

109TH CONGRESS  
2D SESSION

# S. 2319

To provide for the recovery from Hurricane Katrina, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

FEBRUARY 16, 2006

Mr. OBAMA introduced the following bill; which was read twice and referred  
to the Committee on Finance

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## A BILL

To provide for the recovery from Hurricane Katrina, and  
for other purposes.

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 “Hurricane Katrina Re-  
5       covery Act of 2006”.

6       **SEC. 2. TABLE OF CONTENTS.**

7       The table of contents for this Act is as follows:

Sec. 1. Short title.

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# 1 **TITLE I—TRANSPARENCY AND** 2 **ACCOUNTABILITY DURING** 3 **THE HURRICANE KATRINA** 4 **RECOVERY AND RELIEF EF-** 5 **FORT**

## 6 **SEC. 101. DEFINITIONS.**

7 In this title:

1           (1) CHIEF FINANCIAL OFFICER.—The term  
 2           “Chief Financial Officer” means the Hurricane  
 3           Katrina Recovery Chief Financial Officer.

4           (2) OFFICE.—The term “Office” means the Of-  
 5           fice of the Hurricane Katrina Recovery Chief Finan-  
 6           cial Officer.

7   **SEC. 102. ESTABLISHMENT AND FUNCTIONS.**

8           (a) ESTABLISHMENT.—There is established within  
 9           the Executive Office of the President, the Office of the  
 10          Hurricane Katrina Recovery Chief Financial Officer.

11          (b) CHIEF FINANCIAL OFFICER.—

12           (1) APPOINTMENT.—The Hurricane Katrina  
 13          Recovery Chief Financial Officer shall be the head  
 14          of the Office. The Chief Financial Officer shall be  
 15          appointed by the President, by and with the advice  
 16          and consent of the Senate.

17           (2) QUALIFICATIONS.—The Chief Financial Of-  
 18          ficer shall—

19                   (A) have the qualifications required under  
 20                   section 901(a)(3) of title 31, United States  
 21                   Code; and

22                   (B) have knowledge of Federal contracting  
 23                   and policymaking functions.

24          (c) AUTHORITIES AND FUNCTIONS.—

1           (1) IN GENERAL.—The Chief Financial Officer  
2 shall—

3                   (A) be responsible for the efficient and ef-  
4 fective use of Federal funds in all activities re-  
5 lating to the recovery from Hurricane Katrina;

6                   (B) strive to ensure that—

7                           (i) priority in the distribution of Fed-  
8 eral relief funds is given to individuals and  
9 organizations most in need of financial as-  
10 sistance; and

11                           (ii) priority in the distribution of Fed-  
12 eral reconstruction funds is given to busi-  
13 ness entities that are based in Louisiana,  
14 Mississippi, Alabama, or Florida or busi-  
15 ness entities that hire workers who resided  
16 in those States on August 28, 2005;

17                   (C) perform risk assessments of all pro-  
18 grams and operations related to recovery from  
19 Hurricane Katrina and implement internal con-  
20 trols and program oversight based on risk of  
21 waste, fraud, or abuse;

22                   (D) report directly to the head of the Of-  
23 fice regarding financial management matters;

1 (E) oversee all financial management ac-  
2 tivities relating to the programs and operations  
3 of the Hurricane Katrina recovery effort;

4 (F) develop and maintain an integrated ac-  
5 counting and financial management system, in-  
6 cluding financial reporting and internal con-  
7 trols, which—

8 (i) complies with applicable account-  
9 ing principles, standards, and require-  
10 ments, and internal control standards;

11 (ii) complies with such policies and re-  
12 quirements as may be prescribed by the  
13 Director of the Office of Management and  
14 Budget;

15 (iii) complies with any other require-  
16 ments applicable to such systems; and

17 (iv) provides for—

18 (I) complete, reliable, consistent,  
19 and timely information which is pre-  
20 pared on a uniform basis and which is  
21 responsive to the financial information  
22 needs of the Office;

23 (II) the development and report-  
24 ing of cost information;

1 (III) the integration of account-  
2 ing and budgeting information; and

3 (IV) the systematic measurement  
4 of performance;

5 (G) monitor the financial execution of the  
6 budget of Federal agencies relating to recovery  
7 from Hurricane Katrina in relation to actual  
8 expenditures, and prepare and submit to the  
9 head of the Office timely performance reports;

10 (H) have access to all records, reports, au-  
11 dits, reviews, documents, papers, recommenda-  
12 tions, or other material which are the property  
13 of Federal agencies or which are available to  
14 the agencies, and which relate to programs and  
15 operations with respect to which the Chief Fi-  
16 nancial Officer has responsibilities;

17 (I) request such information or assistance  
18 as may be necessary for carrying out the duties  
19 and responsibilities provided by this section  
20 from any Federal, State, or local governmental  
21 entity, including any Chief Financial Officer  
22 under section 902 of title 31, United States  
23 Code, and, upon receiving such request, insofar  
24 as is practicable and not in contravention of  
25 any existing law, any such Federal Govern-

1           mental entity or Chief Financial Officer under  
2           section 902 shall cooperate and furnish such re-  
3           quested information or assistance;

4           (J) to the extent and in such amounts as  
5           may be provided in advance by appropriations  
6           Acts, be authorized to—

7                   (i) enter into contracts and other ar-  
8                   rangements with public agencies and with  
9                   private persons for the preparation of fi-  
10                  nancial statements, studies, analyses, and  
11                  other services; and

12                  (ii) make such payments as may be  
13                  necessary to carry out this section;

14           (K) for purposes of the Improper Pay-  
15           ments Information Act of 2002 (31 U.S.C.  
16           3321 note), perform, in consultation with the  
17           Office of Management and Budget, the func-  
18           tions of the head of an agency for any activity  
19           relating to the recovery from Hurricane Katrina  
20           that is not currently the responsibility of the  
21           head of an agency under that Act; and

22           (L) transmit a report, on a quarterly basis,  
23           regarding any program or activity identified by  
24           the Chief Financial Officer as susceptible to  
25           significant improper payments under section



1           2(a) of the Improper Payments Information Act  
2           of 2002 (31 U.S.C. 3321 note) to the appro-  
3           priate inspector general.

4           (2) ACCESS.—Except as provided in paragraph  
5           (1)(I), this subsection does not provide to the Chief  
6           Financial Officer any access greater than permitted  
7           under any other law to records, reports, audits, re-  
8           views, documents, papers, recommendations, or  
9           other material of any Office of Inspector General es-  
10          tablished under the Inspector General Act of 1978  
11          (5 U.S.C. App.).

12          (3) COORDINATION OF AGENCIES.—In the per-  
13          formance of the authorities and functions under  
14          paragraph (1) by the Chief Financial Officer the  
15          President (or the President’s designee) shall act as  
16          the head of the Office and the Chief Financial Offi-  
17          cer shall have management and oversight of all  
18          agencies performing activities relating to the recov-  
19          ery from Hurricane Katrina.

20          (4) REGULAR REPORTS.—

21                (A) IN GENERAL.—Every month the Chief  
22          Financial Officer shall submit a financial report  
23          on the activities for which the Chief Financial  
24          Officer has management and oversight respon-  
25          sibilities to—

1 (i) the Committee on Homeland Secu-  
2 rity and Governmental Affairs of the Sen-  
3 ate;

4 (ii) the Committee on Homeland Se-  
5 curity of the House of Representatives;

6 (iii) the Committees on Appropria-  
7 tions of the Senate and House of Rep-  
8 resentatives; and

9 (iv) the Committee on Government  
10 Reform of the House of Representatives.

11 (B) CONTENTS.—Each report under this  
12 paragraph shall include—

13 (i) the extent to which Federal relief  
14 funds have been given to individuals and  
15 organizations most in need of financial as-  
16 sistance;

17 (ii) the extent to which Federal recon-  
18 struction funds have been made available  
19 to business entities that are based in Lou-  
20 isiana, Mississippi, Alabama, or Florida or  
21 business entities that hire workers who re-  
22 sided in those States on August 28, 2005;  
23 and

1 (iii) the extent to which Federal agen-  
2 cies have made use of sole source, no-bid  
3 or cost-plus contracts.

4 (C) FIRST REPORT.—The first report  
5 under this paragraph shall be submitted for the  
6 first full month for which a Chief Financial Of-  
7 ficer has been appointed.

8 (d) RESPONSIBILITIES OF CHIEF FINANCIAL OFFI-  
9 CERS.—Nothing in this Act shall be construed to relieve  
10 the responsibilities of any Chief Financial Officer under  
11 section 902 of title 31, United States Code.

12 (e) AVAILABILITY OF RECORDS.—Upon request to  
13 the Chief Financial Officer, the Office shall make the  
14 records of the Office available to the Inspector General  
15 of any Federal agency performing recovery activities relat-  
16 ing to Hurricane Katrina, or to any Special Inspector  
17 General designated to investigate such activities, for the  
18 purpose of performing the duties of that Inspector General  
19 under the Inspector General Act of 1978 (5 U.S.C. App.).

20 **SEC. 103. REPORTS OF THE GOVERNMENT ACCOUNT-**  
21 **ABILITY OFFICE.**

22 The Government Accountability Office shall provide  
23 quarterly reports to the committees described under sec-  
24 tion 102(c)(4)(A) relating to all activities and expendi-  
25 tures overseen by the Office, including—

1           (1) the accuracy of reports submitted by the  
2 Chief Financial Officer to Congress;

3           (2) the extent to which agencies performing ac-  
4 tivities relating to the recovery from Hurricane  
5 Katrina have made use of sole source, no-bid or  
6 cost-plus contracts;

7           (3) whether Federal funds expended by State  
8 and local government agencies were spent for their  
9 intended use;

10          (4) the extent to which Federal relief funds  
11 have been distributed to individuals and organiza-  
12 tions most affected by Hurricane Katrina and Fed-  
13 eral reconstruction funds have been made available  
14 to business entities that are based in Louisiana, Mis-  
15 sissippi, Alabama, or Florida or business entities  
16 that hire workers who resided in those States on Au-  
17 gust 28, 2005; and

18          (5) the extent to which internal controls to pre-  
19 vent waste, fraud, or abuse exist in the use of Fed-  
20 eral funds relating to the recovery from Hurricane  
21 Katrina.

22 **SEC. 104. ADMINISTRATIVE AND SUPPORT SERVICES.**

23          (a) IN GENERAL.—The President shall provide ad-  
24 ministrative and support services (including office space)  
25 for the Office and the Chief Financial Officer.

1 (b) PERSONNEL.—The President shall provide for  
2 personnel for the Office through the detail of Federal em-  
3 ployees. Any Federal employee may be detailed to the Of-  
4 fice without reimbursement, and such detail shall be with-  
5 out interruption or loss of civil service status or privilege.

6 **SEC. 105. PUBLIC REPORTING.**

7 (a) NEWSPAPER REPORTING.—A summary of the  
8 monthly financial report required under section 102(c)(4)  
9 shall be published in a newspaper of general circulation  
10 in each county or parish affected by Hurricane Katrina,  
11 and shall include—

12 (1) the total amount of Federal reconstruction  
13 expenditures for the preceding month;

14 (2) the percentage of those expenditures made  
15 available to business entities that are based in Lou-  
16 isiana, Mississippi, Alabama, or Florida or business  
17 entities that hire workers who resided in those  
18 States on August 28, 2005;

19 (3) the percentage of Federal expenditures  
20 which involve sole source or cost-plus contracts;

21 (4) information on how to access a full copy of  
22 the report on an accessible Federal Government  
23 website; and

1           (5) an electronic mail address and a toll-free  
2           telephone number through which local residents may  
3           contact the Office to report fraud, waste, or abuse.

4           (b) PUBLIC AVAILABILITY OF CONTRACT AWARD IN-  
5           FORMATION.—

6           (1) REQUIREMENT.—Not later than 30 days  
7           after the award of a Hurricane Katrina-related con-  
8           tract by an executive agency, the chief financial offi-  
9           cer shall make publicly available the following infor-  
10          mation with respect to the contract:

11                   (A) The name and address of the con-  
12                   tractor.

13                   (B) The date of award of the contract.

14                   (C) The number of offers received in re-  
15                   sponse to the solicitation.

16                   (D) The total amount of the contract.

17                   (E) The contract type, including a general  
18                   description of the items or services to be pro-  
19                   cured under the contract.

20                   (F) With respect to a procurement carried  
21                   out using procedures other than competitive  
22                   procedures—

23                           (i) the authority for using such proce-  
24                           dures under section 303(c) of title III of  
25                           the Federal Property and Administrative

1 Services Act of 1949 (41 U.S.C. 253(c)) or  
2 section 2304(c) of title 10, United States  
3 Code; and

4 (ii) the number of sources from which  
5 bids or proposals were solicited.

6 (G) The general reasons for selecting the  
7 contractor.

8 (H) An electronic mail address and toll-  
9 free telephone number through which local resi-  
10 dents may contact the agency to report fraud,  
11 waste, or abuse.

12 (2) PUBLIC AVAILABILITY.—The information  
13 required under paragraph (1) shall be made avail-  
14 able by—

15 (A) publishing in a newspaper of general  
16 circulation in the local government unit where  
17 a majority of the contract is to be performed;  
18 and

19 (B) posting on an accessible Federal Gov-  
20 ernment website.

21 (3) DEFINITION.—In this section, the term “ex-  
22 ecutive agency” has the meaning provided in section  
23 4 of the Office of Federal Procurement Policy Act  
24 (41 U.S.C. 403).

1 **SEC. 106. AUTHORIZATION OF APPROPRIATIONS.**

2       There are authorized to be appropriated such sums  
3 as necessary to carry out this Act.

4 **SEC. 107. TERMINATION OF OFFICE.**

5       (a) IN GENERAL.—The Office and position of Chief  
6 Financial Officer shall terminate 1 year after the date of  
7 enactment of this Act.

8       (b) EXTENSION.—The President may extend the date  
9 of termination annually under subsection (a) to any date  
10 occurring before 5 years after the date of enactment of  
11 this Act.

12       (c) NOTIFICATION.—The President shall notify the  
13 committees described under section 102(c)(4)(A) 60 days  
14 before any extension of the date of termination under this  
15 section.

16       **TITLE II—FAMILY LOCATOR**  
17                               **SYSTEM**

18 **SEC. 201. DEFINITIONS.**

19       In this title—

20               (1) the term “Department” means the Depart-  
21 ment of Homeland Security;

22               (2) the terms “emergency” and “major dis-  
23 aster” have the same meaning as in section 102 of  
24 the Robert T. Stafford Disaster Relief and Emer-  
25 gency Assistance Act (42 U.S.C. 5122);



1           (3) the term “Secretary” means the Secretary  
2 of Homeland Security; and

3           (4) the term “System” means the National  
4 Emergency Family Locator System established  
5 under this title.

6 **SEC. 202. NATIONAL EMERGENCY FAMILY LOCATOR SYS-**  
7 **TEM.**

8           (a) IN GENERAL.—Not later than 180 days after the  
9 date of enactment of this Act, the Secretary shall establish  
10 within the Department the National Family Locator Sys-  
11 tem.

12          (b) PURPOSES.—The purposes of the System are  
13 to—

14           (1) enable individuals displaced by an emer-  
15 gency or major disaster to provide to the Depart-  
16 ment the name and location of the displaced individ-  
17 uals, and any other relevant information, using the  
18 telephone, the Internet, and other means determined  
19 to be appropriate by the Secretary; and

20           (2) enable the Department—

21                (A) to compile the information collected  
22 under paragraph (1); and

23                (B) to provide the information collected  
24 and compiled under the System to the family  
25 members of individuals displaced by an emer-

1           agency or major disaster and law enforcement  
2           officials.

3           (c) CONSIDERATIONS.—In establishing the System  
4 under subsection (a), the Secretary shall take into account  
5 and, to the maximum extent practicable, incorporate into  
6 the System—

7           (1) intermediary-based locator systems, such as  
8           the National Next of Kin Registry; and

9           (2) information from existing family locator  
10          databases, such as the Family News Network of the  
11          International Committee of the Red Cross.

12 **SEC. 203. AUTHORIZATION OF APPROPRIATIONS.**

13          There are authorized to be appropriated such sums  
14 as are necessary to carry out this title.

15 **TITLE III—EVACUATION OF INDIVIDUALS WITH SPECIAL**  
16 **NEEDS**

18 **SEC. 301. FINDINGS AND PURPOSE.**

19          (a) FINDINGS.—Congress makes the following find-  
20 ings:

21           (1) Many of the lives lost to Hurricane Katrina  
22          and the flooding that ensued could have been pre-  
23          vented had everyone been evacuated before the hur-  
24          ricane came ashore.

1           (2) Many people who were not evacuated lacked  
2           the resources to evacuate.

3           (3) Many people who lacked the resources to  
4           evacuate—

5                 (A) did not have access to any means of  
6           transportation to evacuate;

7                 (B) had neither a vehicle nor the funding  
8           to pay for transportation out of the threatened  
9           areas; and

10                (C) did not have access to, nor could they  
11           afford, temporary accommodations outside the  
12           threatened areas.

13           (4) Many elderly and disabled individuals, in-  
14           cluding those in hospitals and nursing homes, were  
15           physically incapable of leaving on their own.

16           (5) In St. Bernard Parish, Louisiana, an esti-  
17           mated 34 of 60 residents in the St. Rita nursing  
18           home perished in the rising flood waters in the after-  
19           math of Hurricane Katrina.

20           (6) A more effective predisaster and  
21           postdisaster plan for evacuation that addressed the  
22           requirements of those with special needs, such as  
23           those without transportation or those with physical  
24           disabilities, could have helped save lives.

1 (b) PURPOSE.—The purpose of this title is to ensure  
2 the preparation of communities for future natural, acci-  
3 dental, or deliberate disasters by ensuring that the States  
4 prepare for the evacuation of individuals with special  
5 needs.

6 **SEC. 302. EVACUATION PLANS FOR INDIVIDUALS WITH SPE-**  
7 **CIAL NEEDS.**

8 The Secretary of Homeland Security, acting through  
9 the Office of State and Local Government Coordination  
10 and Preparedness, shall take appropriate actions to ensure  
11 that each State, in its homeland security strategy or other  
12 homeland security plan, provides detailed and comprehen-  
13 sive information regarding its predisaster and postdisaster  
14 plans for the evacuation of individuals with special needs,  
15 including low-income individuals and families, disabled in-  
16 dividuals, the homeless, individuals who do not speak  
17 English, and the elderly, in an emergency that would war-  
18 rant their evacuation, including plans for the provision of  
19 food, water, and shelter for evacuees.

20 **SEC. 303. REPORT TO CONGRESS.**

21 (a) IN GENERAL.—Not later than 1 year after the  
22 date of enactment of this Act, the Secretary of Homeland  
23 Security shall submit to Congress a report setting forth  
24 the plans of the States to evacuate individuals with special

1 needs in an emergency that would warrant their evacu-  
 2 ation.

3 (b) CONTENTS.—The report submitted under sub-  
 4 section (a) shall include a discussion of—

5 (1) whether the States have the resources nec-  
 6 essary to implement fully their evacuation plans; and

7 (2) the manner in which the plans of the States  
 8 are integrated with the response plans of the Fed-  
 9 eral Government for an emergency that would re-  
 10 quire the evacuation of individuals with special  
 11 needs.

## 12 **TITLE IV—HURRICANE KATRINA** 13 **EMERGENCY HEALTH WORK-** 14 **FORCE**

### 15 **SEC. 401. DEFINITIONS.**

16 In this title:

17 (1) CORPS.—The term “Corps” means the Na-  
 18 tional Emergency Health Professionals Volunteer  
 19 Corps established under section 402.

20 (2) FEMA.—The term “FEMA” means the  
 21 Federal Emergency Management Agency of the  
 22 Emergency Preparedness and Response Directorate  
 23 of the Department of Homeland Security.

24 (3) HEALTH PROFESSIONAL.—The term  
 25 “health professional” means a physician, nurse,

1        mental health provider, paramedic, pharmacist, pub-  
 2        lic health practitioner, veterinarian, epidemiologist,  
 3        statistician, laboratorian, infectious disease spe-  
 4        cialist, or other individual provider of health-related  
 5        services, as designated by the Secretary.

6                (4) SECRETARY.—The term “Secretary” means  
 7        the Secretary of Health and Human Services.

8        **SEC. 402. NATIONAL EMERGENCY HEALTH PROFESSIONALS**  
 9                                **VOLUNTEER CORPS.**

10        (a) IN GENERAL.—Not later than 6 months after the  
 11        date of enactment of this Act, the Secretary shall establish  
 12        a National Emergency Health Professionals Volunteer  
 13        Corps to provide for an adequate supply of health profes-  
 14        sionals in the case of a Federal, State, or local emergency.  
 15        The Corps shall be headed by a Director to be appointed  
 16        by the Secretary.

17        (b) DUTIES.—The Director of the Corps shall con-  
 18        duct the following activities:

19                (1) Analysis of need to determine the number  
 20        and types of Corps volunteers necessary.

21                (2) Determination of minimum licensing or  
 22        credentialing standards for each type of Corps vol-  
 23        unteers.

24                (3) Recruitment and retention of health profes-  
 25        sionals.

1           (4) Development of the Corps volunteer certifi-  
2           cation program in accordance with subsection (d).

3           (5) Development of training programs.

4           (6) Development of protocols for contact and  
5           deployment of Corps volunteers.

6           (7) Coordination of Corps volunteers with Med-  
7           ical Reserve Corps and other volunteer networks.

8           (c) COMPOSITION.—The Corps shall be composed of  
9           health professionals who—

10           (1) have training and expertise in the areas of  
11           medicine, nursing, mental health, public health,  
12           pharmacy, dentistry, emergency medical services,  
13           veterinary science, laboratory science, and other  
14           areas as determined appropriate by the Director of  
15           the Corps;

16           (2) have been certified in accordance with the  
17           certification program developed under subsection  
18           (b)(4);

19           (3) are geographically diverse in residence; and

20           (4) are willing to be deployed in case of emer-  
21           gency.

22           (d) CERTIFICATION.—The Director of the Corps, in  
23           collaboration with the Director of FEMA and the Admin-  
24           istrator of the Health Resources and Services Administra-  
25           tion, shall establish a program for the periodic certifi-

1 cation of health professionals who volunteer for the Corps  
2 which shall include, with respect to the health professional  
3 involved, an assessment of—

4 (1) the professional expertise and training of  
5 the professional, including licensure and  
6 credentialing as appropriate;

7 (2) the completion by the professional of the  
8 training programs developed under subsection  
9 (b)(5), as required by the Director; and

10 (3) the preparedness of the professional for  
11 emergency response which may include written ex-  
12 amination and hands-on skill assessment.

13 (e) DEPLOYMENT.—

14 (1) IN GENERAL.—During a Federal, State, or  
15 local emergency (as designated by the Secretary or  
16 the Secretary of Homeland Security), the Secretary,  
17 in consultation with the Secretary of Homeland Se-  
18 curity, shall have the authority to deploy members of  
19 the Corps to areas of need, based on the medical ex-  
20 pertise required.

21 (2) LIMITATION.—State and local officials shall  
22 have no authority to deploy members of the Corps,  
23 but may request the services of such members.

24 (f) COMPENSATION, EXPENSES, AND TRANSPOR-  
25 TATION.—While engaged in performing duties as a mem-



ber of the Corps pursuant to an assignment by the Secretary (including periods of travel to facilitate such assignment), members of the Corps who are not otherwise employed by the Federal Government shall be—

(1) compensated for temporary or intermittent services as experts or consultants as provided for under section 3109 of title 5, United States Code; and

(2) allowed travel or transportation expenses, including per diem in lieu of subsistence, as provided for under section 5703 of such title.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary to carry out this Act (and the amendments made by this Act) for each of fiscal years 2006 through 2010.

**SEC. 403. HEALTH PROFESSIONAL DATABASE.**

(a) ESTABLISHMENT.—Not later than 12 months after the date of enactment of this Act, the Director of the Centers for Disease Control and Prevention (referred to in this section as the “Director”), in collaboration with the Administrator of the Health Resources and Services Administration, State medical and nursing licensing boards, medical and nursing professional societies, and other relevant entities, shall establish a national database of health professionals (including physicians, nurses, and

1 other health professionals determined appropriate by the  
 2 Director) to increase health preparedness for Federal  
 3 emergencies.

4 (b) REQUIREMENTS OF DATABASE.—The database  
 5 established under subsection (a) shall include—

6 (1) with respect to each health professional list-  
 7 ed in the database—

8 (A) the name and contact information of  
 9 the professional;

10 (B) the State or States in which the pro-  
 11 fessional is licensed or certified;

12 (C) the area or areas in which the profes-  
 13 sional has specialty or subspecialty training;  
 14 and

15 (D) a description of the emergency re-  
 16 sponse training received by the professional;  
 17 and

18 (2) the name of each member of the Corps, the  
 19 Medical Reserve Corps, the National Disaster Med-  
 20 ical System, the Commissioned Corps of the Public  
 21 Health Services, and any other relevant federally-  
 22 sponsored or administered programs.

23 (c) ACCESSIBILITY.—The Director shall ensure that  
 24 the database established under subsection (a) is electroni-  
 25 cally accessible by State and local health departments. In

1 the case of a disaster or other emergency that results in  
 2 a loss of electrical power, the Director shall ensure that  
 3 the affected State or locality has access to the database  
 4 through other means.

5 (d) UPDATING OF INFORMATION.—The Director  
 6 shall, on at least a biennial basis, provide for the updating  
 7 of the information contained in the database.

8 **SEC. 404. PROTECTION OF HEALTH PROFESSIONAL VOLUN-**  
 9 **TEERS.**

10 Section 4303(13) of title 38, United States Code, is  
 11 amended by adding at the end the following: “Such term  
 12 shall include physicians or other health professionals (as  
 13 defined in section 401 of the Hurricane Katrina Recovery  
 14 Act of 2006) who are providing medical treatment or serv-  
 15 ices related to a major disaster as declared by the Presi-  
 16 dent under the authority of the Robert T. Stafford Dis-  
 17 aster Relief and Emergency Assistance Act (42 U.S.C.  
 18 5121 et seq.), including members of the National Emer-  
 19 gency Health Professionals Volunteer Corps, health pro-  
 20 fessionals who are activated by the Federal Emergency  
 21 Management Agency, and other health professionals who  
 22 provide services on a volunteer basis in a formal capacity  
 23 as determined by the Secretary of Health and Human  
 24 Services or the Secretary of Homeland Security. The Sec-

1 retary shall promulgate guidelines to implement the pre-  
 2 vious sentence”.

3 **SEC. 405. PREPAREDNESS TRAINING REQUIREMENTS.**

4 (a) CHILDREN’S HOSPITALS THAT OPERATE GRAD-  
 5 UATE MEDICAL EDUCATION PROGRAMS.—Section 340E  
 6 of the Public Health Service Act (42 U.S.C. 256e) is  
 7 amended by adding at the end the following:

8 “(h) REQUIREMENT TO PROVIDE DISASTER PRE-  
 9 PAREDNESS TRAINING.—To be eligible to receive a pay-  
 10 ment under this section, a children’s hospital shall provide  
 11 disaster preparedness training as part of any approved  
 12 graduate medical residency training program provided by  
 13 the hospital.”.

14 (b) MEDICARE GRADUATE MEDICAL EDUCATION  
 15 PROGRAMS.—

16 (1) IN GENERAL.—Section 1886(h) of the So-  
 17 cial Security Act (42 U.S.C. 1395ww(h)) is amended  
 18 by adding at the end the following:

19 “(8) REQUIREMENT FOR DISASTER PREPARED-  
 20 NESS TRAINING.—In order to be eligible to receive a  
 21 payment under this subsection, a hospital shall pro-  
 22 vide disaster preparedness training as part of any  
 23 approved medical residency training program pro-  
 24 vided by the hospital.”.

1           (2) EFFECTIVE DATE.—The amendment made  
 2       by paragraph (1) shall take effect on January 1,  
 3       2007.

4   **SEC. 406. LIABILITY PROTECTIONS.**

5       Section 224 of the Public Health Service Act (42  
 6   U.S.C. 233) is amended by adding at the end the fol-  
 7   lowing:

8       “(q) VOLUNTEER SERVICES PROVIDED BY HEALTH  
 9   PROFESSIONALS DURING DISASTERS.—

10           “(1) IN GENERAL.—Notwithstanding any other  
 11       provision of law, for purposes of this section, a vol-  
 12       unteer health professional, in providing a qualifying  
 13       health service related to a major disaster as declared  
 14       by the President under the authority of the Robert  
 15       T. Stafford Disaster Relief and Emergency Assist-  
 16       ance Act (42 U.S.C. 5121 et seq.), shall be deemed  
 17       to be an employee of the Public Health Service. The  
 18       preceding sentence is subject to the provisions of  
 19       this subsection.

20           “(2) VOLUNTEER HEALTH PROFESSIONAL.—In  
 21       providing a qualifying health service to an indi-  
 22       vidual, a health professional shall for purposes of  
 23       this subsection be considered to be a volunteer  
 24       health professional if the following conditions are  
 25       met:

1           “(A) The service is provided to the indi-  
 2           vidual as a result of the occurrence of a major  
 3           disaster as declared by the President under the  
 4           authority of the Robert T. Stafford Disaster  
 5           Relief and Emergency Assistance Act.

6           “(B) The service is a qualifying health  
 7           service (as defined in paragraph (3)(B)).

8           “(C) Neither the health professional or any  
 9           institution receives any compensation for the  
 10          service from the individual or from any third-  
 11          party payor (including reimbursement under  
 12          any insurance policy or health plan, or under  
 13          any Federal or State health benefits program).  
 14          With respect to compliance with such condition,  
 15          the health professional may receive repayment  
 16          from a Federal or State agency for reasonable  
 17          expenses incurred by the health professional in  
 18          the provision of the service to the individual.

19          “(3) DEFINITIONS.—

20                 “(A) HEALTH PROFESSIONAL.—In this  
 21                 subsection, the term ‘health professional’ means  
 22                 a physician, nurse, mental health provider,  
 23                 pharmacist, paramedic, and other individual  
 24                 provider as designated by the Secretary.

1           “(B) QUALIFYING HEALTH SERVICE.—In  
 2           this subsection, the term ‘qualifying health  
 3           service’ means any medical assistance provided  
 4           during, and as the result of the occupancy of,  
 5           a major disaster as declared by the President  
 6           under the authority of the Robert T. Stafford  
 7           Disaster Relief and Emergency Assistance Act.

8           “(4) APPLICATION OF PROVISIONS.—Subsection  
 9           (g) (other than paragraphs (3) through (5)) and  
 10          subsections (h), (i), and (l) shall apply to a volunteer  
 11          health professional for purposes of this subsection to  
 12          the same extent and in the same manner as such  
 13          subsections apply to an officer, governing board  
 14          member, employee, or contractor of an entity de-  
 15          scribed in subsection (g)(4), subject to paragraph  
 16          (5) and subject to the following:

17               “(A) The first sentence of paragraph (1)  
 18               applies in lieu of the first sentence of subsection  
 19               (g)(1)(A).

20               “(B) In the case of a health professional  
 21               who is determined by the Secretary pursuant to  
 22               subsection (g)(1)(E) to be a volunteer health  
 23               professional, this subsection applies to the  
 24               health professional (with respect to the institu-  
 25               tion or facility sponsoring the health profes-

1 sional for any cause of action arising from an  
 2 act or omission of the health professional occur-  
 3 ring on or after the date on which the Secretary  
 4 makes such determination and until the major  
 5 disaster involved has ended.

6 “(C) Subsection (g)(1)(F) applies to a  
 7 health professional for purposes of this sub-  
 8 section only to the extent that, in providing  
 9 health services to an individual, each of the con-  
 10 ditions specified in paragraph (2) is met.

11 “(5) AUTHORIZATION OF APPROPRIATIONS.—

12 “(A) IN GENERAL.—For purposes of mak-  
 13 ing payments for judgments against the United  
 14 States (together with related fees and expenses  
 15 of witnesses) pursuant to this section arising  
 16 from the acts or omissions of volunteer health  
 17 professionals, there is authorized such sums as  
 18 may be necessary in each fiscal year.

19 “(B) FUND.—The Secretary shall establish  
 20 a fund for purposes of this subsection. Each fis-  
 21 cal year amounts appropriated under subpara-  
 22 graph (A) shall be deposited in such fund.

23 “(C) ESTIMATES.—Not later than May 1  
 24 of each fiscal year, the Attorney General, in  
 25 consultation with the Secretary, shall submit to



1 the Congress a report providing an estimate of  
2 the amount of claims (together with related fees  
3 and expenses of witnesses) that, by reason of  
4 the acts or omissions of volunteer health profes-  
5 sionals, will be paid pursuant to this subsection  
6 during the calendar year that begins in the fol-  
7 lowing fiscal year. Subsection (k)(1)(B) applies  
8 to the estimate under the preceding sentence re-  
9 garding volunteer health professionals to the  
10 same extent and in the same manner as such  
11 subsection applies to the estimate under such  
12 subsection regarding officers, governing board  
13 members, employees, and contractors of entities  
14 described in subsection (g)(4).

15 “(D) TRANSFERS.—Not later than Decem-  
16 ber 31 of each fiscal year, the Secretary shall  
17 transfer from the fund under subparagraph (B)  
18 to the appropriate accounts in the Treasury an  
19 amount equal to the estimate made under sub-  
20 paragraph (C) for the calendar year beginning  
21 in such fiscal year, subject to the extent of  
22 amounts in the fund.

23 “(6) REGULATIONS.—The Secretary may issue  
24 regulations for carrying out this subsection.”.

1 **SEC. 407. GENERAL WAIVER AUTHORITY.**

2       Notwithstanding any other provision of law, the Sec-  
 3 retary and the Secretary of Homeland Security shall have  
 4 the authority to waive any requirement of Federal law ap-  
 5 plicable to health professions if such requirement would  
 6 limit the ability of health professionals to provide volun-  
 7 teer medical services related to a major disaster as de-  
 8 clared by the President under the authority of the Robert  
 9 T. Stafford Disaster Relief and Emergency Assistance Act  
 10 (42 U.S.C. 5121 et seq.).

11 **TITLE V—HEALTH PROVISIONS**

12 **SEC. 501. REPAIR AND DISPARITIES GRANTS.**

13       (a) CONSTRUCTION AND REPAIR GRANTS.—The Sec-  
 14 retary of Health and Human Services (referred to in this  
 15 section as the “Secretary”) shall make grants to public  
 16 health facilities and loans to private health facilities, for  
 17 the purpose of constructing, modernizing, or repairing  
 18 hospitals, clinics, health centers, laboratories, and other  
 19 health facilities in a Hurricane Katrina disaster area dam-  
 20 aged as a result of Hurricane Katrina to—

21           (1) construct hospitals, clinics, health centers,  
 22 laboratories, mental health and substance abuse fa-  
 23 cilities that meet the standards of the Joint Com-  
 24 mission on the Accreditation of Healthcare Organi-  
 25 zations (referred to in this title as “JCAHO”);

1           (2) repair or modernize such public or private  
2       hospitals or public facilities as provide health care or  
3       health related services; and

4           (3) bring hospitals and public health facilities in  
5       compliance with such JCAHO standards and re-  
6       quirements of the Centers for Medicare & Medicaid  
7       Services.

8       (b) HEALTH DISPARITY GRANTS.—The Secretary,  
9   acting through the Administrator of the Health and  
10   Human Resources Administration and the Director of the  
11   Office of Minority Health, and in consultation with the  
12   Director of the Office of Community Services and the Di-  
13   rector of the National Center for Minority Health and  
14   Health Disparities, shall make grants to assist individuals,  
15   hospitals, businesses, schools, minority health associa-  
16   tions, nonprofit organizations, community-based organiza-  
17   tions, healthcare clinics, foundations, and other entities in  
18   communities in a Hurricane Katrina disaster area and  
19   that disproportionately experience disparities in health  
20   status and healthcare which are seeking—

21           (1) to improve the health of minority individ-  
22       uals in the community and to reduce disparities in  
23       health status and healthcare by assisting individuals  
24       in accessing Federal programs or by other means;  
25       and

1           (2) to coordinate the efforts of governmental  
2           and private entities regarding the elimination of ra-  
3           cial and ethnic health status and healthcare.

4           (c) APPLICATION.—

5           (1) IN GENERAL.—To obtain a grant under this  
6           section, an applicant shall submit to the Secretary  
7           an application in such form and in such manner as  
8           the Secretary may require.

9           (2) CONSTRUCTION AND REPAIR GRANTS.—An  
10          application for a grant under subsection (a) shall de-  
11          scribe, with such specificity as the Secretary shall  
12          require, the damage sustained as a result of Hurri-  
13          cane Katrina and the steps proposed to address the  
14          damage.

15          (3) HEALTH DISPARITY GRANTS.—An applica-  
16          tion for a grant under subsection (b) shall dem-  
17          onstrate that the communities to be served are those  
18          that disproportionately experience disparities in  
19          health status and healthcare and shall set forth a  
20          strategic plan for reducing those disparities by—

21                (A) describing the coordinated health, eco-  
22                nomic, human, community, and physical devel-  
23                opment plan and related activities proposed for  
24                the community;

1 (B) identifying the projected amount of  
2 Federal, State, local and private resources that  
3 will be available in the area and the private and  
4 public partnerships to be used (including any  
5 participation by or cooperation with univer-  
6 sities, colleges, foundations, nonprofit organiza-  
7 tions, medical centers, hospitals, health clinics,  
8 school districts, or other private and public en-  
9 tities);

10 (C) identifying the funding requested  
11 under any Federal program in support of the  
12 proposed activities;

13 (D) identifying benchmarks for measuring  
14 the success of carrying out the strategic plan;

15 (E) demonstrating the ability to reach and  
16 service the targeted underserved minority com-  
17 munity populations in a culturally appropriate  
18 and linguistically responsive manner; and

19 (F) demonstrating a capacity and infra-  
20 structure to provide long-term community re-  
21 sponse that is culturally appropriate and lin-  
22 guistically responsive to communities that dis-  
23 proportionately experience disparities in health  
24 and healthcare.

1 (d) DEFINITION.—In this section, the term “Hurri-  
 2 cane Katrina disaster area” means an area which the  
 3 President has designated as a disaster area as a result  
 4 of Hurricane Katrina of August 2005.

5 (e) AUTHORIZATION OF APPROPRIATIONS.—There  
 6 are authorized to be appropriated to carry out this section,  
 7 such sums as may be necessary for fiscal years 2006  
 8 through 2010, not to exceed \$500,000,000.

## 9 **TITLE VI—HOUSING AND** 10 **COMMUNITY REBUILDING**

### 11 **SEC. 601. DEFINITIONS.**

12 In this title, the following definitions shall apply:

13 (1) AFFECTED FAMILY.—The term “affected  
 14 family” means a person or household whose primary  
 15 residence, as of August 28, 2005—

16 (A) was located in an area within which  
 17 the President declared, under the Robert T.  
 18 Stafford Disaster Assistance and Emergency  
 19 Relief Act, a major disaster to have occurred  
 20 pursuant to Hurricane Katrina; and

21 (B) was, as a result of Hurricane Katrina,  
 22 destroyed or damaged to such an extent that  
 23 the residence is not habitable.

24 (2) COVERED PROPERTY.—The term “covered  
 25 property” means any property that—

1 (A) is designed as a dwelling for occupancy  
 2 by 1 to 4 families;

3 (B) was previously subject to a mortgage  
 4 insured under the National Housing Act (12  
 5 U.S.C. 1701 et seq.); and

6 (C) is owned by the Secretary pursuant to  
 7 the payment of insurance benefits under such  
 8 Act.

9 (3) SECRETARY.—The term “Secretary” means  
 10 the Secretary of Housing and Urban Development.

11 **SEC. 602. AFFORDABLE HOUSING FUND.**

12 (a) IN GENERAL.—Section 1337 of the Housing and  
 13 Community Development Act of 1992 (12 U.S.C. 4567)  
 14 is amended to read as follows:

15 **“SEC. 1337. AFFORDABLE HOUSING FUND.**

16 **“(a) ESTABLISHMENT AND PURPOSE.—**

17 **“(1) IN GENERAL.—**Each enterprise shall es-  
 18 tablish and manage an affordable housing fund in  
 19 accordance with this section.

20 **“(2) PURPOSE.—**The purpose of each afford-  
 21 able housing fund established under paragraph (1)  
 22 shall be—

23 **“(A)** to increase home ownership for ex-  
 24 tremely low- and very low-income families;

1 “(B) to increase investment in housing  
2 in—

3 “(i) low-income areas, and areas des-  
4 ignated as qualified census tracts; or

5 “(ii) an area of chronic economic dis-  
6 tress pursuant to section 143(j) of the In-  
7 ternal Revenue Code of 1986 (26 U.S.C.  
8 143(j));

9 “(C) to increase and preserve the supply of  
10 rental and owner-occupied housing for ex-  
11 tremely low- and very low-income families; and

12 “(D) to increase investment in economic  
13 and community development in economically  
14 underserved areas.

15 “(b) ALLOCATION OF AMOUNTS BY ENTERPRISES.—

16 “(1) IN GENERAL.—In accordance with regula-  
17 tions issued by the Director under subsection (l),  
18 and subject to paragraph (2), each enterprise shall  
19 allocate to the affordable housing fund of that enter-  
20 prise—

21 “(A) in 2006, 3.5 percent of the after-tax  
22 income of that enterprise for 2005; and

23 “(B) in each year after 2006, 5 percent of  
24 the after-tax income of that enterprise for the  
25 preceding year.



1           “(2) LIMITATION.—An enterprise shall not be  
2           required to make an allocation to the affordable  
3           housing fund of that enterprise in any year unless—

4                   “(A) that enterprise is classified by the Di-  
5           rector at the time of such allocation as ade-  
6           quately capitalized; and

7                   “(B) that enterprise generated after-tax  
8           income for the preceding year.

9           “(3) DETERMINATION OF AFTER-TAX IN-  
10          COME.—For purposes of this section, the term  
11          ‘after-tax income’ means, with respect to an enter-  
12          prise in any year, the amount reported by that en-  
13          terprise for such year in the annual report of that  
14          enterprise for such year that is filed with the Securi-  
15          ties and Exchange Commission, except that for any  
16          year in which no such filing is made by that enter-  
17          prise or such filing is not timely made, such term  
18          means the amount determined by the Director based  
19          on the income tax return filings of that enterprise.

20          “(c) SELECTION OF ACTIVITIES FUNDED USING AF-  
21          FORDABLE HOUSING FUND AMOUNTS.—Amounts from  
22          the affordable housing fund of the enterprise may be used,  
23          or committed for use, only for activities that—

24                   “(1) are eligible under subsection (d) for such  
25          use; and

1           “(2) are selected for funding by the enterprise  
 2           in accordance with the process and criteria for such  
 3           selection established under subsection (1)(2)(C).

4           “(d) ELIGIBLE ACTIVITIES.—Amounts from the af-  
 5           fordable housing fund of an enterprise shall be eligible for  
 6           use, or for commitment for use, only for assistance for—

7           “(1) the production, preservation, and rehabili-  
 8           tation of rental housing, including housing under the  
 9           programs identified in section 1335(a)(2)(B), except  
 10          that amounts provided from any such affordable  
 11          housing fund may be used for the benefit only of ex-  
 12          tremely low- and very low-income families;

13          “(2) the production, preservation, and rehabili-  
 14          tation of housing for home ownership, including such  
 15          forms as downpayment assistance, closing cost as-  
 16          sistance, and assistance for interest-rate buy-downs,  
 17          that—

18                 “(A) is available for purchase only for use  
 19                 as a principal residence by families that qualify  
 20                 both as—

21                         “(i) extremely low- and very-low in-  
 22                         come families at the times described in  
 23                         subparagraphs (A) through (C) of section  
 24                         215(b)(2) of the Cranston-Gonzalez Na-

1           tional Affordable Housing Act (42 U.S.C.  
2           12745(b)(2)); and

3           “(ii) first-time homebuyers, as such  
4           term is defined in section 104 of the Cran-  
5           ston-Gonzalez National Affordable Housing  
6           Act (42 U.S.C. 12704), except that any  
7           reference in such section to assistance  
8           under title II of such Act shall for pur-  
9           poses of this section be considered to refer  
10          to assistance from the affordable housing  
11          fund of the enterprise;

12          “(B) has an initial purchase price that  
13          meets the requirements of section 215(b)(1) of  
14          the Cranston-Gonzalez National Affordable  
15          Housing Act; and

16          “(C) is subject to the same resale restric-  
17          tions established under section 215(b)(3) of the  
18          Cranston-Gonzalez National Affordable Hous-  
19          ing Act and applicable to the participating ju-  
20          risdiction that is the State in which such hous-  
21          ing is located; and

22          “(3) leveraged grants under subsection (e).

23          “(e) LEVERAGED GRANTS.—

24          “(1) IN GENERAL.—Pursuant to regulations  
25          issued by the Director, each enterprise shall carry

1 out a program under this subsection to make lever-  
 2 aged grants from amounts in the affordable housing  
 3 fund of that enterprise, subject to the requirements  
 4 under this subsection.

5 “(2) ELIGIBLE PURPOSES.—Amounts from the  
 6 affordable housing fund of an enterprise for a lever-  
 7 aged grant may be used only for—

8 “(A) the development, preservation, reha-  
 9 bilitation, or purchase of affordable housing  
 10 that meets underserved needs for affordable  
 11 housing;

12 “(B) community or economic development  
 13 activities in economically underserved areas; or

14 “(C) a combination of the activities identi-  
 15 fied in subparagraphs (A) and (B).

16 “(3) ELIGIBLE SPONSORS.—

17 “(A) IN GENERAL.—A leveraged grant  
 18 under this subsection may be made only on be-  
 19 half of an eligible sponsor that meets such re-  
 20 quirements as the Director shall establish for  
 21 experience and success in carrying out the types  
 22 of activities proposed under the application of  
 23 such eligible sponsor.

“(B) DEFINITION.—For purposes of this section the term ‘eligible sponsor’ includes the following entities:

“(i) A low-income housing fund.

“(ii) A housing finance agency of a State or unit of general local government.

“(iii) A nonprofit organization having as one of its principal purposes the development or management of affordable housing.

“(iv) A community development financial institution.

“(v) A national nonprofit housing intermediary.

“(vi) A community development corporation.

“(vii) A community development entity.

“(4) ELIGIBLE USES.—Amounts from the affordable housing fund of an enterprise may be used under this subsection only for the following types of leveraged grants:

“(A) To provide loan loss reserves.

“(B) To capitalize a revolving loan fund.

1           “(C) To provide equity capitalization of an  
2 affordable housing fund.

3           “(D) To provide equity capitalization of a  
4 community development or economic develop-  
5 ment fund.

6           “(E) For risk-sharing loans.

7           “(F) For the funding of a specific, detailed  
8 investment plan that identifies the specific types  
9 of uses and the expected timeframes with re-  
10 spect to such uses.

11          “(5) APPLICATIONS.—

12           “(A) IN GENERAL.—The Director shall  
13 provide, in the application process established  
14 under subsection (1)(2)(C), for an eligible spon-  
15 sor under paragraph (3), to submit an applica-  
16 tion to an enterprise for a leveraged grant  
17 under this subsection.

18           “(B) CONTENT OF APPLICATION.—Each  
19 application required under subparagraph (A)  
20 shall include a detailed description of—

21           “(i) the types of affordable housing or  
22 community or economic development activi-  
23 ties for which the leveraged grant is made;

1 “(ii) the type of eligible leveraged  
2 grants under paragraph (4) to be made in  
3 the project;

4 “(iii) the types, sources, and amounts  
5 of other funding for the project; and

6 “(iv) the expected timeframe of the le-  
7 veraged grant.

8 “(6) LIMITATIONS.—The Director shall by reg-  
9 ulation ensure that—

10 “(A) a leveraged grant under this sub-  
11 section is designed—

12 “(i) to alleviate the need for afford-  
13 able housing in underserved markets, as  
14 identified in section 1335(a) as having the  
15 greatest need for such housing; or

16 “(ii) to address community and eco-  
17 nomic development needs in economically  
18 underserved areas having the greatest  
19 need; and

20 “(B) ensure that any returns from a lever-  
21 aged grant—

22 “(i) accrue to the affordable housing  
23 fund of the enterprise; and

24 “(ii) are available for use only as pro-  
25 vided under this section.

1 “(f) LIMITATIONS ON USE.—

2 “(1) AMOUNTS FOR HOME OWNERSHIP.—Of  
3 any amounts allocated pursuant to subsection (b) in  
4 each year to the affordable housing fund of an enter-  
5 prise, not less than 10 percent shall be used for ac-  
6 tivities under subsection (d)(2).

7 “(2) AMOUNTS FOR LEVERAGED GRANTS.—Of  
8 any amounts allocated pursuant to subsection (b) in  
9 each year to the affordable housing fund of an enter-  
10 prise, not more than 12.5 percent shall be used for  
11 leveraged grants under subsection (e).

12 “(3) DEADLINE FOR COMMITMENT OR USE.—  
13 Any amounts allocated to the affordable housing  
14 fund of an enterprise shall be used or committed for  
15 use within 2 years of the date of such allocation.

16 “(4) USE OF RETURNS.—Any return on invest-  
17 ment of any amounts allocated pursuant to sub-  
18 section (b) to the affordable housing fund of an en-  
19 terprise shall be available for use by that enterprise  
20 only for eligible activities under subsection (d).

21 “(5) ADMINISTRATIVE COSTS.—The Director  
22 shall, by regulation—

23 “(A) provide that, except as provided in  
24 subparagraph (B), amounts allocated to the af-  
25 fordable housing fund of an enterprise may not



1 be used for administrative, outreach, or other  
 2 costs of—

3 “(i) that enterprise; or

4 “(ii) any recipient of amounts from  
 5 the affordable housing fund; and

6 “(B) limit the amount of any such con-  
 7 tributions that may be used for administrative  
 8 costs of that enterprise of—

9 “(i) maintaining the affordable hous-  
 10 ing fund of that enterprise; and

11 “(ii) carrying out the program under  
 12 this section.

13 “(6) PROHIBITION OF CONSIDERATION OF USE  
 14 FOR MEETING HOUSING GOALS.—

15 “(A) IN GENERAL.—In determining com-  
 16 pliance with the housing goals under this sec-  
 17 tion, the Director may not consider amounts  
 18 used under this section for eligible activities  
 19 under subsection (d).

20 “(B) CREDIT FOR PURCHASES OF MORT-  
 21 GAGES.—The Director shall give credit toward  
 22 the achievement of the housing goals under this  
 23 section to purchases of mortgages for housing  
 24 that receives funding under this section, but

1           only to the extent that such purchases are fund-  
2           ed other than under this section.

3           “(7) PROHIBITION OF CERTAIN SUBGRANTS.—

4           The Director shall, by regulation, ensure that  
5           amounts from the affordable housing fund of an en-  
6           terprise awarded under this section to a national  
7           nonprofit housing intermediary are not used for the  
8           purpose of distributing subgrants to other nonprofit  
9           entities.

10          “(g) CONSISTENCY OF USE WITH HOUSING  
11          NEEDS.—

12           “(1) QUARTERLY REPORTS.—

13           “(A) IN GENERAL.—The Director shall re-  
14           quire each enterprise to submit a report, on a  
15           quarterly basis, to the Director and the afford-  
16           able housing board established under subsection  
17           (j) describing the activities funded under this  
18           section during such quarter with amounts from  
19           the affordable housing fund of the enterprise  
20           established under this section.

21           “(B) PUBLIC AVAILABILITY.—The Direc-  
22           tor shall make each report submitted under  
23           subparagraph (A) publicly available.

24           “(C) REVIEW BY AFFORDABLE HOUSING  
25           BOARD.—The affordable housing board shall re-

1 view each report by an enterprise to determine  
 2 the consistency of the activities funded under  
 3 this section with the criteria for selection of  
 4 such activities established under subsection  
 5 (1)(2)(C).

6 “(2) REPLENISHMENT.—If the affordable hous-  
 7 ing board determines that an activity funded by an  
 8 enterprise with amounts from the affordable housing  
 9 fund of that enterprise is not consistent with the cri-  
 10 teria established under subsection (1)(2)(C)—

11 “(A) the affordable housing board shall no-  
 12 tify the Director; and

13 “(B) the Director shall require the enter-  
 14 prise to allocate to such affordable housing  
 15 fund (in addition to amounts allocated in com-  
 16 pliance with subsection (b)) an amount equal to  
 17 the sum of the amounts from the affordable  
 18 housing fund used and further committed for  
 19 use for such activity.

20 “(h) CAPITAL REQUIREMENTS.—The utilization or  
 21 commitment of amounts from the affordable housing fund  
 22 of an enterprise shall not be subject to the risk-based cap-  
 23 ital requirements established under section 1361(a).

24 “(i) REPORTING REQUIREMENT.—Each enterprise  
 25 shall include, in the report required under section 309(m)

1 of the Federal National Mortgage Association Charter Act  
 2 or section 307(f) of the Federal Home Loan Mortgage  
 3 Corporation Act, as applicable, a description of the actions  
 4 taken by the enterprise to utilize or commit amounts allo-  
 5 cated under this section to the affordable housing fund  
 6 of the enterprise established under this section.

7 “(j) AFFORDABLE HOUSING BOARD.—

8 “(1) APPOINTMENT.—

9 “(A) IN GENERAL.—The Director shall ap-  
 10 point an affordable housing board of 7, 9, or 11  
 11 persons.

12 “(B) MEMBERSHIP.—The affordable hous-  
 13 ing board established under this section shall  
 14 include—

15 “(i) the Director, or the Director’s  
 16 designee;

17 “(ii) the Secretary of Housing and  
 18 Urban Development, or the Secretary’s  
 19 designee;

20 “(iii) the Secretary of Agriculture, or  
 21 the Secretary’s designee;

22 “(iv) 2 persons from for-profit organi-  
 23 zations or businesses actively involved in  
 24 providing or promoting affordable housing

1 for extremely low- and very low-income  
2 households; and

3 “(v) 2 persons from nonprofit organi-  
4 zations actively involved in providing or  
5 promoting affordable housing for extremely  
6 low- and very low-income households.

7 “(2) TERMS.—

8 “(A) IN GENERAL.—Except as provided in  
9 subparagraph (B), the term of each member of  
10 the affordable housing board appointed under  
11 paragraph (1) (but not including members ap-  
12 pointed under clauses (i), (ii), and (iii)) shall be  
13 3 years.

14 “(B) INITIAL APPOINTEES.—

15 “(i) IN GENERAL.—The Director shall  
16 appoint the initial members of the afford-  
17 able housing board not later than the expi-  
18 ration of the 60-day period beginning on  
19 the date of the enactment of the Hurricane  
20 Katrina Recovery Act of 2006.

21 “(ii) BOARD SIZE.—As designated by  
22 the Director at the time of appointment, of  
23 the members of the affordable housing  
24 board first appointed under paragraph (1)

1 (but not including members appointed  
2 under clauses (i), (ii), and (iii))—

3 “(I) in the case of a board having  
4 7 members—

5 “(aa) 1 shall be appointed  
6 for a term of 1 year; and

7 “(bb) 1 shall be appointed  
8 for a term of 2 years;

9 “(II) in the case of a board hav-  
10 ing 9 members—

11 “(aa) 2 shall be appointed  
12 for a term of 1 year; and

13 “(bb) 2 shall be appointed  
14 for a term of 2 years; and

15 “(III) in the case of a board hav-  
16 ing 11 members—

17 “(aa) 2 shall be appointed  
18 for a term of 1 year; and

19 “(bb) 3 shall be appointed  
20 for a term of 2 years.

21 “(3) DUTIES.—The affordable housing board  
22 shall meet not less than quarterly—

23 “(A) to determine extremely low- and very  
24 low-income housing needs;

1 “(B) to advise the Director with respect  
2 to—

3 “(i) establishment of the selection cri-  
4 teria under subsection (l)(2)(C) that pro-  
5 vide for appropriate use of amounts from  
6 an affordable housing fund of an enter-  
7 prise to meet such needs; and

8 “(ii) operation of, and changes to, the  
9 program under this section appropriate to  
10 meet such needs; and

11 “(C) to review the reports submitted by an  
12 enterprise under subsection (g)(1)—

13 “(i) to determine whether the activi-  
14 ties funded using amounts from the afford-  
15 able housing funds of the enterprises com-  
16 ply with the regulations issued under sub-  
17 section (l)(2)(C); and

18 “(ii) to inform the Director of such  
19 determinations, for purposes of subsection  
20 (g)(2).

21 “(4) EXPENSES AND PER DIEM.—Members of  
22 the board shall receive travel expenses, including per  
23 diem in lieu of subsistence, in accordance with sec-  
24 tions 5702 and 5703 of title 5, United States Code.

1           “(5) ADVISORY COMMITTEE.—The board shall  
 2           be considered an advisory committee for purposes of  
 3           the Federal Advisory Committee Act (5 U.S.C.  
 4           App.).

5           “(6) DURATION.—The board shall have contin-  
 6           ued existence until terminated by law.

7           “(k) DEFINITION.—For purposes of this section, the  
 8           term ‘economically underserved area’ means an area that  
 9           predominantly includes census tracts for which—

10           “(1) at least 20 percent of the population is  
 11           below the poverty line (as such term is defined in  
 12           section 673(2) of the Omnibus Budget Reconcili-  
 13           ation Act of 1981 (42 U.S.C. 9902(2)), including  
 14           any revision required by such section), applicable to  
 15           a family of the size involved; or

16           “(2) median family income does not exceed the  
 17           greater of—

18           “(A) 80 percent of the median family in-  
 19           come for the metropolitan statistical area in  
 20           which such census tracts are located; or

21           “(B) 80 percent of the median family in-  
 22           come for the State in which such census tracts  
 23           are located.

24           “(l) REGULATIONS.—



1           “(1) IN GENERAL.—The Director shall issue  
2 regulations to carry out this section.

3           “(2) REQUIRED CONTENTS.—The regulations  
4 issued under this subsection shall include—

5                   “(A) authority for the Director to audit,  
6 provide for an audit, or otherwise verify the ac-  
7 tivities of an enterprise, to ensure compliance  
8 with this section;

9                   “(B) a requirement that the Director en-  
10 sure that the affordable housing fund of each  
11 enterprise is audited not less than annually to  
12 ensure compliance with this section;

13                   “(C) requirements for a process for appli-  
14 cation to, and selection by, an enterprise for ac-  
15 tivities to be funded with amounts from the af-  
16 fordable housing fund of that enterprise, which  
17 shall provide that—

18                           “(i) selection shall based upon specific  
19 criteria, including a prioritization of fund-  
20 ing based upon—

21                                   “(I) greatest impact;

22                                   “(II) geographic diversity;

23                                   “(III) ability to obligate amounts  
24 and undertake activities so funded in  
25 a timely manner;

1 “(IV) in the case of rental hous-  
 2 ing projects under subsection (d)(1),  
 3 the extent to which rents for units in  
 4 the project funded are affordable, es-  
 5 pecially for extremely low-income fam-  
 6 ilies; and

7 “(V) in the case of rental housing  
 8 projects under subsection (d)(1), the  
 9 extent of the duration for which such  
 10 rents will remain affordable; and

11 “(ii) an enterprise may not—

12 “(I) require for such selection  
 13 that an activity involve financing or  
 14 underwriting of any kind by the enter-  
 15 prise (other than funding through the  
 16 affordable housing fund of the enter-  
 17 prise); and

18 “(II) give preference in such se-  
 19 lection to activities that involve such  
 20 financing; and

21 “(D) requirements to ensure that amounts  
 22 from the affordable housing fund of an enter-  
 23 prise used for rental housing under subsection  
 24 (d)(1) are used only for the benefit of extremely  
 25 low- and very-low income families.

1           “(3) LIMITATION.—Any regulations issued by  
 2           the Director pursuant to this section shall be no  
 3           more restrictive on the activities of the enterprise in  
 4           connection with the allocation of after-tax income  
 5           under this section than the regulations issued to im-  
 6           plement the Affordable Housing Program of the  
 7           Federal Home Loan Banks pursuant to section 10(j)  
 8           of the Federal Home Loan Bank Act (12 U.S.C.  
 9           1430(j)).”.

10          (b) CONFORMING AMENDMENT.—The Housing and  
 11          Community Development Act of 1992 (12 U.S.C. 4562 et  
 12          seq.) is amended by striking section 1338.

13          **SEC. 603. PUBLIC HOUSING CAPITAL FUND RESERVES FOR**  
 14                                   **EMERGENCIES AND NATURAL DISASTERS.**

15          (a) AVAILABILITY OF FUNDS SET-ASIDE IN PRE-  
 16          VIOUS YEARS.—Notwithstanding any other provision of  
 17          law, any amounts set-aside in fiscal years 2003, 2004, and  
 18          2005, for use under section 9(k) of the United States  
 19          Housing Act of 1937 (42 U.S.C. 1437g(k)) and remaining  
 20          unobligated on the date of the enactment of this Act shall  
 21          be available for use under such section (not including  
 22          paragraph (4) of such section) for emergencies and other  
 23          disasters occurring in fiscal year 2005, and shall remain  
 24          available until expended.

25          (b) AUTHORIZATION OF APPROPRIATIONS.—

1           (1) IN GENERAL.—In addition to any other  
2           amounts authorized to be appropriated under any  
3           other provision of law, there is authorized to be ap-  
4           propriated for fiscal year 2006, for use under section  
5           9(k) of the United States Housing Act of 1937 (42  
6           U.S.C. 1437g(k)), \$100,000,000, to remain available  
7           until expended.

8           (2) LIMITATION ON USE.—Any amounts made  
9           available under paragraph (1) shall be used only for  
10          activities conducted in any area for which the Presi-  
11          dent declared a major disaster or emergency under  
12          title IV of the Robert T. Stafford Disaster Relief  
13          and Emergency Assistance Act in connection with  
14          Hurricane Katrina.

15 **SEC. 604. COMMUNITY DEVELOPMENT BLOCK GRANT AS-**  
16 **SISTANCE.**

17          (a) AUTHORIZATION OF APPROPRIATIONS.—In addi-  
18          tion to any other amounts authorized to be appropriated  
19          under any other provision of law, there is authorized to  
20          be appropriated for fiscal year 2006, for activities author-  
21          ized under title I of the Housing and Community Develop-  
22          ment Act of 1974 (42 U.S.C. 5301 et seq.), \$250,000,000,  
23          to remain available until expended.

24          (b) LIMITATION ON USE.—

1           (1) IN GENERAL.—Any amounts made available  
2           under subsection (a) shall be used only for disaster  
3           relief, long-term recovery, and mitigation in commu-  
4           nities in any area for which the President declared  
5           a major disaster or emergency under title IV of the  
6           Robert T. Stafford Disaster Relief and Emergency  
7           Assistance Act in connection with Hurricane  
8           Katrina, except those activities reimbursable by the  
9           Federal Emergency Management Agency or avail-  
10          able through the Small Business Administration.

11          (2) PROJECTS IN PROGRESS.—In the case of  
12          any project or activity in an area described in para-  
13          graph (1) that was underway before the Presidential  
14          declaration with respect to such area, the project or  
15          activity may not be provided any amounts made  
16          available under this section unless the disaster or  
17          emergency for which such declaration was made, di-  
18          rectly impacted the project.

19          (c) ALLOCATION.—

20          (1) IN GENERAL.—Subject to subsection (d),  
21          any amounts made available under subsection (a)  
22          shall be awarded by the Secretary to States (includ-  
23          ing Indian tribes for all purposes under this section)  
24          to be administered by each State in conjunction with  
25          its Community Development Block Grants program.

1           (2) ENTITLEMENT COMMUNITY ELIGIBILITY.—

2           Notwithstanding paragraph (2) of section 106(d) of  
3           the Housing and Community Development Act of  
4           1974 (42 U.S.C. 5306(d)), States may provide as-  
5           sistance with amounts made, available under this  
6           section to entitlement communities.

7           (d) SUPPLEMENTATION REQUIREMENT.—Each State  
8           shall provide not less than 10 percent in non-Federal pub-  
9           lic matching funds or its equivalent value (other than ad-  
10          ministrative costs) for any funds allocated to that State  
11          under this section.

12          (e) WAIVER.—

13           (1) AUTHORITY OF SECRETARY.—

14           (A) IN GENERAL.—In administering any  
15           amounts made available under this section, the  
16           Secretary may waive, or specify alternative re-  
17           quirements for, any provision of any statute or  
18           regulation that the Secretary administers in  
19           connection with the obligation by the Secretary  
20           or the use by the recipient of such amounts (ex-  
21           cept for requirements related to fair housing,  
22           nondiscrimination, labor standards, and the en-  
23           vironment), upon a finding that such waiver is  
24           required to facilitate the use of such amounts,

1 and would not be inconsistent with the overall  
2 purpose of the statute.

3 (B) ACTIVITIES BENEFITTING PERSONS OF  
4 LOW- AND MODERATE-INCOME.—The Secretary  
5 may waive any requirements that activities ben-  
6 efit persons of low- and moderate-income, ex-  
7 cept that at least 50 percent of the amounts  
8 made available under this section shall benefit  
9 primarily persons of low- and moderate-income  
10 unless the Secretary makes a finding of compel-  
11 ling need.

12 (2) PUBLICATION.—The Secretary shall publish  
13 in the Federal Register any waiver of any statute or  
14 regulation authorized under this section not later  
15 than 5 days before the effective date of such waiver.

16 **SEC. 605. CDBG LOAN GUARANTEE PROGRAM.**

17 (a) AUTHORIZATION OF APPROPRIATIONS.—In addi-  
18 tion to any other amounts authorized to be appropriated  
19 under any other provision of law, there is authorized to  
20 be appropriated for fiscal year 2006, for costs (as such  
21 term is defined in section 502 of the Federal Credit Re-  
22 form Act of 1990 (2 U.S.C. 661a) of guarantees under  
23 section 108 of the Housing and Community Development  
24 Act of 1974 (42 U.S.C. 5308), \$10,000,000, to remain  
25 available until expended.

1       (b) LIMITATION ON USE.—Any amounts made avail-  
 2   able under subsection (a) shall be used only for guarantees  
 3   for obligations of an eligible public entity (as such term  
 4   is defined in section 108(o) of the Housing and Commu-  
 5   nity Development Act of 1974 (42 U.S.C. 5308(o))) for  
 6   financing activities conducted in any area for which the  
 7   President declared a major disaster or emergency under  
 8   title IV of the Robert T. Stafford Disaster Relief and  
 9   Emergency Assistance Act in connection with Hurricane  
 10   Katrina.

11   **SEC. 606. CAPACITY BUILDING FOR COMMUNITY DEVELOP-**  
 12                   **MENT AND AFFORDABLE HOUSING.**

13       (a) AUTHORIZATION OF APPROPRIATIONS.—In addi-  
 14   tion to any other amounts authorized to be appropriated  
 15   under any other provision of law, there is authorized to  
 16   be appropriated for fiscal year 2006, to carry out part 4  
 17   of the HUD Demonstration Act of 1993 (42 U.S.C. 9814  
 18   et seq.), \$4,500,000, to remain available until expended.

19       (b) LIMITATIONS ON USE.—Any amounts made  
 20   available under subsection (a) shall be used only for capac-  
 21   ity-building activities for community development corpora-  
 22   tions or community housing development organizations  
 23   undertaking community development or affordable hous-  
 24   ing activities in any area for which the President declared  
 25   a major disaster or emergency under title IV of the Robert



1 T. Stafford Disaster Relief and Emergency Assistance Act  
 2 in connection with Hurricane Katrina.

3 **SEC. 607. PROHIBITION OF PLACEMENT OF FAMILIES IN**  
 4 **SUBSTANDARD DWELLING UNITS.**

5 Notwithstanding any other provision of law, no finan-  
 6 cial assistance may be provided in any form by any agency  
 7 of the Federal Government to provide a temporary or per-  
 8 manent residence for an affected family that—

9 (1) is uninhabitable; or

10 (2) that does not comply with the housing qual-  
 11 ity standards established under section 8(o)(8)(B) of  
 12 the United States Housing Act of 1937 (42 U.S.C.  
 13 1437f(o)(8)(B)).

14 **SEC. 608. FAIR HOUSING ENFORCEMENT.**

15 (a) **AUTHORIZATION OF APPROPRIATIONS.**—In addi-  
 16 tion to any other amounts authorized to be appropriated  
 17 under any other provision of law, there is authorized to  
 18 be appropriated for fiscal year 2006, \$10,000,000 for ac-  
 19 tivities under section 561 of the Housing and Community  
 20 Development Act of 1987 (42 U.S.C. 3616a).

21 (b) **LIMITATIONS ON USE.**—Any amounts made  
 22 available under subsection (a) shall be used for activities  
 23 under section 561 of the Housing and Community Devel-  
 24 opment Act of 1987 (42 U.S.C. 3616a) carried out in—

25 (1) States affected by Hurricane Katrina; or

1           (2) States that the Secretary determines have a  
 2           substantial number of persons who relocated to such  
 3           State as a result of displacement caused by such  
 4           Hurricane.

5           (c) ELIGIBLE ACTIVITIES.—Amounts made available  
 6           under subsection (a) may be used by the Secretary for  
 7           costs to the Department of Housing and Urban Develop-  
 8           ment of hiring and training individuals who are members  
 9           of affected families, or who are unemployed as a result  
 10          of the elimination of a previous employment position due  
 11          to Hurricane Katrina, to serve in regional offices of the  
 12          Department located in States described in subsection (b)  
 13          and conduct activities under section 561 of the Housing  
 14          and Community Development Act of 1987 (42 U.S.C.  
 15          3616a).

16       **SEC. 609. HOUSING COUNSELING FOR FAMILIES IN TEM-**  
 17                               **PORARY SHELTERS.**

18          (a) AUTHORIZATION OF APPROPRIATIONS.—In addi-  
 19          tion to any other amounts authorized to be appropriated  
 20          under any other provision of law, there is authorized to  
 21          be appropriated for fiscal year 2006, \$10,000,000 for as-  
 22          sistance under section 106 of the Housing and Urban De-  
 23          velopment Act of 1968 (12 U.S.C. 1701x).

24          (b) LIMITATION ON USE.—Any amounts made avail-  
 25          able under subsection (a) shall be used for activities under

1 section 106 of the Housing and Urban Development Act  
2 of 1968 (12 U.S.C. 1701x) to assist affected families liv-  
3 ing in temporary shelters or other temporary housing situ-  
4 ations to obtain a permanent residence.

5 **SEC. 610. AVAILABILITY OF HUD INVENTORY PROPERTIES.**

6 (a) IN GENERAL.—Notwithstanding any other provi-  
7 sion of law, the Secretary shall make covered properties  
8 available for occupancy by affected families, as provided  
9 in this section.

10 (b) SIX-MONTH RESERVATION FOR USE ONLY BY  
11 AFFECTED FAMILIES.—

12 (1) REQUIREMENT TO OFFER ONLY TO AF-  
13 FECTED FAMILIES.—During the 6-month period be-  
14 ginning on the date of the enactment of this Act, the  
15 Secretary may not dispose of any covered property  
16 under any provision of law other than this Act and  
17 may not offer, or enter into any agreement for dis-  
18 position of, a covered property under any other such  
19 provision.

20 (2) REQUEST AND OCCUPANCY.—If, during the  
21 period referred to in paragraph (1), an affected fam-  
22 ily makes a request in such form as the Secretary  
23 may require, to occupy a covered property, the Sec-  
24 retary shall, in accordance with the selection criteria  
25 established under subsection (d), make the covered

1 property available to that affected family for occu-  
 2 pancy in accordance with the terms under subsection  
 3 (e).

4 (c) CONTINUED AVAILABILITY.—

5 (1) AVAILABILITY FOR AFFECTED FAMILIES.—

6 During the 18-month period that begins upon the  
 7 conclusion of the period under subsection (b)(1), the  
 8 Secretary shall offer each covered property for occu-  
 9 pancy by affected families, but, except as provided in  
 10 paragraph (2), may—

11 (A) dispose of covered properties under  
 12 other applicable provisions of law; and

13 (B) offer and enter into agreements for  
 14 disposition of covered properties under such  
 15 other provisions.

16 (2) REQUEST AND OCCUPANCY.—If, during the  
 17 period referred to in paragraph (1), an affected fam-  
 18 ily makes a request, in such form as the Secretary  
 19 may require, to occupy a covered property for which  
 20 the Secretary has not entered into any agreement  
 21 for disposition under any other provision of law, the  
 22 Secretary shall, in accordance with the selection cri-  
 23 teria established under subsection (d), make the cov-  
 24 ered property available to that affected family for

1 occupancy in accordance with the terms under sub-  
2 section (e).

3 (d) SELECTION CRITERIA.—

4 (1) IN GENERAL.—The Secretary shall establish  
5 criteria to select an affected family to occupy a cov-  
6 ered property for which more than 1 family has sub-  
7 mitted such a request.

8 (2) PREFERENCE.—The criteria established  
9 under paragraph (1) shall provide preference for af-  
10 fected families having incomes not exceeding the me-  
11 dian income for the area in which the primary resi-  
12 dence of that affected family was located.

13 (e) OCCUPANCY TERMS.—

14 (1) IN GENERAL.—Occupancy in a covered  
15 property under this section shall be subject to the  
16 following terms:

17 (A) FIVE YEARS RENT-FREE.—The af-  
18 fected family may reside in the property under  
19 the terms of a lease (or renewable leases) which  
20 shall provide for rent-free occupancy, but which  
21 in no case may extend beyond the expiration of  
22 the 5-year period beginning upon initial occu-  
23 pancy of the property by that family.

24 (B) OPTION TO PURCHASE.—At any time  
25 during the occupancy of a covered property by

an affected family under subparagraph (A), such affected family may purchase the property from the Secretary at price equal to the lesser of—

(i) the fair market value of the property as of the time of initial occupancy by such family, as determined by the Secretary; or

(ii) the fair market value of the property as of the time of such purchase, as determined by the Secretary, less the cost of any repairs or improvements made by the family during occupancy of such property.

(2) NOTIFICATION.—The Secretary shall periodically inform each affected family occupying a covered property of the availability of the property for purchase under this subsection.

(f) OUTREACH.—The Secretary shall take such actions as may be appropriate to inform affected families of the availability of covered properties under this section.

**SEC. 611. EQUITABLE DISTRIBUTION OF AFFORDABLE HOME PROGRAM FUNDS.**

The Secretary shall take such actions as may be appropriate to ensure that not less than 20 percent of the dwelling units receiving funds under title II of the Cran-

1 ston-Gonzalez National Affordable Housing Act (42  
 2 U.S.C. 12701 et seq.) located in any area for which the  
 3 President declared a major disaster or emergency under  
 4 title IV of the Robert T. Stafford Disaster Relief and  
 5 Emergency Assistance Act in connection with Hurricane  
 6 Katrina, shall be made affordable to households with in-  
 7 comes below the poverty line, as such line is published in  
 8 the Federal Register by the Department of Health and  
 9 Human Services under the authority of section 673(2) of  
 10 the Community Services Block Grant Act (42 U.S.C.  
 11 9902(2)).

## 12 **TITLE VII—FINANCIAL SERVICES** 13 **PROVISIONS**

### 14 **SEC. 701. DEFINITIONS.**

15 Except as otherwise specified, in this title—

16 (1) the terms “appropriate Federal banking  
 17 agency” and “Federal banking agencies” have the  
 18 same meanings as in section 3 of the Federal De-  
 19 posit Insurance Act;

20 (2) the term “automated teller machine oper-  
 21 ator” has the same meaning as in section 904 of the  
 22 Electronic Fund Transfer Act;

23 (3) the term “Board” means the Board of Gov-  
 24 ernors of the Federal Reserve System;

1           (4) the term “consumer adversely affected by  
2     Hurricane Katrina” means an individual residing in,  
3     or whose business was located within, a qualified  
4     disaster area on August 28, 2005, who was dis-  
5     placed or otherwise adversely affected by Hurricane  
6     Katrina of 2005;

7           (5) the terms “creditor” has the same meaning  
8     as in section 103 of the Truth in Lending Act;

9           (6) the term “insured credit union” has the  
10    same meaning as in section 101 of the Federal  
11    Credit Union Act;

12          (7) the term “insured depository institution”  
13    has the same meaning as in section 3 of the Federal  
14    Deposit Insurance Act; and

15          (8) the term “qualified disaster area” means  
16    any area within Alabama, Louisiana, or Mississippi  
17    in which the President, pursuant to section 401 of  
18    the Robert T. Stafford Disaster Relief and Emer-  
19    gency Assistance Act, has determined, in August  
20    2005 that a major disaster exists due to Hurricane  
21    Katrina.

22   **SEC. 702. HURRICANE KATRINA REGULATORY RELIEF.**

23          (a) WRITTEN GUIDANCE AND FORBEARANCE POL-  
24    ICY.—The Federal banking agencies and the National  
25    Credit Union Administration shall—



1           (1) provide written guidance for insured deposi-  
2           tory institutions and insured credit unions in imple-  
3           menting the voluntary actions described in sub-  
4           section (b), and any other permissible forbearance,  
5           to ensure that such insured depository institutions  
6           are not negatively impacted by acting in accordance  
7           with the intention of Congress; and

8           (2) take such forbearance policy into consider-  
9           ation as they examine or audit the financial status  
10          of insured depository institutions and insured credit  
11          unions.

12          (b) VOLUNTARY POLICY TO PROVIDE RELIEF FOR  
13 CONSUMERS AFFECTED BY HURRICANE KATRINA.—It is  
14 the sense of Congress that—

15           (1) a voluntary moratorium on the payment of  
16           both principal and interest, by those who are not in  
17           a position to pay, on unsecured loans and other ex-  
18           tensions of credit made or extended, on or before  
19           August 28, 2005, including small business and con-  
20           sumer loans, should be established by creditors for  
21           a 1-year period beginning on August 28, 2005, with  
22           respect to any consumer adversely affected by Hurri-  
23           cane Katrina;

24           (2) creditors should refrain from negative re-  
25           porting under the Fair Credit Reporting Act with

1       respect to any loans described in paragraph (1) to  
2       any consumer reporting agency during the 1-year  
3       period described in that paragraph;

4               (3) during the 1-year period beginning on the  
5       date of enactment of this Act—

6               (A) all automated teller machine operators  
7       should waive any fees or surcharges for use of  
8       such machines by any consumer adversely af-  
9       fected by Hurricane Katrina, and who is not  
10      customers of such operators; and

11              (B) all insured depository institutions and  
12      insured credit unions should waive any fees or  
13      surcharges on any consumer adversely affected  
14      by Hurricane Katrina who is a customer of any  
15      such insured depository institution or credit  
16      union for use by the customers of automated  
17      teller machines that are not operated by the in-  
18      sured depository institution or credit union;

19              (4) during the 1-year period beginning on the  
20      date of enactment of this Act, it is vital that insured  
21      insured depository institutions and insured credit  
22      unions continue to provide financial services to con-  
23      sumers displaced or otherwise adversely affected by  
24      Hurricane Katrina, which includes the cashing of  
25      Federal Government assistance and benefit checks;

1           (5) during the 1-year period beginning on the  
2           date of enactment of this Act, insured depository in-  
3           stitutions and insured credit unions should volun-  
4           tarily waive any limitation on the availability of  
5           funds deposited by any consumer adversely affected  
6           by Hurricane Katrina, in the form of insurance  
7           claim checks that is otherwise authorized to be im-  
8           posed under the Expedited Funds Availability Act;  
9           and

10          (6) all creditors should waive any fees for late  
11          periodic payments on any outstanding balance in  
12          any credit card account under an open end consumer  
13          credit plan (as such terms are defined in the Truth  
14          in Lending Act) when a consumer adversely affected  
15          by Hurricane Katrina proffers evidence that the late  
16          payment was due to—

17                (A) an interruption of mail with respect to  
18                the payment itself or the receipt by the con-  
19                sumer of a billing statement due to Hurricane  
20                Katrina; or

21                (B) the inability of the consumer to access  
22                funds on deposit in any insured depository in-  
23                stitution or insured credit union due to Hurri-  
24                cane Katrina.

1 **SEC. 703. FLEXIBILITY IN CAPITAL AND NET WORTH**  
2 **STANDARDS FOR SMALL AFFECTED INSTITU-**  
3 **TIONS.**

4 (a) IN GENERAL.—Notwithstanding section 38 of the  
5 Federal Deposit Insurance Act, section 216 of the Federal  
6 Credit Union Act, or any other provision of Federal law,  
7 during the 5-year period beginning on the date of enact-  
8 ment of this Act, the appropriate Federal banking agency  
9 and the National Credit Union Administration may for-  
10 bear from taking any action required under any such sec-  
11 tion or provision, on a case-by-case basis, with respect to  
12 any undercapitalized insured depository institution or  
13 undercapitalized insured credit union that is not signifi-  
14 cantly or critically undercapitalized, if such agency or Ad-  
15 ministration determines that—

16 (1) the insured depository institution or insured  
17 credit union maintains its principal place of business  
18 within a qualified disaster area;

19 (2) the total assets of the insured depository in-  
20 stitution or insured credit union as of August 28,  
21 2005, was less than \$500,000,000;

22 (3) the insured depository institution or insured  
23 credit union derives more than 50 percent of its  
24 total deposits from persons who normally reside  
25 within, or whose principal place of business is nor-  
26 mally within, a qualified disaster area;

1           (4) the insured depository institution or insured  
2           credit union was adequately or well capitalized as of  
3           August 28, 2005;

4           (5) the reduction in the capital or net worth  
5           category of the insured depository institution or in-  
6           sured credit union is a direct result of Hurricane  
7           Katrina; and

8           (6) forbearance from any such action—

9                   (A) would facilitate the recovery of the in-  
10           sured depository institution or insured credit  
11           union from the disaster, in accordance with a  
12           recovery plan or a capital or net worth restora-  
13           tion plan established by such depository institu-  
14           tion or credit union; and

15                   (B) would be consistent with safe and  
16           sound practices.

17       (b) CAPITAL AND NET WORTH CATEGORIES DE-  
18   FINED.—For purposes of this section, the terms relating  
19   to capital categories for insured depository institutions  
20   have the same meaning as in section 38(b)(1) of the Fed-  
21   eral Deposit Insurance Act and the terms relating to net  
22   worth categories for insured credit unions have the same  
23   meaning as in section 216(c)(1) of the Federal Credit  
24   Union Act.

1 **SEC. 704. WAIVER OF CERTAIN LIMITATION ON CERTAIN**  
2 **BANK INVESTMENTS TO PROMOTE THE PUB-**  
3 **LIC WELFARE.**

4 (a) NATIONAL BANKS.—Investments described in the  
5 first sentence of the paragraph designated “Eleventh” of  
6 section 5136 of the Revised Statutes of the United States  
7 (12 U.S.C. 24) that are made by a national bank in a  
8 qualified disaster area shall not be taken into account for  
9 purposes of any limitations contained in such paragraph  
10 on the aggregate amount of such investments.

11 (b) STATE BANKS.—Investments described in the  
12 first sentence of the 23rd undesignated paragraph of sec-  
13 tion 9 of the Federal Reserve Act (12 U.S.C. 338) that  
14 are made by a State member bank in a qualified disaster  
15 area shall not be taken into account for purposes of any  
16 limitations contained in such paragraph on the aggregate  
17 amount of such investments.

18 **SEC. 705. EMERGENCY AUTHORITY TO GUARANTEE**  
19 **CHECKS CASHED FOR VICTIMS OF HURRI-**  
20 **CANE KATRINA.**

21 (a) FDIC.—

22 (1) IN GENERAL.—Subject to subsection (d),  
23 the Federal Deposit Insurance Corporation (in this  
24 section referred to as the “Corporation”) shall estab-  
25 lish, in accordance with emergency guidance issued  
26 by the Board under subsection (d)(1), an emergency

1 program under which an insured depository institu-  
2 tion may obtain, subject to subsection (d)(2), a com-  
3 mitment from the Corporation to indemnify the in-  
4 sured depository institution for any loss suffered by  
5 the institution through cashing a check or share  
6 draft that—

7 (A) is presented for payment by any indi-  
8 vidual who, as of August 28, 2005, resided in  
9 a qualified disaster area; and

10 (B) is subsequently uncollectible.

11 (2) LIMITATION.—Payments under paragraph  
12 (1) may not exceed \$2,000 for each such check or  
13 share draft.

14 (3) SOURCE OF FUNDS FOR PAYMENTS.—Any  
15 payments required to be made by the Corporation  
16 pursuant to a commitment under paragraph (1) to  
17 an insured depository institution shall be drawn  
18 from funds available for such purposes under sub-  
19 section (c).

20 (b) NCUA.—

21 (1) IN GENERAL.—Subject to subsection (d),  
22 the National Credit Union Administration (in this  
23 section referred to as the “Administration”) shall es-  
24 tablish, in accordance with emergency guidance  
25 issued by the Board under subsection (d)(1), an

1 emergency program under which an insured credit  
2 union may obtain, subject to subsection (d)(2), a  
3 commitment from the Administration to indemnify  
4 the insured credit union for any loss suffered by the  
5 credit union through cashing a share draft or check  
6 that—

7 (A) is presented for payment by any indi-  
8 vidual who, as of August 28, 2005, resided in  
9 a qualified disaster area; and

10 (B) is subsequently uncollectible.

11 (2) LIMITATION.—Payments under paragraph  
12 (1) may not exceed \$2,000 for each such check or  
13 share draft.

14 (3) SOURCE OF FUNDS FOR PAYMENTS.—Any  
15 payments required to be made by the National Cred-  
16 it Union Administration pursuant to a commitment  
17 under paragraph (1) to an insured credit union shall  
18 be drawn from funds available for such purposes  
19 under subsection (c).

20 (4) LIMITED EXTENSION OF CHECK CASHING  
21 SERVICES.—Notwithstanding any limitation in sec-  
22 tion 107(12) of the Federal Credit Union Act with  
23 regard to field of membership, an insured credit  
24 union may cash any check presented for payment by  
25 any individual described in paragraph (1)(A).



1       (c) REIMBURSEMENT FROM FEDERAL RESERVE  
 2 SURPLUSES.—Section 7(b) of the Federal Reserve Act (12  
 3 U.S.C. 289(b)) is amended by adding at the end the fol-  
 4 lowing new paragraph:

5           “(4) ADDITIONAL TRANSFERS TO COVER CER-  
 6 TAIN RELIEF EFFORTS RESULTING FROM HURRI-  
 7 CANE KATRINA.—

8           “(A) IN GENERAL.—Subject to subpara-  
 9 graph (C), from the surplus funds of the Fed-  
 10 eral reserve banks maintained pursuant to sub-  
 11 section (a)(2), the Federal reserve banks shall  
 12 transfer to the Board for transfer to the Fed-  
 13 eral Deposit Insurance Corporation and the Na-  
 14 tional Credit Union Administration, such sums  
 15 as are necessary to meet any payments required  
 16 under subsection (a)(1) or (b)(1) of section 805  
 17 of the Hurricane Katrina Recovery Act of 2006.  
 18 In the event that the total amount of requests  
 19 for indemnification received by the Federal De-  
 20 posit Insurance Corporation and the National  
 21 Credit Union Administration exceed the max-  
 22 imum amount specified under subparagraph  
 23 (C), the sums transferred to the Federal De-  
 24 posit Insurance Corporation and the National  
 25 Credit Union Administration, respectively, shall

1 be in proportion to the amount of payments re-  
 2 quired under subsections (a)(1) and (b)(1) of  
 3 section 805 of the Hurricane Katrina Recovery  
 4 Act of 2006, respectively.

5 “(B) ALLOCATION BY FEDERAL RESERVE  
 6 BOARD.—Of the total amount required to be  
 7 paid by the Federal reserve banks under this  
 8 paragraph, the Board shall determine the  
 9 amount that each such bank shall pay.

10 “(C) MAXIMUM AMOUNT.—The total  
 11 amount transferred under subparagraph (A)  
 12 from all Federal reserve banks shall not exceed  
 13 \$200,000,000.

14 “(D) REPLENISHMENT OF SURPLUS FUND  
 15 PROHIBITED.—No Federal reserve bank may  
 16 replenish such bank’s surplus fund by the  
 17 amount of any transfer by such bank under  
 18 subparagraph (A).”.

19 (d) EMERGENCY GUIDANCE AND LIMITATIONS.—

20 (1) IN GENERAL.—The Board, after consulting  
 21 the Federal Deposit Insurance Corporation and the  
 22 National Credit Union Administration, shall, upon  
 23 the date of enactment of this Act, promptly issue ap-  
 24 propriate guidance—

1           (A) to carry out the purposes of this sec-  
2           tion and administer the programs established in  
3           accordance with this section;

4           (B) to reduce the incidence of fraud and  
5           any other cause of loss to the greatest extent  
6           possible, consistent with the purpose of this  
7           Act;

8           (C) to require insured depository institu-  
9           tions and insured credit unions to exercise due  
10          diligence in determining the eligibility of any  
11          check presented by any individual for indem-  
12          nification under this section, including such  
13          measures as verification of Social Security iden-  
14          tification numbers and other identifying infor-  
15          mation, as the Board may determine to be  
16          practicable;

17          (D) to provide insured depository institu-  
18          tions and insured credit unions with reasonable  
19          guidance, in light of the emergency cir-  
20          cumstances presented by Hurricane Katrina, so  
21          as to meet the requirements for indemnification  
22          under this section, including the sharing of in-  
23          formation on checks that have been presented  
24          for indemnification; and

1           (E) notwithstanding any other provision of  
2           Federal or State law, to provide for the right of  
3           the Board, on behalf of the Federal reserve  
4           banks and through the Federal Deposit Insur-  
5           ance Corporation and the National Credit  
6           Union Administration, to recover from any in-  
7           sured depository institution or insured credit  
8           union the amount of any indemnification paid  
9           to such depository institution or credit union  
10          with respect to any check, to the extent of the  
11          amount so paid, if the insured depository insti-  
12          tution or insured credit union collects on the  
13          check.

14          (2) COMPLIANCE WITH GUIDANCE CONDI-  
15          TION.—The emergency guidance issued under para-  
16          graph (1) shall require any insured depository insti-  
17          tution or insured credit union seeking a commitment  
18          under subsection (a)(1) or (b)(1) to demonstrate  
19          that the institution or credit union is in compliance  
20          with the guidance in such manner as the Board de-  
21          termines to be appropriate and practicable.

22          (3) PER INDIVIDUAL PER INSTITUTION LIMITA-  
23          TION.—No specific insured depository institution or  
24          insured credit union may be indemnified for losses

1 in excess of \$2,000 with respect to checks and share  
2 drafts presented by any 1 individual.

3 (e) RULE OF CONSTRUCTION.—No provision of this  
4 section shall be construed as affecting any right or obliga-  
5 tion of an insured depository institution or insured credit  
6 union to take any action against any person in connection  
7 with a fraudulent check, a fraudulent negotiation of a  
8 check, or any other wrongful act.

9 (f) EFFECTIVE DATE.—

10 (1) IN GENERAL.—Subject to paragraph (2),  
11 the provisions of this section shall apply to checks or  
12 share drafts presented to an insured depository in-  
13 stitution or an insured credit union during the pe-  
14 riod beginning on August 28, 2005, and ending Au-  
15 gust 28, 2006.

16 (2) LIMITED EXTENSION.—The period de-  
17 scribed in paragraph (2) may be extended once for  
18 an additional 180 days, if—

19 (A) the Board, after consulting with the  
20 Federal Deposit Insurance Corporation and the  
21 National Credit Union Administration, deter-  
22 mines that the continuing impact of Hurricane  
23 Katrina on financial intermediation between  
24 consumers and depository institutions or credit  
25 unions, on payment networks, and on other

forms of communication require an extension of the programs established under this section in order to continue to meet the immediate needs of victims of the disaster; and

(B) notice of such determination is published in the Federal Register at least 5 days before the end of the period described in paragraph (1).

**SEC. 706. TECHNICAL ASSISTANCE FOR MINORITY INSTITUTIONS.**

(a) MINORITY DEPOSITORY INSTITUTIONS.—

(1) IN GENERAL.—The Federal Deposit Insurance Corporation and the Director of the Office of Thrift Supervision shall provide such technical assistance to minority financial institutions affected by Hurricane Katrina as may be appropriate to preserve the safety and soundness of such financial institutions, prevent the insolvency of such institutions, and enable the institutions to recovery from the adverse financial impact of Hurricane Katrina on the customers of the institutions, the assets of the institutions, and any real or personal property securing such assets.

(2) MINORITY INSTITUTION DEFINED.—For purposes of this subsection, the term “minority fi-

1       nancial institution” has the same meaning as in sec-  
 2       tion 308(b) of the Financial Institutions Reform,  
 3       Recovery, and Enforcement Act of 1989.

4       (b) MINORITY CREDIT UNIONS.—

5           (1) IN GENERAL.—The National Credit Union  
 6       Administration shall provide such technical assist-  
 7       ance to minority credit unions affected by Hurricane  
 8       Katrina as may be appropriate to preserve the safety  
 9       and soundness of such credit unions, prevent the in-  
 10      solvency of such credit unions, and enable the credit  
 11      unions to recovery from the adverse financial impact  
 12      of Hurricane Katrina on the customers of the credit  
 13      unions, the assets of the credit unions, and any real  
 14      and personal property securing such assets.

15          (2) DEFINITIONS.—For purposes of this sub-  
 16      section, the following definitions shall apply:

17           (A) MINORITY CREDIT UNION.—The term  
 18           “minority credit union” means an insured cred-  
 19           it union—

20                   (i) of which a majority of the share  
 21                   draft account holders are predominately  
 22                   minority; or

23                   (ii) in the case of community develop-  
 24                   ment credit union, the community served

1 by the credit union is predominantly mi-  
 2 nority.

3 (B) MINORITY.—The term “minority” has  
 4 the same meaning as in section 308(b)(2) of the  
 5 Financial Institutions Reform, Recovery, and  
 6 Enforcement Act of 1989.

7 **SEC. 707. IMPLEMENTING KATRINA DISASTER RELIEF**  
 8 **THROUGH THE CDFI FUND.**

9 (a) AUTHORIZATION OF APPROPRIATIONS.—In addi-  
 10 tion to amounts appropriated to the Community Develop-  
 11 ment Financial Institutions Fund (hereafter in this sec-  
 12 tion referred to as the “Fund”) for fiscal year 2006 to  
 13 carry out the purposes of the Community Development  
 14 Banking and Financial Institutions Act of 1994, there are  
 15 authorized to be appropriated to the Fund (which may be  
 16 derived by transfer from funds appropriated for “Disaster  
 17 Relief” in Public Law 109–62), such sums as may be nec-  
 18 essary for fiscal year 2006 to carry out such Act for the  
 19 purposes of, and in the manner provided in, this section.

20 (b) ASSISTANCE PROVIDED BY THE FUND FOR HUR-  
 21 RICANE KATRINA ASSISTANCE.—

22 (1) IN GENERAL.—Amounts appropriated pur-  
 23 suant to the authorization under subsection (a) shall  
 24 be available to the Fund under the Community De-  
 25 velopment Banking and Financial Institutions Act of



1 1994 for the purposes of such Act, including tech-  
 2 nical and training assistance, awards under the  
 3 Bank Enterprise Act of 1991, equity investments,  
 4 deposits, and other forms of financial assistance to  
 5 community development financial institutions, in ac-  
 6 cordance with paragraph (2).

7 (2) ADJUSTMENTS TO CRITERIA.—In providing  
 8 assistance under paragraph (1), the Community De-  
 9 velopment Banking and Financial Institutions Act of  
 10 1994 shall be applied with the following adjust-  
 11 ments:

12 (A) DESIGNATION OF ASSISTED AREAS.—

13 Notwithstanding section 107(b) of the Commu-  
 14 nity Development Banking and Financial Insti-  
 15 tutions Act of 1994, the Fund shall limit the  
 16 selection of community development financial  
 17 institution applicants for assistance pursuant to  
 18 this section to any financial institution that—

19 (i) is located in a Hurricane Katrina  
 20 affected area; or

21 (ii) demonstrates to the satisfaction of  
 22 the Fund that the financial institution has  
 23 the ability to provide capital, credit or fi-  
 24 nancial services within the Hurricane  
 25 Katrina affected area.

1 (B) WAIVER OF MATCHING REQUIRE-  
2 MENTS.—In the case of an applicant with se-  
3 vere constraints on available sources of match-  
4 ing funds, the Fund may reduce or waive the  
5 matching requirements of section 108(e)(1) of  
6 the Community Development Banking and Fi-  
7 nancial Institutions Act of 1994 for such appli-  
8 cant for purposes of this subsection.

9 (C) WAIVER OF LIMITATIONS ON CERTAIN  
10 FORMS OF ASSISTANCE.—The limitation con-  
11 tained in section 113(c) of the Community De-  
12 velopment Banking and Financial Institutions  
13 Act of 1994 shall not apply to assistance pro-  
14 vided under this subsection in accordance with  
15 section 113 of such Act.

16 (D) APPLICATION OF BANK ENTERPRISE  
17 ACT OF 1991.—In making assistance under this  
18 subsection available in the manner provided in  
19 section 114 of the Community Development  
20 Banking and Financial Institutions Act of  
21 1994, the Bank Enterprise Act of 1991 shall be  
22 applied under section 114(a)(2)—

23 (i) by substituting “Hurricane  
24 Katrina affected area”, as defined in para-

graph (3), for “qualified distressed community”; and

(ii) with respect to lifeline accounts, by taking into account only lifeline accounts offered in an Hurricane Katrina affected area.

(3) HURRICANE KATRINA AFFECTED AREA DEFINED.—For purposes of this section, the term “Hurricane Katrina affected area” means any county (as defined in section 2 of title 1, United States Code) that—

(A) is within an area in which the President, pursuant to section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, has determined, in August 2005 that a major disaster exists due to Hurricane Katrina; and

(B) has been designated by the Federal Emergency Management Agency as an area in which public assistance or individual assistance is available as a result of Hurricane Katrina.

1 **TITLE VIII—EXPANDED OPPOR-**  
2 **TUNITY AND SMALL BUSI-**  
3 **NESS PROVISIONS**

4 **SEC. 801. DEFINITIONS.**

5 In this title—

6 (1) the term “Administrator” means the Ad-  
7 ministrator of the Small Business Administration;

8 (2) the term “area affected by Hurricane  
9 Katrina” means a county (as that term is defined in  
10 section 2 of title I, United States Code) in Alabama,  
11 Louisiana, Mississippi, or Texas in which the Presi-  
12 dent declared a major disaster under section 401 of  
13 the Robert T. Stafford Disaster Relief and Emer-  
14 gency Assistance Act (42 U.S.C. 5170) as a result  
15 of Hurricane Katrina;

16 (3) the term “hurricane reconstruction con-  
17 tractor” means a person or entity receiving Federal  
18 funds under the Robert T. Stafford Disaster Relief  
19 and Emergency Assistance Act (42 U.S.C. 5121 et  
20 seq.), or party to a contract funded under such Act,  
21 for repair or reconstruction in the area affected by  
22 Hurricane Katrina;

23 (4) the term “local business” means any busi-  
24 ness incorporated in or owned by a person residing  
25 in the area affected by Hurricane Katrina;

1           (5) the term “local resident” means a person  
2           who had a permanent residence in the area affected  
3           by Hurricane Katrina before August 28, 2005; and  
4           (6) the terms “small business concern” and  
5           “small business concern owned and controlled by so-  
6           cially and economically disadvantaged individuals”  
7           have the same meaning as in section 3 and 8 of the  
8           Small Business Act, respectively (15 U.S.C. 632,  
9           637).

10 **SEC. 802. INCREASED PROCUREMENT GOAL FOR CERTAIN**  
11 **FEDERAL CONTRACTS FOR RECOVERY FROM**  
12 **HURRICANE KATRINA.**

13           For purposes of section 15(g)(1) of the Small Busi-  
14 ness Act (15 U.S.C. 644 (g)(1)), the Government-wide  
15 goal for procurement contracts awarded to small business  
16 concerns owned and controlled by socially and economi-  
17 cally disadvantaged individuals for recovery and recon-  
18 struction activities related to Hurricane Katrina shall be  
19 15 percent.

1 **SEC. 803. LOCAL PARTICIPATION GOAL FOR PARTICIPA-**  
2 **TION IN FEDERAL PROCUREMENT CON-**  
3 **TRACTS IN AREAS AFFECTED BY HURRICANE**  
4 **KATRINA.**

5 (a) IN GENERAL.—There is established a Govern-  
6 ment-wide goal for procurement contracts awarded to local  
7 businesses in the area affected by Hurricane Katrina.

8 (b) AMOUNT.—For each of fiscal years 2006 and  
9 2007, the goal shall be 30 percent of the total value of  
10 all prime contract and subcontract awards for such fiscal  
11 year.

12 (c) ADMINISTRATION.—The goal established under  
13 this section shall be administered by the Administrator in  
14 the same manner as the goals established under section  
15 15(g)(1) of the Small Business Act (15 U.S.C. 644(g)(1)).

16 **SEC. 804. HURRICANE RECOVERY-RELATED CONTRACTS TO**  
17 **REQUIRE 40 PERCENT OF CONTRACT WORK-**  
18 **ERS BE LOCAL RESIDENTS.**

19 Any contract awarded after the date of the enactment  
20 of this Act by the Federal Government for recovery or re-  
21 construction activities to be carried out in the area af-  
22 fected by Hurricane Katrina shall include a requirement  
23 that at least 40 percent of the workers performing the  
24 work under the contract be local residents.

1 **SEC. 805. APPRENTICESHIP AND OTHER REQUIREMENTS**  
2 **FOR POST-HURRICANE RECONSTRUCTION.**

3 (a) APPRENTICESHIP PROGRAMS.—A hurricane re-  
4 construction contractor shall utilize an apprenticeship pro-  
5 gram certified under subsection (b).

6 (b) CERTIFICATION.—An apprenticeship program  
7 may be certified by the Administrator under this section  
8 if such program—

9 (1) is—

10 (A) certified by a State employment serv-  
11 ices authority or other local authority that over-  
12 sees apprenticeship and job training programs;  
13 or

14 (B) registered with the Bureau of Appren-  
15 ticeship and Training of the Department of  
16 Labor under part 29 of chapter 1 of title 29,  
17 Code of Federal Regulations;

18 (2) includes a preapprenticeship program that  
19 helps prepare individuals for the apprenticeship pro-  
20 gram and for the basics tests necessary to become  
21 an apprentice.

22 **SEC. 806. TECHNICAL ASSISTANCE PROGRAM FOR SMALL**  
23 **BUSINESS OWNERS' RECOVERY.**

24 (a) ESTABLISHMENT.—Not later than 30 days after  
25 the date of enactment of this Act, the Department of Com-  
26 merce shall establish a program for qualified private or

1 nonprofit sector entities to provide information and tech-  
 2 nical assistance to small business concerns to meet man-  
 3 agement related needs, including strategies for locating  
 4 and hiring local residents as well as implementing new  
 5 business processes and shifting production to services or  
 6 goods in demand arising from the consequences of Hurri-  
 7 canes Katrina.

8 (b) AUTHORIZATION OF APPROPRIATIONS.—There  
 9 are authorized to be appropriated such sums as necessary  
 10 to carry out this section.

## 11 **TITLE IX—RELIEF FOR INSTITU-** 12 **TIONS OF HIGHER EDU-** 13 **CATION**

### 14 **SEC. 901. FINDINGS; SENSE OF CONGRESS.**

15 (a) FINDINGS.—Congress finds the following:

16 (1) Historically Black Colleges and Universities  
 17 (HBCUs) play an essential role in the education of  
 18 African-Americans, and in the fabric of the Gulf  
 19 Coast region.

20 (2) Historically, 65 percent of all Black physi-  
 21 cians, 50 percent of all Black engineers, and 35 per-  
 22 cent of all Black lawyers have graduated from  
 23 HBCUs.

24 (3) Three Historically Black Colleges and Uni-  
 25 versities in New Orleans, Dillard University, Xavier



1 University, and Southern University at New Orle-  
 2 ans, sustained over \$600,000,000 in hurricane dam-  
 3 age, lost \$60,000,000 in revenues, and were unable  
 4 to conduct classes during the fall semester of 2005.

5 (4) Months after the devastation caused by the  
 6 hurricanes, these 3 HBCUs have reopened, although  
 7 with reduced student enrollments, reduced faculty  
 8 numbers, and often in relocated settings.

9 (5) Revitalizing these institutions of higher edu-  
 10 cation in the Gulf Coast region will be a vital ele-  
 11 ment in attracting middle and upper income families  
 12 back to the Gulf Coast region, and in ensuring sus-  
 13 tained economic recovery for the region's lower in-  
 14 come families.

15 (6) Revitalizing the Gulf Coast economy will de-  
 16 pend on providing a highly skilled workforce.

17 (7) The return of qualified academic profes-  
 18 sionals and administrators is a vital element in the  
 19 revitalization of affected institutions of higher edu-  
 20 cation in the Gulf Coast region.

21 (8) Many of the scientific, health, technology,  
 22 and cultural industries of the Gulf Coast region are  
 23 dependent on local institutions of higher education.

24 (b) SENSE OF CONGRESS.—It is the sense of Con-  
 25 gress that the assistance provided under this title to revi-

1 talize Historically Black Colleges and Universities in the  
 2 Gulf Coast region is a first step toward revitalizing and  
 3 restoring the economic, social, and cultural prosperity of  
 4 the entire Gulf Coast region.

5 **SEC. 902. DEFINITIONS.**

6 In this title:

7 (1) **AFFECTED INSTITUTION.**—The term “af-  
 8 fected institution” means a campus of the 3 Histori-  
 9 cally Black Colleges and Universities in New Orle-  
 10 ans, Louisiana, of Xavier University, Dillard Univer-  
 11 sity, and Southern University at New Orleans—

12 (A) located in an area affected by a Hurri-  
 13 cane Katrina disaster; and

14 (B) that was forced to close, relocate, or  
 15 significantly curtail its activities as a result of  
 16 damage directly sustained by a Hurricane  
 17 Katrina disaster.

18 (2) **AFFECTED STATE.**—The term “affected  
 19 State” means the State of Louisiana.

20 (3) **AREA AFFECTED BY A HURRICANE KATRINA**  
 21 **DISASTER.**—The term “area affected by a Hurricane  
 22 Katrina disaster” means a county or parish, in an  
 23 affected State, that has been designated by the Fed-  
 24 eral Emergency Management Agency for disaster as-

1       sistance for individuals and households as a result of  
 2       Hurricane Katrina.

3           (4) FACULTY.—The term “faculty” means aca-  
 4       demic professionals, administrators, and staff em-  
 5       ployed by an affected institution as of August 28,  
 6       2005.

7           (5) HURRICANE KATRINA DISASTER.—The term  
 8       “Hurricane Katrina disaster” means a major dis-  
 9       aster that the President declared to exist, in accord-  
 10      ance with section 401 of the Robert T. Stafford Dis-  
 11      aster Relief and Emergency Assistance Act (42  
 12      U.S.C. 5170), and that was caused by Hurricane  
 13      Katrina.

14          (6) SECRETARY.—The term “Secretary” means  
 15      the Secretary of Education.

16   **SEC. 903. INSTITUTIONAL GRANTS FOR FACULTY RETEN-**  
 17                                   **TION.**

18          (a) PURPOSE.—The purpose of this section is to sup-  
 19      port affected institutions in their efforts to revitalize their  
 20      communities following Hurricane Katrina.

21          (b) PROGRAM AUTHORIZED.—

22           (1) AUTHORITY.—From funds made available  
 23      under subsection (f), the Secretary shall award  
 24      grants to each affected institution to assist the af-  
 25      fected institutions in recruiting and retaining stu-

1       dents and retaining faculty. The Secretary shall  
2       award grants under this section as soon as possible,  
3       but no later than 6 months after the date of the en-  
4       actment of this Act.

5           (2) DURATION; LIMITATION.—Each grant  
6       awarded to an affected institution under this section  
7       shall be awarded for a period of 5 years, and may  
8       not be renewed. An affected institution may not re-  
9       ceive more than 1 grant under this section.

10          (3) USE OF FUNDS.—

11           (A) INCENTIVES FOR FACULTY.—Funds  
12       made available by a grant under this section  
13       shall be used by an affected institution to pro-  
14       vide incentives for faculty employed by an af-  
15       fected institution to remain in the Gulf Coast  
16       region at such affected institution. Such incen-  
17       tives may include—

18           (i) employing returning faculty to as-  
19       sist in rebuilding facilities of the affected  
20       institution;

21           (ii) developing and providing tem-  
22       porary housing for returning faculty and  
23       their dependents who have been displaced  
24       from their homes;

1 (iii) continuing salaries and health  
 2 benefits for returning faculty for up to 1  
 3 year from the date the affected institution  
 4 receives the grant;

5 (iv) providing tuition assistance for  
 6 returning faculty and their dependents;

7 (v) creating innovative work and re-  
 8 search incentives for returning faculty; and

9 (vi) any other incentives determined  
 10 necessary by the affected institution and  
 11 approved by the Secretary.

12 (B) INSTITUTIONAL PROMOTION.—Not  
 13 more than 5 percent of the funds made avail-  
 14 able by a grant under this section shall be used  
 15 by an affected institution to promote the insti-  
 16 tution at job and college fairs, and through the  
 17 media.

18 (4) PREVAILING WAGES.—Wages paid, for pur-  
 19 poses of rebuilding an affected institution's facilities  
 20 under paragraph (3)(A)(i), to students or faculty in  
 21 whole or in part with grant funds received under  
 22 this section for employment as laborers, mechanics,  
 23 or service employees shall be paid at rates not less  
 24 than those prevailing in the locality as determined  
 25 by the Secretary of Labor in accordance with sec-

1        tions 3141, 3142, and 3145 of title 40, United  
2        States Code, or section 351 of title 41, United  
3        States Code, as the case may be. Notwithstanding  
4        any other provision of law, the requirements of this  
5        paragraph shall not be waived or suspended.

6        (c) APPLICATIONS.—An affected institution of higher  
7        education desiring a grant under this section shall submit  
8        an application to the Secretary within 90 days of the date  
9        of enactment of this Act, in such manner and accompanied  
10       by such information as the Secretary may require. Each  
11       application shall—

12            (1) demonstrate that the institution is an af-  
13        fected institution as defined in section 1102(1);

14            (2) specify the amount of grant funds re-  
15        quested;

16            (3) demonstrate the need of the affected insti-  
17        tution for such grant by including in the applica-  
18        tion—

19            (A) evidence that, as a result of a Hurri-  
20        cane Katrina disaster, the affected institution  
21        suffered a direct and significant economic im-  
22        pact and a decline in student enrollment, hin-  
23        dering the institution's ability to continue full  
24        operation;

1 (B) evidence that, as a result of a Hurri-  
 2 cane Katrina disaster, the affected institution  
 3 lost resources necessary to retain faculty, hin-  
 4 dering the affected institution's ability to con-  
 5 tinue full operation;

6 (C) an assessment of damage to the infra-  
 7 structure of the affected institution as a result  
 8 of a Hurricane Katrina disaster;

9 (D) information regarding additional needs  
 10 created by a Hurricane Katrina disaster; and

11 (E) other relevant data; and

12 (4) contain a description of the affected institu-  
 13 tion's plan to carry out the purposes of this section.

14 (d) PRIORITY.—The Secretary shall give priority in  
 15 awarding grants under this section to affected institutions  
 16 most in need, as determined by the Secretary.

17 (e) REPORTING REQUIREMENTS; REVIEWS.—

18 (1) REPORTS.—Each affected institution receiv-  
 19 ing a grant under this section shall report to the  
 20 Secretary no later than September 30 of each year  
 21 of the 5-year period for which the grant is awarded.

22 (2) CONTENTS.—The report shall include—

23 (A) data on the populations served under  
 24 this section;

1 (B) a description of the use of the grant  
2 funds received under this section, including a  
3 description of programs developed with such  
4 funds;

5 (C) a financial statement accounting for  
6 the use of the grant funds; and

7 (D) data on the impact of the grant on en-  
8 rollment and retention at the affected institu-  
9 tion, including data on the numbers and per-  
10 centages of new and returning students, and  
11 the number and percentage of faculty that have  
12 been retained.

13 (3) REVIEWS.—The Secretary shall conduct  
14 periodic reviews to ensure that grant funds are prop-  
15 erly managed, and that the programs using such  
16 funds achieve their intended outcomes.

17 (f) TRANSFER OF FUNDS.—Notwithstanding any  
18 other provision of law, of the amounts made available to  
19 the Department of Homeland Security under the heading  
20 “Disaster Relief” under the heading “Emergency Pre-  
21 paredness and Response” of Public Law 109–62 (119  
22 Stat. 1991), \$18,000,000 shall be available to the Sec-  
23 retary of Education to carry out this section, which funds  
24 shall remain available through fiscal year 2010.



1 **SEC. 904. LOAN FORGIVENESS.**

2 (a) STATEMENT OF PURPOSE.—The purpose of this  
3 section is to encourage students to continue attending, and  
4 to earn degrees from, affected institutions.

5 (b) PROGRAM AUTHORIZED.—From funds made  
6 available under subsection (f), the Secretary shall carry  
7 out a program, through the holder of the loan, of assum-  
8 ing the obligation to repay a qualified loan amount for  
9 a loan made under part B of title IV of the Higher Edu-  
10 cation Act of 1965 (20 U.S.C. 1071 et seq.), and of can-  
11 celing the obligation to repay a qualified loan amount for  
12 a loan made under part D or E of such title IV (20 U.S.C.  
13 1087a et seq.; 1087aa et seq.), in accordance with sub-  
14 section (c), for any borrower, who—

15 (1) returns to or enrolls in an affected institu-  
16 tion in academic year 2005–2006, 2006–2007, or  
17 2007–2008;

18 (2) obtains an associate’s degree or a bachelor’s  
19 degree from such institution; and

20 (3) is not in default on a loan for which the  
21 borrower seeks forgiveness.

22 (c) QUALIFIED LOAN AMOUNT.—

23 (1) ASSOCIATE’S DEGREE.—Upon completion of  
24 an associate’s degree from an affected institution,  
25 the Secretary shall repay or cancel—

1 (A) in the case of a full-time student,  
2 \$2,500 for each academic year of enrollment at  
3 such affected institution; or

4 (B) in the case of a student enrolled less  
5 than full-time, \$2,500 for the equivalent of 1  
6 academic year of enrollment as a full-time stu-  
7 dent at such affected institution, as determined  
8 by the Secretary,  
9 not to exceed \$5,000.

10 (2) BACHELOR'S DEGREE.—Upon completion of  
11 a bachelor's degree from an affected institution, the  
12 Secretary shall repay or cancel—

13 (A) in the case of a full-time student,  
14 \$2,500 for each academic year of enrollment at  
15 such affected institution; or

16 (B) in the case of a student enrolled less  
17 than full-time, \$2,500 for the equivalent of one  
18 academic year of enrollment as a full-time stu-  
19 dent at such affected institution, as determined  
20 by the Secretary,  
21 not to exceed \$10,000.

22 (3) LIMITATION.—The Secretary shall repay or  
23 cancel under this section not more than the total  
24 outstanding Federal loan obligation of the student

1       for loans described in subsection (b), or \$10,000,  
2       whichever is less.

3           (4) PREVENTION OF ABUSE.—The Secretary is  
4       authorized to issue such regulations as may be nec-  
5       essary to prevent borrowers from receiving repay-  
6       ment or cancellation under this section for an exces-  
7       sive period of enrollment in comparison to the enroll-  
8       ment period which the Secretary determines is ap-  
9       propriate to obtain an associate’s or a bachelor’s de-  
10      gree.

11          (5) ACADEMIC YEAR OF ENROLLMENT.—For  
12      the purpose of calculating loan repayment or can-  
13      cellation under this section, the term “academic year  
14      of enrollment” means the academic year in which an  
15      affected institution reopens after Hurricane Katrina,  
16      or any subsequent academic year.

17          (d) PRIORITY.—The Secretary shall give priority for  
18      repayment or cancellation under this section to students  
19      most in need, as determined by the Secretary.

20          (e) RULE OF CONSTRUCTION.—Nothing in this sec-  
21      tion shall be construed to authorize any refunding of any  
22      repayment or cancellation of a loan.

23          (f) TRANSFER OF FUNDS.—Notwithstanding any  
24      other provision of law, of the amounts made available to  
25      the Department of Homeland Security under the heading

1 “Disaster Relief” under the heading “Emergency Pre-  
 2 paredness and Response” of Public Law 109–62 (119  
 3 Stat. 1991), \$9,000,000 shall be available to the Secretary  
 4 of Education to carry out this section.

5 **SEC. 905. REGULATIONS.**

6 The Secretary is authorized to issue such regulations  
 7 as may be necessary to carry out the provisions of this  
 8 title.

9 **SEC. 906. EMERGENCY DESIGNATIONS.**

10 Sections 903 and 904 are designated as emergency  
 11 requirements pursuant to section 402 of H. Con. Res. 95  
 12 (109th Congress).

13 **TITLE X—INCREASED ACCESS**  
 14 **TO REFUNDABLE PORTION**  
 15 **OF CHILD TAX CREDIT**

16 **SEC. 1001. REDUCTION IN INCOME THRESHOLD USED TO**  
 17 **CALCULATE REFUNDABLE PORTION OF**  
 18 **CHILD TAX CREDIT.**

19 (a) IN GENERAL.—Section 24(d) of the Internal Rev-  
 20 enue Code of 1986 (relating to portion of credit refund-  
 21 able) is amended—

22 (1) by striking “as exceeds” and all that follows  
 23 through “, or” in paragraph (1)(B)(i) and inserting  
 24 “as exceeds \$8,000, or”,

1           (2) by striking “2001, the \$10,000 amount” in  
 2           paragraph (3) and inserting “2006, the \$8,000  
 3           amount,” and

4           (3) by striking “2000” in paragraph (3)(B) and  
 5           inserting “2005”.

6           (b) EFFECTIVE DATE.—The amendments made by  
 7           this section shall apply to taxable years beginning after  
 8           December 31, 2005.

9           (c) APPLICATION OF SUNSET TO THIS SECTION.—  
 10          Each amendment made by this section shall be subject to  
 11          title IX of the Economic Growth and Tax Relief Reconcili-  
 12          ation Act of 2001 to the same extent and in the same  
 13          manner as the provision of such Act to which such amend-  
 14          ment relates.

15       **SEC. 1002. INCREASE IN PERCENTAGE EARNED INCOME**  
 16                               **USED TO CALCULATE REFUNDABLE PORTION**  
 17                               **OF CHILD TAX CREDIT.**

18          (a) IN GENERAL.—Section 24(d)(1)(B)(i) of the In-  
 19          ternal Revenue Code of 1986 (relating to portion of credit  
 20          refundable) is amended by striking “15 percent” and in-  
 21          serting “20 percent”.

22          (b) EFFECTIVE DATE.—The amendments made by  
 23          this section shall apply to taxable years beginning after  
 24          December 31, 2005.

1 (c) APPLICATION OF SUNSET TO THIS SECTION.—

2 Each amendment made by this section shall be subject to  
 3 title IX of the Economic Growth and Tax Relief Reconcili-  
 4 ation Act of 2001 to the same extent and in the same  
 5 manner as the provision of such Act to which such amend-  
 6 ment relates.

7 **SEC. 1003. WORKING FAMILY TAX RELIEF.**

8 For purposes of section 24(d) of the Internal Revenue  
 9 Code of 1986 (relating to portion of child tax credit made  
 10 refundable), in the case of any taxable year beginning dur-  
 11 ing 2006 or 2007, with respect to any taxpayer who had  
 12 a primary residence in Alabama, Louisiana, or Mississippi  
 13 at any time during 2005 and maintains a primary resi-  
 14 dence in Alabama, Louisiana, or Mississippi for at least  
 15 6 months during such taxable year, clause (i) of section  
 16 24(d)(1)(B) of such Code shall be applied by substituting  
 17 10 percent of the taxpayer's earned income for such tax-  
 18 able year for the amount which would otherwise be deter-  
 19 mined under such clause for such taxable year.

20 **TITLE XI—SENSE OF SENATE**

21 **SEC. 1101. SENSE OF THE SENATE REGARDING SOURCE OF**  
 22 **CERTAIN FUNDING.**

23 It is the sense of the Senate that, except as otherwise  
 24 provided in this Act, the funds necessary to carry out the  
 25 purposes of this Act should be made available from other-

- 1 wise unobligated amounts appropriated for hurricane re-
- 2 lief.

