

107TH CONGRESS
1ST SESSION

S. 1128

To provide grants for FHA-insured hospitals.

IN THE SENATE OF THE UNITED STATES

JUNE 28, 2001

Mrs. CLINTON introduced the following bill; which was read twice and referred
to the Committee on Banking, Housing, and Urban Affairs

A BILL

To provide grants for FHA-insured hospitals.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “FHA-Insured Hospital
5 Conversion and Reinvestment Act of 2001”.

6 **SEC. 2. GRANTS FOR FHA-INSURED HOSPITALS.**

7 Section 242 of the National Housing Act (12 U.S.C.
8 1715z–7) is amended by adding at the end the following:

9 “(i) GRANTS FOR FHA-INSURED HOSPITALS.—

10 “(1) AUTHORITY AND USE.—To the extent that
11 amounts for use under this subsection are made
12 available pursuant to section 519(g), the Secretary

1 may make grants to eligible FHA-insured hospitals
2 for use only for purposes that the Secretary deter-
3 mines will reduce the risk of default and loss on
4 mortgages for those hospitals, which purposes shall
5 include—

6 “(A) carrying out activities to convert the
7 excess capacity of an eligible FHA-insured hos-
8 pital to facilities that provide health care and
9 supportive housing for elderly persons and fam-
10 ilies, including assisted living facilities, nursing
11 homes, and supportive housing for the elderly;
12 and

13 “(B) assisting in paying debt service for an
14 eligible FHA-insured hospital, including service
15 on debt insured under this section.

16 “(2) TREATMENT OF MORTGAGE INSURANCE.—

17 “(A) IN GENERAL.—Notwithstanding any
18 provision of this section or of any contract for
19 mortgage insurance provided pursuant to this
20 section, an eligible FHA-insured hospital (or a
21 portion of an eligible FHA-insured hospital)
22 may be converted in accordance with paragraph
23 (1)(A), using grant amounts under this sub-
24 section.

1 “(B) CONTINUING COVERAGE.—The Sec-
 2 retary shall provide for the uninterrupted con-
 3 tinuation of the mortgage insurance coverage
 4 for a hospital that is converted in accordance
 5 with paragraph (1)(A), for the duration of the
 6 original term of the mortgage insurance con-
 7 tract.

8 “(3) DEFINITIONS.—As used in this subsection:

9 “(A) ASSISTED LIVING FACILITY; NURSING
 10 HOME.—The terms ‘assisted living facility’ and
 11 ‘nursing home’ have the same meanings as in
 12 section 232 (12 U.S.C. 1715w).

13 “(B) ELDERLY PERSON.—The term ‘elder-
 14 ly person’ has the same meaning as in section
 15 202(k) of the Housing Act of 1959 (12 U.S.C.
 16 1701q(k)).

17 “(C) ELIGIBLE FHA-INSURED HOS-
 18 PITALS.—The term ‘eligible FHA-insured hos-
 19 pital’ means a hospital that—

20 “(i) is subject to a mortgage that is
 21 insured under this section;

22 “(ii) would, in the determination of
 23 the Secretary, after consultation with the
 24 Secretary of Health and Human Services,
 25 improve its financial soundness as a result

of the proposed activities or costs to be funded with grant amounts under this subsection; and

“(iii) has submitted an application to the Secretary for a grant under this subsection, in accordance with such requirements as the Secretary shall establish.

“(D) SUPPORTIVE HOUSING FOR THE ELDERLY.—The term ‘supportive housing for the elderly’ has the same meaning as in section 202(k) of the Housing Act of 1959 (12 U.S.C. 1701q(k)).

“(4) FUNDING.—In addition to any amounts made available under section 519(g), there are authorized to be appropriated for grants under this subsection, such sums as may be necessary for each of fiscal years 2002 through 2006.”.

**SEC. 3. FUNDING OF GRANTS FROM SURPLUS AMOUNTS IN
FHA INSURANCE FUNDS.**

(a) GENERAL INSURANCE FUND SURPLUS.—Section 519 of the National Housing Act (12 U.S.C. 1735e) is amended by adding at the end the following:

“(g) AVAILABILITY OF SURPLUS AMOUNTS FOR GRANTS FOR FHA-INSURED HOSPITALS.—

1 “(1) IN GENERAL.—The amount of any nega-
 2 tive credit subsidy that is determined for any fiscal
 3 year for purposes of title V of the Congressional
 4 Budget Act of 1974 (2 U.S.C. 661 et seq.), and is
 5 attributable to the programs referred to in para-
 6 graph (2) shall be considered to be new budget au-
 7 thority and shall be available, without fiscal year
 8 limitation, for grants under section 242(i).

9 “(2) COVERED PROGRAMS.—The programs re-
 10 ferred to in this paragraph are the programs under
 11 this Act for insurance of mortgages and loans that
 12 are classified under budget account number 86–
 13 0200–0–1–371 and are referred to as ‘FHA Full In-
 14 surance for Health Care Facilities (plus 241/232)’,
 15 ‘Health Care Refinances’, and ‘Hospitals’ on page
 16 515 of the Appendix to the Budget of the United
 17 States Government, Fiscal Year 2001 (H. Doc. 106–
 18 162, Vol. II), in the table entitled ‘Summary of
 19 Loan Levels, Subsidy Budget Authority and Outlays
 20 by Program’.”.

21 **SEC. 4. REGULATIONS.**

22 Not later than 120 days after the date of enactment
 23 of this Act, pursuant to the authority in section 211 of
 24 the National Housing Act (12 U.S.C. 1715b), the Sec-

- 1 retary shall issue such rules and regulations as may be
- 2 necessary to carry out the amendments made by this Act.

