

114TH CONGRESS  
1ST SESSION

# H. R. 2982

To amend title I of the National Housing Act to modify premium charges and the dollar amount limitation on loans for financing alterations, repairs, and improvements to, or conversion of, existing structures, including energy efficiency or water conserving home improvements, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 8, 2015

Mr. HUFFMAN (for himself and Mr. HECK of Washington) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend title I of the National Housing Act to modify premium charges and the dollar amount limitation on loans for financing alterations, repairs, and improvements to, or conversion of, existing structures, including energy efficiency or water conserving home improvements, 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 “Solar and Water-Effi-  
5       cient Homes Act of 2015”.

1 **SEC. 2. MODIFICATION TO PREMIUM CHARGES ON FINANC-**  
2 **ING CERTAIN ALTERATIONS, REPAIRS, AND**  
3 **IMPROVEMENTS TO, OR CONVERSIONS OF,**  
4 **EXISTING STRUCTURES.**

5 Subsection (f) of section 2 of the National Housing  
6 Act (12 U.S.C. 1703(f)) is amended—

7 (1) in paragraph (1), by striking “1 per centum  
8 per annum of the net proceeds of such loan, advance  
9 of credit, or purchase, for the term of such obliga-  
10 tion” and inserting “1.5 per centum per year of the  
11 remaining insured principal balance (excluding the  
12 portion of such balance attributable to the premium  
13 that may be collected under paragraph (3) and with-  
14 out taking into account delinquent payments or pre-  
15 payments)”;

16 (2) by inserting at the end the following new  
17 paragraphs:

18 “(3) UPFRONT PREMIUM CHARGE FOR FINANC-  
19 ING ALTERATIONS, REPAIRS, IMPROVEMENTS, OR  
20 CONVERSIONS.—In addition to the annual premium  
21 collected under paragraph (1), in the case of a loan,  
22 advance of credit, or purchase in connection with in-  
23 surance granted under subparagraph (A)(i) or sub-  
24 paragraph (B) of subsection (b)(1), the Secretary  
25 may, at the time of the making of the loan, advance  
26 of credit, or purchase, charge a single premium pay-

1       ment in an amount not to exceed 2.75 percent of the  
2       amount of the original insured principal obligation.  
3       Such premium charge shall be payable in advance by  
4       the financial institution in such manner as may be  
5       prescribed by the Secretary.

6               “(4) INCREASE IN PREMIUM CHARGE LIMITA-  
7       TIONS FOR FINANCING ALTERATIONS, REPAIRS, AND  
8       IMPROVEMENTS, OR CONVERSIONS.—The Secretary  
9       may increase the limitations on premium payments  
10      to percentages greater than those set forth in para-  
11      graphs (1) and (3), but only if necessary, and not  
12      in excess of the minimum increase necessary (as de-  
13      termined based upon risk to the Federal Govern-  
14      ment under existing underwriting requirements) to  
15      maintain a negative credit subsidy for insurance of  
16      loans, advances of credit, or purchases under sub-  
17      paragraph (A)(i) or subparagraph (B) of subsection  
18      (b)(1).”.

19   **SEC. 3. MODIFICATION TO CERTAIN INSURANCE CAPS AND**  
20               **LOAN LIMITATIONS.**

21           (a) MODIFICATION TO CAP ON INSURANCE TO FI-  
22      NANCIAL INSTITUTIONS.—The second sentence of section  
23      2(a) of the National Housing Act (12 U.S.C. 1703(a)) is  
24      amended by striking “in no case” and all that follows  
25      through the period at the end and inserting “the Secretary

1 may, by notice, establish additional requirements relating  
2 to the insurance granted under this section by any such  
3 financial institution.”.

4 (b) MODIFICATION TO LOAN LIMITATION FOR FI-  
5 NANCING CERTAIN ALTERATIONS, REPAIRS, AND IM-  
6 PROVEMENTS TO, OR CONVERSIONS OF, EXISTING STRUC-  
7 TURES.—Subsection (b) of section 2 of such Act (12  
8 U.S.C. 1703(b)) is amended—

9 (1) in paragraph (1)—

10 (A) in subparagraph (A)(i), by striking  
11 “\$25,000” and inserting “\$42,000”; and

12 (B) in subparagraph (B)—

13 (i) by striking “\$60,000” and insert-  
14 ing “\$100,380”; and

15 (ii) by striking “\$12,000” and insert-  
16 ing “\$20,076”; and

17 (C) in the matter after and below subpara-  
18 graph (G), by adding at the end the following:

19 “The Secretary may, by notice, annually, in-  
20 crease the dollar amount limitation in subpara-  
21 graphs (A)(i) and (B) (as such limitation may  
22 have been previously adjusted under this sen-  
23 tence) in accordance with the index established  
24 pursuant to paragraph (12).”; and

1           (2) by adding at the end the following new  
2 paragraph:

3           “(12) ANNUAL INDEXING OF LOANS FOR FI-  
4 NANCING ALTERATIONS, REPAIRS, AND IMPROVE-  
5 MENTS TO, OR CONVERSIONS OF, EXISTING STRUC-  
6 TURES.—Not later than 1 year after the date of en-  
7 actment of the ‘Solar and Water-Efficient Homes  
8 Act of 2015’, the Secretary shall develop a method  
9 of indexing to annually increase the dollar amount  
10 limitations established in subparagraphs (A)(i) and  
11 (B) of paragraph (1). Such index shall be based on  
12 consumer price index data on housing collected by  
13 the Bureau of Labor Statistics.”.

14       (c) TECHNICAL AMENDMENTS.—Section 2 of such  
15 Act (12 U.S.C. 1703) is amended—

16           (1) in the fourth undesignated paragraph of  
17 subsection (a)—

18               (A) in paragraph (2), by striking “and” at  
19 the end; and

20               (B) in paragraph (3), by striking the pe-  
21 riod at the end and inserting “; and”; and

22           (2) in subsection (b)(1)—

23               (A) in subparagraph (D), by striking  
24 “and” at the end; and

1 (B) in subparagraph (E), by striking the  
2 period at the end and inserting “; and”.

3 **SEC. 4. MODIFICATION TO LOAN LIMITATION FOR ENERGY**  
4 **EFFICIENCY AND WATER CONSERVING HOME**  
5 **IMPROVEMENTS.**

6 Subsection (b) of section 2 of the National Housing  
7 Act (12 U.S.C. 1703(b)), as amended by section 3(b) of  
8 this Act, is further amended by adding at the end the fol-  
9 lowing new paragraph:

10 “(13) ADJUSTMENT FOR ENERGY CONSERVING  
11 IMPROVEMENTS OR THE INSTALLATION OF SOLAR  
12 ENERGY SYSTEMS.—The dollar amount limitations  
13 otherwise applicable under subparagraph (A)(i) and  
14 subparagraph (B) of paragraph (1) (as adjusted by  
15 paragraph (12)) may be increased up to 150 percent  
16 of such limitation, but such increase may not exceed  
17 the dollar amount of the loan that will be used for  
18 purchasing or implementing energy conserving im-  
19 provements or purchasing or installing solar energy  
20 systems (as such terms are defined in the last para-  
21 graph of subsection (a)), or for purchasing or imple-  
22 menting water conserving improvements (as defined  
23 by the Secretary).”.

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