

110TH CONGRESS
1ST SESSION

H. R. 1411

To provide for the construction and rehabilitation of child care facilities
in areas of the Gulf Coast affected by Hurricanes Katrina and Rita.

IN THE HOUSE OF REPRESENTATIVES

MARCH 8, 2007

Mr. JEFFERSON (for himself, Mr. TAYLOR, Ms. NORTON, Mr. ELLISON, and
Ms. CORRINE BROWN of Florida) introduced the following bill; which was
referred to the Committee on Financial Services

A BILL

To provide for the construction and rehabilitation of child
care facilities in areas of the Gulf Coast affected by
Hurricanes Katrina and Rita.

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 “Emergency Gulf Coast
5 Child Care Construction and Rebuilding Act”.

6 **SEC. 2. CONGRESSIONAL FINDINGS.**

7 The Congress finds that—

1 (1) the Bureau of the Census has reported that,
2 before Hurricane Katrina occurred, there were in
3 New Orleans—

4 (A) 25,000 two-parent families with chil-
5 dren under the age of 18;

6 (B) 26,000 female-headed households with
7 children under 18 and no husband present; and

8 (C) more than 18,000 households con-
9 sisting of an individual more than 65 years old
10 living alone;

11 (2) studies have determined that reopening
12 child care facilities after Hurricane Katrina was cru-
13 cial for helping parents get back to work and busi-
14 nesses to recover;

15 (3) studies have shown that a lack of available
16 and affordable child care greatly impedes economic
17 recovery and reduces worker productivity;

18 (4) the National Association of Child Care Re-
19 source and Referral Agencies reported in a study
20 published by the Mississippi State University Early
21 Childhood Institute that between 62 and 94 percent
22 of the licensed child care slots in the three coastal
23 counties in Mississippi hardest hit by Hurricanes
24 Katrina and Rita were lost;

1 (5) initial assessments determined that one-
2 fourth of the licensed child care centers, in Jackson
3 County, Mississippi, representing 11 percent of the
4 county's licensed child care capacity, were damaged
5 beyond repair and another 39 percent of centers
6 needed repairs;

7 (6) before Hurricanes Katrina and Rita, New
8 Orleans had 1,912 day care slots at 266 licensed
9 child care centers, but now 75 percent of those slots
10 and 80 percent of those centers are gone;

11 (7) studies have determined that—

12 (A) 33 of 61 neighborhoods in New Orle-
13 ans lost all their licensed day care centers;

14 (B) another 19 neighborhoods lost at least
15 some day care slots; and

16 (C) several neighborhoods completely lack-
17 ing licensed child care have already shown
18 strong signs of recovery, including Bywater and
19 Broadmoor, while areas such as Central City,
20 Mid-City, and Uptown have lost 60 percent or
21 more of their centers;

22 (8) only 55 child care centers were open in New
23 Orleans at the end of September 2006 and of those
24 10 participated in the Federal Head Start program,

1 which is one-third the participation level pre-
2 Katrina;

3 (9) a recent study found that the New Orleans
4 still lacks any coordinated plan for returning child
5 care to neighborhoods that need it most; and

6 (10) studies have stated that the most effective
7 way to rebuild the child care infrastructure is to
8 help child care programs in the disaster area reopen
9 as rapidly as is safe, by giving priority to licensed
10 early childhood facilities and by recruiting, training,
11 and retaining child-care professionals.

12 **SEC. 3. USE OF COMMUNITY DEVELOPMENT BLOCK**
13 **GRANTS TO ESTABLISH CHILD CARE FACILI-**
14 **TIES IN THE GULF COAST.**

15 Section 105(a) of the Housing and Community De-
16 velopment Act of 1974 (42 U.S.C. 5305(a)) is amended—

17 (1) in paragraph (24), by striking “and” at the
18 end;

19 (2) in paragraph (25), by striking the period at
20 the end and inserting “; and”; and

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

22 “(26) the construction and rebuilding of child
23 care facilities that are located in any area for which
24 the President declared that a major disaster exists,
25 in accordance with section 401 of the Robert T.

1 Stafford Disaster Relief and Emergency Assistance
 2 Act (42 U.S.C. 5170), as a consequence of Hurri-
 3 cane Katrina or Rita of 2005.”.

4 **SEC. 4. INSURANCE FOR MORTGAGES ON NEW AND REHA-**
 5 **BILITATED CHILD CARE FACILITIES IN THE**
 6 **GULF COAST.**

7 Title II of the National Housing Act (12 U.S.C. 1707
 8 et seq.) is amended by adding at the end the following:

9 **“SEC. 257. MORTGAGE INSURANCE FOR CHILD CARE FA-**
 10 **CILITIES IN THE GULF COAST.**

11 “(a) DEFINITIONS.—In this section:

12 “(1) CHILD CARE FACILITY.—The term ‘child
 13 care facility’—

14 “(A) means a public or private facility
 15 that—

16 “(i) has as its purpose the care and
 17 development of—

18 “(I) children who are less than
 19 16 years of age; or

20 “(II) school-age children and
 21 youth during non-school hours; and

22 “(ii) is operated in accordance with all
 23 applicable State and local laws and regula-
 24 tions; and

1 “(B) does not include any facility for
2 school-age children that is primarily for use
3 during normal school hours.

4 “(2) EQUIPMENT.—The term ‘equipment’ in-
5 cludes—

6 “(A) machinery, utilities, and built-in
7 equipment, and any necessary enclosure or
8 structure to house them; and

9 “(B) any other items necessary for the
10 functioning of a particular facility as a child
11 care facility, including necessary furniture,
12 books, and curricular and program materials.

13 “(3) FIRST MORTGAGE.—The term ‘first mort-
14 gage’—

15 “(A) means such classes of first liens as
16 are commonly given to secure advances (includ-
17 ing advances during construction) on, or the
18 unpaid purchase price of, real estate under the
19 laws of the State in which the real estate is lo-
20 cated, together with the credit instrument or in-
21 struments (if any) secured thereby; and

22 “(B) includes any mortgage in the form of
23 1 or more trust mortgages or mortgage inden-
24 tures or deeds of trust, securing notes, bonds,
25 or other credit instruments, that, by the same

1 instrument or by a separate instrument, creates
2 a security interest in initial equipment, whether
3 or not attached to the realty.

4 “(4) MORTGAGE.—The term ‘mortgage’ means
5 a first mortgage on real estate in fee simple, or on
6 the interest of either the lessor or lessee thereof
7 under a lease having a period of not less than 7
8 years to run beyond the maturity date of the mort-
9 gage.

10 “(5) MORTGAGOR.—The term ‘mortgagor’ has
11 the meaning given the term in section 207(a).

12 “(b) INSURANCE OF MORTGAGES.—In order to facili-
13 tate the establishment and rehabilitation of child care fa-
14 cilities, the Secretary may—

15 “(1) insure a mortgage that is secured by a
16 property or project that is—

17 “(A) a new child care facility, including a
18 new addition to an existing child care facility
19 (regardless of whether the existing facility is
20 being rehabilitated), that meets the require-
21 ments of subsection (c); or

22 “(B) a substantially rehabilitated child
23 care facility, including equipment to be used in
24 the operation of the facility, that meets the re-
25 quirements of subsection (c); and

1 “(2) make a commitment to insure any mort-
2 gage described in paragraph (1) before the date of
3 execution or disbursement of the mortgage.

4 “(c) TERMS AND CONDITIONS.—

5 “(1) ELIGIBLE CHILD CARE FACILITIES.—Each
6 mortgage insured under this section shall be secured
7 by a child care facility that meets the following re-
8 quirements:

9 “(A) LOCATION IN GULF COAST.—The fa-
10 cility is located, or to be located, in an area for
11 which the President declared that a major dis-
12 aster exists, in accordance with section 401 of
13 the Robert T. Stafford Disaster Relief and
14 Emergency Assistance Act (42 U.S.C. 5170), as
15 a consequence of Hurricane Katrina or Rita of
16 2005.

17 “(B) COMPLIANCE WITH STANDARDS.—
18 The facility complies, or will comply, with any
19 laws, standards, and requirements applicable to
20 such facilities under the laws of the State, mu-
21 nicipality, or other unit of general local govern-
22 ment in which the facility is or is to be located.

23 “(2) APPROVED MORTGAGOR.—

1 “(A) IN GENERAL.—Each mortgage in-
2 sured under this section shall be executed by a
3 mortgagor approved by the Secretary.

4 “(B) REGULATION.—The Secretary may—

5 “(i) require an approved mortgagor
6 who executes a mortgage under subpara-
7 graph (A) to be regulated with respect to
8 charges and methods of financing and, if
9 the mortgagor is a corporate entity, with
10 respect to capital structure and rate of re-
11 turn; and

12 “(ii) as an aid to the regulation of any
13 mortgagor under clause (i), make such
14 contracts with and acquire for not more
15 than \$100 such stock or interest in such
16 mortgagor as the Secretary considers to be
17 necessary.

18 “(C) STOCK OR INTEREST.—Any stock or
19 interest purchased under subparagraph (B)(ii)
20 shall be—

21 “(i) paid for out of the General Insur-
22 ance Fund; and

23 “(ii) redeemed by the mortgagor at
24 par upon the termination of all obligations
25 of the Secretary under the insurance.

1 “(3) PRINCIPAL OBLIGATION.—Each mortgage
2 insured under this section shall involve a principal
3 obligation in an amount not to exceed 90 percent of
4 the estimated value of the property or project, or 95
5 percent of the estimated value of the property or
6 project in the case of a mortgagor that is a private
7 nonprofit corporation or association (as defined pur-
8 suant to section 221(d)(3)), including—

9 “(A) equipment to be used in the operation
10 of the facility when the proposed improvements
11 are completed and the equipment is installed; or

12 “(B) a solar energy system (as defined in
13 subparagraph (3) of the last paragraph of sec-
14 tion 2(a)) or residential energy conservation
15 measures (as defined in subparagraphs (A)
16 through (G) and (I) of section 210(11) of the
17 National Energy Conservation Policy Act), in
18 cases in which the Secretary determines that
19 such measures are in addition to those required
20 under the minimum property standards and will
21 be cost-effective over the life of the measure.

22 “(4) AMORTIZATION AND INTEREST.—Each
23 mortgage insured under this section shall—

1 “(A) provide for complete amortization by
2 periodic payments under such terms as the Sec-
3 retary shall prescribe;

4 “(B) have a maturity date satisfactory to
5 the Secretary, but in no event longer than 40
6 years; and

7 “(C) bear interest at such rate as may be
8 agreed upon by the mortgagor and the mort-
9 gagee, and the Secretary shall not issue any
10 regulations or establish any terms or conditions
11 that interfere with the ability of the mortgagor
12 and mortgagee to determine the interest rate.

13 “(5) RELEASE.—The Secretary may consent to
14 the release of a part or parts of the mortgaged prop-
15 erty or project from the lien of any mortgage in-
16 sured under this section upon such terms and condi-
17 tions as the Secretary may prescribe.

18 “(6) MORTGAGE INSURANCE TERMS.—Sub-
19 sections (d), (e), (g), (h), (i), (j), (k), (l), and (n) of
20 section 207 apply to any mortgage insured under
21 this section, except that all references in such sub-
22 sections to section 207 shall be construed, for pur-
23 poses of mortgage insurance under this section, to
24 refer to this section.

1 “(d) MORTGAGE INSURANCE FOR FIRE SAFETY
2 EQUIPMENT LOANS.—

3 “(1) AUTHORITY.—The Secretary may, upon
4 such terms and conditions as the Secretary may pre-
5 scribe, make commitments to insure and insure
6 loans made by financial institutions or other ap-
7 proved mortgagees to child care facilities to provide
8 for the purchase and installation of fire safety equip-
9 ment necessary for compliance with the 1967 edition
10 of the Life Safety Code of the National Fire Protec-
11 tion Association (or any subsequent edition specified
12 by the Secretary of Health and Human Services).

13 “(2) LOAN REQUIREMENTS.—To be eligible for
14 insurance under this subsection a loan shall—

15 “(A) not exceed the estimate by the Sec-
16 retary of the reasonable cost of the equipment
17 fully installed;

18 “(B) bear interest at such rate as may be
19 agreed upon by the mortgagor and the mort-
20 gagee;

21 “(C) have a maturity date satisfactory to
22 the Secretary;

23 “(D) be made by a financial institution or
24 other mortgagee approved by the Secretary as

1 eligible for insurance under section 2 or a mort-
2 gagee approved under section 203(b)(1);

3 “(E) comply with other such terms, condi-
4 tions, and restrictions as the Secretary may
5 prescribe; and

6 “(F) be made with respect to a child care
7 facility that complies with the requirements
8 under subparagraphs (A) and (B) of subsection
9 (c)(1) of this section.

10 “(3) INSURANCE REQUIREMENTS.—

11 “(A) SECTION 2.—Subsections (c), (d),
12 and (h) of section 2 shall apply to any loan in-
13 sured under this subsection, except that all ref-
14 erences in such subsections to ‘this section’ or
15 ‘this title’ shall be construed, for purposes of
16 this subsection, to refer to this subsection.

17 “(B) SECTION 220.—Paragraphs (5), (6),
18 (7), (9), and (10) of section 220(h) shall apply
19 to any loan insured under this subsection, ex-
20 cept that all references in such paragraphs to
21 home improvement loans shall be construed, for
22 purposes of this subsection, to refer to loans
23 under this subsection.

24 “(e) SCHEDULES AND DEADLINES.—The Secretary
25 shall establish schedules and deadlines for the processing

1 and approval (or provision of notice of disapproval) of ap-
2 plications for mortgage insurance under this section.

3 “(f) LIMITATION ON INSURANCE AUTHORITY.—

4 “(1) TERMINATION.—No mortgage may be in-
5 sured under this section or section 223(h) after De-
6 cember 30, 2009, except pursuant to a commitment
7 to insure issued on or before such date.

8 “(2) AGGREGATE PRINCIPAL AMOUNT LIMITA-
9 TION.—

10 “(A) IN GENERAL.—The aggregate prin-
11 cipal amount of mortgages for which the Sec-
12 retary enters into commitments to insure under
13 this section or section 223(h) on or before the
14 date described in paragraph (1) may not exceed
15 \$100,000,000.

16 “(B) REPORT.—If, on the date described
17 in paragraph (1), the aggregate insurance au-
18 thority provided under this paragraph has not
19 been fully used, the Secretary of the Treasury
20 shall submit to Congress a report evaluating the
21 need for continued mortgage insurance under
22 this section.

23 “(g) NONDISCRIMINATION REQUIREMENT.—

24 “(1) IN GENERAL.—A child care facility receiv-
25 ing assistance under this title may not discriminate

1 on the basis of race, color, or national origin (to the
2 extent provided in title VI of the Civil Rights Act of
3 1964 (42 U.S.C. 2000d et seq.)), religion (subject to
4 subparagraph (B)), national origin, sex (to the ex-
5 tent provided in title IX of the Education Amend-
6 ments of 1972 (20 U.S.C. 1681 et seq.)), or dis-
7 ability (to the extent provided in section 504 of the
8 Rehabilitation Act of 1973 (29 U.S.C. 794)), under
9 any program or activity receiving Federal financial
10 assistance under this title.

11 “(2) FACILITIES OF RELIGIOUS ORGANIZA-
12 TIONS.—The prohibition with respect to religion
13 under paragraph (1) shall not apply to a child care
14 facility that is controlled by, or that is closely identi-
15 fied with, the tenets of a particular religious organi-
16 zation, if the application of this paragraph would not
17 be consistent with the religious tenets of such orga-
18 nization.

19 “(h) LIABILITY INSURANCE.—A child care provider
20 operating a child care facility assisted under this section
21 or section 223(h) shall obtain and maintain liability insur-
22 ance in such amounts and subject to such requirements
23 as the Secretary considers to be appropriate.

24 “(i) SMALL PURPOSE LOANS.—

1 “(1) IN GENERAL.—To the extent that amounts
2 are made available pursuant to subsection (l), the
3 Secretary shall make loans, directly or indirectly, to
4 providers of child care facilities that comply with the
5 requirements under subparagraph (A) and (B) of
6 subsection (c)(1) for reconstruction or renovation of
7 such facilities, in accordance with this subsection.

8 “(2) REQUIREMENTS.—A loan under this sub-
9 section—

10 “(A) may be made only for a child care fa-
11 cility that is financially and operationally viable,
12 as determined under standards established by
13 the Secretary;

14 “(B) may not have a term to maturity ex-
15 ceeding 7 years;

16 “(C) shall bear interest at a rate estab-
17 lished by the Secretary; and

18 “(D) shall be subject to such other terms
19 and conditions as the Secretary may establish
20 by regulation.

21 “(3) AGGREGATE LOAN AMOUNT.—The aggre-
22 gate amount of loans under this subsection to a sin-
23 gle provider may not exceed \$100,000.

24 “(j) NOTIFICATION.—The Secretary shall take such
25 actions as may be necessary to publicize the availability

1 of the programs for mortgage insurance under this section
 2 and section 223(h), and the loan program under sub-
 3 section (i) of this section, in a manner that ensures that
 4 information concerning such programs will be available to
 5 child care providers throughout the United States.

6 “(k) REGULATIONS.—The Secretary shall—

7 “(1) issue any regulations necessary to carry
 8 out this section; and

9 “(2) in carrying out paragraph (1), consult with
 10 the Secretary of Health and Human Services with
 11 respect to any aspects of the regulations regarding
 12 child care facilities.

13 “(l) AUTHORIZATION OF APPROPRIATIONS.—There is
 14 authorized to be appropriated to carry out this section
 15 \$10,000,000 for fiscal year 2008, to remain available until
 16 expended, of which not more than 3 percent may be used
 17 for loans under subsection (i).”.

18 **SEC. 5. INSURANCE FOR MORTGAGES FOR ACQUISITION OR**
 19 **REFINANCING DEBT OF EXISTING CHILD**
 20 **CARE FACILITIES IN THE GULF COAST.**

21 (a) IN GENERAL.—Section 223 of the National
 22 Housing Act (12 U.S.C. 1715n) is amended by adding at
 23 the end the following:

1 “(h) MORTGAGE INSURANCE FOR PURCHASE OR RE-
2 FINANCING OF EXISTING CHILD CARE FACILITIES IN THE
3 GULF COAST.—

4 “(1) DEFINITIONS.—In this subsection, the
5 terms that are defined in section 257(a) have the
6 same meanings as provided in that section.

7 “(2) AUTHORITY.—Notwithstanding any other
8 provision of this Act, the Secretary may insure
9 under any section of this title a mortgage executed
10 in connection with—

11 “(A) the purchase or refinancing of an ex-
12 isting child care facility that is located in an
13 area for which the President declared that a
14 major disaster exists, in accordance with section
15 401 of the Robert T. Stafford Disaster Relief
16 and Emergency Assistance Act (42 U.S.C.
17 5170), as a consequence of Hurricane Katrina
18 or Rita of 2005;

19 “(B) the purchase of a structure located in
20 such an area to serve as a child care facility; or

21 “(C) the refinancing of existing debt of an
22 existing child care facility located in such an
23 area.

24 “(3) PURCHASE OF EXISTING FACILITIES AND
25 STRUCTURES.—In the case of the purchase under

1 this subsection of an existing child care facility or
2 purchase of an existing structure to serve as such a
3 facility, the Secretary shall prescribe any terms and
4 conditions that the Secretary considers necessary to
5 ensure that—

6 “(A) the facility or structure purchased
7 continues to be used as a child care facility; and

8 “(B) the facility complies with any laws,
9 standards, and requirements applicable to such
10 facilities under the laws of the State, munici-
11 pality, or other unit of general local government
12 in which the facility is or is to be located.

13 “(4) REFINANCING OF EXISTING FACILITIES.—

14 In the case of refinancing of an existing child care
15 facility, the Secretary shall prescribe any terms and
16 conditions that the Secretary considers necessary to
17 ensure that—

18 “(A) the refinancing is used to lower the
19 monthly debt service costs (taking into account
20 any fees or charges connected with such refi-
21 nancing) of the existing facility;

22 “(B) the proceeds of any refinancing will
23 be employed only to retire the existing indebted-
24 ness and pay the necessary cost of refinancing
25 on the existing facility;

1 “(C) the existing facility is economically
2 viable; and

3 “(D) the facility complies with any laws,
4 standards, and requirements applicable to such
5 facilities under the laws of the State, munici-
6 pality, or other unit of general local government
7 in which the facility is or is to be located.

8 “(5) LIMITATION ON INSURANCE AUTHORITY.—
9 The authority of the Secretary to enter into commit-
10 ments to insure mortgages under this subsection is
11 subject to section 257(f).”.

12 **SEC. 6. STUDY OF AVAILABILITY OF SECONDARY MARKETS**
13 **FOR MORTGAGES ON CHILD CARE FACILI-**
14 **TIES.**

15 (a) STUDY.—The Secretary of the Treasury shall
16 conduct a study of the secondary mortgage markets to de-
17 termine—

18 (1) whether such a market exists for purchase
19 of mortgages on new and rehabilitated child care fa-
20 cilities and mortgages for acquisition and refi-
21 nancing debt of existing child care facilities, includ-
22 ing mortgages eligible for insurance under sections
23 223(h) and 257 of the National Housing Act (as
24 added by this Act);

1 (2) whether such a market would affect the
2 availability of credit available for development of
3 child care facilities, particularly facilities located in
4 areas for which the President declared that a major
5 disaster exists, in accordance with section 401 of the
6 Robert T. Stafford Disaster Relief and Emergency
7 Assistance Act (42 U.S.C. 5170), as a consequence
8 of Hurricane Katrina or Rita of 2005, or would
9 lower development costs of such facilities; and

10 (3) the extent to which such a market or other
11 activities to provide credit enhancement for loans for
12 child care facilities, particularly for facilities located
13 in the areas referred to in paragraph (2), is needed
14 to meet the demand for such facilities.

15 (b) REPORT.—Not later than 1 year after the date
16 of enactment of this Act, the Secretary of the Treasury
17 shall submit to Congress a report regarding the results
18 of the study conducted under this section.

19 **SEC. 7. TECHNICAL AND FINANCIAL ASSISTANCE GRANTS.**

20 (a) DEFINITIONS.—In this section:

21 (1) CHILD CARE FACILITY.—The term “child
22 care facility” has the meaning given that term in
23 section 257(a) of the National Housing Act, as
24 added by section 3 of this Act.

1 (2) ELIGIBLE INTERMEDIARY.—The term “eli-
2 gible intermediary” means a intermediary organiza-
3 tion that—

4 (A) is described in section 501(c)(3) of the
5 Internal Revenue Code of 1986;

6 (B) is exempt from taxation under section
7 501(a) of such Code; and

8 (C) has demonstrated experience in—

9 (i) financing the construction and ren-
10 ovation of physical facilities;

11 (ii) providing technical and financial
12 assistance to child care providers or other
13 similar entities;

14 (iii) working with businesses (whether
15 small or large); and

16 (iv) securing private sources for cap-
17 ital financing; and

18 (3) ELIGIBLE RECIPIENT.—The term “eligible
19 recipient” means any—

20 (A) existing or start-up center-based or
21 home-based child care provider; and

22 (B) organization in the process of estab-
23 lishing a center-based or home-based child care
24 program or otherwise seeking to provide child
25 care services.

1 (4) EQUIPMENT.—The term “equipment” has
2 the meaning given that term in section 257(a) of the
3 National Housing Act, as added by section 3 of this
4 Act.

5 (b) GRANT AUTHORITY.—The Secretary of Housing
6 and Urban Development, in consultation with the Sec-
7 retary of Health and Human Services, may award grants
8 on a competitive basis in accordance with this section to
9 eligible intermediaries for use in accordance with sub-
10 sections (e) and (f).

11 (c) APPLICATIONS.—To be eligible to receive a grant
12 under this section an eligible intermediary shall submit to
13 the Secretary an application, in such form and containing
14 such information as the Secretary may require.

15 (d) PRIORITY.—In awarding grants under this sec-
16 tion the Secretary shall give a priority to applicants under
17 subsection (c) that serve low-income or rural areas.

18 (e) USE OF FUNDS.—

19 (1) REVOLVING LOAN FUND.—Each eligible
20 intermediary that receives a grant under this section
21 shall deposit the grant amount into a child care re-
22 volving loan fund established by the eligible inter-
23 mediary.

24 (2) ELIGIBLE ASSISTANCE.—Subject to sub-
25 section (f), from amounts deposited into the revolv-

1 ing loan fund under paragraph (1), each eligible
2 intermediary shall provide to eligible recipients—

3 (A) financial assistance (in the form of
4 loans, grants, investments, guarantees, interest
5 subsidies, and other appropriate forms of assist-
6 ance) for the construction of new child care fa-
7 cilities located in an area for which the Presi-
8 dent declared that a major disaster exists, in
9 accordance with section 401 of the Robert T.
10 Stafford Disaster Relief and Emergency Assist-
11 ance Act (42 U.S.C. 5170), as a consequence of
12 Hurricane Katrina or Rita of 2005, for plan-
13 ning of such child care facilities, and for acqui-
14 sition or improvement of such child care facili-
15 ties or equipment for such child care facilities;
16 and

17 (B) technical assistance in obtaining public
18 or private financing for such construction, plan-
19 ning, acquisition, and improvement of such
20 child care facilities, including developing and
21 implementing financing resources, options, and
22 plans for such eligible recipients.

23 (3) LOAN REPAYMENTS AND INVESTMENT PRO-
24 CEEDS.—Any amount received by an eligible inter-
25 mediary from an eligible recipient in the form of

1 loan principal repayment or investment proceeds
2 shall be deposited into the child care revolving fund
3 of the eligible intermediary for redistribution to
4 other eligible recipients in accordance with this sec-
5 tion.

6 (f) ALLOCATION OF FUNDS.—Of the amounts dis-
7 tributed from the revolving loan fund of an eligible inter-
8 mediary under subsection (e)(2) in each fiscal year—

9 (1) not less than 50 percent shall be used for
10 financial assistance pursuant to subparagraph (A) of
11 subsection (e)(2), except that the amount made
12 available to any eligible recipient under this para-
13 graph may not exceed 40 percent of the total costs
14 incurred by that eligible recipient in connection with
15 the construction, planning, acquisition, or improve-
16 ment assisted; and

17 (2) the amount remaining after distribution
18 under paragraph (1), shall be used to provide tech-
19 nical assistance pursuant to subparagraph (B) of
20 subsection (e)(2).

21 (g) DAVIS BACON ACT.—The Act of March 3, 1931
22 (popularly known as the Davis-Bacon Act) shall apply to
23 actions taken under this Act.

1 (h) AUTHORIZATION OF APPROPRIATIONS.—There is
2 authorized to be appropriated to carry out this section
3 \$1,000,000 for fiscal year 2008.

○