

110TH CONGRESS  
1ST SESSION

# S. 2008

To reform the single family housing loan guarantee program under the  
Housing Act of 1949.

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IN THE SENATE OF THE UNITED STATES

AUGUST 3, 2007

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

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## A BILL

To reform the single family housing loan guarantee program  
under the Housing Act of 1949.

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 “Home Ownership Made  
5       Easier Act” or the “HOME Act”.

6       **SEC. 2. SINGLE FAMILY HOUSING LOAN GUARANTEE PRO-**  
7       **GRAM.**

8       Section 502(h) of the Housing Act of 1949 (42  
9       U.S.C. 1472(h)) is amended—

1           (1) by amending paragraph (3) to read as fol-  
2       lows:

3           “(3) INCOME LIMITS FOR ELIGIBLE BOR-  
4       ROWERS.—To be eligible to receive a guaranteed  
5       loan pursuant to this subsection, the income of a  
6       borrower—

7           “(A) shall not exceed the current 4-person  
8       household limit, as defined by the Secretary, for  
9       a borrower living in a 1 to 4 person household;

10          “(B) shall not exceed the current 8-person  
11       household limit, as defined by the Secretary, for  
12       a borrower living in a 5 to 8 person household;  
13       and

14          “(C) shall not exceed the current house-  
15       hold limits for households greater than 8 per-  
16       sons, as defined by the Secretary, for a bor-  
17       rower living in a household of more than 8 per-  
18       sons.”;

19       (2) in paragraph (4)—

20           (A) in subparagraph (A) by inserting  
21       “and” after the semicolon;

22           (B) by striking subparagraph (B);

23           (C) by redesignating subparagraph (C) as  
24       subparagraph (B); and

1 (D) in subparagraph (B), as so redesign-  
2 nated, by striking the period and inserting the  
3 following “having a population of not more than  
4 40,000.”;

5 (3) in paragraph (8), by striking “1 percent”  
6 and inserting “2 percent”;

7 (4) by amending paragraph (9) to read as fol-  
8 lows:

9 “(9) REFINANCING.—

10 “(A) IN GENERAL.—Any loan guaranteed  
11 under this subsection or any loan not guaran-  
12 teed under this section, but which is owed by an  
13 individual who would qualify as an eligible bor-  
14 rower under paragraph (3) on a residence that  
15 would qualify under paragraph (4), may be refi-  
16 nanced or extended for any of the following  
17 purposes:

18 “(i) To pay off any other loan (includ-  
19 ing a first or second purchase mortgage)  
20 not made or guaranteed under this section.

21 “(ii) To repair mechanical or struc-  
22 tural deficiencies to the residence of the  
23 borrower, provided that such repairs are  
24 made under the supervision of an eligible

1 lender, as that term is defined in para-  
2 graph (6).

3 “(iii) To pay for closing costs as may  
4 be authorized by the Secretary, which shall  
5 include a discount not to exceed 200 basis  
6 points and an origination fee not to exceed  
7 100 basis points. For each 100 basis  
8 points of discount, there shall be a min-  
9 imum corresponding reduction of a 50  
10 basis points in the maximum note rate, as  
11 defined by the Secretary, charged to the  
12 borrower.

13 “(iv) To allow the borrower to consoli-  
14 date the debts of the borrower up to the  
15 greater of \$10,000 or 10 percent of the  
16 loan amount, provided that such amounts  
17 shall be disbursed by the settlement agent  
18 at the time of the loan closing.

19 “(v) For any other purpose, and  
20 under such terms and conditions, as the  
21 Secretary shall prescribe.

22 “(B) LIMITATION.—Any loan described  
23 under subparagraph (A) may not be refinanced  
24 or extended for an additional amount or term

1           which exceeds the limitations under this sub-  
 2           section.”; and

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

4           “(15) ELIGIBILITY NOT DEPENDENT ON QUALI-  
 5           FYING UNDER OTHER HOUSING PROGRAMS.—In no  
 6           event or circumstance shall an otherwise eligible bor-  
 7           rower be denied a loan or loan guarantee under this  
 8           section solely because such borrower is not eligible  
 9           (or is eligible and has not applied for) assistance  
 10          under any other loan, housing, housing assistance,  
 11          or other housing related program administered, in  
 12          whole or in part, by the Federal Government.”.

13 **SEC. 3. INCOME ADJUSTMENTS FOR MINORS, STUDENTS,**  
 14 **AND PERSONS WITH DISABILITIES.**

15          Section 501(b)(5)(A) of the Housing Act of 1949 (42  
 16 U.S.C. 1472(b)(5)(A)) is amended by inserting before the  
 17 period the following: “, except that for purposes of this  
 18 title the mandatory exclusion amount for minors, students,  
 19 and persons with disabilities under the definition of ad-  
 20 justed income shall be \$2,400”.

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