

112TH CONGRESS
2D SESSION

H. R. 6394

To facilitate affordable workforce homeownership in, and develop the full-time resident communities of, high tourism areas, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 13, 2012

Mr. POLIS (for himself, Mr. HINOJOSA, and Mr. QUIGLEY) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To facilitate affordable workforce homeownership in, and develop the full-time resident communities of, high tourism areas, 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 “Affordable Housing
5 Regulation Simplification Act of 2012”.

1 **SEC. 2. INAPPLICABILITY OF CERTAIN FANNIE MAE AND**
2 **FREDDIE MAC GUIDELINES TO AFFORDABLE**
3 **WORKFORCE HOUSING MORTGAGES.**

4 (a) FANNIE MAE.—Subsection (b) of section 302 of
5 the Federal National Mortgage Association Charter Act
6 (12 U.S.C. 1717(b)) is amended by adding at the end the
7 following new paragraph:

8 “(7) MORTGAGES FOR AFFORDABLE WORKFORCE
9 HOUSING.—

10 “(A) EXEMPTIONS FROM GUIDELINES.—Not-
11 withstanding any other provision of law—

12 “(i) the corporation may purchase, service,
13 sell, lend on the security of, and otherwise deal
14 in any affordable workforce housing mortgage;
15 and

16 “(ii) any requirements and guidelines of
17 the corporation that are inconsistent with the
18 authority under clause (i) shall not apply to any
19 affordable workforce housing mortgage.

20 “(B) AFFORDABLE WORKFORCE HOUSING
21 MORTGAGES.—For purposes of this paragraph, the
22 term ‘affordable workforce housing mortgage’ means
23 a mortgage that meets the following requirements:

24 “(i) PROPERTY.—The mortgage shall be
25 made for the purchase of, and secured by, a
26 one-family residence that—

1 “(I) shall be used as the residence of
2 the mortgagor for not less than 8 of any
3 12 months and 240 days of any 365 days;

4 “(II) is located within or is part of a
5 multifamily housing development—

6 “(aa) that consists of 5 or more
7 dwelling units or a mixed-use develop-
8 ment that is not less than 50 percent
9 residential, as defined in the legal de-
10 scription of the property in the pur-
11 chase contract or mortgage or title
12 documents relating to such purchase;

13 “(bb) of which not less than 25
14 percent of the dwelling units in the
15 development are owner-occupied; ex-
16 cept that the requirement under this
17 item shall be considered to be com-
18 plied with, with respect to a develop-
19 ment, unless verifiable public records
20 indicate an owner-occupancy rate for
21 the development of less than 25 per-
22 cent;

23 “(cc) that provides individual,
24 centralized, or any other method of

1 metering for energy use of the con-
2 stituent dwelling units; and

3 “(dd) that may include dwelling
4 units that are used for the sole pur-
5 pose of short-term rentals and may
6 provide such services as a staffed
7 front desk, a concierge, or other
8 amenities consistent with providing
9 customer service for non-owner occu-
10 pied or short-term rental units in the
11 development, including marketing that
12 describes the property as a lodge, re-
13 sort, or other similar facility;

14 and any multifamily housing development
15 that otherwise complies with the require-
16 ments under this subclause may not be
17 considered ineligible because the develop-
18 ment or any portion of the development is
19 called or referred to as a ‘condotel’, ‘condo-
20 hotel’, ‘lodge’, or any other title;

21 “(III) is subject to resale restrictions
22 that—

23 “(aa) are recorded with the ap-
24 propriate public registry for recording

1 of titles and interests in real estate;
2 and

3 “(bb) terminate upon foreclosure
4 or execution of any deed-in-lieu-of-
5 foreclosure; and

6 “(IV) is located in an area that, at
7 the time of the origination of the mort-
8 gage, is a high tourism area.

9 “(ii) MORTGAGOR INCOME.—The house-
10 hold of the mortgagor shall have a gross house-
11 hold income—

12 “(I) that does not exceed 160 percent
13 of the area median income, as determined
14 and updated by the Secretary of Housing
15 and Urban Development or the Director of
16 the Federal Housing Finance Agency on
17 an annual basis; and

18 “(II) not less than 75 percent of
19 which is earned from positions the dis-
20 charge of whose duties involved physical
21 presence in one or more high tourism
22 areas.

23 “(iii) EMPLOYMENT.—The mortgagor or
24 another member of the mortgagor’s house-
25 hold—

1 “(I) has been employed, during the 6-
2 month period ending upon execution of the
3 mortgage, in a position or multiple posi-
4 tions the discharge of whose duties in-
5 volved physical presence in one or more
6 high tourism areas, in the aggregate, for
7 an average of not less than 30 hours per
8 week;

9 “(II) is employed at the time of the
10 execution of the mortgage in a position or
11 multiple positions the discharge of whose
12 duties involve physical presence in one or
13 more high tourism areas, in the aggregate,
14 for an average of not less than 30 hours
15 per week and the duration of such employ-
16 ment in such position is expected to last at
17 least 6 months;

18 “(III) is 60 years of age or older and,
19 during the 5-year period ending up the
20 mortgagor’s retirement from employment
21 was employed in a position or positions the
22 discharge of whose duties involved physical
23 presence in one or more high tourism areas
24 for—

1 “(aa) an average of not less than
2 30 hours per week; and

3 “(bb) for not less than 8 months
4 per year;

5 “(IV) is a person with disabilities (as
6 such term is defined in section 811(k) of
7 the Cranston-Gonzalez National Affordable
8 Housing Act (42 U.S.C. 8013)) who—

9 “(aa) was employed, during the
10 2-year period ending upon becoming
11 disabled, in a position or positions de-
12 scribed in subclause (I) or (II); or

13 “(bb) is employed in a position or
14 positions described in subclause (I) or
15 (II), except that the 30-hour require-
16 ment under such subclauses shall not
17 apply to such person if—

18 “(AA) compliance with such
19 requirement would make such
20 person ineligible for benefits
21 made available for persons with
22 disabilities through a program of
23 any State agency for develop-
24 mental disabilities or through the
25 supplemental security income

1 program under title XVI of the
2 Social Security Act; and

3 “(BB) such person works
4 the maximum number of hours
5 per week allowable for eligibility
6 for benefits under such program;
7 or

8 “(V) is the head of household in a
9 household that includes one or more de-
10 pendants, at least one of whom is at the
11 time of the execution of the mortgage 5
12 years of age or younger or is enrolled full-
13 time in a school in a high tourism area.

14 “(iv) CONFORMING LOAN.—The original
15 principal obligation of the mortgage shall com-
16 ply with the applicable dollar amount limita-
17 tions established pursuant to paragraph (2).

18 “(C) HIGH TOURISM AREA.—For purposes of
19 this paragraph, the term ‘high tourism area’ means
20 a county that is designated as a high tourism county
21 pursuant to section 5 of the Affordable Housing
22 Regulation Simplification Act of 2012.”.

23 (b) FREDDIE MAC.—Subsection (a) of section 305 of
24 the Federal Home Loan Mortgage Corporation Act (12

1 U.S.C. 1454(a)) is amended by adding at the end the fol-
2 lowing new paragraph:

3 “(6) MORTGAGES FOR AFFORDABLE WORKFORCE
4 HOUSING.—

5 “(A) EXEMPTIONS FROM GUIDELINES.—Not-
6 withstanding any other provision of law—

7 “(i) the Corporation may purchase, service,
8 sell, lend on the security of, and otherwise deal
9 in any affordable workforce housing mortgage;
10 and

11 “(ii) any requirements and guidelines of
12 the Corporation that are inconsistent with the
13 authority under clause (i) shall not apply to any
14 affordable workforce housing mortgage.

15 “(B) AFFORDABLE WORKFORCE HOUSING
16 MORTGAGES.—For purposes of this paragraph, the
17 term ‘affordable workforce housing mortgage’ means
18 a mortgage that meets the following requirements:

19 “(i) PROPERTY.—The mortgage shall be
20 made for the purchase of, and secured by, a
21 one-family residence that—

22 “(I) shall be used as the residence of
23 the mortgagor for not less than 8 of any
24 12 months and 240 days of any 365 days;

1 “(II) is located within or is part of a
2 multifamily housing development—

3 “(aa) that consists of 5 or more
4 dwelling units or a mixed-use develop-
5 ment that is not less than 50 percent
6 residential, as defined in the legal de-
7 scription of the property in the pur-
8 chase contract or mortgage or title
9 documents relating to such purchase;

10 “(bb) of which not less than 25
11 percent of the dwelling units in the
12 development are owner-occupied; ex-
13 cept that the requirement under this
14 item shall be considered to be com-
15 plied with, with respect to a develop-
16 ment, unless verifiable public records
17 indicate an owner-occupancy rate for
18 the development of less than 25 per-
19 cent;

20 “(cc) that provides individual,
21 centralized, or any other method of
22 metering for energy use of the con-
23 stituent dwelling units; and

24 “(dd) that may include dwelling
25 units that are used for the sole pur-

1 pose of short-term rentals and may
2 provide such services as a staffed
3 front desk, a concierge, or other
4 amenities consistent with providing
5 customer service for non-owner occu-
6 pied or short-term rental units in the
7 development, including marketing that
8 describes the property as a lodge, re-
9 sort, or other similar facility;
10 and any multifamily housing development
11 that otherwise complies with the require-
12 ments under this subclause may not be
13 considered ineligible because the develop-
14 ment or any portion of the development is
15 called or referred to as a ‘condotel’, ‘condo-
16 hotel’, ‘lodge’, or any other title;
17 “(III) is subject to resale restrictions
18 that—
19 “(aa) are recorded with the ap-
20 propriate public registry for recording
21 of titles and interests in real estate;
22 and
23 “(bb) terminate upon foreclosure
24 or execution of any deed-in-lieu-of-
25 foreclosure; and

1 “(IV) is located in an area that, at
2 the time of the origination of the mort-
3 gage, is a high tourism area.

4 “(ii) MORTGAGOR INCOME.—The house-
5 hold of the mortgagor shall have a gross house-
6 hold income—

7 “(I) that does not exceed 160 percent
8 of the area median income, as determined
9 and updated by the Secretary of Housing
10 and Urban Development or the Director of
11 the Federal Housing Finance Agency on
12 an annual basis; and

13 “(II) not less than 75 percent of
14 which is earned from positions the dis-
15 charge of whose duties involved physical
16 presence in one or more high tourism
17 areas.

18 “(iii) EMPLOYMENT.—The mortgagor or
19 another member of the mortgagor’s house-
20 hold—

21 “(I) has been employed, during the 6-
22 month period ending upon execution of the
23 mortgage, in a position or multiple posi-
24 tions the discharge of whose duties in-
25 volved physical presence in one or more

1 high tourism areas, in the aggregate, for
2 an average of not less than 30 hours per
3 week;

4 “(II) is employed at the time of the
5 execution of the mortgage in a position or
6 multiple positions the discharge of whose
7 duties involve physical presence in one or
8 more high tourism areas, in the aggregate,
9 for an average of not less than 30 hours
10 per week and the duration of such employ-
11 ment in such position is expected to last at
12 least 6 months;

13 “(III) is 60 years of age or older and,
14 during the 5-year period ending up the
15 mortgagor’s retirement from employment
16 was employed in a position or positions the
17 discharge of whose duties involved physical
18 presence in one or more high tourism areas
19 for—

20 “(aa) an average of not less than
21 30 hours per week; and

22 “(bb) for not less than 8 months
23 per year;

24 “(IV) is a person with disabilities (as
25 such term is defined in section 811(k) of

1 the Cranston-Gonzalez National Affordable
2 Housing Act (42 U.S.C. 8013)) who—

3 “(aa) was employed, during the
4 2-year period ending upon becoming
5 disabled, in a position or positions de-
6 scribed in subclause (I) or (II); or

7 “(bb) is employed in a position or
8 positions described in subclause (I) or
9 (II), except that the 30-hour require-
10 ment under such subclauses shall not
11 apply to such person if—

12 “(AA) compliance with such
13 requirement would make such
14 person ineligible for benefits
15 made available for persons with
16 disabilities through a program of
17 any State agency for develop-
18 mental disabilities or through the
19 supplemental security income
20 program under title XVI of the
21 Social Security Act; and

22 “(BB) such person works
23 the maximum number of hours
24 per week allowable for eligibility

1 for benefits under such program;
2 or

3 “(V) is the head of household in a
4 household that includes one or more de-
5 pendants, at least one of whom is at the
6 time of the execution of the mortgage 5
7 years of age or younger or is enrolled full-
8 time in a school in a high tourism area.

9 “(iv) CONFORMING LOAN.—The original
10 principal obligation of the mortgage shall com-
11 ply with the applicable dollar amount limita-
12 tions established pursuant to paragraph (2).

13 “(C) HIGH TOURISM AREA.—For purposes of
14 this paragraph, the term ‘high tourism area’ means
15 any county that is designated as a high tourism
16 county pursuant to section 5 of the Affordable
17 Housing Regulation Simplification Act of 2012.”.

18 **SEC. 3. INSURANCE OF AFFORDABLE WORKFORCE HOUS-**
19 **ING MORTGAGES BY FHA.**

20 Section 203 of the National Housing Act (12 U.S.C.
21 1709) is amended by adding at the end the following new
22 subsection:

23 “(y) MORTGAGES FOR AFFORDABLE WORKFORCE
24 HOUSING.—

1 “(1) INSURANCE AUTHORITY.—The Secretary
2 may insure under this section any affordable work-
3 force housing mortgage meeting the requirements of
4 subsection (b) of this section, except as modified by
5 this subsection.

6 “(2) EXEMPTIONS.—Notwithstanding any other
7 provision of law, any requirements and guidelines of
8 the Secretary that are inconsistent with the author-
9 ity under paragraph (1) shall not apply to any af-
10 fordable workforce housing mortgage.

11 “(3) AFFORDABLE WORKFORCE HOUSING
12 MORTGAGES.—For purposes of this subsection, the
13 term ‘affordable workforce housing mortgage’ means
14 a mortgage that meets the following requirements:

15 “(A) PROPERTY.—The mortgage shall be
16 made for the purchase of, and secured by, a
17 one-family residence that—

18 “(i) shall be used as the residence of
19 the mortgagor for not less than 8 of any
20 12 months and 240 days of any 365 days;

21 “(ii) is located within or is part of a
22 multifamily housing development—

23 “(I) that consists of 5 or more
24 dwelling units or a mixed-use develop-
25 ment that is not less than 50 percent

1 residential, as defined in the legal de-
2 scription of the property in the pur-
3 chase contract or mortgage or title
4 documents relating to such purchase;

5 “(II) of which not less than 25
6 percent of the dwelling units in the
7 development are owner-occupied; ex-
8 cept that the requirement under this
9 item shall be considered to be com-
10 plied with, with respect to a develop-
11 ment, unless verifiable public records
12 indicate an owner-occupancy rate for
13 the development of less than 25 per-
14 cent;

15 “(III) that provides individual,
16 centralized, or any other method of
17 metering for energy use of the con-
18 stituent dwelling units; and

19 “(IV) that may include dwelling
20 units that are used for the sole pur-
21 pose of short-term rentals and may
22 provide such services as a staffed
23 front desk, a concierge, or other
24 amenities consistent with providing
25 customer service for non-owner occu-

1 pied or short-term rental units in the
2 development, including marketing that
3 describes the property as a lodge, re-
4 sort, or other similar facility;
5 and any multifamily housing development
6 that otherwise complies with the require-
7 ments under this clause may not be consid-
8 ered ineligible because the development or
9 any portion of the development is called or
10 referred to as a ‘condotel’, ‘condo-hotel’,
11 ‘lodge’, or any other title;
12 “(iii) is subject to resale restrictions
13 that—
14 “(I) are recorded with the appro-
15 prium public registry for recording of
16 titles and interests in real estate; and
17 “(II) terminate upon foreclosure
18 or execution of any deed-in-lieu-of-
19 foreclosure; and
20 “(iv) is located in an area that, at the
21 time of the origination of the mortgage, is
22 a high tourism area.
23 “(B) MORTGAGOR INCOME.—The house-
24 hold of the mortgagor shall have a gross house-
25 hold income—

1 “(i) that does not exceed 160 percent
2 of the area median income, as determined
3 and updated by the Secretary on an annual
4 basis; and

5 “(ii) not less than 75 percent of which
6 is earned from positions the discharge of
7 whose duties involved physical presence in
8 one or more high tourism areas.

9 “(C) EMPLOYMENT.—The mortgagor or
10 another member of the mortgagor’s house-
11 hold—

12 “(i) has been employed, during the 6-
13 month period ending upon execution of the
14 mortgage, in a position or multiple posi-
15 tions the discharge of whose duties in-
16 volved physical presence in one or more
17 high tourism areas, in the aggregate, for
18 an average of not less than 30 hours per
19 week;

20 “(ii) is employed at the time of the
21 execution of the mortgage in a position or
22 multiple positions the discharge of whose
23 duties involve physical presence in one or
24 more high tourism areas, in the aggregate,
25 for an average of not less than 30 hours

1 per week and the duration of such employ-
2 ment in such position is expected to last at
3 least 6 months;

4 “(iii) is 60 years of age or older and,
5 during the 5-year period ending up the
6 mortgagor’s retirement from employment
7 was employed in a position or positions the
8 discharge of whose duties involved physical
9 presence in one or more high tourism areas
10 for—

11 “(I) an average of not less than
12 30 hours per week; and

13 “(II) for not less than 8 months
14 per year;

15 “(iv) is a person with disabilities (as
16 such term is defined in section 811(k) of
17 the Cranston-Gonzalez National Affordable
18 Housing Act (42 U.S.C. 8013)) who—

19 “(I) was employed, during the 2-
20 year period ending upon becoming dis-
21 abled, in a position or positions de-
22 scribed in clause (i) or (ii); or

23 “(II) is employed in a position or
24 positions described in clause (i) or (ii),
25 except that the 30-hour requirement

1 under such clauses shall not apply to
2 such person if—

3 “(aa) compliance with such
4 requirement would make such
5 person ineligible for benefits
6 made available for persons with
7 disabilities through a program of
8 any State agency for develop-
9 mental disabilities or through the
10 supplemental security income
11 program under title XVI of the
12 Social Security Act; and

13 “(bb) such person works the
14 maximum number of hours per
15 week allowable for eligibility for
16 benefits under such program; or

17 “(v) is the head of household in a
18 household that includes one or more de-
19 pendents, at least one of whom is at the
20 time of the execution of the mortgage 5
21 years of age or younger or is enrolled full-
22 time in a school in a high tourism area.

23 “(D) LOAN LIMIT.—The original principal
24 obligation of the mortgage shall comply with

1 the applicable dollar amount limitations under
 2 subsection (b)(2).

3 “(4) HIGH TOURISM AREA.—For purposes of
 4 this paragraph, the term ‘high tourism area’ means
 5 any a county that is designated as a high tourism
 6 county pursuant to section 5 of the Affordable
 7 Housing Regulation Simplification Act of 2012.”.

8 **SEC. 4. FHA AUTHORITY FOR SPOT APPROVAL OF MORT-**
 9 **GAGES FOR CONDOMINIUM UNITS.**

10 Section 234 of the National Housing Act (12 U.S.C.
 11 1715y) is amended by adding at the end the following new
 12 subsection:

13 “(l) AUTHORITY FOR SPOT APPROVALS.—In the case
 14 of individual mortgages for one-family units in a multi-
 15 family project and an undivided interest in the common
 16 areas and facilities that serve the project and affordable
 17 workforce housing mortgages (as such term is defined in
 18 section 203(y)), the Secretary shall provide an approval
 19 process for insurance of such mortgages that does not re-
 20 quire prior approval of the entire project or of the home-
 21 owners association for the entire project.”.

22 **SEC. 5. DETERMINATION OF HIGH TOURISM AREAS.**

23 The Secretary of Commerce shall, by notice issued
 24 not later than December 31, 2013—

1 (1) establish a procedure and metric for assess-
2 ing, for counties in all States throughout the United
3 States, the economic impact of tourism on such
4 counties;

5 (2) establish a minimum threshold for such eco-
6 nomic activity for use for designating counties as
7 high tourism counties; and

8 (3) pursuant to such procedure, metric, and
9 threshold, designate the counties in the United
10 States that are high tourism counties at the time of
11 such designation.

12 The Secretary of Commerce shall reassess and update
13 such designations on a biennial basis.

○