

109TH CONGRESS
1ST SESSION

H. R. 3716

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

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 8, 2005

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

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. SPECIAL MORTGAGE SUBSIDY BOND RULES**
4 **FOR RESIDENCES LOCATED IN DISASTER**
5 **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 \$150,000) 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.

12 “(E) APPLICATION OF PARAGRAPH.—This
13 paragraph shall apply only with respect to
14 bonds issued after September 8, 2005.”.

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