

112TH CONGRESS
2D SESSION

H. R. 4253

To amend the Low-Income Housing Preservation and Resident
Homeownership Act of 1990.

IN THE HOUSE OF REPRESENTATIVES

MARCH 22, 2012

Mr. PAULSEN (for himself and Mr. GRIMM) introduced the following bill;
which was referred to the Committee on Financial Services

A BILL

To amend the Low-Income Housing Preservation and
Resident Homeownership Act of 1990.

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 “Preservation Enhance-
5 ment and Savings Opportunity Act of 2012”.

6 **SEC. 2. DISTRIBUTIONS AND RESIDUAL RECEIPTS.**

7 Section 222 of the Low-Income Housing Preservation
8 and Resident Homeownership Act of 1990 (12 U.S.C.
9 4112) is amended by adding at the end the following new
10 subsection:

1 “(e) DISTRIBUTION AND RESIDUAL RECEIPTS.—
 2 After the date of the enactment of the Preservation En-
 3 hancement and Savings Opportunity Act of 2012, the
 4 owner of a property subject to a plan of action or use
 5 agreement pursuant to this section shall, notwithstanding
 6 any conflicting provision in such use agreement or a plan
 7 of action, be entitled to distribute—

8 “(1) annually, all surplus cash generated by the
 9 property, and

10 “(2) upon request made to the Secretary, any
 11 funds accumulated in a residual receipts account;
 12 but only if such owner is in material compliance with such
 13 use agreement.”.

14 **SEC. 3. FUTURE REFINANCING.**

15 Section 214 of the Low-Income Housing Preservation
 16 and Resident Homeownership Act of 1990 (12 U.S.C.
 17 4104) is amended by adding at the end the following new
 18 subsection:

19 “(c) FUTURE REFINANCING.—Neither this section,
 20 nor any plan of action or use agreement implementing this
 21 section, shall restrict an owner from obtaining a new loan
 22 or refinancing a loan secured by the project, or from dis-
 23 tributing the proceeds of such a loan, except that the
 24 treatment of such a loan for purposes of budget-based

1 project rents shall be within the discretion of the Sec-
2 retary.”.

3 **SEC. 4. DEFEASANCE OF DIRECT CAPITAL LOANS.**

4 Section 219 of the Low-Income Housing Preservation
5 and Resident Homeownership Act of 1990 (12 U.S.C.
6 4109) is amended by adding at the end the following new
7 subsection:

8 “(c) DEFEASANCE OF DIRECT CAPITAL LOANS.—An
9 owner who received a direct capital loan pursuant to the
10 Departments of Veterans Affairs and Housing and Urban
11 Development, and Independent Agencies Appropriations
12 Act, 1997 (Public Law 104–204) shall, upon 30 days writ-
13 ten notice to the Secretary and payment to the Secretary
14 of the present value of the loan as determined under a
15 discount rate equal to the Office of Management and
16 Budget’s nominal Treasury rate of appropriate duration
17 based upon the maturity of the loan, have the right to
18 defease such loan or to obtain the release of the instru-
19 ment securing such loan.”.

20 **SEC. 5. RENT-SETTING.**

21 The first sentence of paragraph (1) of section 524(e)
22 of the Multifamily Assisted Housing Reform and Afford-
23 ability Act of 1997 (42 U.S.C. 1437f note) is amended—

24 (1) by inserting “at least” after “benefits”; and

1 (2) by inserting before the period at the end the
2 following: “, but the owner may request a rent in-
3 crease pursuant to any provision of this section”.

○