

105TH CONGRESS  
1ST SESSION

# H. R. 2913

To amend the Internal Revenue Code of 1986 to clarify the mortgage subsidy bond benefits for residences located in disaster areas.

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IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 7, 1997

Mr. RAMSTAD introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to clarify the mortgage subsidy bond benefits for residences located in disaster areas.

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

3       **SECTION 1. CLARIFICATION OF SPECIAL MORTGAGE SUB-**  
4                       **SIDY BOND RULES FOR RESIDENCES LO-**  
5                       **CATED IN DISASTER AREAS.**

6       Paragraph (11) of section 143(k) of the Internal Rev-  
7       enue Code of 1986 is amended to read as follows:

8               “(11) SPECIAL RULES FOR RESIDENCES LO-  
9       CATED IN DISASTER AREAS.—

1           “(A) HOME IMPROVEMENT LOANS FOR RE-  
2           PAIRS.—In the case of financing provided by a  
3           qualified home improvement loan for the repair  
4           of damage to a residence located in a disaster  
5           area which was sustained as a result of the dis-  
6           aster—

7                   “(i) the limitation under paragraph  
8                   (4) shall be increased (but not above  
9                   \$100,000) to the extent such loan is for  
10                  the repair of such damage, and

11                  “(ii) subsection (f) (relating to income  
12                  requirement) shall be applied as if such  
13                  residence were a targeted area residence.

14           “(B) PURCHASE OF REPLACEMENT  
15           HOME.—In the case of financing provided to ac-  
16           quire a residence located in a disaster area by  
17           mortgagors whose prior residence was in such  
18           area and was destroyed or otherwise rendered  
19           uninhabitable as a result of the disaster—

20                   “(i) subsection (d) (relating to 3-year  
21                   requirement) shall not apply, and

22                   “(ii) subsections (e) and (f) (relating  
23                   to purchase price requirement and income  
24                   requirement) shall be applied as if such  
25                   residence were a targeted area residence.

1           “(C) FINANCING MUST BE PROVIDED  
2           WITHIN 2 YEARS AFTER DISASTER DECLARA-  
3           TION.—This paragraph shall apply only to fi-  
4           nancing provided within 2 years after the date  
5           of the disaster declaration.

6           “(D) DISASTER AREA.—For purposes of  
7           this paragraph, the term ‘disaster area’ means  
8           an area determined by the President to warrant  
9           assistance from the Federal Government under  
10          the Robert T. Stafford Disaster Relief and  
11          Emergency Assistance Act (as in effect on the  
12          date of the enactment of the Taxpayer Relief  
13          Act of 1997).

14          “(E) APPLICATION OF PARAGRAPH.—This  
15          paragraph shall apply only with respect to  
16          bonds issued after November 7, 1997, and be-  
17          fore January 1, 1999.”.

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