEC. 810. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"IMF INTEREST RATES

22 USC 286ff.

"SEC. 48. The Secretary of the Treasury shall instruct the United States Executive Director of the Fund to propose and work for the adoption of Fund policies regarding the rate of remuneration paid on use of member's quota subscriptions and the rate of charges on Fund drawings to bring those rates in line with market rates."

BORROWING IN UNITED STATES CREDIT MARKETS

Notice
transmittal
to congressional
committees.

SEC. 811. Section 5 of the Bretton Woods Agreements Act (22 U.S.C. 286c) is amended by adding at the end thereof the following: "Neither the President nor any person or agency shall, on behalf of the United States, consent to any borrowing (other than borrowing from a foreign government or other official public source) by the Fund of funds denominated in United States dollars, unless the Secretary of the Treasury transmits a notice of such proposed

borrowing to both Houses of the Congress at least 60 days prior to the date on which such borrowing is scheduled to occur.”.

TRADE PROVISIONS

SEC. 812. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

“TRADE PROVISIONS

“SEC. 49. (a)(1) The Secretary of the Treasury shall instruct the United States Executive Director of the Fund to initiate a wide consultation with the Managing Director of the Fund and the other directors of the Fund with regard to the development of Fund financial assistance policies which, to the maximum feasible extent—

Fund,
financial
assistance
policies.
22 USC 286gg.

“(A) reduce obstacles to and restrictions upon international trade and investment in goods and services;

“(B) eliminate unfair trade and investment practices; and

“(C) promote mutually advantageous economic relations.

“(2) The Secretary of the Treasury shall work closely in this effort with the Trade Policy Committee.

“(3) As part of this effort, the Secretary of the Treasury shall also instruct the United States Executive Director of the Fund to encourage close cooperation between Fund staff and the GATT Secretariat.

“(b)(1) The Secretary of the Treasury shall instruct the United States Executive Director of the Fund, prior to the extension to any country of financial assistance by the Fund, to work to have the Fund obtain the agreement of such country to eliminate, in a manner consistent with its balance of payments adjustment program, unfair trade and investment practices with respect to goods and services which the United States Trade Representative, after consultation with the Trade Policy Committee, has determined to have a significant deleterious effect on the international trading system.

Agreements
with
Fund-assisted
countries.

“(2) Such practices include—

“(A) the provision of predatory export subsidies, employed in connection with the exporting of agricultural commodities and products thereof to foreign countries;

“(B) the provision of other export subsidies, such as government subsidized below-market interest rate financing for commodities or manufactured goods;

“(C) unreasonable import restrictions;

“(D) the imposition of trade-related performance requirements on foreign investment; and

“(E) practices which are inconsistent with international agreements.

“(c)(1) In determining the United States position on requests for periodic drawing under Fund programs, the Secretary of the Treasury shall take full account of the progress countries have made in achieving targets for eliminating or phasing out the practices referred to in subsection (b) of this section.

Requests for
periodic
drawing.

“(2) In the event that the United States supports a request for drawing by a country that has not achieved the Fund targets relating to such practices specified in its program, the Secretary of the Treasury shall report to the appropriate committees of the Congress the reasons for the United States position.”.

Report to
congressional
committees.

Unfair trade
and investment
practices.

REPORTS TO CONGRESS

SEC. 813. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"REPORTS TO CONGRESS

22 USC 286b-2.

"SEC. 50. (a) The National Advisory Council on International Monetary and Financial Policies shall include in its annual reports to the Congress—

Statement
listing
appraisals.

"(1) a statement listing all appraisal reports which have been circulated during the preceding year within the Bank for project assistance which would establish or enhance the capacity of any country to produce a commodity for export, if—

"(A) such commodity is in surplus on world markets or is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative; and

"(B) such project assistance will cause material injury to United States producers of the same, similar, or competing commodity;

Review.

"(2) a review of success in reducing or eliminating import restrictions and unfair export subsidies which have been determined to be inconsistent with international agreements, and which have a serious adverse impact on the United States, or any other member's, exports or employment;

Study.

"(3) a study for the fiscal year 1984 report of the impact on the United States steel and copper industries of steel and copper subsidies by nations who are borrowers from the Fund;

Review.

"(4) a review for the fiscal year 1984 report regarding progress achieved in reaching the goal of eliminating all predatory agricultural export subsidies which might result in the reduction of other member countries' exports as set forth in section 44; and

Ante, p. 1271.

"(5) copies of the analyses and any written documentation prepared by the Secretary of the Treasury pursuant to subsections (b)(2) and (c) of section 45 and a statement detailing the actions and progress made in carrying out the requirements of subsections (a) and (b) of section 45.

Ante, p. 1272.

"(b) Not later than one year after the date of the enactment of this section, the Secretary of the Treasury shall transmit a report to the Congress on the operation of the international monetary and financial system, including—

"(1) findings of the Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve, and the Secretary of State regarding consideration of United States membership in the Bank for International Settlements; and

"(2) proposals to improve the floating exchange rate system.

"(c) Not later than one year after the date of the enactment of this section, the Secretary of the Treasury shall transmit a report to the Congress with respect to strengthening the role and improving the operation of the International Monetary Fund, including—

"(1) ways to maintain realistic, market-determined exchange rates with other major currencies and recommendations regarding what can be done to avoid exchange rate manipulation. In particular, such report shall examine the policies of major trading partners which (A) maintain a substantial trade surplus with the United States, and (B) encourage export of capital to

such an extent that exchange rates do not appear to reflect adjustments based on trade patterns alone;

"(2) a review and analysis of—

Review and
analysis.

"(A) the ability of the Fund to promote real economic growth and sustained, noninflationary recovery, pursuant to its mandate in article I of the Articles of Agreement of the Fund, in countries which enter into stabilization programs with the Fund;

"(B) the feasibility of the Fund issuing securities in the private capital markets as a means of increasing its resources, either in lieu of, or in addition to, future quota increases, together with an evaluation of how such borrowing would affect the credit markets of the United States;

"(C) the feasibility of returning all or part of the Fund's gold reserves to Fund members or of selling the Fund's gold reserves in the private markets in an effort to raise capital;

"(D) the feasibility of establishing temporary, supplemental financing facilities at the Fund;

"(E) the feasibility of establishing a Gold Lending Facility whereby the Fund would lend gold to Fund members who would in turn use such gold as collateral for commercial loans;

"(F) recommendations for amendments to the Articles of Agreement of the Fund, if any, to improve the role of the Fund in the international monetary system; and

"(G) the effect on (i) the market price of gold, (ii) countries whose central banks maintain reserves in the form of gold and (iii) credit markets of the United States as a result of taking any of the actions described in subparagraphs (C), (D), or (E) of this paragraph;

"(3) actions which have been taken to carry out the provisions of section 33 of this Act;

"(4) progress made in implementing section 48 of this Act;

"(5) a study on the past and potential impact of Fund loan quota extension on world oil prices, such study to be done in cooperation with the Secretary of State and the Secretary of Energy;

22 USC 286s.
Ante, p. 1274.
Study.

"(6) an assessment—

"(A) of whether under present circumstances a systematic restructuring and stretching out of developing country debt should be conducted;

"(B) regarding the role global recovery will play in solving the debt crisis and what interim financing measures may have to be taken for those countries which have no possibility of continuing to service their debts even in the event of a vigorous economic recovery;

"(C) of whether the Fund, which is increasingly being used as a source of credit to finance balance of payments deficits, has adequate resources to cover all conceivable requests for credit extensions taking into account the quota increase consented to under section 41 of this Act;

"(D) regarding what role the United States Government sees for the Fund in providing finance and credit to the least developed countries who have such a limited capacity to borrow to finance payments deficits; and

"(E) pursuant to the agreement at the Williamsburg Summit, outlining what progress has been made in the

Ante, p. 1268.

consultations among finance ministers and the managing director of the Fund on the conditions for improving the international monetary system; and

“(7) establishing collection, review, comment, and reporting procedures within the Fund as provided in section 42 of this Act.”.

Ante, p. 1269.

International
Lending Super-
vision Act of
1983.

12 USC 3901
note.

TITLE IX—INTERNATIONAL LENDING SUPERVISION

SHORT TITLE

SEC. 901. This title may be cited as the “International Lending Supervision Act of 1983”.

DECLARATION OF POLICY

12 USC 3901.

SEC. 902. (a)(1) It is the policy of the Congress to assure that the economic health and stability of the United States and the other nations of the world shall not be adversely affected or threatened in the future by imprudent lending practices or inadequate supervision.

(2) This shall be achieved by strengthening the bank regulatory framework to encourage prudent private decisionmaking and by enhancing international coordination among bank regulatory authorities.

(b) The Federal banking agencies shall consult with the banking supervisory authorities of other countries to reach understandings aimed at achieving the adoption of effective and consistent supervisory policies and practices with respect to international lending.

DEFINITIONS

12 USC 3902.

SEC. 903. For purposes of this title—

12 USC 1813.

(1) the term “appropriate Federal banking agency” has the same meaning given such term in section 3(q) of the Federal Deposit Insurance Act, except that for purposes of this title such term means the Board of Governors of the Federal Reserve System for—

(A) bank holding companies and any nonbank subsidiary thereof;

12 USC 611–631.

(B) Edge Act corporations organized under section 25(a) of the Federal Reserve Act; and

12 USC
601–604a.

(C) Agreement Corporations operating under section 25 of the Federal Reserve Act; and

(2) the term “banking institution” means—

12 USC 1813.

(A)(i) an insured bank as defined in section 3(h) of the Federal Deposit Insurance Act or any subsidiary of an insured bank;

(ii) an Edge Act corporation organized under section 25(a) of the Federal Reserve Act; and

(iii) an Agreement Corporation operating under section 25 of the Federal Reserve Act; and

(B) to the extent determined by the appropriate Federal banking agency, any agency or branch of a foreign bank, and any commercial lending company owned or controlled by one or more foreign banks or companies that control a foreign bank as those terms are defined in the Interna-

tional Banking Act of 1978. The term "banking institution" shall not include a foreign bank.

12 USC 3101
note.

STRENGTHENED SUPERVISION OF INTERNATIONAL LENDING

SEC. 904. (a) Each appropriate Federal banking agency shall evaluate banking institution foreign country exposure and transfer risk for use in banking institution examination and supervision.

12 USC 3903.

(b) Each such agency shall establish examination and supervisory procedures to assure that factors such as foreign country exposure and transfer risk are taken into account in evaluating the adequacy of the capital of banking institutions.

RESERVES

SEC. 905. (a)(1) Each appropriate Federal banking agency shall require a banking institution to establish and maintain a special reserve whenever, in the judgment of such appropriate Federal banking agency—

12 USC 3904.

(A) the quality of such banking institution's assets has been impaired by a protracted inability of public or private borrowers in a foreign country to make payments on their external indebtedness as indicated by such factors, among others, as—

(i) a failure by such public or private borrowers to make full interest payments on external indebtedness;

(ii) a failure to comply with the terms of any restructured indebtedness; or

(iii) a failure by the foreign country to comply with any International Monetary Fund or other suitable adjustment program; or

(B) no definite prospects exist for the orderly restoration of debt service.

(2) Such reserves shall be charged against current income and shall not be considered as part of capital and surplus or allowances for possible loan losses for regulatory, supervisory, or disclosure purposes.

(b) The appropriate Federal banking agencies shall analyze the results of foreign loan rescheduling negotiations, assess the loan loss risk reflected in rescheduling agreements, and, using the powers set forth in section 908 (regarding capital adequacy), ensure that the capital and reserve positions of United States banks are adequate to accommodate potential losses on their foreign loans.

Post, p. 1280.

(c) The appropriate Federal banking agencies shall promulgate regulations or orders necessary to implement this section within one hundred and twenty days after the date of the enactment of this title.

Regulations.

ACCOUNTING FOR FEES ON INTERNATIONAL LOANS

SEC. 906. (a)(1) In order to avoid excessive debt service burdens on debtor countries, no banking institution shall charge, in connection with the restructuring of an international loan, any fee exceeding the administrative cost of the restructuring unless it amortizes such fee over the effective life of each such loan.

12 USC 3905.

(2)(A) Each appropriate Federal banking agency shall promulgate such regulations as are necessary to further carry out the provisions of this subsection.

Regulations.

(B) The requirement of paragraph (1) shall take effect on the date of the enactment of this section.

(b)(1) Subject to subsection (a), the appropriate Federal banking agencies shall promulgate regulations for accounting for agency, commitment, management and other fees charged by a banking institution in connection with an international loan.

(2) Such regulations shall establish the accounting treatment of such fees for regulatory, supervisory, and disclosure purposes to assure that the appropriate portion of such fees is accrued in income over the effective life of each such loan.

(3) The appropriate Federal banking agencies shall promulgate regulations or orders necessary to implement this subsection within one hundred and twenty days after the date of the enactment of this title.

COLLECTION AND DISCLOSURE OF CERTAIN INTERNATIONAL LENDING DATA

12 USC 3906.

SEC. 907. (a) Each appropriate Federal banking agency shall require, by regulation, each banking institution with foreign country exposure to submit, no fewer than four times each calendar year, information regarding such exposure in a format prescribed by such regulations.

(b) Each appropriate Federal banking agency shall require, by regulation, banking institutions to disclose to the public information regarding material foreign country exposure in relation to assets and to capital.

Regulations.

(c) The appropriate Federal banking agencies shall promulgate regulations or orders necessary to implement this section within one hundred and twenty days after the date of the enactment of this title.

CAPITAL ADEQUACY

12 USC 3907.

SEC. 908. (a)(1) Each appropriate Federal banking agency shall cause banking institutions to achieve and maintain adequate capital by establishing minimum levels of capital for such banking institutions and by using such other methods as the appropriate Federal banking agency deems appropriate.

(2) Each appropriate Federal banking agency shall have the authority to establish such minimum level of capital for a banking institution as the appropriate Federal banking agency, in its discretion, deems to be necessary or appropriate in light of the particular circumstances of the banking institution.

Failure to maintain minimum level.

(b)(1) Failure of a banking institution to maintain capital at or above its minimum level as established pursuant to subsection (a) may be deemed by the appropriate Federal banking agency, in its discretion, to constitute an unsafe and unsound practice within the meaning of section 8 of the Federal Deposit Insurance Act.

12 USC 1818. Directive.

(2)(A) In addition to, or in lieu of, any other action authorized by law, including paragraph (1), the appropriate Federal banking agency may issue a directive to a banking institution that fails to maintain capital at or above its required level as established pursuant to subsection (a).

(B)(i) Such directive may require the banking institution to submit and adhere to a plan acceptable to the appropriate Federal banking

agency describing the means and timing by which the banking institution shall achieve its required capital level.

(ii) Any such directive issued pursuant to this paragraph, including plans submitted pursuant thereto, shall be enforceable under the provisions of section 8(i) of the Federal Deposit Insurance Act to the same extent as an effective and outstanding order issued pursuant to section 8(b) of the Federal Deposit Insurance Act which has become final.

12 USC 1818.

(3)(A) Each appropriate Federal banking agency may consider such banking institution's progress in adhering to any plan required under this subsection whenever such banking institution, or an affiliate thereof, or the holding company which controls such banking institution, seeks the requisite approval of such appropriate Federal banking agency for any proposal which would divert earnings, diminish capital, or otherwise impede such banking institution's progress in achieving its minimum capital level.

(B) Such appropriate Federal banking agency may deny such approval where it determines that such proposal would adversely affect the ability of the banking institution to comply with such plan.

(C) The Chairman of the Board of Governors of the Federal Reserve System and the Secretary of the Treasury shall encourage governments, central banks, and regulatory authorities of other major banking countries to work toward maintaining and, where appropriate, strengthening the capital bases of banking institutions involved in international lending.

FOREIGN LOAN EVALUATIONS

SEC. 909. (a)(1) In any case in which one or more banking institutions extend credit, whether by loan, lease, guarantee, or otherwise, which individually or in the aggregate exceeds \$20,000,000, to finance any project which has as a major objective the construction or operation of any mining operation, any metal or mineral primary processing operation, any fabricating facility or operation, or any metal-making operations (semi and finished) located outside the United States or its territories and possessions, a written economic feasibility evaluation of such foreign project shall be prepared and approved in writing by a senior official of the banking institution, or, if more than one banking institution is involved, the lead banking institution, prior to the extension of such credit.

12 USC 3908.

(2) Such evaluation shall—

(A) take into account the profit potential of the project, the impact of the project on world markets, the inherent competitive advantages and disadvantages of the project over the entire life of the project, and the likely effect of the project upon the overall long-term economic development of the country in which the project is located; and

(B) consider whether the extension of credit can reasonably be expected to be repaid from revenues generated by such foreign project without regard to any subsidy, as defined in international agreements, provided by the government involved or any instrumentality of any country.

(b) Such economic feasibility evaluations shall be reviewed by representatives of the appropriate Federal banking agencies whenever an examination by such appropriate Federal banking agency is conducted.

Review.

12 USC 1818.

(c)(1) The authorities of the Federal banking agencies contained in section 8 of the Federal Deposit Insurance Act and in section 910 of this Act, except those contained in section 910(d), shall be applicable to this section.

(2) No private right of action or claim for relief may be predicated upon this section.

GENERAL AUTHORITIES

Regulations or
orders.
12 USC 3909.

SEC. 910. (a)(1) The appropriate Federal banking agencies are authorized to interpret and define the terms used in this title, and each appropriate Federal banking agency shall prescribe rules or regulations or issue orders as necessary to effectuate the purposes of this title and to prevent evasions thereof.

(2) The appropriate Federal banking agency is authorized to apply the provisions of this title to any affiliate of an insured bank, but only to affiliates for which it is the appropriate Federal banking agency, in order to promote uniform application of this title or to prevent evasions thereof.

12 USC 371c.

(3) For purposes of this section, the term "affiliate" shall have the same meaning as in section 23A of the Federal Reserve Act, except that the term "member bank" in such section shall be deemed to refer to an "insured bank", as such term is used in section 3(h) of the Federal Deposit Insurance Act.

12 USC 1813.

(b) The appropriate Federal banking agencies shall establish uniform systems to implement the authorities provided under this title.

Supplemental
powers or
authorities.

(c)(1) The powers and authorities granted in this title shall be supplemental to and shall not be deemed in any manner to derogate from or restrict the authority of each appropriate Federal banking agency under section 8 of the Federal Deposit Insurance Act or any other law including the authority to require additional capital or reserves.

12 USC 1818.

(2) Any such authority may be used by any appropriate Federal banking agency to ensure compliance by a banking institution with the provisions of this title and all rules, regulations, or orders issued pursuant thereto.

Violations.

(d)(1) Any banking institution which violates, or any officer, director, employee, agent, or other person participating in the conduct of the affairs of such banking institution, who violates any provision of this title, or any rule, regulation, or order, issued under this title, shall forfeit and pay a civil penalty of not more than \$1,000 per day for each day during which such violation continues.

12 USC 1818.

(2) Such violations shall be deemed to be a violation of a final order under section 8(i)(2) of the Federal Deposit Insurance Act and the penalty shall be assessed and collected by the appropriate Federal banking agency under the procedures established by, and subject to the rights afforded to parties in, such section.

GAO AUDIT AUTHORITY

12 USC 3910.

SEC. 911. (a)(1) Under regulations of the Comptroller General, the Comptroller General shall audit the appropriate Federal banking agencies (as defined in section 903 of this title), but may carry out an onsite examination of an open insured bank or bank holding company only if the appropriate Federal banking agency has consented in writing.

Ante, p. 1278.

Audit inclusions.

(2) An audit under this subsection may include a review or evaluation of the international regulation, supervision, and exami-

nation activities of the appropriate Federal banking agency, including the coordination of such activities with similar activities of regulatory authorities of a foreign government or international organization.

(3) Audits of the Federal Reserve Board and Federal Reserve banks may not include—

Federal Reserve Board and bank audits, exclusions.

(A) transactions for, or with, a foreign central bank, government of a foreign country, or nonprivate international financing organization;

(B) deliberations, decisions, or actions on monetary policy matters, including discount window operations, reserves of member banks, securities credit, interest on deposits, or open market operations;

(C) transactions made under the direction of the Federal Open Market Committee; or

(D) a part of a discussion or communication among or between members of the Board of Governors of the Federal Reserve System and officers and employees of the Federal Reserve System related to subparagraphs (A) through (C) of this paragraph.

(b)(1)(A) Except as provided in this subsection, an officer or employee of the General Accounting Office may not disclose information identifying an open bank, an open bank holding company, or a customer of an open or closed bank or bank holding company.

Information disclosure.

(B) The Comptroller General may disclose information related to the affairs of a closed bank or closed bank holding company identifying a customer of the closed bank or closed bank holding company only if the Comptroller General believes the customer had a controlling influence in the management of the closed bank or closed bank holding company or was related to or affiliated with a person or group having a controlling influence.

(2) An officer or employee of the General Accounting Office may discuss a customer, bank, or bank holding company with an official of an appropriate Federal banking agency and may report an apparent criminal violation to an appropriate law enforcement authority of the United States Government or a State.

Reporting criminal violations.

(3) This subsection does not authorize an officer or employee of an appropriate Federal banking agency to withhold information from a committee of the Congress authorized to have the information.

Information withholding from Congress.

(c)(1)(A) To carry out this section, all records and property of or used by an appropriate Federal banking agency, including samples of reports of examinations of a bank or bank holding company the Comptroller General considers statistically meaningful and workpapers and correspondence related to the reports shall be made available to the Comptroller General, including such records and property pertaining to the coordination of international regulation, supervisor and examination activities of an appropriate Federal banking agency.

Records and property.

(B) The Comptroller General shall give each appropriate Federal banking agency a current list of officers and employees to whom, with proper identification, records and property may be made available, and who may make notes or copies necessary to carry out an audit.

(C) Each appropriate Federal banking agency shall give the Comptroller General suitable and lockable offices and furniture, telephones, and access to copying facilities.

(2) Except for the temporary removal of workpapers of the Comptroller General that do not identify a customer of an open or closed bank or bank holding company, an open bank, or an open bank holding company, all workpapers of the Comptroller General and records and property of or used by an appropriate Federal banking agency that the Comptroller General possesses during an audit, shall remain in such agency. The Comptroller General shall prevent unauthorized access to records or property.

EQUAL REPRESENTATION FOR THE FEDERAL DEPOSIT INSURANCE CORPORATION

12 USC 3911.

SEC. 912. As one of the three Federal bank regulatory and supervisory agencies, and as the insurer of the United States banks involved in international lending, the Federal Deposit Insurance Corporation shall be given equal representation with the Board of Governors of the Federal Reserve System and the Office of the Comptroller of the Currency on the Committee on Banking Regulations and Supervisory Practices of the Group of Ten Countries and Switzerland.

REPORTS

Transmittal to Congress.
12 USC 3912.

SEC. 913. Not later than six months after the date of the enactment of this title, the Secretary of the Treasury or the appropriate Federal banking agencies as specified below, shall transmit a report to the Congress regarding changes to improve the international lending operations of banking institutions. Such report shall—

(1) review the laws, regulations, and examination and supervisory procedures and practices, governing international banking in each of the Group of Ten Nations and Switzerland with particular attention to such matters bearing on capital requirements, lending limits, reserves, disclosure, examiner access, and lender of last resort resources, such report to be prepared by the Chairman of the Board of Governors of the Federal Reserve System;

Ante, p. 1280.

(2) outline progress made in reaching the goal specified in section 908(c), such report to be prepared by the Secretary of the Treasury and the Chairman of the Board of Governors of the Federal Reserve System; and

(3) indicate actions taken to implement this title by the appropriate Federal banking agencies, including a description of the actions taken in carrying out the objectives of the title and any actions taken by any appropriate Federal banking agency that are inconsistent with the uniform implementation by the appropriate Federal banking agencies of their respective authorities under this title, and any recommendations for amendments to this or other legislation, such report to be prepared by the appropriate Federal banking agencies.

TITLE X—MULTILATERAL DEVELOPMENT BANKS

INTER-AMERICAN DEVELOPMENT BANK

22 USC 283z-3.

SEC. 1001. The Inter-American Development Bank Act (22 U.S.C. 283 et seq.) is amended by adding at the end thereof the following:

"SEC. 31. (a)(1) The United States Governor of the Bank is authorized to vote for resolutions—

"(A) which were proposed by the Governors at a special meeting in February 1983;

"(B) which are pending before the Board of Governors of the Bank; and

"(C) which provide for—

"(i) an increase in the authorized capital stock of the Bank and subscriptions thereto; and

"(ii) an increase in the resources of the Fund for Special Operations and contributions thereto.

"(2)(A) Upon adoption of the resolutions specified in paragraph (1), the United States Governor of the Bank is authorized on behalf of the United States to—

"(i) subscribe to 427,396 shares of the increase in the authorized capital stock of the Bank; and

"(ii) contribute \$350,000,000 to the Fund for Special Operations.

"(B) Any commitment to make such subscriptions to paid-in and callable capital stock and to make such contributions to the Fund for Special Operations shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

"(b) In order to pay for the increase in the United States subscription and contribution provided for in this section, there are authorized to be appropriated, without fiscal year limitation, for payment by the Secretary of the Treasury—

"(1) \$5,155,862,744 for the United States subscriptions to the capital stock of the Bank; and

"(2) \$350,000,000 for the United States share of the increase in the resources of the Fund for Special Operations."

U.S. subscription and contribution. Appropriation authorization.

ASIAN DEVELOPMENT BANK

SEC. 1002. The Asian Development Bank Act (22 U.S.C. 285 et seq.) is amended by adding at the end thereof the following:

"Sec. 27. (a)(1) The United States Governor of the Bank is authorized to subscribe on behalf of the United States to one hundred twenty-three thousand three hundred and seventy-five additional shares of the capital stock of the Bank.

"(2) Any subscription to the capital stock of the Bank shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

"(b) In order to pay for the increase in the United States subscription to the Bank provided for in subsection (a), there are authorized to be appropriated, without fiscal year limitation, \$1,322,999,476 for payment by the Secretary of the Treasury.

"(c)(1) The Congress hereby finds that—

"(A) the Republic of China (Taiwan) is a charter member in good standing of the Asian Development Bank;

"(B) the Republic of China has grown from a borrower to a lender in the Asian Development Bank; and

"(C) the Republic of China provides, through its economic success, a model for other nations in Asia.

"(2) It is the sense of the Congress that—

"(A) Taiwan, Republic of China, should remain a full member of the Asian Development Bank, and that its status within that body should remain unaltered no matter how the issue of the People's Republic of China's application for membership is disposed of;

22 USC 285x.

Appropriation authorization.

"(B) the President and the Secretary of State should express support of Taiwan, Republic of China, making it clear that the United States will not countenance attempts to expel Taiwan, Republic of China, from the Asian Development Bank; and

"(C) the Secretary of the Senate and Clerk of the House shall transmit a copy of this resolution to the President with the request that he transmit such copy to the Board of Governors of the Asian Development Bank.

Asian Development Fund.
22 USC 285y.

"SEC. 28. (a)(1) The United States Governor of the Bank is authorized to contribute on behalf of the United States \$520,000,000 to the Asian Development Fund, a special fund of the Bank.

"(2) Any commitment to make the contribution authorized in paragraph (1) shall be made subject to obtaining the necessary appropriations.

Appropriation authorization.

"(b) In order to pay for the United States contribution to the Asian Development Fund provided for in this section, there are authorized to be appropriated, without fiscal year limitation, \$520,000,000 for payment by the Secretary of the Treasury."

AFRICAN DEVELOPMENT FUND

SEC. 1003. The African Development Fund Act (22 U.S.C. 290g et seq.) is amended by adding at the end thereof the following:

U.S. contribution.
22 USC 290g-12.

"SEC. 213. (a)(1) The United States Governor of the Fund is authorized to contribute on behalf of the United States \$150,000,000 to the Fund as the United States contribution to the third replenishment of the resources of the Fund.

"(2) Any commitment to make the contribution authorized in paragraph (1) shall be made subject to obtaining the necessary appropriations.

Appropriation authorization.

"(b) In order to pay for the United States contribution provided for in this section, there are authorized to be appropriated, without fiscal year limitation, \$150,000,000 for payment by the Secretary of the Treasury."

HUMAN RIGHTS

SEC. 1004. Section 701 of the International Financial Institutions Act (22 U.S.C. 262g) is amended—

22 USC 262d.

(1) in subsection (a)(1), by striking out "consistent"; and

(2) in subsection (g)(1), by striking out "The Secretary of the Treasury, in consultation with the Secretary of State, shall report quarterly" and inserting in lieu thereof "Not later than thirty days after the end of each calendar quarter, the Secretary of the Treasury, in consultation with the Secretary of State, shall report."

STUDY

SEC. 1005. (a) It is the sense of Congress that—

(1) the multilateral development institutions serve an invaluable role in promoting development abroad;

(2) foreign direct investment, trade, and commercial lending make a contribution at least equal to that of development assistance in promoting development;

(3) United States economic interests are vitally affected by conditions in developing countries; and

(4) the multilateral development banks already play an important, although indirect, role in encouraging private investment flows.

(b)(1)(A) The Secretary of the Treasury shall conduct a study of how the multilateral development institutions could more actively encourage foreign direct investment and commercial capital flows and channel such investment and capital flows to developing countries for sound and productive development projects through the International Finance Corporation in cooperation with the multilateral development institutions or through a new investment banking facility at one or more of these institutions.

(B) In addition, such study shall evaluate whether the multilateral development institutions could help increase foreign direct investment and commercial capital flows by insuring that the interests of investors and host governments are adequately protected.

(2) The Secretary of the Treasury shall solicit comments on such study from the multilateral development institutions and shall incorporate such comments with the study in a report to be transmitted to both Houses of the Congress within one hundred and eighty days of the date of the enactment of this section.

Comments and
report to
Congress.

PERSONNEL PRACTICES

SEC. 1006. (a) It shall be the policy of the United States that no initiatives, discussions, or recommendations concerning the placement or removal of any Inter-American Development Bank, Asian Development Bank, or African Development Bank personnel shall be based on the political philosophy or activity of the individual under consideration.

22 USC 276c-3.

(b) The Secretary of the Treasury shall consult with the Chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate and the relevant subcommittees prior to any discussions or recommendations by any official of the United States Government concerning the placement or removal of any principal officer of the Inter-American Development Bank, Asian Development Bank, or African Development Bank management.

Consultation
with
congressional
committees.

TITLE XI—IMF APPROPRIATION

IMF APPROPRIATION

SEC. 1101. (a) Notwithstanding any other provision of this Act, there is appropriated for an increase in the United States quota in the International Monetary Fund, the dollar equivalent of 5,310,800,000 Special Drawing Rights, to remain available until expended.

(b) Notwithstanding any other provision of this Act, there is appropriated for an increase in loans to the International Monetary Fund under the General Arrangements to Borrow, the dollar equivalent of 4,250,000,000 Special Drawing Rights less \$2,000,000,000 previously appropriated by the Act of October 23, 1962 (Public Law 87-872, 76 Stat. 1163), pursuant to the authorization contained in section 17 of the Bretton Woods Agreements Act and merged with this appropriation, to remain available until expended.

22 USC 286e-2.

CONDITION OF INTERNATIONAL FINANCIAL SYSTEM

SEC. 1102. (a) The Congress finds and declares that—

(1) the international banking system is currently threatened by a series of national financial crises;

(2) the Congress is desirous of finding a solution to the current monetary crisis which will result in a stable monetary system and preservation of a liberal international economy;

(3) this solution must be found without placing inordinate pressures on United States credit markets;

(4) the breakdown in the Bretton Woods monetary system has contributed directly to these problems;

(5) the economic policies prescribed by the International Monetary Fund can be harmful to economic growth; and

(6) the International Monetary Fund currently holds approximately \$40,000,000,000 of uncommitted assets in the form of gold bullion and has not utilized them fully to date.

(b) It is the sense of the Senate that—

(1) restoration of a stable monetary system is necessary to assure economic growth and to maintain a liberal international economic system;

(2) as a first step toward this restoration the Secretary of the Treasury should call for an international conference on the monetary system to investigate its systemic problems;

(3) in coping with the current financial crisis, the International Monetary Fund should make fuller use of its current assets, including its gold holdings;

(4) the International Monetary Fund should revise the conditions placed on its loans so as to encourage economic growth.

GENERAL OPERATING EXPENSES

Of the funds appropriated under this heading in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1984 (Public Law 98-45), \$1,000,000 shall be available for an evaluation of the emergency veterans' job training program.

Ante, p. 219.

CHAPTER II

LEGISLATIVE BRANCH

SENATE

PAYMENT TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

For payment to Helen H. Jackson, widow of Henry M. Jackson, late a Senator from the State of Washington, \$69,800.

SALARIES, OFFICERS AND EMPLOYEES

OFFICES OF THE MAJORITY AND MINORITY LEADERS

For an additional amount for "Offices of the Majority and Minority Leaders", \$140,000.

CONTINGENT EXPENSES OF THE SENATE

SECRETARY OF THE SENATE

For an additional amount for "Secretary of the Senate", \$60,000.

GENERAL PROVISIONS

SEC. 1201. The Sergeant at Arms and Doorkeeper of the Senate (hereinafter in this section referred to as the "Sergeant at Arms") may designate one or more employees in the Office of the Sergeant at Arms and Doorkeeper of the Senate to approve, on his behalf, all vouchers, for payment of moneys, which the Sergeant at Arms is authorized to approve. Whenever the Sergeant at Arms makes a designation under the authority of the preceding sentence, he shall immediately notify the Committee on Rules and Administration in writing of the designation, and thereafter any approval of any voucher, for payment of moneys, by an employee so designated shall (until such designation is revoked and the Sergeant at Arms notifies the Committee on Rules and Administration in writing of the revocation) be deemed and held to be approved by the Sergeant at Arms for all intents and purposes.

2 USC 61e-4.

SEC. 1202. Any provision of law which is enacted prior to October 1, 1983, and which directs the Sergeant at Arms and Doorkeeper of the Senate to deposit any moneys in the United States Treasury for credit to the account, within the contingent fund of the Senate, for "Miscellaneous Items", or for "Automobiles and Maintenance" shall, on and after October 1, 1983, be deemed to direct him to deposit such moneys in the United States Treasury for credit to the account, within the contingent fund of the Senate, for the "Sergeant at Arms and Doorkeeper of the Senate".

2 USC 68-4.

SEC. 1203. (a) Section 105(a)(2) of the Legislative Branch Appropriation Act, 1968 (2 U.S.C. 61-1(2)) is amended to read as follows:

Employee compensation rates, certification.

"(2) New or changed rates of compensation (other than changes in rates which are made by law) of any such employee (other than an employee who is an elected officer of the Senate) shall be certified in writing to the Disbursing Office of the Senate (and, for purposes of this paragraph, a new rate of compensation refers to compensation in the case of an appointment, transfer from one Senate appointing authority to another, or promotion by an appointing authority to a position the compensation for which is fixed by law). In the case of an appointment or other new rate of compensation, the certification must be received by such office on or before the day the rate of new compensation is to become effective. In any other case, the changed rate of compensation shall take effect on the first day of the month in which such certification is received (if such certification is received within the first ten days of such month), on the first day of the month after the month in which such certification is received (if the day on which such certification is received is after the twenty-fifth day of the month in which it is received), and on the sixteenth day of the month in which such certification is received (if such certification is received after the tenth day and before the twenty-sixth day of such month). Notwithstanding the preceding sentence, if the certification for a changed rate of compensation for an employee specifies an effective date of such change, such change shall become effective on the date so specified, but only if the date so specified is the first or sixteenth day of a month and is after the

effective date prescribed in the preceding sentence; and, notwithstanding such sentence and the preceding provisions of this sentence, any changed rate of compensation for a new employee or an employee transferred from one appointing authority to another shall take effect on the date of such employee's appointment or transfer (as the case may be) if such date is later than the effective date for such changed rate of compensation as prescribed by such sentence."

2 USC 61-1 note.

(b) The amendment made by subsection (a) shall be applicable in the case of new or changed rates of compensation which are certified to the Disbursing Office of the Senate on or after January 1, 1984.

SEC. 1204. (a) The fifth sentence of subsection (e) of section 506 of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58(e)) is amended by striking out "or Minority Whip" and inserting in lieu thereof "Minority Whip, Secretary of the Conference of the Majority, or Secretary of the Conference of the Minority".

Effective date.
2 USC 58 note.

(b) The amendment made by subsection (a) shall be effective in the case of expenses incurred or charges imposed on or after October 1, 1983.

2 USC 58a.

SEC. 1205. (a) The Sergeant at Arms and Doorkeeper of the Senate shall furnish each Senator local and long-distance telecommunications services in Washington, District of Columbia, in accordance with regulations prescribed by the Senate Committee on Rules and Administration; and the costs of such service shall be paid out of the contingent fund of the Senate from moneys made available to him for that purpose.

Repeal.

(b) Subsection (g) of section 112 of the Legislative Branch Appropriation Act, 1978 (2 U.S.C. 58a) is repealed, effective on the first day of the first calendar month which begins more than thirty days after the date of enactment of this Act.

HOUSE OF REPRESENTATIVES

PAYMENTS TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

For payment to Kathryn Jackson McDonald, widow of Honorable Larry McDonald, late a Representative from the State of Georgia, \$69,800.

RAILROAD ACCOUNTING PRINCIPLES BOARD

SALARIES AND EXPENSES

For salaries and expenses, Railroad Accounting Principles Board, \$50,000, to be expended in accordance with section 302(a) of Public Law 96-448 (49 U.S.C. 11161-11168), subject to the enactment of authorizing legislation.

CHAPTER III

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

CONSTRUCTION PROGRAM

For an additional amount for "Construction program", \$1,500,000, to remain available until expended, for the Secretary of the Interior to construct a new headquarters for the operation of the Valley Division of the Yuma Reclamation Project and to cover the accompanying relocation costs associated with the move. The cost of this work will be nonreimbursable and constructed features will be turned over to the Yuma Valley Water Users Association for operation and maintenance.

DEPARTMENT OF ENERGY

ENERGY SUPPLY, RESEARCH AND DEVELOPMENT ACTIVITIES

For an additional amount for "Energy Supply, Research and Development", \$8,000,000, to remain available until expended, of which \$4,000,000 shall be made available to implement the four atoll health care plan authorized in section 102 of Public Law 96-205 and \$3,000,000 shall be for construction and operation of a second small community solar energy project on the island of Molokai, Hawaii.

48 USC 1681
note.

ATOMIC ENERGY DEFENSE ACTIVITIES

For an additional amount for "Atomic Energy Defense Activities", for Project 77-13-f, \$57,000,000, to remain available until expended.

Of the funds appropriated for "Atomic Energy Defense Activities" in Public Law 98-50, an amount shall be made available to purchase 4 additional helicopters.

Ante, p. 247.

TERMINATION OF THE USE OF CERTAIN SEEPAGE BASINS

Of the funds heretofore appropriated for "Atomic Energy Defense Activities", \$30,000,000 is to be made available for use by the Secretary of Energy—

(1) to terminate, within 24 months after the date of enactment of this Act, the use of seepage basins associated with the fuel fabrication area at the Savannah River Plant, Aiken, South Carolina; and

(2) to submit to the appropriate committees of Congress, within 6 months after the date of enactment of this Act, a plan for the protection of groundwater at the Savannah River Plant which shall include—

Groundwater
protection plan
to congressional
committees.

(A) proposed methods for discontinuing the use of seepage basins associated with the materials processing areas;

(B) provisions for the implementation of other actions appropriate to mitigate any significant adverse effects of on-site or off-site groundwater and of chemical contaminants in seepage basins and adjacent areas, including the removal of such contaminants where necessary; and

(C) provisions for continuing the expanded monitoring program of groundwater impacts involving the appropriate South Carolina agencies in accordance with the statutory responsibilities of such agencies.

(RESCISSION)

Ante, p. 255.

Of the funds appropriated for "Atomic Energy Defense Activities" in Public Law 98-50 for Project 82-D-109, 155 mm artillery fired atomic projectile, \$50,000,000 are rescinded.

NUCLEAR WASTE DISPOSAL FUND

42 USC 10222.

For an additional amount for "Nuclear Waste Disposal Fund", \$12,000,000, to remain available until expended, to be derived from the Nuclear Waste Fund. To the extent that balances in the fund are not sufficient to cover amounts available for obligation in this account, the Secretary shall exercise his authority pursuant to section 302(e)(5) of Public Law 97-425 to issue obligations to the Secretary of the Treasury.

INDEPENDENT AGENCIES

APPALACHIAN REGIONAL COMMISSION

FUNDS APPROPRIATED TO THE PRESIDENT

APPALACHIAN REGIONAL DEVELOPMENT PROGRAMS

For an additional amount for "Appalachian Regional Development Programs", \$9,400,000, to remain available until expended, for the Appalachian Development Highway System.

GENERAL PROVISIONS

SEC. 1300. No part of the funds appropriated under this Act or any other provisions of law may hereafter be used by the Department of Justice to represent the Tennessee Valley Authority in litigation in which the Authority is a party unless the Department is requested to provide representation in such litigation by the Authority.

Vessel Kennedy,
restoration
and display.

SEC. 1301. Within funds available to the Corps of Engineers—Civil for Operation and Maintenance, General, not to exceed \$2,000,000 shall be used to rehabilitate, restore, and refurbish the Corps of Engineers dredge vessel Kennedy, to transport the vessel to New Orleans, Louisiana, and there to operate, maintain, and display the vessel for the duration of the 1984 Louisiana World Exposition. Such operation, maintenance, and display shall include the preparation and use of audio-visual and other exhibits to inform the public of Corps of Engineers water resources activities.

Water delivery
to Everglades
National Park.

SEC. 1302. The Secretary of the Army is authorized, for a period of two years beginning with enactment of this Act with the concurrence of the Director of the National Park Service and the South Florida Water Management District, to modify the schedule for delivery of water from the central and southern Florida project to the Everglades National Park required by section 2 of the River Basin Monetary Authorization and Miscellaneous Civil Works Amendments Act of 1970 (Public Law 91-282) and to conduct an

84 Stat. 310.

experimental program for the delivery of water to the Everglades National Park from such project for the purpose of determining an improved schedule for such delivery.

The Secretary of the Army is further authorized to acquire such interest in lands currently in agriculture production which are adversely affected by any modification of schedule for water delivery to Everglades National Park under the preceding paragraph. The Secretary shall acquire any interest in land at the fair market value of such interest based on conditions existing after the construction of the project described in the preceding paragraph of this section and before any modification of such delivery schedule. The Secretary is also authorized to construct necessary flood protection measures for protection of homes in the area affected by any modification of such delivery schedule, at an estimated cost of \$10,000,000.

SEC. 1303. The Secretary of the Army, acting through the Chief of Engineers, is directed to utilize available construction general appropriations to complete bank protection works at Wheeling Island, West Virginia, in the Hannibal Lock and Dam pool, at an estimated cost of \$135,000 and to complete the local flood protection project at Russell, Kentucky, at an estimated cost of \$600,000.

SEC. 1304. The Secretary of the Army, acting through the Chief of Engineers, is directed to utilize available general investigation funds to initiate a study of alternatives to the Mentone Dam of the Santa Ana Mainstem project in California and the flood control study of the Illinois River between Henry and Naples, Illinois.

SEC. 1305. Funds available or hereafter made available for the Red River Waterway Project shall be used to provide for construction of a high level replacement bridge for the Louisiana and Arkansas Railway Company near Alexandria, Louisiana, pursuant to an agreement between the Chief of Engineers and the Railway Company and upon terms and conditions acceptable to the Chief of Engineers in the interest of navigation and the expeditious prosecution of the Project. Federal costs of the bridge replacement, including design and construction, shall be limited to \$24,270,000 (July 1, 1983 price levels), with an adjustment to this amount, if any, as may be justified by reason of a fluctuation in the cost of construction as indicated by the Engineer News Record's applicable construction indices, plus the cost of necessary real estate interests to be acquired by the Corps of Engineers, which interests may be conveyed to the Railway Company.

SEC. 1306. Section 116(a) of the Rivers and Harbors Act of 1970 (Public Law 91-611) is amended by adding at the end thereof the following:

"Those areas of the river between Howard Street and Caldwell Avenue in Niles, Illinois, that have accumulated silt and side bank sloughing should be excavated to the normal alignment and depth, and the bank rebuilt where sloughing has occurred at an estimated cost of \$100,000."

Water projects,
W. Va. and Ky.

Water project
studies,
Calif. and Ill.

Red River
Waterway
Project.

84 Stat. 1822.

CHAPTER IV

DEPARTMENT OF THE INTERIOR

FISH AND WILDLIFE AND PARKS

UNITED STATES FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT

For an additional amount for "Resource management", \$500,000.

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SYSTEM

96 Stat. 1970.

Funds appropriated to the National Park Service under this head in Public Law 97-394 shall be available to reimburse the Estate of Bess W. Truman for operation expenses, including maintenance and protection, of the Harry S Truman National Historic Site incurred during the period October 18, 1982 through December 27, 1982.

CONSTRUCTION

Notwithstanding any other provision of law, section 4 of the Act of October 26, 1972, as amended (86 Stat. 1181; 16 U.S.C. 433c note), is amended by striking the numeral "9,327,000" and inserting in lieu thereof "10,500,000".

LAND ACQUISITION AND STATE ASSISTANCE

For an additional amount for "Land acquisition and State assistance", \$25,500,000, to be derived from the Land and Water Conservation Fund and to remain available until expended.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

ABANDONED MINE RECLAMATION FUND

For an additional amount for "Abandoned Mine Reclamation Fund", \$42,000,000, to remain available until expended, to be derived from receipts of the Abandoned Mine Reclamation Fund to provide for the acquisition of private homes and businesses and nonprofit buildings occupied or utilized continuously since September 1, 1983, and the lands on which they are located, excluding all mineral interests, and the relocation of families and individuals residing in the Borough of Centralia and the Village of Byrnesville and on outlying properties who are threatened by the progressive movement of the mine fire currently burning in and around the Borough of Centralia: *Provided*, That all acquisitions made by the Commonwealth of Pennsylvania under the authority provided herein shall be at fair market value without regard to mine fire related damages as was properly done by OSM in its prior acquisitions of Centralia properties. These activities must comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601, et seq.), but shall not constitute a major action within the meaning of section 102(2)(c) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332): *Provided further*,

That no funds may be used to pay for the actual construction costs of permanent housing: *Provided further*, That the Federal discretionary share shall not exceed 75 percent of the cost of such acquisition or relocation: *Provided further*, That any funds remaining available following completion of these acquisition and relocation activities may be made available to the Commonwealth of Pennsylvania to undertake other approved reclamation projects pursuant to section 405 of the Surface Mining Control and Reclamation Act of 1977: *Provided further*, That funds made available under this head to the Commonwealth of Pennsylvania shall be accounted against the total Federal and State share funding which is eventually allocated to the Commonwealth.

30 USC 1235.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

For an additional amount for pre-kindergarten programs, \$1,600,000.

Notwithstanding the provisions of Public Law 97-257, the funds appropriated therein under this head for transfer to the State of Alaska shall remain available until expended and may be used for reconstruction of day schools formerly operated by the Bureau of Indian Affairs.

96 Stat. 818.

GENERAL PROVISIONS

Funds available to the Department of the Interior and the Forest Service in fiscal year 1984 for the purpose of contracting for services that require the utilization of privately owned aircraft for the carriage of cargo or freight shall be used only to contract for aircraft that are certified as airworthy by the Administrator of the Federal Aviation Administration as standard category aircraft under 14 CFR 21.183 unless the Secretary of the contracting department determines that such aircraft are not reasonably available to conduct such services.

Privately owned
aircraft,
service
contracts.

Subsection (d) of section 109 of the Act entitled "An Act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1984, and for other purposes" (Public Law 98-146), is amended by striking out "The limitation with regard to this subsection on the use of funds shall not apply if any State-owned tide or submerged lands within the area described in this subsection are now or hereafter subject to sale or lease for the extraction of oil or gas from such State lands; and" and insert in lieu thereof "The limitation with regard to this subsection on the use of funds shall not apply to submerged lands within 30-nautical miles off any Florida land mass located south of 25 degrees north latitude; and".

Ante, p. 936.

DEPARTMENT OF ENERGY

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

For an additional amount for "Fossil Energy Research and Development", \$1,000,000, to remain available until expended.

SMITHSONIAN INSTITUTION

SALARIES AND EXPENSES, NATIONAL GALLERY OF ART

For an additional amount for special exhibitions, \$250,000, to remain available until expended.

CHAPTER V

UNITED STATES RAILWAY ASSOCIATION

ADMINISTRATIVE EXPENSES

Budget deferral,
disapproval by
Congress.

The Congress disapproves the proposed deferral of budget authority in the amount of \$2,050,000 for the United States Railway Association (deferral numbered D84-20), as set forth in the President's special message which was transmitted to the Congress on October 3, 1983. This disapproval shall be effective on the date of enactment of this Act and the amount of the proposed deferral disapproval herein shall be made available for obligation.

CHAPTER VI

DEPARTMENT OF AGRICULTURE

FEDERAL GRAIN INSPECTION SERVICE

INSPECTION AND WEIGHING SERVICES

For expenses necessary to recapitalize the revolving fund established under section 7(j)(1) of the United States Grain Standards Act, as amended (7 U.S.C. 79(j)(1)), \$6,000,000.

FOOD AND NUTRITION SERVICE

Child care
food program.

Effective on October 16, 1983, and until April 16, 1984, the Secretary of Agriculture shall not reduce or withhold reimbursements, shall not collect or attempt to collect funds from an institution, its parents, affiliates or successors, and shall not otherwise affect an institution's participation in the child care food program (42 U.S.C. 1766), where the Secretary's claim relates to payments made in New York during the period January 1, 1975, through December 31, 1976, by the Secretary to the institution as a participant in the child care food program.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

EMERGENCY CONSERVATION PROGRAM

For an additional amount to carry out the emergency conservation program authorized by title IV of the Agricultural Credit Act of 1978 (16 U.S.C. 2201 et seq.), \$7,000,000, to remain available until expended.

DONATION OF CERTAIN PROPERTY

Notwithstanding any other provision of law, the Secretary of Agriculture shall have the authority to donate, without consideration, the land, buildings, facilities and equipment at the United

States Department of Agriculture Plant Introduction Station, commonly known as Bamboo Research Station in Savannah, Georgia, to the College of Agriculture, University of Georgia.

CHAPTER VII

DEPARTMENT OF EDUCATION

HIGHER EDUCATION

For an additional amount for part B of title IX of the Higher Education Act of 1965, \$500,000.

20 USC 1134d.

TITLE II

GENERAL PROVISIONS

SEC. 2001. No part of any appropriation contained in this Act shall remain available for obligation beyond September 30, 1984, unless expressly so provided herein.

SEC. 2002. Notwithstanding any other provision of law, the terms "meat" and "meat food products" as used in the Prompt Payment Act (Public Law 97-177; 96 Stat. 85) in section 2(a)(2)(B)(i) thereof shall include also edible fresh or frozen poultry meat, perishable poultry meat food products, fresh eggs and perishable egg products; and the Secretary of Agriculture, out of funds available to the Commodity Credit Corporation, upon proper proof of loss, shall pay outstanding claims for losses resulting from the 1980 embargo on sales of agricultural commodities to the Soviet Union sustained by businesses dealing in pork and frozen hog carcasses as well as edible fresh or frozen poultry meat, perishable poultry meat food products, fresh eggs and perishable egg products.

"Meat" and
"meat
food products."
31 USC 3903
note.

SEC. 2003. (a) Section 4 of the Act entitled "An Act to save daylight and to provide standard time for the United States", approved March 19, 1918 (15 U.S.C. 263), is amended—

(1) by striking out "Yukon" and inserting in lieu thereof "Alaska";

(2) by striking out "Alaska-Hawaii" and inserting in lieu thereof "Hawaii-Aleutian"; and

(3) by striking out "Bering" and inserting in lieu thereof "Samoa".

(b)(1) Any reference to Yukon standard time in any law, regulation, map, document, record, or other paper of the United States shall be held and considered to be a reference to Alaska standard time.

15 USC 263 note.

(2) Any reference to Alaska-Hawaii standard time in any law, regulation, map, document, record, or other paper of the United States shall be held and considered to be a reference to Hawaii-Aleutian standard time.

(3) Any reference to Bering standard time in any law, regulation, map, document, record, or other paper of the United States shall be held and considered to be a reference to Samoa standard time.

(c) The Regional Rail Reorganization Act of 1973 (45 U.S.C. 701 et seq.) is amended—

(1) by striking from section 201(e) of such Act "1983" and inserting in lieu thereof "1985"; and

45 USC 711.

45 USC 748.

Grenada
rescue.

Ante, p. 32.

"Period of
eligibility."

Ante, p. 1153.

45 USC 368 note.

Ante, p. 32.

Ante, p. 222.

(2) by striking from section 308(c)(1) of such Act "1983" and inserting in lieu thereof "1985".

SEC. 2004. It is the sense of the Senate that the United States Armed Forces engaged in military operations in Grenada are to be commended for their rescue of United States citizens on that island, and for their valor, success, and exemplary conduct in battle, which has been in the highest traditions of the military service.

SEC. 2005. (a) Section 17 of the Railroad Unemployment Insurance Act is amended—

(1) in subsection (a)(2), by inserting "or the benefit year beginning July 1, 1983" after "July 1, 1982";

(2) in subsection (e), by striking out "June 30, 1983" and inserting in lieu thereof "June 30, 1984"; and

(3) by amending subsection (f) to read as follows:

"(f)(1) For purposes of this section the term 'period of eligibility' means, with respect to any employee for the benefit year beginning July 1, 1982, the period beginning with the later of—

"(A) the first day of unemployment following the day on which he exhausted his rights to unemployment benefits (as determined under subsection (b)) in such benefit year; or

"(B) March 10, 1983,

and consisting of five consecutive registration periods (without regard to benefit year); except that for purposes of this paragraph, any registration period beginning after June 30, 1983, and before the date of the enactment of the Supplemental Appropriations Act, 1984, shall not be taken into account for purposes of payment of benefits, or in determining the consecutiveness of registration periods.

"(2) For purposes of this section the term 'period of eligibility' means, with respect to any employee for the benefit year beginning July 1, 1983, the period beginning with the later of—

"(A) the first day of unemployment following the day on which he exhausted his rights to unemployment benefits (as determined under subsection (b)) in such benefit year; or

"(B) the date of the enactment of the Supplemental Appropriations Act, 1984,

and consisting of five consecutive registration periods; except that no such period of eligibility shall include any registration period beginning after June 30, 1984."

(b) The amendments made by this section shall apply with respect to days of unemployment during any registration period beginning on or after the date of the enactment of this Act.

(c) Amounts appropriated under section 102(b) of Public Law 98-8 shall remain available without regard to fiscal year limitation for purposes of carrying out the amendments made by this section, and amounts appropriated under such section into the railroad unemployment insurance account in the Unemployment Trust Fund may be transferred into the railroad unemployment insurance administration account in the Unemployment Trust Fund as may be necessary to carry out the amendments made by this section (as determined by the Railroad Retirement Board).

SEC. 2006. The first paragraph under the heading "Community development grants" in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1984 (Public Law 98-45) is hereby amended by striking out the period at the end thereof, and inserting the following: "Provided further, That any unit of general local government which was classified as an urban

county in fiscal year 1983 pursuant to section 102(a)(6) of the Housing and Community Development Act of 1974, as amended, shall continue to be classified as an urban county for the purposes of the allocation of funds provided therein for fiscal year 1984.”.

This Act may be cited as the “Supplemental Appropriations Act, 1984”.

Ante, p. 1160.

Short title.

Approved November 30, 1983.

LEGISLATIVE HISTORY—H.R. 3959 (H.R. 1) (H.R. 2957) (S. 695) (S. 869) (S. 1310):

HOUSE REPORTS: No. 98-123 and Pt. 2 accompanying H.R. 1, No. 98-175 accompanying H.R. 2957 all from (Comm. on Banking, Finance and Urban Affairs), No. 98-375 (Comm. on Appropriations) and No. 98-551 (Comm. of Conference) both accompanying H.R. 3959.

SENATE REPORTS: No. 98-35 accompanying S. 695, No. 98-127 accompanying S. 1310, No. 98-183 accompanying S. 869 all from (Comm. on Foreign Relations), No. 98-111 accompanying S. 869, No. 98-122 accompanying S. 695 both from (Comm. on Banking, Housing, and Urban Affairs), and No. 98-275 accompanying H.R. 3959 (Comm. on Appropriations).

CONGRESSIONAL RECORD, Vol. 129 (1983):

June 7, 8, S. 695 considered and passed Senate.

July 11-13, H.R. 1 considered and passed House.

July 25, 26, 29, Aug. 3, H.R. 2957 considered and passed House; passage vacated and S. 695, amended, passed in lieu.

Sept. 23, S. 869 considered and passed Senate.

Oct. 5, H.R. 3959 considered and passed House.

Oct. 25-27, considered and passed Senate, amended.

Nov. 16, House agreed to conference report; concurred in certain Senate amendments and in others with amendments.

Nov. 17, Senate agreed to conference report; concurred in House amendments and in another with an amendment.

Nov. 18, House concurred in Senate amendment.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 19, No. 48 (1983):

Nov. 30, Presidential statement.