

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. **TORKILDSEN**. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 1508, H.R. 2005, and H.R. 1358.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

RECESS

The **SPEAKER** pro tempore. Pursuant to clause 12, rule I, the Chair declares the House in recess until approximately 4:30 p.m.

Accordingly (at 2 o'clock and 36 minutes p.m.), the House stood in recess until approximately 4:30 p.m.

□ 1640

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. **EVERETT**) at 4 o'clock and 40 minutes p.m.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. **Lundregan**, one of its clerks, announced that the Senate had passed with an amendment a bill of the House of the following title:

H.R. 2491. An act to provide for reconciliation pursuant to section 105 of the concurrent resolution on the budget for fiscal year 1996.

The message also announced that pursuant to Public Law 86-380, the Chair, on behalf of the Vice President, appoints Mr. **THOMAS** to the Advisory Commission on Intergovernmental Relations, vice Mr. **DORGAN**.

HOMESTEADING AND NEIGHBORHOOD RESTORATION ACT OF 1995

Mr. **LAZIO** of New York. Mr. Speaker, I move to suspend the rules and pass the bill, H.R. 1691, to provide for innovative approaches for home ownership opportunity and provide for the temporary extension of the rural rental housing program, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1691

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Homesteading and Neighborhood Restoration Act of 1995".

SEC. 2. ASSISTANCE FOR HABITAT FOR HUMANITY AND OTHER SELF-HELP HOUSING PROVIDERS.

(a) **GRANT AUTHORITY.**—The Secretary of Housing and Urban Development shall, to

the extent amounts are available to carry out this section and the requirements of this section are met, make grants for use in accordance with this section to—

(1) Habitat for Humanity International, whose organizational headquarters are located in Americus, Georgia; and

(2) other national or regional organizations or consortia that have experience in providing or facilitating self-help housing homeownership opportunities.

(b) **GOALS AND ACCOUNTABILITY.**—In making grants under this section, the Secretary shall take such actions as may be necessary to ensure that—

(1) assistance provided under this section is used to facilitate and encourage innovative homeownership opportunities through the provision of self-help housing, under which the homeowner contributes a significant amount of sweat equity toward the construction of the new dwelling;

(2) assistance provided under this section for land acquisition and infrastructure development results in the development of not less than 5,000 new dwellings;

(3) the dwellings constructed in connection with assistance provided under this section are quality dwellings that comply with local building and safety codes and standards and are available at prices below the prevailing market prices;

(4) the provision of assistance under this section establishes and fosters a partnership between the Federal Government and Habitat for Humanity International, its affiliates, and other organizations and consortia, resulting in efficient development of affordable housing with minimal Governmental intervention, limited Governmental regulation, and significant involvement by private entities;

(5) activities to develop housing assisted pursuant to this section involve community participation similar to the homeownership program carried out by Habitat for Humanity International, in which volunteers assist in the construction of dwellings; and

(6) dwellings are developed in connection with assistance under this section on a geographically diverse basis, which includes areas having high housing costs, rural areas, and areas underserved by other homeownership opportunities that are populated by low-income families unable to otherwise afford housing.

If, at any time, the Secretary determines that the goals under this subsection cannot be met by providing assistance in accordance with the terms of this section, the Secretary shall immediately notify the applicable Committees in writing of such determination and any proposed changes for such goals or this section.

(c) **ALLOCATION.**—Of any amounts available for grants under this section—

(1) 50 percent shall be used for a grant to the organization specified in subsection (a)(1); and

(2) 50 percent shall be used for grants to organizations and consortia under subsection (a)(2).

(d) **USE.**—

(1) **PURPOSE.**—Amounts from grants made under this section shall be used only for eligible expenses in connection with developing new decent, safe, and sanitary nonluxury dwellings in the United States for families and persons who otherwise would be unable to afford to purchase a dwelling.

(2) **ELIGIBLE EXPENSES.**—For purposes of paragraph (1), the term "eligible expenses" means costs only for the following activities:

(A) **LAND ACQUISITION.**—Acquiring land (including financing and closing costs).

(B) **INFRASTRUCTURE IMPROVEMENT.**—Installing, extending, constructing, rehabili-

tating, or otherwise improving utilities and other infrastructure.

Such term does not include any costs for the rehabilitation, improvement, or construction of dwellings.

(e) **ESTABLISHMENT OF GRANT FUND.**—

(1) **IN GENERAL.**—Any amounts from any grant made under this section shall be deposited by the grantee organization or consortium in a fund that is established by such organization or consortium for such amounts, administered by such organization or consortium, and available for use only for the purposes under subsection (d). Any interest, fees, or other earnings of the fund shall be deposited in the fund and shall be considered grant amounts for purposes of this section.

(2) **ASSISTANCE TO HABITAT FOR HUMANITY AFFILIATES.**—Habitat for Humanity International may use amounts in the fund established for such organization pursuant to paragraph (1) for the purposes under subsection (d) by providing assistance from the fund to local affiliates of such organization.

(f) **REQUIREMENTS FOR ASSISTANCE TO OTHER ORGANIZATIONS.**—The Secretary may make a grant to an organization or consortium under subsection (a)(2) only pursuant to—

(1) an expression of interest by such organization or consortia to the Secretary for a grant for such purposes;

(2) a determination by the Secretary that the organization or consortia has the capability and has obtained financial commitments (or has the capacity to obtain financial commitments) necessary to—

(A) develop not less than 30 dwellings in connection with the grant amounts; and

(B) otherwise comply with a grant agreement under subsection (i); and

(3) a grant agreement entered into under subsection (i).

(g) **TREATMENT OF UNUSED AMOUNTS.**—Upon the expiration of the 6-month period beginning upon the Secretary first providing notice of the availability of amounts for grants under subsection (a)(2), the Secretary shall determine whether the amount remaining from the aggregate amount reserved under subsection (c)(2) exceeds the amount needed to provide funding in connection with any expressions of interest under subsection (f)(1) made by such date that are likely to result in grant agreements under subsection (i). If the Secretary determines that such excess amounts remain, the Secretary shall provide the excess amounts to Habitat for Humanity International by making a grant to such organization in accordance with this section.

(h) **GEOGRAPHICAL DIVERSITY.**—In using grant amounts provided under subsection (a)(1), Habitat for Humanity International shall ensure that the amounts are used in a manner that results in national geographic diversity among housing developed using such amounts. In making grants under subsection (a)(2), the Secretary shall ensure that grants are provided and grant amounts are used in a manner that results in national geographic diversity among housing developed using grant amounts under this section.

(i) **GRANT AGREEMENT.**—A grant under this section shall be made only pursuant to a grant agreement entered into by the Secretary and the organization or consortia receiving the grant, which shall—

(1) require such organization or consortia to use grant amounts only as provided in this section;

(2) provide for the organization or consortia to develop a specific and reasonable number of dwellings using the grant amounts, which number shall be established taking into consideration costs and economic conditions in the areas in which the dwellings will be developed, but in no case shall be less than 30;

(3) require the organization or consortia to use the grant amounts in a manner that leverages other sources of funding (other than grants under this section), including private or public funds, in developing the dwellings;

(4) require the organization or consortia to comply with the other provisions of this section;

(5) provide that if the organization or consortia has not used any grant amounts within 24 months after such amounts are first disbursed to the organization or consortia, the Secretary shall recapture such unused amounts; and

(6) contain such other terms as the Secretary may require to provide for compliance with subsection (b) and the requirements of this section.

(j) GRANT PAYMENTS.—

(1) 1-STEP DISBURSEMENT.—With respect to any grant under subsection (a)(2) in an amount less than \$8,000,000, the Secretary shall make the total amount of the grant available to the grantee organization or consortia upon entering into the grant agreement under subsection (i) and providing notice under paragraph (3).

(2) 2-STEP DISBURSEMENT.—With respect to the grant under subsection (a)(1) and any grant under subsection (a)(2) in an amount equal to or exceeding \$8,000,000, the Secretary shall disburse the grant amounts in 2 equal payments, as follows:

(A) INITIAL PAYMENT.—The first payment shall be made available to the grantee organization or consortia upon entering into the grant agreement under subsection (i) and providing notice under paragraph (3).

(B) FINAL PAYMENT.—The second payment shall be made available to the organization or consortia subject to the following requirements:

(i) NOTICE.—The amounts may not be made available until 30 days after the Secretary certifies to the applicable Committees that the grant amounts provided under subparagraph (A) to the organization or consortia have been used in accordance with this section to develop the new dwellings required under the grant agreement.

(ii) FULFILLMENT OF GRANT AGREEMENT.—If the Secretary determines that the organization or consortia has not, within 24 months after amounts are first made available under subparagraph (A) to the organization or consortia, substantially fulfilled the obligations under the grant agreement, including development of the appropriate number of dwellings under the agreement, the Secretary shall use any such undisbursed amounts remaining from such grant for other grants in accordance with this section.

(3) NOTIFICATION TO CONGRESS.—Notification under this paragraph is written notification to the applicable Committees of a grant, the amount of the grant, and the terms of the grant agreement.

(4) FAILURE TO REPORT.—If at any time the Secretary fails to report to the applicable Committees as required in this subsection, the Secretary may not subsequently make any grant under this section and may not subsequently disburse any amounts under any grant previously made.

(k) RECORDS AND AUDITS.—During the period beginning upon the making of a grant under this section and ending upon close-out of the grant under subsection (l)—

(1) the organization awarded the grant under subsection (a)(1) or (a)(2) shall keep such records and adopt such administrative practices as the Secretary may require to ensure compliance with the provisions of this section and the grant agreement; and

(2) the Secretary and the Comptroller General of the United States, and any of their duly authorized representatives, shall have

access for the purpose of audit and examination to any books, documents, papers, and records of the grantee organization or consortia and its affiliates that are pertinent to the grant made under this section.

(l) CLOSE-OUT.—

(1) IN GENERAL.—The Secretary shall close out a grant made under this section upon determining that the aggregate amount of any assistance provided from the fund established under subsection (e)(1) by the grantee organization or consortium exceeds the amount of the grant. For purposes of this paragraph, any interest, fees, and other earnings of the fund shall be excluded from the amount of the grant.

(2) EFFECT.—After such close-out, no grantee organization or consortia, or its affiliates, may be required to comply with any provision of this section or the grant agreement or to account to the Secretary for use of grant amounts.

(m) ENVIRONMENTAL REVIEW.—A grant under this section shall be considered to be funds for a special project for purposes of section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994.

(n) REPORT TO CONGRESS.—Not later than 90 days after close-out of all grants under this section is completed, the Secretary shall submit a report to the applicable Committees describing the grants made under this section, the grantees, the housing developed in connection with the grant amounts, and the purposes for which the grant amounts were used.

(o) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) APPLICABLE COMMITTEES.—The term “applicable Committees” means the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(2) SECRETARY.—The term “Secretary” means the Secretary of Housing and Urban Development.

(3) UNITED STATES.—The term “United States” includes the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, and any other territory or possession of the United States.

(p) FUNDING.—Of any amounts previously made available for annual contributions for assisted housing, \$50,000,000 shall be used by the Secretary to carry out this section, subject to existing laws and rules governing reprogramming of amounts. Any such amounts shall remain available for such purposes until expended.

(q) REGULATIONS.—The Secretary shall issue any final regulations necessary to carry out this section not later than 30 days after the date of the enactment of this Act. The regulations shall take effect upon issuance and may not exceed, in length, 5 full pages in the Federal Register.

SEC. 3. EXTENSION OF MULTIFAMILY RURAL HOUSING LOAN PROGRAM.

(a) AUTHORITY TO MAKE LOANS.—Section 515(b)(4) of the Housing Act of 1949 (42 U.S.C. 1485(b)(4)) is amended by striking “September 30, 1994” and inserting “September 30, 1996”.

(b) SET-ASIDE FOR NONPROFIT ENTITIES.—The first sentence of section 515(w)(1) of the Housing Act of 1949 is amended by striking “fiscal years 1993 and 1994” and inserting “fiscal year 1996”.

SEC. 4. REFORMS FOR MULTIFAMILY RURAL HOUSING LOAN PROGRAM.

(a) LIMITATION ON PROJECT TRANSFERS.—Section 515 of the Housing Act of 1949 (42 U.S.C. 1485) is amended by inserting after subsection (g) the following new subsection:

“(h) PROJECT TRANSFERS.—After the date of the enactment of the Homesteading and Neighborhood Restoration Act of 1995, any interest in the ownership of a project for which a loan is made or insured under this section may be transferred only if the Secretary determines that such transfer would be in the best interests of the tenants of the housing for which the loan was made or insured and of the Federal Government.”.

(b) EQUITY LOANS.—Section 515(t) of the Housing Act of 1949 is amended—

(1) by striking paragraphs (4) and (5); and

(2) by redesignating paragraphs (6) through (8) as paragraphs (4) through (6), respectively.

(c) REPEAL OF PROHIBITIONS.—Section 515 of the Housing Act of 1949 is amended by striking subsection (z).

(d) LOCATION OF PROJECTS.—Section 532 of the Housing Act of 1949 (42 U.S.C. 14901) is amended—

(1) in subsection (a), by inserting “other than assistance under section 515” after “in making assistance”; and

(2) by adding at the end the following new subsection:

“(c) ALLOCATION OF SECTION 515 LOANS.—

“(1) PROCEDURE.—The Secretary shall make assistance under section 515 available pursuant to an objective procedure established by the Secretary, under which the Secretary shall identify counties and communities having the greatest need for such assistance and designate such counties and communities to receive such assistance. Under such procedure, the Secretary shall use objective measures to determine the need for rental housing assistance, which may include the incidence of poverty, substandard housing, lack of mortgage credit, lack or insufficient amount of affordable housing, and other factors demonstrating a need for affordable housing.

“(2) INFORMATION.—The Secretary shall use information from the decennial censuses of the United States, relevant comprehensive affordable housing strategies under section 105 of the Cranston-Gonzalez National Affordable Housing Act, and other reliable sources obtained by the Secretary which demonstrate the need for affordable rental housing in rural areas.

“(3) DESIGNATION.—A designation under paragraph (1) shall not be effective for a period of more than 3 years, but may be renewed by the Secretary under the procedure under paragraph (1). The Secretary shall cause to be published in the Federal Register a list of areas designated under paragraph (1) and a reasonable timetable for submission of preapplications. The Secretary shall take such other reasonable actions as the Secretary considers appropriate to notify the public of such designations.”.

(e) EQUITY TAKEOUT LOANS TO EXTEND LOW-INCOME USE.—

(1) AUTHORITY AND LIMITATION.—Section 502(c)(4)(B)(iv) of the Housing Act of 1949 (42 U.S.C. 1472(c)(4)(B)(iv)) is amended by inserting before the period at the end the following: “or under paragraphs (1) and (2) of section 514(j), except that an equity loan referred to in this clause may not be made available after the date of the enactment of the Homesteading and Neighborhood Restoration Act of 1995 unless the Secretary determines that the other incentives available under this subparagraph are not adequate to provide a fair return on the investment of the borrower, to prevent prepayment of the loan insured under section 514 or 515, or to prevent the displacement of tenants of the housing for which the loan was made”.

(2) APPROVAL OF ASSISTANCE.—Subparagraph (C) of section 502(c)(4) of the Housing

Act of 1949 is amended by striking the matter preceding clause (i) and inserting the following:

“(C) APPROVAL OF ASSISTANCE.—The Secretary may approve assistance under subparagraph (B) for assisted housing only if the restrictive period has expired for any loan for the housing made or insured under section 514 or 515 pursuant to a contract entered into after December 21, 1979, but before the date of the enactment of the Department of Housing and Urban Development Reform Act of 1989, and the Secretary determines that the combination of assistance provided—”

(3) TECHNICAL CORRECTION.—Section 515(c)(1) of the Housing Act of 1949 (42 U.S.C. 1485(c)(1)) is amended by striking “December 21, 1979” and inserting “December 15, 1989”.

SEC. 5. LOAN GUARANTEES FOR MULTIFAMILY RENTAL HOUSING IN RURAL AREAS.

(a) IN GENERAL.—Title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.) is amended by inserting after section 537 the following new section:

“SEC. 538. LOAN GUARANTEES FOR MULTIFAMILY RENTAL HOUSING IN RURAL AREAS.

“(a) AUTHORITY.—The Secretary may make commitments to guarantee eligible loans for the development costs of eligible housing and related facilities, and may guarantee such eligible loans, in accordance with this section.

“(b) EXTENT OF GUARANTEE.—A guarantee made under this section shall guarantee repayment of an amount not exceeding the total of the amount of the unpaid principal and interest of the loan for which the guarantee is made. The liability of the United States under any guarantee under this section shall decrease or increase pro rata with any decrease or increase of the amount of the unpaid portion of the obligation.

“(c) ELIGIBLE BORROWERS.—A loan guaranteed under this section may be made to a nonprofit organization, an agency or body of any State government or political subdivision thereof, or a private entity.

“(d) ELIGIBLE HOUSING.—A loan may be guaranteed under this section only if the loan is used for the development costs of housing and related facilities (as such terms are defined in section 515(e)) that—

“(1) consists of 5 or more adequate dwellings;

“(2) is available for occupancy only by low or moderate income families or persons, whose incomes at the time of initial occupancy do not exceed 115 percent of the median income of the area, as determined by the Secretary;

“(3) will remain available as provided in paragraph (2), according to such binding commitments as the Secretary may require, for the period of the original term of the loan guaranteed, unless the housing is acquired by foreclosure (or instrument in lieu of foreclosure) or the Secretary waives the applicability of such requirement for the loan only after determining, based on objective information, that—

“(A) there is no longer a need for low- and moderate-income housing in the market area in which the housing is located;

“(B) housing opportunities for low-income households and minorities will not be reduced as a result of the waiver; and

“(C) additional Federal assistance will not be necessary as a result of the waiver; and

“(4) is located in a rural area.

“(e) ELIGIBLE LENDERS.—

“(1) REQUIREMENT.—A loan may be guaranteed under this section only if the loan is made by a lender that the Secretary determines—

“(A) meets the qualifications, and has been approved by the Secretary of Housing and Urban Development, to make loans for mul-

tifamily housing that are to be insured under the National Housing Act;

“(B) meets the qualifications, and has been approved by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, to make loans for multifamily housing that are to be sold to such corporations; or

“(C) meets any qualifications that the Secretary may, by regulation, establish for participation of lenders in the loan guarantee program under this section.

“(2) ELIGIBILITY LIST AND ANNUAL AUDIT.—The Secretary shall establish a list of eligible lenders and shall annually conduct an audit of each lender included in the list for purposes of determining whether such lender continues to be an eligible lender.

“(f) LOAN TERMS.—Each loan guaranteed pursuant to this section shall—

“(1) provide for complete amortization by periodic payments to be made for a term not to exceed 40 years;

“(2) involve a rate of interest agreed upon by the borrower and the lender that does not exceed the maximum allowable rate established by the Secretary for purposes of this section and is fixed over the term of the loan;

“(3) involve a principal obligation (including initial service charges, appraisal, inspection, and other fees as the Secretary may approve) not to exceed—

“(A) in the case of a borrower that is a nonprofit organization or an agency or body of any State or local government, 97 percent of the development costs of the housing and related facilities or the value of the housing and facilities, whichever is less;

“(B) in the case of a borrower that is a for-profit entity not referred to in subparagraph (A), 90 percent of the development costs of the housing and related facilities or the value of the housing and facilities, whichever is less; and

“(C) in the case of any borrower, for such part of the property as may be attributable to dwelling use, the applicable maximum per unit dollar amount limitations under section 207(c) of the National Housing Act;

“(4) be secured by a first mortgage on the housing and related facilities for which the loan is made, or otherwise, as the Secretary may determine necessary to ensure repayment of the obligation; and

“(5) for at least 20 percent of the loans made under this section, the Secretary shall provide the borrower with assistance in the form of credits pursuant to section 521(a)(1)(B) to the extent necessary to reduce the rate of interest under paragraph (2) to the applicable Federal rate, as such term is used in section 42(i)(2)(D) of the Internal Revenue Code of 1986.

“(g) GUARANTEE FEE.—At the time of issuance of a loan guaranteed under this section, the Secretary may collect from the lender a fee equal to not more than 1 percent of the principal obligation of the loan.

“(h) AUTHORITY FOR LENDERS TO ISSUE CERTIFICATES OF GUARANTEE.—The Secretary may authorize certain eligible lenders to determine whether a loan meets the requirements for guarantee under this section and, subject to the availability of authority to enter into guarantees under this section, execute a firm commitment for a guarantee binding upon the Secretary and issue a certificate of guarantee evidencing a guarantee, without review and approval by the Secretary of the specific loan. The Secretary may establish standards for approving eligible lenders for a delegation of authority under this subsection.

“(i) PAYMENT UNDER GUARANTEE.—

“(1) NOTICE OF DEFAULT.—In the event of default by the borrower on a loan guaranteed under this section, the holder of the guaran-

tee certificate for the loan shall provide written notice of the default to the Secretary.

“(2) FORECLOSURE.—After receiving notice under paragraph (1) and providing written notice of action under this paragraph to the Secretary, the holder of the guarantee certificate for the loan may initiate foreclosure proceedings for the loan in a court of competent jurisdiction, in accordance with regulations issued by the Secretary, to obtain possession of the security property. After the court issues a final order authorizing foreclosure on the property, the holder of the certificate shall be entitled to payment by the Secretary under the guarantee (in the amount provided under subsection (b)) upon (A) conveyance to the Secretary of title to the security property, (B) submission to the Secretary of a claim for payment under the guarantee, and (C) assignment to the Secretary of all the claims of the holder of the guarantee against the borrower or others arising out of the loan transaction or foreclosure proceedings, except claims released with the consent of the Secretary.

“(3) ASSIGNMENT BY SECRETARY.—After receiving notice under paragraph (1), the Secretary may accept assignment of the loan if the Secretary determines that the assignment is in the best interests of the United States. Assignment of a loan under this paragraph shall include conveyance to the Secretary of title to the security property, assignment to the Secretary of all rights and interests arising under the loan, and assignment to the Secretary of all claims against the borrower or others arising out of the loan transaction. Upon assignment of a loan under this paragraph, the holder of a guarantee certificate for the loan shall be entitled to payment by the Secretary under the guarantee (in the amount provided under subsection (b)).

“(4) REQUIREMENTS.—Before any payment under a guarantee is made under paragraph (2) or (3), the holder of the guarantee certificate shall exhaust all reasonable possibilities of collection on the loan guaranteed. Upon payment, in whole or in part, to the holder, the note or judgment evidencing the debt shall be assigned to the United States and the holder shall have no further claim against the borrower or the United States. The Secretary shall then take such action to collect as the Secretary determines appropriate.

“(j) VIOLATION OF GUARANTEE REQUIREMENTS BY LENDERS ISSUING GUARANTEES.—

“(1) INDEMNIFICATION.—If the Secretary determines that a loan guaranteed by an eligible lender pursuant to delegation of authority under subsection (h) was not originated in accordance with the requirements under this section and the Secretary pays a claim under the guarantee for the loan, the Secretary may require the eligible lender authorized under subsection (h) to issue the guarantee certificate for the loan—

“(A) to indemnify the Secretary for the loss, if the payment under the guarantee was made within a reasonable period specified by the Secretary; or

“(B) to indemnify the Secretary for the loss regardless of when payment under the guarantee was made, if the Secretary determines that fraud or misrepresentation was involved in connection with the origination of the loan.

“(2) TERMINATION OF AUTHORITY TO ISSUE GUARANTEES.—The Secretary may cancel a delegation of authority under subsection (h) to an eligible lender if the Secretary determines that the lender has violated the requirements and procedures for guaranteed loans under this section or for other good cause. Any such cancellation shall be made by giving notice to the eligible lender and

shall take effect upon receipt of the notice by the mortgagee or at a later date, as the Secretary may provide. A decision by the Secretary to cancel a delegation shall be final and conclusive and shall not be subject to judicial review.

“(k) REFINANCING.—Any loan guaranteed under this section may be refinanced and extended in accordance with terms and conditions that the Secretary shall prescribe, but in no event for an additional amount or term that exceeds the limitations under subsection (f).

“(l) NONASSUMPTION.—The borrower under a loan that is guaranteed under this section and under which any portion of the principal obligation or interest remains outstanding may not be relieved of liability with respect to the loan, notwithstanding the transfer of property for which the loan was made.

“(m) GEOGRAPHICAL TARGETING.—

“(1) STUDY.—The Secretary shall provide for an independent entity to conduct a study to determine the extent to which borrowers in the United States will utilize loan guarantees under this section, the rural areas in the United States in which borrowers can best utilize and most need loans guaranteed under this section, and the rural areas in the United States in which housing of the type eligible for a loan guarantee under this section is most needed by low- and moderate-income families. The Secretary shall require the independent entity conducting the study to submit a report to the Secretary and to the Congress describing the results of the study not later than the expiration of the 90-day period beginning on the date of the enactment of the Homesteading and Neighborhood Restoration Act of 1995.

“(2) TARGETING.—In providing loan guarantees under this section, the Secretary shall establish standards to target and give priority to rural areas in which borrowers can best utilize and most need loans guaranteed under this section, as determined by the Secretary based on the results of the study under paragraph (1) and any other information the Secretary considers appropriate.

“(n) INAPPLICABILITY OF CREDIT-ELSEWHERE TEST.—Section 501(c) shall not apply to guarantees, or loans guaranteed, under this section.

“(o) TENANT PROTECTIONS.—The Secretary shall establish standards for the treatment of tenants of housing developed using amounts from a loan guaranteed under this section, which shall incorporate, to the extent applicable, existing standards applicable to tenants of housing developed with loans made under section 515. Such standards shall include standards for fair housing and equal opportunity, lease and grievance procedures, and tenant appeals of adverse actions.

“(p) HOUSING STANDARDS.—The standards established under section 515(m) for housing and related facilities assisted under section 515 shall apply to housing and related facilities the development costs of which are financed in whole or in part with a loan guaranteed under this section.

“(q) LIMITATION ON COMMITMENTS TO GUARANTEE LOANS.—

“(1) REQUIREMENT OF APPROPRIATIONS FOR COST SUBSIDY.—The authority of the Secretary to enter into commitments to guarantee loans under this section, and to guarantee loans, shall be effective for each fiscal year only to the extent that appropriations of budget authority to cover the costs (as such term is defined in section 502 of the Congressional Budget Act of 1974) of the guarantees are made in advance for such fiscal year.

“(2) ANNUAL LIMITATION ON AMOUNT OF LOAN GUARANTEES.—In fiscal year 1996, the Secretary may enter into commitments to guar-

antee loans under this section only to the extent that the costs of the guarantees entered into in such fiscal year do not exceed \$1,000,000.

“(r) REPORT.—

“(1) IN GENERAL.—The Secretary shall submit a report to the Congress, not later than the expiration of the 2-year period beginning on the date of the enactment of the Homesteading and Neighborhood Restoration Act of 1995, describing the program under this section for guaranteeing loans.

“(2) CONTENTS.—The report shall—

“(A) describe the types of borrowers providing housing with loans guaranteed under this section, the areas served by the housing provided and the geographical distribution of the housing, the levels of income of the residents of the housing, the number of dwelling units provided, the extent to which borrowers under such loans have obtained other financial assistance for development costs of housing provided with the loans, and the extent to which borrowers under such loans have used low-income housing tax credits provided under section 42 of the Internal Revenue Code of 1986 in connection with the housing provided with the loans;

“(B) analyze the financial viability of the housing provided with loans guaranteed under this section and the need for project-based rental assistance for such housing;

“(C) include any recommendations of the Secretary for expanding or improving the program under this section for guaranteeing loans; and

“(D) include any other information regarding the program for guaranteeing loans under this section that the Secretary considers appropriate.

“(s) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

“(1) The term ‘development cost’ has the meaning given the term in section 515(e).

“(2) The term ‘eligible lender’ means a lender determined by the Secretary to meet the requirements of subparagraph (A), (B), (C), or (D) of subsection (e)(1).

“(3) The terms ‘housing’ and ‘related facilities’ have the meanings given such terms in section 515(e).

“(t) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal year 1996 \$1,000,000 for costs (as such term is defined in section 502 of the Congressional Budget Act of 1974) of loan guarantees made under this section.

“(u) TERMINATION DATE.—A loan may not be guaranteed under this section after September 30, 1996.”

(b) EFFECT OF AUTHORIZING LEGISLATION.—The enactment of this section shall be considered the enactment of authorizing legislation referred to in the 3d undesignated paragraph under the head “RURAL HOUSING AND COMMUNITY DEVELOPMENT SERVICE—RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT” in title III of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1996 (Public Law 104-37; 109 Stat. 299 et seq.; approved October 21, 1995).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York [Mr. LAZIO] and the gentleman from Texas [Mr. GONZALES] will each be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. Lazio].

(Mr. LAZIO of New York asked and was given permission to revise and extend his remarks and to include extraneous matter.)

Mr. LAZIO of New York, Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, these are contentious times on Capitol Hill. The need to bal-

ance the Federal budget, the need to return accountability to Government and the need to provide better services to the American taxpayers all weigh very heavily on the minds of Members of this House.

In the midst of this, however, we have before us today a tremendous example of how Government can work well, how Government can provide a service without a big bureaucracy or huge Federal subsidies.

H.R. 1691, the Homesteading and Neighborhood Restoration Act of 1995, signals an important change for Government's role in housing.

Despite the success groups like Habitat for Humanity International have had, these initiatives are often hampered by the high costs of acquiring land and providing infrastructure.

H.R. 1691 provides a one-time grant of \$50 million for land acquisition and infrastructure development so that Habitat and other national and regional organizations who performed similar types of homeownership programs can be more effective. This funding comes from reprogramming unused HUD funds, resulting in no increased cost to the Government or the deficit.

By allocating 50 percent of the funds to Habitat for Humanity, we acknowledge the fine work this organization has done by providing 30,000 homes to low-income people since its founding in 1976.

Clearly, Government has a role in housing. But ultimately, success depends on the involvement of local communities—neighbors helping neighbors—to make our efforts in Congress work.

There is a lot of talk in Washington right now about where we will go with housing legislation and what will happen to HUD. Habitat, with minimal management overhead and strong partnerships with communities nationwide, is providing quality housing and solid homes for tens of thousands of people. This is a model of how Government and the private sector can work together.

H.R. 1691 also reauthorizes the Section 515 housing program under the Rural Housing and Community Development Service of the Department of Agriculture. The legislation addresses some of the concerns we faced about the program's operation during the 103d Congress and also heralds a change for this program by providing for a loan guarantee demonstration program, sponsored by my very distinguished colleague and vice chairman of the Housing Subcommittee, Congressman BEREUTER. I believe this demonstration will show how Federal dollars can be used more effectively to leverage private dollars. In essence, getting more housing bang for every taxpayer buck.

H.R. 1691 has very broad bi-partisan support from Speaker GINGRICH, HUD

Secretary Cisneros—both of whom testified before the Housing Subcommittee on May 25, 1995—and former President Jimmy Carter. When the subcommittee marked up H.R. 1691 it received strong support from both Republicans and Democrats.

Before I finish, I would like to make a personal statement about Habitat for Humanity. Last year I had the opportunity to join my neighbors on Long Island to build the first Habitat for Humanity home in Babylon, NY. I encourage members of the House to get involved in the work of this fine organization, both by passing this bill and by working with Habitat in their own districts.

Mr. Speaker, I include for the RECORD the following documents regarding the Homesteading and Neighborhood Restoration Act of 1995:

HOMESTEADING AND NEIGHBORHOOD
RESTORATION ACT OF 1995

SECTION-BY-SECTION ANALYSIS

Section 1. Designates legislation as the "Homesteading and Neighborhood Restoration Act of 1995."

Section 2. Assistance for Habitat for Humanity and Other Self Help housing Providers.

The Secretary of Housing and Urban Development is authorized to provide \$50 million in grants for land acquisition and infrastructure extensions and developments for self help homeownership opportunities. Fifty percent (50%) of funds are allocated to Habitat and the remainder with other national and regional organizations (or consortia) that perform similar type homeownership programs. Besides Habitat, each organization will be required to express their interest, within six months of enactment, to the HUD Secretary and enter into agreements to provide a reasonable amount of new dwellings (at least 30), consistent with the costs and economic conditions of the area. The HUD Secretary is required to ensure geographic diversity and that each organization leverages other funds, including private or public sources.

Payments to Habitat will be split with 50% up-front, followed by a second 50% payment after Habitat certifies and the HUD Secretary confirms that it has met the terms of the grant agreement. Other organizations that receive in excess of \$8 million will be required, similar to Habitat, to certify and confirm that the terms of the grant agreement were met before the remaining funds (50%) are allotted. All other organizations will receive a one-time payment.

The funds will come from unused program amounts from existing HUD accounts and build at least 5,000 new dwellings.

Section 3. Extension of Multifamily Rural Housing Loan Program.

The rural multifamily housing loan program, authorized under Sec. 515 of the Housing Act of 1949 is extended through FY 1996. The accompanying non-profit set aside is also extended through FY 1996. Additionally, reforms, originally included in the 103rd House-passed H.R. 3838 as follows: (1) limits ownership transferability of Sec. 515 multifamily developments to circumstances where the transfer is in the best interest of the tenants; (2) prohibits equity loans unless the USDA Secretary determines that other incentives are not adequate to provide a fair return, to prevent payment, or to prevent displacement of tenants; (3) requires location and allocation of Sec. 515 projects with the greatest need in terms of county poverty,

substandard housing and lack of affordable housing rates; and, (4) repeals prohibitions related to remote rural areas, areas without essential services, or certain geographic locations.

Additionally, this section authorizes a rural multifamily loan guarantee program, through FY 1996, where the USDA Secretary guarantees a Sec. 515 loan made by a lender, which would serve families up to 115% of median area income with a loan-to-value ratio of 90% (97% for non-profit groups). Eligible lenders are HUD-, Fannie Mae-, Freddie Mac- or USDA-approved mortgagees. The loans may be amortized up to 40 years; 20% of loans would be provided credits to "buy down" the rate of interest to the applicable Federal rate (approximately 7%). Guarantee fees are limited to 1%.

In the event of loan guarantee defaults, the lender notifies the USDA Secretary and then initiates foreclosure procedures. Payment of a claim is made upon assignment of the program where the lender has made all reasonable efforts of collection. In cases where the lender has originated a Sec. 515 loan improperly, the USDA Secretary may require indemnification and/or cancel a lender's authority to issue certificates of guarantee.

U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT,
Washington, DC, February 22, 1995.

Hon. RICK LAZIO,

Chairman, Subcommittee on Housing and Community Development, Washington, DC.

DEAR MR. CHAIRMAN: This weekend I joined Millard Fuller, President of Habitat for Humanity International, for the dedication of their new headquarters in Americus, Georgia and the dedication of the 200th home they have built in Sumpter County, part of a plan to eliminate all sub-standard housing in Sumpter County by the year 2000. I have long had great admiration for Habitat's unique work as a builder not only of homes, but of strong, dignified communities and individuals. I am writing to apprise you of their current plans and to request you to consider making available \$50 million to assist them.

Since its founding in 1976 Habitat has used a creative combination of private sector donations, homeowner sweat equity and volunteer service to create over 35,000 homes for low income persons worldwide. The Habitat model of building with, not for, low income homeowners has created homeownership opportunities for thousands of low income families in the United States.

Through volunteer labor, management expertise, and tax-deductible donations of money and materials, Habitat builds and rehabilitates homes with the help of homeowners. Houses are sold at no profit to partner families, and no-interest mortgages are issued over a fixed period. Costs for the homes differ relative to location, land, labor and materials.

Habitat has never requested government funds for construction of new houses, renovation or repair of existing houses, or the general operating expenses of projects. However, Habitat has identified a need for government assistance with land acquisition and infrastructure development costs because these costs are seldom available on a donated basis. Moreover, acquisition funds would permit the purchase of land where it makes sense, not where it happens to be donated. Provision of acquisition funds would be "recycled". Habitat would require homeowners to repay the grants over time and create a fund for additional land acquisition, thereby creating new homeownership opportunities for additional low income families.

This is a unique opportunity to leverage federal dollars to provide thousands of low income homes nationwide and to build on

volunteer efforts. For every \$10,000 provided for land acquisition costs, Habitat will obtain donations and volunteer assistance to construct a single-family home. Therefore, this \$50 million would lead to the construction of 5,000 new affordable homes and homeowners.

Some may argue that Habitat could use HOME and CDBG funds for land acquisition and infrastructure development. Habitat has tried this, successfully in some cases, however it has been problematic. Habitat is unique in that it has 1,125 affiliates that are primarily staffed by volunteers. Therefore, they often do not have the capacity to apply for HOME and CDBG funds. Providing this grant would hold Habitat for Humanity International accountable for equitable distribution nationwide.

Mr. Chairman, providing federal funds in this way would enable this vital private initiative to proceed at a more rapid pace. We are not asking to be partners in housing construction, but in making land resources available so that this private initiative can function more efficiently.

I would greatly appreciate your consideration of the appropriate vehicle to provide \$50 million to Habitat for land acquisition/infrastructure development.

Sincerely,

HENRY G. CISNEROS.

MARCH 16, 1995.

Hon. RICK LAZIO,

Chair, Housing and Community Opportunity Subcommittee, Banking, Finance, and Urban Affairs Committee, U.S. House of Representatives, Washington, DC.

It is not possible for me to testify in the proposed hearing before your committee relative to the proposal for Habitat For Humanity International to receive a grant to establish a revolving loan fund to be used to secure land and infrastructure in all fifty states. However, I wish to express my support for this concept which will allow Habitat to increase greatly our unique service to families who otherwise could not experience the American dream of owning a home. This approach will insure and increase the diversity of partnerships of individuals and groups from the private, the non-profit and the public sectors of our society for support in the now over 1,100 cities and communities in the United States where Habitat is building homes with low income persons.

I continue my personal commitment to Habitat For Humanity International and its mission to make it possible for all persons to have a simple, decent home. My experiences in Habitat have been very positive and fulfilling. Thousands of Americans who would not otherwise have this experience now own homes, with all the positive benefits, both for themselves and for society as a whole. One major reality is the large number of persons in all parts of our country who qualify for the Habitat program and cannot participate until the Habitat capacity can increase. This proposed grant for land and infrastructure will increase the capacity in ways which are consistent with "the Habitat Way."

Thank you for your leadership role in facilitating the achievement of these goals we hold for our society.

Sincerely,

JIMMY CARTER.

NATIONAL RURAL HOUSING COALITION,
Washington, DC, October 27, 1995.

Hon. RICK LAZIO,

Chairman, Subcommittee on Housing and Community Opportunity, Committee on Banking and Financial Services, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to you to indicate our support for HR 1691, the

Homesteading and Neighborhood Restoration Act of 1995.

We support passage of HR 1691 because of the provisions of the bill related to rural rental housing. HR 1691 extends the section 515 rural rental housing program which is the only federal program providing rental housing to rural low income families and the elderly.

In addition, the legislation contains important provisions which will improve program operations by better targeting funds, preventing abuses, limiting uses of funds for refinancing, and clarifying the law regarding equity loans. These provisions will ensure that limited federal funds are used in the best, most appropriate manner to provide assistance to rural households needing decent housing.

Extension of section 515 authority is particularly important because of a limitation in HR 1976, the Fiscal Year 1996 Agriculture Appropriations Act. This legislation bars the use of funds appropriations for section 515 for new construction until enactment of authorization legislation. So, without passage of HR 1691, there will be no new rental housing construction in rural areas through section 515.

Thank you for your leadership on this important issue.

Sincerely yours,

ROBERT A. RAPOZA.

NATIONAL ASSOCIATION OF
HOME BUILDERS,
Washington, DC, October 27, 1995.

Hon. RICK LAZIO,

Subcommittee on Housing and Community Opportunity, Committee on Banking and Financial Services, Washington, DC.

DEAR CHAIRMAN LAZIO: On behalf of the 185,000 member firms of the National Association of Home Builders, as you recall, we supported the Homesteading and Neighborhood Restoration Act, HR 1691, in your Subcommittee. We are pleased to support passage of this bill on Monday, October 30, under suspension of the rules.

The rural multifamily housing loan program authorization, Section 515, expired at the end of fiscal year 1994, and this bill would extend the program authority through the end of fiscal year 1996. Funds for this program were appropriated last year and currently are being expended by the Department of Agriculture.

Additionally, the legislation authorizes the Secretary of HUD to provide \$50 million to expand self-help homeownership opportunities. NAHB supports this as one of many approaches available to increase homeownership.

Best regards,

JAMES R. IRVINE.

Mr. LAZIO of New York. Mr. Speaker, I yield 2 minutes to my distinguished colleague, the gentleman from Nebraska [Mr. BEREUTER].

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, this Member is pleased to rise in support of H.R. 1691, the Homesteading and Neighborhood Restoration Act. This Member would like to thank the distinguished gentleman from Iowa [Mr. LEACH], the chairman of the House Banking Committee, and the distinguished gentleman from Texas [Mr. GONZALEZ], the ranking member of the House Banking Committee, for bringing this measure to the House floor. This Member also extends his special appreciation to the

gentleman from New York [Mr. LAZIO], the chairman of the Banking Subcommittee on Housing, and the gentleman from Massachusetts [Mr. KENNEDY], for their support for this legislation.

This Member is pleased to be here today supporting legislation which contains the authorization of a program this Member has proposed to provide multifamily housing loan guarantees in rural areas.

On Tuesday, January 4, 1995, this Member reintroduced legislation to authorize a demonstration program for a new Federal loan guarantee program for the construction of multi-family rental housing units in small cities, towns, and rural areas. The text of that legislation (H.R. 66) has been incorporated into the Homesteading and Neighborhood Restoration Act of 1995.

The language in this measure is in effect identical to this Member's legislation which was passed by the House in the 103d Congress as part of H.R. 3838, the Housing and Community Development Act of 1994—passed July 22, 1994. This legislation would have created a demonstration program for a new Federal loan guarantee program for the construction of multifamily rental housing units. Because H.R. 3838 died when the Senate failed to act on it in the last hours of the 103d Congress, this Member reintroduced legislation to authorize the loan guarantee program in the 104th Congress.

Currently, the only Federal program allowing development of this type of housing is the Rural Housing and Community Development Service's—formerly the Farmers Home Administration—Section 515 program, a direct loan program which has, unfortunately, been plagued with problems. Because Federal funds become more scarce every year, the direct loan program is almost certain to shrink. Therefore, this Member saw the need for a new approach that would cost taxpayers less but still provide equal or greater housing opportunity in rural areas. The new program will be known as the Section 515 Loan Guarantee Program.

Mr. Speaker, this bill has two or three major parts to it.

The one I am most interested in speaking about today has been made reference to by the gentleman from New York [Mr. LAZIO], and it is the loan guaranty program called the 515 Loan Guarantee Program. It has been a part of the Farmers Home Administration, now renamed a component of the United States Department of Agriculture.

We have had a direct loan program, the 515 Program, for multifamily rental housing. This legislation will make some reforms in that program, and we intend, I am sure, to try to do further work in the 515 direct loan program next year.

However, Mr. Speaker, the initiative on which I am pleased to have the support of my colleagues is an effort to establish a 2-year demonstration 515 Loan Guarantee Program, for 25 projects per year.

At this point this Member is not advocating that this demonstration program replace the existing program, but only augment it, at a lower cost, in order to provide adequate rental

housing opportunities for a segment of America's population living in smaller communities. The demonstration program will provide a Federal guarantee on loans made to eligible persons by private lenders. In fiscal year 1996 25 new developments will be guaranteed by the Rural Housing and Community Development Service. Developers will bring 10 percent of the cost of the project to the table, and private lenders will make loans for the balance. The lenders will be given a 100 percent Federal guarantee on the loans they make. Unlike the current 515 program, where the full costs are borne by the Federal Government, the only costs to the Federal Government under the 515 Loan Guarantee Program will be for administrative costs and potential defaults. It should be noted that this program is based on the recent experience with the very successful FmHA 502 Middle Income Loan Guarantee Program for home ownership. That program, which this Member first proposed, has a default rate of only 2.33 percent with over 41,000 units financed since 1991.

Also, this Member ask you to note that, with bipartisan support on the Appropriations Committee, H.R. 1976, the fiscal year 1996 Agriculture Appropriations bill, which was signed by the President on October 21, 1995, appropriates \$1 million in credit subsidy for the Section 515 loan guarantee demonstration program. Therefore, the program can move forward as soon as it is authorized, but the appropriation will be recaptured if the demonstration is not authorized in fiscal 1995.

This Member is convinced by experience that loan guarantee programs for housing are typically a much more effective use of scarce Federal dollars than existing programs. As budgets are slashed, this type of program promises to continue to make Federal assistance available for housing development in America's non-metropolitan cities.

Again, Mr. Speaker, this Member supports H.R. 2491 and asks that his colleagues also vote in support of this legislation.

□ 1645

Mr. GONZALEZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first and above all, I want to thank my distinguished colleague, the gentleman from Nebraska [Mr. BEREUTER] for his kind words and his very, very tremendous contribution in this respect, in housing, and on the committee.

Mr. Speaker, the bill before us is simple enough: it provides \$25 million to the Habitat for Humanity organization and sets aside another \$25 million that similar self-help housing groups can compete for. In addition, the bill reauthorizes certain rural rental housing programs, as was provided for in H.R. 3838, the housing bill that the House passed overwhelmingly last year, but which was stopped by the failure of the other body to act.

The idea of self-help housing is not new; community roof raising and barn-raising is as old as this country. What is new is the adaptation of these old community building ideas for our time—which is what Habitat for Humanity and other organizations do. And they are successful, not only in building new houses for an affordable

price, but in rehabilitating old houses and making them available for an affordable price. The secret is very simple: donated materials and volunteer labor. In my own community of San Antonio, Habitat has built 81 new homes in the space of 16 years—one about every two months. This is an important contribution, and a significant effort toward meeting one of our greatest needs, which is affordable housing. This bill would enhance the much-needed efforts of community building groups like Habitat.

But there is considerable irony here.

In the past decade or so, the country has lost about 1 million affordable housing units. And, the same Republicans who a few weeks ago voted to save \$30 million or so by killing the Resolution Trust Corporation's very successful affordable housing program 3 months earlier than it would have died anyway, are in this bill claiming a commitment to affordable housing.

And there is further irony: Republicans have bitterly complained over the proliferation of small programs, and so they have insisted on creating vast block grants. In fact one of the earliest block grants was in the area of urban renewal, which was a Nixon-era innovation. But here we are, with a bill that creates a brand-new small program. Certainly it is worthy, but the irony of the block grant party's support for this tiny program is rich indeed.

Of course if we were to talk about housing funding in general, the fact is that this bill would authorize a program that provides about \$1,000 for every \$1 million that the Republicans are cutting from the Nation's housing programs. It is a pitifully small gesture. Yes, it's worthy, and yes, I support this bill because it is at least a recognition that this country's housing needs cannot be met even by the best of completely unaided volunteer efforts. But, I submit that if you subtract \$1 million from housing, and then put in \$1,000 to replace it, no one can believe that we will end up with more housing at the end of the day.

And, if you consider all the cuts in medical care, the cuts in education, the cuts in all kinds of programs that help the poor, the irony is complete: a possible \$1 million per State, to address the problems that will be created by the cuts in the thousands of millions.

But, I am happy to see this small gesture toward decency and community responsibility. I am happy to see this encouragement of those who want to help, and who are doing their best to provide that help. I am glad to see this effort to expand the efforts of the volunteers who help people build their own housing, efforts that are clearly in keeping with the quintessential American spirit of community. This legislation will make a difference in a much needed direction; it is a good thing to do, and it deserves our support.

I reserve the balance of my time.

Mr. LAZIO of New York. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, this is truly a historic vote in the true sense of the word. This is the first time Habitat for Humanity will receive approval for Federal funding, and again it is for infrastructure; it is for the most difficult type of funding, frankly, for Habitat for Humanity to be able to get in terms of contributions and charitable donations. This is everything that we talk about. It is leveraging, it is private/public partnerships, it is people working with people, it is getting self-help housing off the ground, and it is true value for the American taxpayers.

We are going to be in a position where we can provide not just a rental apartment, but a house per family for as little as \$6,000, and this will be replicated throughout America with geographic diversity.

I thank the distinguished gentleman from Texas [Mr. GONZALEZ] for working with me and rounding off the edges of this bill; it has gone so smoothly, and again, I would like to express my appreciation for my distinguished colleague from Nebraska [Mr. BEREUTER] for all of his hard work on the 515 program.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr. LAZIO] that the House suspend the rules and pass the bill, H.R. 1691, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

SENSE OF HOUSE RELATING TO DEPLOYMENT OF ARMED FORCES IN BOSNIA AND HERZEGOVINA

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 247) expressing the sense of the House of Representatives relating to the deployment of United States Armed Forces on the ground in the territory of the Republic of Bosnia and Herzegovina to enforce a peace agreement.

The Clerk read as follows:

H. RES. 247

Resolved, That it is the sense of the House of Representatives that—

(1) in the negotiation of any peace agreement between the parties to the conflict in the Republic of Bosnia and Herzegovina, there should not be a presumption, and it should not be considered to be a prerequisite to the successful conclusion of such a negotiation, that enforcement of such an agreement will involve deployment of United States Armed Forces on the ground in the territory of the Republic of Bosnia and Herzegovina; and

(2) no United States Armed forces should be deployed on the ground in the territory of the Republic of Bosnia and Herzegovina to enforce a peace agreement until the Congress has approved such a deployment.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York [Mr. GILMAN] will be recognized for 20 minutes, and the gentleman from Indiana [Mr. HAMILTON] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. GILMAN].

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, we are here today to consider a resolution offered by the gentleman from Indiana [Mr. BUYER] and the gentleman from Pennsylvania [Mr. MCHALE] expressing the sense of the House regarding President Clinton's announced plan to deploy up to 25,000 of our United States Armed Forces personnel to Bosnia to enforce a peace agreement that may be negotiated among the parties to the conflict.

The negotiators are to meet in Dayton, OH, beginning 2 days from now, and we have been told that they may reach a peace agreement in as little as a week or two.

The problem, from our point of view as elected representatives of the American people, is that we have been told that United States personnel may begin deploying to Bosnia as soon as 96 hours after a peace agreement is reached. Ninety-six hours is not enough time for the Congress to examine the peace agreement and decide a matter as important as whether United States forces should go to Bosnia to enforce it.

So, let us be clear: those who urge us not to pass this resolution today are really urging that the Congress not act at all.

In my opinion, it would be irresponsible for us not to act. The resolution before us does not take a position on the ultimate question whether United States forces should be deployed to Bosnia. Rather, it seeks only to preserve the prerogatives of the Congress in this matter.

This, I believe, accurately reflects the sentiment of the Congress. We are not isolationists, as proponents of sending United States forces to Bosnia have argued. We are prepared to carefully consider a request from the President—but we want to ask some hard questions about the costs, the nature of the mission, the risk to our forces, the rules of engagement, and the likelihood of success.

But we will not write any blank check, and we will not sit on our hands while the President alone decides matters of war and peace. That is why we have brought this resolution to the floor, and that is why I urge my colleagues to give it their enthusiastic support.

Mr. HAMILTON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. Mr. Speaker, I thank the gentleman from Indiana [Mr. HAMILTON] for yielding time to me.