

Johnson (CT) Moakley Talent
Jones (NC) Peterson (PA) Towns
Klink Pomeroy Vitter
Lantos Rothman Waters
Lipinski Ryan (WI) Weldon (FL)
Lowey Sessions Weldon (PA)
McDermott Spence Wexler
Miller (FL) Stark Woolsey

□ 1042

So the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. MCDERMOTT. Mr. Speaker, I was absent and unable to vote. I would have voted in favor of H.J. Res. 126 (rollcall No. 600).

□

AMERICAN HOMEOWNERSHIP AND ECONOMIC OPPORTUNITY ACT OF 2000

Mr. LEACH. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5640) to expand homeownership in the United States, and for other purposes.

The Clerk read as follows:

H.R. 5640

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

SEC. 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “American Homeownership and Economic Opportunity Act of 2000”.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title and table of contents.

TITLE I—REMOVAL OF BARRIERS TO HOUSING AFFORDABILITY

Sec. 101. Short title.

Sec. 102. Grants for regulatory barrier removal strategies.

Sec. 103. Regulatory barriers clearinghouse.

TITLE II—HOMEOWNERSHIP FOR WORKING FAMILIES

Sec. 201. Home equity conversion mortgages.

Sec. 202. Assistance for self-help housing providers.

TITLE III—SECTION 8 HOMEOWNERSHIP OPTION

Sec. 301. Downpayment assistance.

Sec. 302. Pilot program for homeownership assistance for disabled families.

Sec. 303. Funding for pilot programs.

TITLE IV—PRIVATE MORTGAGE INSURANCE CANCELLATION AND TERMINATION

Sec. 401. Short title.

Sec. 402. Changes in amortization schedule.

Sec. 403. Deletion of ambiguous references to residential mortgages.

Sec. 404. Cancellation rights after cancellation date.

Sec. 405. Clarification of cancellation and termination issues and lender paid mortgage insurance disclosure requirements.

Sec. 406. Definitions.

TITLE V—NATIVE AMERICAN HOMEOWNERSHIP

Subtitle A—Native American Housing

Sec. 501. Lands title report commission.

Sec. 502. Loan guarantees.

Sec. 503. Native American housing assistance.

Subtitle B—Native Hawaiian Housing

Sec. 511. Short title.

Sec. 512. Findings.

Sec. 513. Housing assistance.

Sec. 514. Loan guarantees.

TITLE VI—MANUFACTURED HOUSING IMPROVEMENT

Sec. 601. Short title; references.

Sec. 602. Findings and purposes.

Sec. 603. Definitions.

Sec. 604. Federal manufactured home construction and safety standards.

Sec. 605. Abolishment of National Manufactured Home Advisory Council; manufactured home installation.

Sec. 606. Public information.

Sec. 607. Research, testing, development, and training.

Sec. 608. Prohibited acts.

Sec. 609. Fees.

Sec. 610. Dispute resolution.

Sec. 611. Elimination of annual reporting requirement.

Sec. 612. Effective date.

Sec. 613. Savings provisions.

TITLE VII—RURAL HOUSING HOMEOWNERSHIP

Sec. 701. Guarantees for refinancing of rural housing loans.

Sec. 702. Promissory note requirement under housing repair loan program.

Sec. 703. Limited partnership eligibility for farm labor housing loans.

Sec. 704. Project accounting records and practices.

Sec. 705. Definition of rural area.

Sec. 706. Operating assistance for migrant farmworkers projects.

Sec. 707. Multifamily rental housing loan guarantee program.

Sec. 708. Enforcement provisions.

Sec. 709. Amendments to title 18 of United States Code.

TITLE VIII—HOUSING FOR ELDERLY AND DISABLED FAMILIES

Sec. 801. Short title.

Sec. 802. Regulations.

Sec. 803. Effective date.

Subtitle A—Refinancing for Section 202 Supportive Housing for the Elderly

Sec. 811. Prepayment and refinancing.

Subtitle B—Authorization of Appropriations for Supportive Housing for the Elderly and Persons With Disabilities

Sec. 821. Supportive housing for elderly persons.

Sec. 822. Supportive housing for persons with disabilities.

Sec. 823. Service coordinators and congregate services for elderly and disabled housing.

Subtitle C—Expanding Housing Opportunities for the Elderly and Persons With Disabilities

PART 1—HOUSING FOR THE ELDERLY

Sec. 831. Eligibility of for-profit limited partnerships.

Sec. 832. Mixed funding sources.

Sec. 833. Authority to acquire structures.

Sec. 834. Use of project reserves.

Sec. 835. Commercial activities.

PART 2—HOUSING FOR PERSONS WITH DISABILITIES

Sec. 841. Eligibility of for-profit limited partnerships.

Sec. 842. Mixed funding sources.

Sec. 843. Tenant-based assistance.

Sec. 844. Use of project reserves.

Sec. 845. Commercial activities.

PART 3—OTHER PROVISIONS

Sec. 851. Service coordinators.

Subtitle D—Preservation of Affordable Housing Stock

Sec. 861. Section 236 assistance.

TITLE IX—OTHER RELATED HOUSING PROVISIONS

Sec. 901. Extension of loan term for manufactured home lots.

Sec. 902. Use of section 8 vouchers for opt-outs.

Sec. 903. Maximum payment standard for enhanced vouchers.

Sec. 904. Use of section 8 assistance by “grand-families” to rent dwelling units in assisted projects.

TITLE X—FEDERAL RESERVE BOARD PROVISIONS

Sec. 1001. Federal Reserve Board buildings.

Sec. 1002. Positions of Board of Governors of the Federal Reserve System on the Executive schedule.

Sec. 1003. Amendments to the Federal Reserve Act.

TITLE XI—BANKING AND HOUSING AGENCY REPORTS

Sec. 1101. Short title.

Sec. 1102. Preservation of certain reporting requirements.

Sec. 1103. Coordination of reporting requirements.

Sec. 1104. Elimination of certain reporting requirements.

TITLE XII—FINANCIAL REGULATORY RELIEF

Sec. 1200. Short title.

Subtitle A—Improving Monetary Policy and Financial Institution Management Practices

Sec. 1201. Repeal of savings association liquidity provision.

Sec. 1202. Noncontrolling investments by savings association holding companies.

Sec. 1203. Repeal of deposit broker notification and recordkeeping requirement.

Sec. 1204. Expedited procedures for certain reorganizations.

Sec. 1205. National bank directors.

Sec. 1206. Amendment to National Bank Consolidation and Merger Act.

Sec. 1207. Loans on or purchases by institutions of their own stock; affiliations.

Sec. 1208. Purchased mortgage servicing rights.

Subtitle B—Streamlining Activities of Institutions

Sec. 1211. Call report simplification.

Subtitle C—Streamlining Agency Actions

Sec. 1221. Elimination of duplicative disclosure of fair market value of assets and liabilities.

Sec. 1222. Payment of interest in receiver-ships with surplus funds.

Sec. 1223. Repeal of reporting requirement on differences in accounting standards.

Sec. 1224. Extension of time.

Subtitle D—Technical Corrections

Sec. 1231. Technical correction relating to deposit insurance funds.

Sec. 1232. Rules for continuation of deposit insurance for member banks converting charters.

Sec. 1233. Amendments to the Revised Statutes of the United States.

Sec. 1234. Conforming change to the International Banking Act of 1978.

TITLE I—REMOVAL OF BARRIERS TO HOUSING AFFORDABILITY

SEC. 101. SHORT TITLE.

This title may be cited as the “Housing Affordability Barrier Removal Act of 2000”.

SEC. 102. GRANTS FOR REGULATORY BARRIER REMOVAL STRATEGIES.

(a) AUTHORIZATION OF APPROPRIATIONS.—Subsection (a) of section 1204 of the Housing

and Community Development Act of 1992 (42 U.S.C. 12705c(a)) is amended to read as follows:

“(a) FUNDING.—There is authorized to be appropriated for grants under subsections (b) and (c) such sums as may be necessary for each of fiscal years 2001, 2002, 2003, 2004, and 2005.”

(b) CONSOLIDATION OF STATE AND LOCAL GRANTS.—Subsection (b) of section 1204 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705c(b)) is amended—

(1) in the subsection heading, by striking “STATE GRANTS” and inserting “GRANT AUTHORITY”;

(2) in the matter preceding paragraph (1), by inserting after “States” the following: “and units of general local government (including consortia of such governments)”;

(3) in paragraph (3), by striking “a State program to reduce State and local” and inserting “State, local, or regional programs to reduce”;

(4) in paragraph (4), by inserting “or local” after “State”; and

(5) in paragraph (5), by striking “State”.

(c) REPEAL OF LOCAL GRANTS PROVISION.—Section 1204 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705c) is amended by striking subsection (c).

(d) APPLICATION AND SELECTION.—The last sentence of section 1204(e) of the Housing and Community Development Act of 1992 (42 U.S.C. 12705c(e)) is amended—

(1) by striking “and for the selection of units of general local government to receive grants under subsection (f)(2)”;

(2) by inserting before the period at the end the following: “and such criteria shall require that grant amounts be used in a manner consistent with the strategy contained in the comprehensive housing affordability strategy for the jurisdiction pursuant to section 105(b)(4) of the Cranston-Gonzalez National Affordable Housing Act”.

(e) SELECTION OF GRANTEEES.—Subsection (f) of section 1204 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705c(f)) is amended to read as follows:

“(f) SELECTION OF GRANTEEES.—To the extent amounts are made available to carry out this section, the Secretary shall provide grants on a competitive basis to eligible grantees based on the proposed uses of such amounts, as provided in applications under subsection (e).”

(f) TECHNICAL AMENDMENTS.—Section 107(a)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5307(a)(1)) is amended—

(1) in subparagraph (G), by inserting “and” after the semicolon at the end;

(2) by striking subparagraph (H); and

(3) by redesignating subparagraph (I) as subparagraph (H).

SEC. 103. REGULATORY BARRIERS CLEARINGHOUSE.

Section 1205 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705d) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking “receive, collect, process, and assemble” and inserting “serve as a national repository to receive, collect, process, assemble, and disseminate”;

(B) in paragraph (1)—

(i) by striking “, including” and inserting “(including)”; and

(ii) by inserting before the semicolon at the end the following: “, and the prevalence and effects on affordable housing of such laws, regulations, and policies”;

(C) in paragraph (2), by inserting before the semicolon the following: “, including particularly innovative or successful activities, strategies, and plans”; and

(D) in paragraph (3), by inserting before the period at the end the following: “, in-

cluding particularly innovative or successful strategies, activities, and plans”;

(2) in subsection (b)—

(A) in paragraph (1), by striking “and” at the end;

(B) in paragraph (2), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following new paragraph:

“(3) by making available through a World Wide Web site of the Department, by electronic mail, or otherwise, provide to each housing agency of a unit of general local government that serves an area having a population greater than 100,000, an index of all State and local strategies and plans submitted under subsection (a) to the clearinghouse, which—

“(A) shall describe the types of barriers to affordable housing that the strategy or plan was designed to ameliorate or remove; and

“(B) shall, not later than 30 days after submission to the clearinghouse of any new strategy or plan, be updated to include the new strategy or plan submitted.”; and

(3) by adding at the end the following new subsections:

“(c) ORGANIZATION.—The clearinghouse under this section shall be established within the Office of Policy Development of the Department of Housing and Urban Development and shall be under the direction of the Assistant Secretary for Policy Development and Research.

“(d) TIMING.—The clearinghouse under this section (as amended by section 103 of the Housing Affordability Barrier Removal Act of 2000) shall be established and commence carrying out the functions of the clearinghouse under this section not later than 1 year after the date of the enactment of such Act. The Secretary of Housing and Urban Development may comply with the requirements under this section by reestablishing the clearinghouse that was originally established to comply with this section and updating and improving such clearinghouse to the extent necessary to comply with the requirements of this section as in effect pursuant to the enactment of such Act.”.

TITLE II—HOMEOWNERSHIP FOR WORKING FAMILIES

SEC. 201. HOME EQUITY CONVERSION MORTGAGES.

(a) INSURANCE FOR MORTGAGES TO REFINANCE EXISTING HECMS.—

(1) IN GENERAL.—Section 255 of the National Housing Act (12 U.S.C. 1715z-20) is amended—

(A) by redesignating subsection (k) as subsection (m); and

(B) by inserting after subsection (j) the following new subsection:

“(k) INSURANCE AUTHORITY FOR REFINANCINGS.—

“(1) IN GENERAL.—The Secretary may, upon application by a mortgagee, insure under this subsection any mortgage given to refinance an existing home equity conversion mortgage insured under this section.

“(2) ANTI-CHURNING DISCLOSURE.—The Secretary shall, by regulation, require that the mortgagee of a mortgage insured under this subsection, provide to the mortgagor, within an appropriate time period and in a manner established in such regulations, a good faith estimate of: (A) the total cost of the refinancing; and (B) the increase in the mortgagor’s principal limit as measured by the estimated initial principal limit on the mortgage to be insured under this subsection less the current principal limit on the home equity conversion mortgage that is being refinanced and insured under this subsection.

“(3) WAIVER OF COUNSELING REQUIREMENT.—The mortgagor under a mortgage insured under this subsection may waive the applica-

bility, with respect to such mortgage, of the requirements under subsection (d)(2)(B) (relating to third party counseling), but only if—

“(A) the mortgagor has received the disclosure required under paragraph (2);

“(B) the increase in the principal limit described in paragraph (2) exceeds the amount of the total cost of refinancing (as described in such paragraph) by an amount to be determined by the Secretary; and

“(C) the time between the closing of the original home equity conversion mortgage that is refinanced through the mortgage insured under this subsection and the application for a refinancing mortgage insured under this subsection does not exceed 5 years.

“(4) CREDIT FOR PREMIUMS PAID.—Notwithstanding section 203(c)(2)(A), the Secretary may reduce the amount of the single premium payment otherwise collected under such section at the time of the insurance of a mortgage refinanced and insured under this subsection. The amount of the single premium for mortgages refinanced under this subsection shall be determined by the Secretary based on the actuarial study required under paragraph (5).

“(5) ACTUARIAL STUDY.—Not later than 180 days after the date of the enactment of the American Homeownership and Economic Opportunity Act of 2000, the Secretary shall conduct an actuarial analysis to determine the adequacy of the insurance premiums collected under the program under this subsection with respect to—

“(A) a reduction in the single premium payment collected at the time of the insurance of a mortgage refinanced and insured under this subsection;

“(B) the establishment of a single national limit on the benefits of insurance under subsection (g) (relating to limitation on insurance authority); and

“(C) the combined effect of reduced insurance premiums and a single national limitation on insurance authority.

“(6) FEES.—The Secretary may establish a limit on the origination fee that may be charged to a mortgagor under a mortgage insured under this subsection, except that such limitation shall provide that the origination fee may be fully financed with the mortgage and shall include any fees paid to correspondent mortgagees approved by the Secretary.”.

(2) REGULATIONS.—The Secretary shall issue any final regulations necessary to implement the amendments made by paragraph (1) of this subsection, which shall take effect not later than the expiration of the 180-day period beginning on the date of the enactment of this Act. The regulations shall be issued after notice and opportunity for public comment in accordance with the procedure under section 553 of title 5, United States Code, applicable to substantive rules (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section).

(b) HOUSING COOPERATIVES.—Section 255(b) of the National Housing Act (12 U.S.C. 1715z-20(b)) is amended—

(1) in paragraph (2), by striking “‘mortgage’”; and

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

“(4) MORTGAGE.—The term ‘mortgage’ means a first mortgage or first lien on real estate, in fee simple, on all stock allocated to a dwelling in a residential cooperative housing corporation, or on a leasehold—

“(A) under a lease for not less than 99 years that is renewable; or

“(B) under a lease having a period of not less than 10 years to run beyond the maturity date of the mortgage.

“(5) FIRST MORTGAGE.—The term ‘first mortgage’ means such classes of first liens as are commonly given to secure advances on, or the unpaid purchase price of, real estate or all stock allocated to a dwelling unit in a residential cooperative housing corporation, under the laws of the State in which the real estate or dwelling unit is located, together with the credit instruments, if any, secured thereby.”.

(C) WAIVER OF UP-FRONT PREMIUMS FOR MORTGAGES USED TO FUND LONG-TERM CARE INSURANCE.—

(1) IN GENERAL.—Section 255 of the National Housing Act (12 U.S.C. 1715z-20) is amended by inserting after subsection (k) (as added by subsection (a) of this section) the following new subsection:

“(l) WAIVER OF UP-FRONT PREMIUMS FOR MORTGAGES TO FUND LONG-TERM CARE INSURANCE.—

“(1) IN GENERAL.—In the case of any mortgage insured under this section under which the total amount (except as provided in paragraph (2)) of all future payments described in subsection (b)(3) will be used only for costs of a qualified long-term care insurance contract that covers the mortgagor or members of the household residing in the property that is subject to the mortgage, notwithstanding section 203(c)(2), the Secretary shall not charge or collect the single premium payment otherwise required under subparagraph (A) of such section to be paid at the time of insurance.

“(2) AUTHORITY TO REFINANCE EXISTING MORTGAGE AND FINANCE CLOSING COSTS.—A mortgage described in paragraph (1) may provide financing of amounts that are used to satisfy outstanding mortgage obligations (in accordance with such limitations as the Secretary shall prescribe) and any amounts used for initial service charges, appraisal, inspection, and other fees (as approved by the Secretary) in connection with such mortgage, and the amount of future payments described in subsection (b)(3) under the mortgage shall be reduced accordingly.

“(3) DEFINITION.—For purposes of this subsection, the term ‘qualified long-term care insurance contract’ has the meaning given such term in section 7702B of the Internal Revenue Code of 1986 (26 U.S.C. 7702B)), except that such contract shall also meet the requirements of—

“(A) sections 9 (relating to disclosure), 24 (relating to suitability), and 26 (relating to contingent nonforfeiture) of the long-term care insurance model regulation promulgated by the National Association of Insurance Commissioners (as adopted as of September 2000); and

“(B) section 8 (relating to contingent nonforfeiture) of the long-term care insurance model Act promulgated by the National Association of Insurance Commissioners (as adopted as of September 2000).”.

(2) APPLICABILITY.—The provisions of section 255(l) of the National Housing Act (as added by paragraph (1) of this subsection) shall apply only to mortgages closed on or after April 1, 2001.

(d) STUDY OF SINGLE NATIONAL MORTGAGE LIMIT.—The Secretary of Housing and Urban Development shall conduct an actuarially based study of the effects of establishing, for mortgages insured under section 255 of the National Housing Act (12 U.S.C. 1715z-20), a single maximum mortgage amount limitation in lieu of applicability of section 203(b)(2) of such Act (12 U.S.C. 1709(b)(2)). The study shall—

(1) examine the effects of establishing such limitation at different dollar amounts; and

(2) examine the effects of such various limitations on—

(A) the risks to the General Insurance Fund established under section 519 of such Act;

(B) the mortgage insurance premiums that would be required to be charged to mortgagors to ensure actuarial soundness of such Fund; and

(C) take into consideration the various approaches to providing credit to borrowers who refinance home equity conversion mortgages insured under section 255 of such Act. Not later than 180 days after the date of the enactment of this Act, the Secretary shall complete the study under this subsection and submit a report describing the study and the results of the study to the Committee on Banking and Financial Services of the House of Representatives and to the Committee on Banking, Housing, and Urban Affairs of the Senate.

SEC. 202. ASSISTANCE FOR SELF-HELP HOUSING PROVIDERS.

(a) REAUTHORIZATION.—Subsection (p) of section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note) is amended to read as follows:

“(p) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2001.”.

(b) ELIGIBLE EXPENSES.—Section 11(d)(2)(A) of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note) is amended by inserting before the period at the end the following: “, which may include reimbursing an organization, consortium, or affiliate, upon approval of any required environmental review, for nongrant amounts of the organization, consortium, or affiliate advanced before such review to acquire land”.

(c) DEADLINE FOR RECAPTURE OF FUNDS.—Section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note) is amended—

(1) in subsection (i)(5)—

(A) by striking “if the organization or consortia has not used any grant amounts” and inserting “the Secretary shall recapture any grant amounts provided to the organization or consortia that are not used”;

(B) by striking “(or,” and inserting “, except that such period shall be 36 months”;

(C) by striking “within 36 months), the Secretary shall recapture such unused amounts” and inserting “and in the case of a grant amounts provided to a local affiliate of the organization or consortia that is developing five or more dwellings in connection with such grant amounts”;

(2) in subsection (j), by inserting after “carry out this section” the following: “and grant amounts provided to a local affiliate of the organization or consortia that is developing five or more dwellings in connection with such grant amounts”.

(d) TECHNICAL CORRECTIONS.—Section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note) is amended—

(1) in subsection (b)(4), by striking “Habitat for Humanity International, its affiliates, and other”;

(2) in subsection (e)(2), by striking “consoria” and inserting “consortia”.

TITLE III—SECTION 8 HOMEOWNERSHIP OPTION

SEC. 301. DOWNPAYMENT ASSISTANCE.

(a) AMENDMENTS.—Section 8(y) of the United States Housing Act of 1937 (42 U.S.C. 1437f(y)) is amended—

(1) by redesignating paragraph (7) as paragraph (8); and

(2) by inserting after paragraph (6) the following new paragraph:

“(7) DOWNPAYMENT ASSISTANCE.—

“(A) AUTHORITY.—A public housing agency may, in lieu of providing monthly assistance

payments under this subsection on behalf of a family eligible for such assistance and at the discretion of the public housing agency, provide assistance for the family in the form of a single grant to be used only as a contribution toward the downpayment required in connection with the purchase of a dwelling for fiscal year 2000 and each fiscal year thereafter to the extent provided in advance in appropriations Acts.

“(B) AMOUNT.—The amount of a downpayment grant on behalf of an assisted family may not exceed the amount that is equal to the sum of the assistance payments that would be made during the first year of assistance on behalf of the family, based upon the income of the family at the time the grant is to be made.”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect immediately after the amendments made by section 555(c) of the Quality Housing and Work Responsibility Act of 1998 take effect pursuant to such section.

SEC. 302. PILOT PROGRAM FOR HOMEOWNERSHIP ASSISTANCE FOR DISABLED FAMILIES.

(a) IN GENERAL.—A public housing agency providing tenant-based assistance on behalf of an eligible family under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) may provide assistance for a disabled family that purchases a dwelling unit (including a dwelling unit under a lease-purchase agreement) that will be owned by one or more members of the disabled family and will be occupied by the disabled family, if the disabled family—

(1) purchases the dwelling unit before the expiration of the 3-year period beginning on the date that the Secretary first implements the pilot program under this section;

(2) demonstrates that the disabled family has income from employment or other sources (including public assistance), as determined in accordance with requirements of the Secretary, that is not less than twice the payment standard established by the public housing agency (or such other amount as may be established by the Secretary);

(3) except as provided by the Secretary, demonstrates at the time the disabled family initially receives tenant-based assistance under this section that one or more adult members of the disabled family have achieved employment for the period as the Secretary shall require;

(4) participates in a homeownership and housing counseling program provided by the agency; and

(5) meets any other initial or continuing requirements established by the public housing agency in accordance with requirements established by the Secretary.

(b) DETERMINATION OF AMOUNT OF ASSISTANCE.—

(1) IN GENERAL.—

(A) MONTHLY EXPENSES NOT EXCEEDING PAYMENT STANDARD.—If the monthly homeownership expenses, as determined in accordance with requirements established by the Secretary, do not exceed the payment standard, the monthly assistance payment shall be the amount by which the homeownership expenses exceed the highest of the following amounts, rounded to the nearest dollar:

(i) 30 percent of the monthly adjusted income of the disabled family.

(ii) 10 percent of the monthly income of the disabled family.

(iii) If the disabled family is receiving payments for welfare assistance from a public agency, and a portion of those payments, adjusted in accordance with the actual housing costs of the disabled family, is specifically designated by that agency to meet the housing costs of the disabled family, the portion of those payments that is so designated.

(B) MONTHLY EXPENSES EXCEED PAYMENT STANDARD.—If the monthly homeownership expenses, as determined in accordance with requirements established by the Secretary, exceed the payment standard, the monthly assistance payment shall be the amount by which the applicable payment standard exceeds the highest of the amounts under clauses (i), (ii), and (iii) of subparagraph (A).

(2) CALCULATION OF AMOUNT.—

(A) LOW-INCOME FAMILIES.—A disabled family that is a low-income family shall be eligible to receive 100 percent of the amount calculated under paragraph (1).

(B) INCOME BETWEEN 81 AND 89 PERCENT OF MEDIAN.—A disabled family whose income is between 81 and 89 percent of the median for the area shall be eligible to receive 66 percent of the amount calculated under paragraph (1).

(C) INCOME BETWEEN 90 AND 99 PERCENT OF MEDIAN.—A disabled family whose income is between 90 and 99 percent of the median for the area shall be eligible to receive 33 percent of the amount calculated under paragraph (1).

(D) INCOME MORE THAN 99 PERCENT OF MEDIAN.—A disabled family whose income is more than 99 percent of the median for the area shall not be eligible to receive assistance under this section.

(C) INSPECTIONS AND CONTRACT CONDITIONS.—

(1) IN GENERAL.—Each contract for the purchase of a dwelling unit to be assisted under this section shall—

(A) provide for pre-purchase inspection of the dwelling unit by an independent professional; and

(B) require that any cost of necessary repairs be paid by the seller.

(2) ANNUAL INSPECTIONS NOT REQUIRED.—The requirement under subsection (c)(8)(A)(ii) of section 8 of the United States Housing Act of 1937 for annual inspections shall not apply to dwelling units assisted under this section.

(d) OTHER AUTHORITY OF THE SECRETARY.—The Secretary may—

(1) limit the term of assistance for a disabled family assisted under this section;

(2) provide assistance for a disabled family for the entire term of a mortgage for a dwelling unit if the disabled family remains eligible for such assistance for such term; and

(3) modify the requirements of this section as the Secretary determines to be necessary to make appropriate adaptations for lease-purchase agreements.

(e) ASSISTANCE PAYMENTS SENT TO LENDER.—The Secretary shall remit assistance payments under this section directly to the mortgagee of the dwelling unit purchased by the disabled family receiving such assistance payments.

(f) INAPPLICABILITY OF CERTAIN PROVISIONS.—Assistance under this section shall not be subject to the requirements of the following provisions:

(1) Subsection (c)(3)(B) of section 8 of the United States Housing Act of 1937.

(2) Subsection (d)(1)(B)(i) of section 8 of the United States Housing Act of 1937.

(3) Any other provisions of section 8 of the United States Housing Act of 1937 governing maximum amounts payable to owners and amounts payable by assisted families.

(4) Any other provisions of section 8 of the United States Housing Act of 1937 concerning contracts between public housing agencies and owners.

(5) Any other provisions of the United States Housing Act of 1937 that are inconsistent with the provisions of this section.

(g) REVERSION TO RENTAL STATUS.—

(1) NON-FHA MORTGAGES.—If a disabled family receiving assistance under this section defaults under a mortgage not insured under

the National Housing Act, the disabled family may not continue to receive rental assistance under section 8 of the United States Housing Act of 1937 unless it complies with requirements established by the Secretary.

(2) ALL MORTGAGES.—A disabled family receiving assistance under this section that defaults under a mortgage may not receive assistance under this section for occupancy of another dwelling unit owned by 1 or more members of the disabled family.

(3) EXCEPTION.—This subsection shall not apply if the Secretary determines that the disabled family receiving assistance under this section defaulted under a mortgage due to catastrophic medical reasons or due to the impact of a federally declared major disaster or emergency.

(h) REGULATIONS.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall issue regulations to implement this section. Such regulations may not prohibit any public housing agency providing tenant-based assistance on behalf of an eligible family under section 8 of the United States Housing Act of 1937 from participating in the pilot program under this section.

(i) DEFINITION OF DISABLED FAMILY.—For the purposes of this section, the term “disabled family” has the meaning given the term “person with disabilities” in section 811(k)(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013(k)(2)).

SEC. 303. FUNDING FOR PILOT PROGRAMS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary for fiscal year 2001 for assistance in connection with the existing homeownership pilot programs carried out under the demonstration program authorized under to section 555(b) of the Quality Housing and Work Responsibility Act of 1998 (Public Law 105-276; 112 Stat. 2613).

(b) USE.—Subject to subsection (c), amounts made available pursuant to this section shall be used only through such homeownership pilot programs to provide, on behalf of families participating in such programs, amounts for downpayments in connection with dwellings purchased by such families using assistance made available under section 8(y) of the United States Housing Act of 1937 (42 U.S.C. 1437f(y)). No such downpayment grant may exceed 20 percent of the appraised value of the dwelling purchased with assistance under such section 8(y).

(c) MATCHING REQUIREMENT.—The amount of assistance made available under this section for any existing homeownership pilot program may not exceed twice the amount donated from sources other than this section for use under the program for assistance described in subsection (b). Amounts donated from other sources may include amounts from State housing finance agencies and Neighborhood Housing Services of America.

TITLE IV—PRIVATE MORTGAGE INSURANCE CANCELLATION AND TERMINATION

SEC. 401. SHORT TITLE.

This title may be cited as the “Private Mortgage Insurance Technical Corrections and Clarification Act”.

SEC. 402. CHANGES IN AMORTIZATION SCHEDULE.

(a) TREATMENT OF ADJUSTABLE RATE MORTGAGES.—The Homeowners Protection Act of 1998 (12 U.S.C. 4901 et seq.) is amended—

(1) in section 2—

(A) in paragraph (2)(B)(i), by striking “amortization schedules” and inserting “the amortization schedule then in effect”;

(B) in paragraph (16)(B), by striking “amortization schedules” and inserting “the amortization schedule then in effect”;

(C) by redesignating paragraphs (6) through (16) (as amended by the preceding provisions of this paragraph) as paragraphs (8) through (18), respectively; and

(D) by inserting after paragraph (5) the following new paragraph:

“(6) AMORTIZATION SCHEDULE THEN IN EFFECT.—The term ‘amortization schedule then in effect’ means, with respect to an adjustable rate mortgage, a schedule established at the time at which the residential mortgage transaction is consummated or, if such schedule has been changed or recalculated, is the most recent schedule under the terms of the note or mortgage, which shows—

“(A) the amount of principal and interest that is due at regular intervals to retire the principal balance and accrued interest over the remaining amortization period of the loan; and

“(B) the unpaid balance of the loan after each such scheduled payment is made.”; and

(2) in section 3(f)(1)(B)(ii), by striking “amortization schedules” and inserting “the amortization schedule then in effect”.

(b) TREATMENT OF BALLOON MORTGAGES.—Paragraph (1) of section 2 of the Homeowners Protection Act of 1998 (12 U.S.C. 4901(1)) is amended by adding at the end the following new sentence: “A residential mortgage that (A) does not fully amortize over the term of the obligation, and (B) contains a conditional right to refinance or modify the unamortized principal at the maturity date of the term, shall be considered to be an adjustable rate mortgage for purposes of this Act.”.

(c) TREATMENT OF LOAN MODIFICATIONS.—

(1) IN GENERAL.—Section 3 of the Homeowners Protection Act of 1998 (12 U.S.C. 4902) is amended—

(A) by redesignating subsections (d) through (f) as subsections (e) through (g), respectively; and

(B) by inserting after subsection (c) the following new subsection:

“(d) TREATMENT OF LOAN MODIFICATIONS.—If a mortgagor and mortgagee (or holder of the mortgage) agree to a modification of the terms or conditions of a loan pursuant to a residential mortgage transaction, the cancellation date, termination date, or final termination shall be recalculated to reflect the modified terms and conditions of such loan.”.

(2) CONFORMING AMENDMENTS.—Section 4(a) of the Homeowners Protection Act of 1998 (12 U.S.C. 4903(a)) is amended—

(A) in paragraph (1)—

(i) in the matter preceding subparagraph (A), by striking “section 3(f)(1)” and inserting “section 3(g)(1)”;

(ii) in subparagraph (A)(ii)(IV), by striking “section 3(f)” and inserting “section 3(g)”;

(iii) in subparagraph (B)(iii), by striking “section 3(f)” and inserting “section 3(g)”;

(B) in paragraph (2), by striking “section 3(f)(1)” and inserting “section 3(g)(1)”.

SEC. 403. DELETION OF AMBIGUOUS REFERENCES TO RESIDENTIAL MORTGAGES.

(a) TERMINATION OF PRIVATE MORTGAGE INSURANCE.—Section 3 of the Homeowners Protection Act of 1998 (12 U.S.C. 4902) is amended—

(1) in subsection (c), by inserting “on residential mortgage transactions” after “imposed”; and

(2) in subsection (g) (as so redesignated by the preceding provisions of this title)—

(A) in paragraph (1), in the matter preceding subparagraph (A), by striking “mortgage or”;

(B) in paragraph (2), by striking “mortgage or”;

(C) in paragraph (3), by striking "mortgage or" and inserting "residential mortgage or residential";

(b) DISCLOSURE REQUIREMENTS.—Section 4 of the Homeowners Protection Act of 1998 (12 U.S.C. 4903(a)) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking "mortgage or" the first place it appears; and

(ii) by striking "mortgage or" the second place it appears and inserting "residential"; and

(B) in paragraph (2), by striking "mortgage or" and inserting "residential";

(2) in subsection (c), by striking "paragraphs (1)(B) and (3) of subsection (a)" and inserting "subsection (a)(3)"; and

(3) in subsection (d), by inserting before the period at the end the following: "which disclosures shall relate to the mortgagor's rights under this Act";

(c) DISCLOSURE REQUIREMENTS FOR LENDER-PAID MORTGAGE INSURANCE.—Section 6 of the Homeowners Protection Act of 1998 (12 U.S.C. 4905) is amended—

(1) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking "a residential mortgage or"; and

(B) in paragraph (2), by inserting "transaction" after "residential mortgage"; and

(2) in subsection (d), by inserting "transaction" after "residential mortgage";

SEC. 404. CANCELLATION RIGHTS AFTER CANCELLATION DATE.

Section 3 of the Homeowners Protection Act of 1998 (12 U.S.C. 4902) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by inserting after "cancellation date" the following: "or any later date that the mortgagor fulfills all of the requirements under paragraphs (1) through (4)";

(B) in paragraph (2), by striking "and" at the end;

(C) by redesignating paragraph (3) as paragraph (4); and

(D) by inserting after paragraph (2) the following new paragraph:

"(3) is current on the payments required by the terms of the residential mortgage transaction; and"; and

(2) in subsection (e)(1)(B) (as so redesignated by the preceding provisions of this title), by striking "subsection (a)(3)" and inserting "subsection (a)(4)".

SEC. 405. CLARIFICATION OF CANCELLATION AND TERMINATION ISSUES AND LENDER PAID MORTGAGE INSURANCE DISCLOSURE REQUIREMENTS.

(a) GOOD PAYMENT HISTORY.—Section 2(4) of the Homeowners Protection Act of 1998 (12 U.S.C. 4901(4)) is amended—

(1) in subparagraph (A)—

(A) by inserting "the later of (i)" before "the date"; and

(B) by inserting "or (ii) the date that the mortgagor submits a request for cancellation under section 3(a)(1)" before the semicolon; and

(2) in subparagraph (B)—

(A) by inserting "the later of (i)" before "the date"; and

(B) by inserting "or (ii) the date that the mortgagor submits a request for cancellation under section 3(a)(1)" before the period at the end.

(b) AUTOMATIC TERMINATION.—Paragraph (2) of section 3(b) of the Homeowners Protection Act of 1998 (12 U.S.C. 4902(b)(2)) is amended to read as follows:

"(2) if the mortgagor is not current on the termination date, on the first day of the first month beginning after the date that the mortgagor becomes current on the payments required by the terms of the residential mortgage transaction."

(c) PREMIUM PAYMENTS.—Section 3 of the Homeowners Protection Act of 1998 (12 U.S.C.

4902) is amended by adding at the end the following new subsection:

"(h) ACCRUED OBLIGATION FOR PREMIUM PAYMENTS.—The cancellation or termination under this section of the private mortgage insurance of a mortgagor shall not affect the rights of any mortgagee, servicer, or mortgage insurer to enforce any obligation of such mortgagor for premium payments accrued prior to the date on which such cancellation or termination occurred."

SEC. 406. DEFINITIONS.

(a) REFINANCED.—Section 6(c)(1)(B)(ii) of the Homeowners Protection Act of 1998 (12 U.S.C. 4905(c)(1)(B)(ii)) is amended by inserting after "refinanced" the following: "(under the meaning given such term in the regulations issued by the Board of Governors of the Federal Reserve System to carry out the Truth in Lending Act (15 U.S.C. 1601 et seq.))".

(b) MIDPOINT OF THE AMORTIZATION PERIOD.—Section 2 of the Homeowners Protection Act of 1998 (12 U.S.C. 4901) is amended by inserting after paragraph (6) (as added by the preceding provisions of this title) the following new paragraph:

"(7) MIDPOINT OF THE AMORTIZATION PERIOD.—The term 'midpoint of the amortization period' means, with respect to a residential mortgage transaction, the point in time that is halfway through the period that begins upon the first day of the amortization period established at the time a residential mortgage transaction is consummated and ends upon the completion of the entire period over which the mortgage is scheduled to be amortized."

(c) ORIGINAL VALUE.—Section 2(12) of the Homeowners Protection Act of 1998 (12 U.S.C. 4901(10)) (as so redesignated by the preceding provisions of this title) is amended—

(1) by inserting "transaction" after "a residential mortgage"; and

(2) by adding at the end the following new sentence: "In the case of a residential mortgage transaction for refinancing the principal residence of the mortgagor, such term means only the appraised value relied upon by the mortgagee to approve the refinance transaction."

(d) PRINCIPAL RESIDENCE.—Section 2 of the Homeowners Protection Act of 1998 (12 U.S.C. 4901) is amended—

(1) in paragraph (14) (as so redesignated by the preceding provisions of this title) by striking "primary" and inserting "principal"; and

(2) in paragraph (15) (as so redesignated by the preceding provisions of this title) by striking "primary" and inserting "principal".

TITLE V—NATIVE AMERICAN HOMEOWNERSHIP

Subtitle A—Native American Housing

SEC. 501. LANDS TITLE REPORT COMMISSION.

(a) ESTABLISHMENT.—Subject to sums being provided in advance in appropriations Acts, there is established a Commission to be known as the Lands Title Report Commission (hereafter in this section referred to as the "Commission") to facilitate home loan mortgages on Indian trust lands. The Commission will be subject to oversight by the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(b) MEMBERSHIP.—

(1) APPOINTMENT.—The Commission shall be composed of 12 members, appointed not later than 90 days after the date of the enactment of this Act as follows:

(A) Four members shall be appointed by the President.

(B) Four members shall be appointed by the Chairperson of the Committee on Bank-

ing and Financial Services of the House of Representatives.

(C) Four members shall be appointed by the Chairperson of the Committee on Banking, Housing, and Urban Affairs of the Senate.

(2) QUALIFICATIONS.—

(A) MEMBERS OF TRIBES.—At all times, not less than eight of the members of the Commission shall be members of federally recognized Indian tribes.

(B) EXPERIENCE IN LAND TITLE MATTERS.—All members of the Commission shall have experience in and knowledge of land title matters relating to Indian trust lands.

(3) CHAIRPERSON.—The Chairperson of the Commission shall be one of the members of the Commission appointed under paragraph (1)(C), as elected by the members of the Commission.

(4) VACANCIES.—Any vacancy on the Commission shall not affect its powers, but shall be filled in the manner in which the original appointment was made.

(5) TRAVEL EXPENSES.—Members of the Commission shall serve without pay, but each member shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(c) INITIAL MEETING.—The Chairperson of the Commission shall call the initial meeting of the Commission. Such meeting shall be held within 30 days after the Chairperson of the Commission determines that sums sufficient for the Commission to carry out its duties under this Act have been appropriated for such purpose.

(d) DUTIES.—The Commission shall analyze the system of the Bureau of Indian Affairs of the Department of the Interior for maintaining land ownership records and title documents and issuing certified title status reports relating to Indian trust lands and, pursuant to such analysis, determine how best to improve or replace the system—

(1) to ensure prompt and accurate responses to requests for title status reports;

(2) to eliminate any backlog of requests for title status reports; and

(3) to ensure that the administration of the system will not in any way impair or restrict the ability of Native Americans to obtain conventional loans for purchase of residences located on Indian trust lands, including any actions necessary to ensure that the system will promptly be able to meet future demands for certified title status reports, taking into account the anticipated complexity and volume of such requests.

(e) REPORT.—Not later than the date of the termination of the Commission under subsection (h), the Commission shall submit a report to the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate describing the analysis and determinations made pursuant to subsection (d).

(f) POWERS.—

(1) HEARINGS AND SESSIONS.—The Commission may, for the purpose of carrying out this section, hold hearings, sit and act at times and places, take testimony, and receive evidence as the Commission considers appropriate.

(2) STAFF OF FEDERAL AGENCIES.—Upon request of the Commission, the head of any Federal department or agency may detail, on a reimbursable basis, any of the personnel of that department or agency to the Commission to assist it in carrying out its duties under this section.

(3) OBTAINING OFFICIAL DATA.—The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this section. Upon request of the Chairperson

of the Commission, the head of that department or agency shall furnish that information to the Commission.

(4) **MAILS.**—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(5) **ADMINISTRATIVE SUPPORT SERVICES.**—Upon the request of the Commission, the Administrator of General Services shall provide to the Commission, on a reimbursable basis, the administrative support services necessary for the Commission to carry out its duties under this section.

(6) **STAFF.**—The Commission may appoint personnel as it considers appropriate, subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall pay such personnel in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates.

(g) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section such sums as may be necessary, and any amounts appropriated pursuant to this subsection shall remain available until expended.

(h) **TERMINATION.**—The Commission shall terminate 1 year after the date of the initial meeting of the Commission.

SEC. 502. LOAN GUARANTEES.

Section 184(i) of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z-13a(i)) is amended—

(1) in paragraph (5), by striking subparagraph (C) and inserting the following new subparagraph:

“(C) **LIMITATION ON OUTSTANDING AGGREGATE PRINCIPAL AMOUNT.**—Subject to the limitations in subparagraphs (A) and (B), the Secretary may enter into commitments to guarantee loans under this section in each fiscal year with an aggregate outstanding principal amount not exceeding such amount as may be provided in appropriation Acts for such fiscal year.”; and

(2) in paragraph (7), by striking “each of fiscal years 1997, 1998, 1999, 2000, and 2001” and inserting “each fiscal year”.

SEC. 503. NATIVE AMERICAN HOUSING ASSISTANCE.

(a) **RESTRICTION ON WAIVER AUTHORITY.**—

(1) **IN GENERAL.**—Section 101(b)(2) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111(b)(2)) is amended by striking “if the Secretary” and all that follows through the period at the end and inserting the following: “for a period of not more than 90 days, if the Secretary determines that an Indian tribe has not complied with, or is unable to comply with, those requirements due to exigent circumstances beyond the control of the Indian tribe.”.

(2) **LOCAL COOPERATION AGREEMENT.**—Section 101(c) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111(c)) is amended by adding at the end the following: “The Secretary may waive the requirements of this subsection and subsection (d) if the recipient has made a good faith effort to fulfill the requirements of this subsection and subsection (d) and agrees to make payments in lieu of taxes to the appropriate taxing authority in an amount consistent with the requirements of subsection (d)(2) until such time as the matter of making such payments has been resolved in accordance with subsection (d).”.

(b) **ASSISTANCE TO FAMILIES THAT ARE NOT LOW-INCOME.**—Section 102(c) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4112(c)) is amended by adding at the end the following:

“(6) **CERTAIN FAMILIES.**—With respect to assistance provided under section 201(b)(2) by a

recipient to Indian families that are not low-income families, evidence that there is a need for housing for each such family during that period that cannot reasonably be met without such assistance.”.

(c) **ELIMINATION OF WAIVER AUTHORITY FOR SMALL TRIBES.**—Section 102 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4112) is amended—

(1) by striking subsection (f); and

(2) by redesignating subsection (g) as subsection (f).

(d) **ENVIRONMENTAL COMPLIANCE.**—Section 105 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4115) is amended by adding at the end the following:

“(d) **ENVIRONMENTAL COMPLIANCE.**—The Secretary may waive the requirements under this section if the Secretary determines that a failure on the part of a recipient to comply with provisions of this section—

“(1) will not frustrate the goals of the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.) or any other provision of law that furthers the goals of that Act;

“(2) does not threaten the health or safety of the community involved by posing an immediate or long-term hazard to residents of that community;

“(3) is a result of inadvertent error, including an incorrect or incomplete certification provided under subsection (c)(1); and

“(4) may be corrected through the sole action of the recipient.”.

(e) **OVERSIGHT.**—

(1) **REPAYMENT.**—Section 209 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4139) is amended to read as follows:

“SEC. 209. NONCOMPLIANCE WITH AFFORDABLE HOUSING REQUIREMENT.

“If a recipient uses grant amounts to provide affordable housing under this title, and at any time during the useful life of the housing the recipient does not comply with the requirement under section 205(a)(2), the Secretary shall take appropriate action under section 401(a).”.

(2) **AUDITS AND REVIEWS.**—Section 405 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4165) is amended to read as follows:

“SEC. 405. REVIEW AND AUDIT BY SECRETARY.

“(a) **REQUIREMENTS UNDER CHAPTER 75 OF TITLE 31, UNITED STATES CODE.**—An entity designated by an Indian tribe as a housing entity shall be treated, for purposes of chapter 75 of title 31, United States Code, as a non-Federal entity that is subject to the audit requirements that apply to non-Federal entities under that chapter.

“(b) **ADDITIONAL REVIEWS AND AUDITS.**—

“(1) **IN GENERAL.**—In addition to any audit or review under subsection (a), to the extent the Secretary determines such action to be appropriate, the Secretary may conduct an audit or review of a recipient in order to—

“(A) determine whether the recipient—

“(i) has carried out—

“(I) eligible activities in a timely manner; and

“(II) eligible activities and certification in accordance with this Act and other applicable law;

“(ii) has a continuing capacity to carry out eligible activities in a timely manner; and

“(iii) is in compliance with the Indian housing plan of the recipient; and

“(B) verify the accuracy of information contained in any performance report submitted by the recipient under section 404.

“(2) **ON-SITE VISITS.**—To the extent practicable, the reviews and audits conducted under this subsection shall include on-site visits by the appropriate official of the De-

partment of Housing and Urban Development.

“(c) **REVIEW OF REPORTS.**—

“(1) **IN GENERAL.**—The Secretary shall provide each recipient that is the subject of a report made by the Secretary under this section notice that the recipient may review and comment on the report during a period of not less than 30 days after the date on which notice is issued under this paragraph.

“(2) **PUBLIC AVAILABILITY.**—After taking into consideration any comments of the recipient under paragraph (1), the Secretary—

“(A) may revise the report; and

“(B) not later than 30 days after the date on which those comments are received, shall make the comments and the report (with any revisions made under subparagraph (A)) readily available to the public.

“(d) **EFFECT OF REVIEWS.**—Subject to section 401(a), after reviewing the reports and audits relating to a recipient that are submitted to the Secretary under this section, the Secretary may adjust the amount of a grant made to a recipient under this Act in accordance with the findings of the Secretary with respect to those reports and audits.”.

(f) **ALLOCATION FORMULA.**—Section 302(d)(1) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4152(d)(1)) is amended—

(1) by striking “The formula,” and inserting the following:

“(A) **IN GENERAL.**—Except with respect to an Indian tribe described in subparagraph (B), the formula”; and

(2) by adding at the end the following:

“(B) **CERTAIN INDIAN TRIBES.**—With respect to fiscal year 2001 and each fiscal year thereafter, for any Indian tribe with an Indian housing authority that owns or operates fewer than 250 public housing units, the formula shall provide that if the amount provided for a fiscal year in which the total amount made available for assistance under this Act is equal to or greater than the amount made available for fiscal year 1996 for assistance for the operation and modernization of the public housing referred to in subparagraph (A), then the amount provided to that Indian tribe as modernization assistance shall be equal to the average annual amount of funds provided to the Indian tribe (other than funds provided as emergency assistance) under the assistance program under section 14 of the United States Housing Act of 1937 (42 U.S.C. 1437f) for the period beginning with fiscal year 1992 and ending with fiscal year 1997.”.

(g) **HEARING REQUIREMENT.**—Section 401(a) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4161(a)) is amended—

(1) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively, and realigning such subparagraphs (as so redesignated) so as to be indented 4 ems from the left margin;

(2) by striking “Except as provided” and inserting the following:

“(1) **IN GENERAL.**—Except as provided”; and

(3) by striking “If the Secretary takes an action under paragraph (1), (2), or (3)” and inserting the following:

“(2) **CONTINUANCE OF ACTIONS.**—If the Secretary takes an action under subparagraph (A), (B), or (C) of paragraph (1)”; and

(4) by adding at the end the following:

“(3) **EXCEPTION FOR CERTAIN ACTIONS.**—

“(A) **IN GENERAL.**—Notwithstanding any other provision of this subsection, if the Secretary makes a determination that the failure of a recipient of assistance under this Act to comply substantially with any material provision (as that term is defined by the Secretary) of this Act is resulting, and would

continue to result, in a continuing expenditure of Federal funds in a manner that is not authorized by law, the Secretary may take an action described in paragraph (1)(C) before conducting a hearing.

“(B) PROCEDURAL REQUIREMENT.—If the Secretary takes an action described in subparagraph (A), the Secretary shall—

“(i) provide notice to the recipient at the time that the Secretary takes that action; and

“(ii) conduct a hearing not later than 60 days after the date on which the Secretary provides notice under clause (i).

“(C) DETERMINATION.—Upon completion of a hearing under this paragraph, the Secretary shall make a determination regarding whether to continue taking the action that is the subject of the hearing, or take another action under this subsection.”.

(h) PERFORMANCE AGREEMENT TIME LIMIT.—Section 401(b) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4161(b)) is amended—

(1) by striking “If the Secretary” and inserting the following:

“(1) IN GENERAL.—If the Secretary”;

(2) by striking “(1) is not” and inserting the following:

“(A) is not”;

(3) by striking “(2) is a result” and inserting the following:

“(B) is a result”;

(4) in the flush material following paragraph (1)(B), as redesignated by paragraph (3) of this subsection—

(A) by realigning such material so as to be indented 2 ems from the left margin; and

(B) by inserting before the period at the end the following: “, if the recipient enters into a performance agreement with the Secretary that specifies the compliance objectives that the recipient will be required to achieve by the termination date of the performance agreement”; and

(5) by adding at the end the following:

“(2) PERFORMANCE AGREEMENT.—The period of a performance agreement described in paragraph (1) shall be for 1 year.

“(3) REVIEW.—Upon the termination of a performance agreement entered into under paragraph (1), the Secretary shall review the performance of the recipient that is a party to the agreement.

“(4) EFFECT OF REVIEW.—If, on the basis of a review under paragraph (3), the Secretary determines that the recipient—

“(A) has made a good faith effort to meet the compliance objectives specified in the agreement, the Secretary may enter into an additional performance agreement for the period specified in paragraph (2); and

“(B) has failed to make a good faith effort to meet applicable compliance objectives, the Secretary shall determine the recipient to have failed to comply substantially with this Act, and the recipient shall be subject to an action under subsection (a).”.

(i) LABOR STANDARDS.—Section 104(b) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4114(b)) is amended—

(1) in paragraph (1), by striking “Davis-Bacon Act (40 U.S.C. 276a-276a-5)” and inserting “Act of March 3, 1931 (commonly known as the Davis-Bacon Act; chapter 411; 46 Stat. 1494; 40 U.S.C. 276a et seq.)”; and

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

“(3) APPLICATION OF TRIBAL LAWS.—Paragraph (1) shall not apply to any contract or agreement for assistance, sale, or lease pursuant to this Act, if such contract or agreement is otherwise covered by one or more laws or regulations adopted by an Indian tribe that requires the payment of not less

than prevailing wages, as determined by the Indian tribe.”.

(j) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) TABLE OF CONTENTS.—Section 1(b) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 note) is amended in the table of contents—

(A) by striking the item relating to section 206; and

(B) by striking the item relating to section 209 and inserting the following:

“209. *Noncompliance with affordable housing requirement.*”.

(2) CERTIFICATION OF COMPLIANCE WITH SUBSIDY LAYERING REQUIREMENTS.—Section 206 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4136) is repealed.

(3) TERMINATIONS.—Section 502(a) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4181(a)) is amended by adding at the end the following: “Any housing that is the subject of a contract for tenant-based assistance between the Secretary and an Indian housing authority that is terminated under this section shall, for the following fiscal year and each fiscal year thereafter, be considered to be a dwelling unit under section 302(b)(1).”.

Subtitle B—Native Hawaiian Housing

SEC. 511. SHORT TITLE.

This subtitle may be cited as the “Hawaiian Homelands Homeownership Act of 2000”.

SEC. 512. FINDINGS.

The Congress finds that—

(1) the United States has undertaken a responsibility to promote the general welfare of the United States by—

(A) employing its resources to remedy the unsafe and unsanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of lower income; and

(B) developing effective partnerships with governmental and private entities to accomplish the objectives referred to in subparagraph (A);

(2) the United States has a special responsibility for the welfare of the Native peoples of the United States, including Native Hawaiians;

(3) pursuant to the provisions of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.), the United States set aside 200,000 acres of land in the Federal territory that later became the State of Hawaii in order to establish a homeland for the native people of Hawaii—Native Hawaiians;

(4) despite the intent of Congress in 1920 to address the housing needs of Native Hawaiians through the enactment of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.), Native Hawaiians eligible to reside on the Hawaiian home lands have been foreclosed from participating in Federal housing assistance programs available to all other eligible families in the United States;

(5) although Federal housing assistance programs have been administered on a racially neutral basis in the State of Hawaii, Native Hawaiians continue to have the greatest unmet need for housing and the highest rates of overcrowding in the United States;

(6) among the Native American population of the United States, Native Hawaiians experience the highest percentage of housing problems in the United States, as the percentage—

(A) of housing problems in the Native Hawaiian population is 49 percent, as compared to—

(i) 44 percent for American Indian and Alaska Native households in Indian country; and

(ii) 27 percent for all other households in the United States; and

(B) overcrowding in the Native Hawaiian population is 36 percent as compared to 3 percent for all other households in the United States;

(7) among the Native Hawaiian population, the needs of Native Hawaiians, as that term is defined in section 801 of the Native American Housing Assistance and Self-Determination Act of 1996 (as added by this subtitle), eligible to reside on the Hawaiian Home Lands are the most severe, as—

(A) the percentage of overcrowding in Native Hawaiian households on the Hawaiian Home Lands is 36 percent; and

(B) approximately 13,000 Native Hawaiians, which constitute 95 percent of the Native Hawaiians who are eligible to reside on the Hawaiian Home Lands, are in need of housing;

(8) applying the Department of Housing and Urban Development guidelines—

(A) 70.8 percent of Native Hawaiians who either reside or who are eligible to reside on the Hawaiian Home Lands have incomes that fall below the median family income; and

(B) 50 percent of Native Hawaiians who either reside or who are eligible to reside on the Hawaiian Home Lands have incomes below 30 percent of the median family income;

(9) ⅓ of those Native Hawaiians who are eligible to reside on the Hawaiian Home Lands pay more than 30 percent of their income for shelter, and ⅓ of those Native Hawaiians face overcrowding;

(10) the extraordinarily severe housing needs of Native Hawaiians demonstrate that Native Hawaiians who either reside on, or are eligible to reside on, Hawaiian Home Lands have been denied equal access to Federal low-income housing assistance programs available to other qualified residents of the United States, and that a more effective means of addressing their housing needs must be authorized;

(11) consistent with the recommendations of the National Commission on American Indian, Alaska Native, and Native Hawaiian Housing, and in order to address the continuing prevalence of extraordinarily severe housing needs among Native Hawaiians who either reside or are eligible to reside on the Hawaiian Home Lands, Congress finds it necessary to extend the Federal low-income housing assistance available to American Indians and Alaska Natives under the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.) to those Native Hawaiians;

(12) under the treaty-making power of the United States, Congress had the constitutional authority to confirm a treaty between the United States and the government that represented the Hawaiian people, and from 1826 until 1893, the United States recognized the independence of the Kingdom of Hawaii, extended full diplomatic recognition to the Hawaiian Government, and entered into treaties and conventions with the Hawaiian monarchs to govern commerce and navigation in 1826, 1842, 1849, 1875, and 1887;

(13) the United States has recognized and reaffirmed that—

(A) Native Hawaiians have a cultural, historic, and land-based link to the indigenous people who exercised sovereignty over the Hawaiian Islands, and that group has never relinquished its claims to sovereignty or its sovereign lands;

(B) Congress does not extend services to Native Hawaiians because of their race, but because of their unique status as the indigenous people of a once sovereign nation as to whom the United States has established a trust relationship;

(C) Congress has also delegated broad authority to administer a portion of the Federal trust responsibility to the State of Hawaii;

(D) the political status of Native Hawaiians is comparable to that of American Indians and Alaska Natives; and

(E) the aboriginal, indigenous people of the United States have—

(i) a continuing right to autonomy in their internal affairs; and

(ii) an ongoing right of self-determination and self-governance that has never been extinguished;

(14) the political relationship between the United States and the Native Hawaiian people has been recognized and reaffirmed by the United States as evidenced by the inclusion of Native Hawaiians in—

(A) the Native American Programs Act of 1974 (42 U.S.C. 2291 et seq.);

(B) the American Indian Religious Freedom Act (42 U.S.C. 1996 et seq.);

(C) the National Museum of the American Indian Act (20 U.S.C. 80q et seq.);

(D) the Native American Graves Protection and Repatriation Act (25 U.S.C. 3001 et seq.);

(E) the National Historic Preservation Act (16 U.S.C. 470 et seq.);

(F) the Native American Languages Act of 1992 (106 Stat. 3434);

(G) the American Indian, Alaska Native and Native Hawaiian Culture and Arts Development Act (20 U.S.C. 4401 et seq.);

(H) the Job Training Partnership Act (29 U.S.C. 1501 et seq.); and

(I) the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.); and

(15) in the area of housing, the United States has recognized and reaffirmed the political relationship with the Native Hawaiian people through—

(A) the enactment of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.), which set aside approximately 200,000 acres of public lands that became known as Hawaiian Home Lands in the Territory of Hawaii that had been ceded to the United States for homesteading by Native Hawaiians in order to rehabilitate a landless and dying people;

(B) the enactment of the Act entitled "An Act to provide for the admission of the State of Hawaii into the Union", approved March 18, 1959 (73 Stat. 4)—

(i) by ceding to the State of Hawaii title to the public lands formerly held by the United States, and mandating that those lands be held in public trust, for the betterment of the conditions of Native Hawaiians, as that term is defined in section 201 of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.); and

(ii) by transferring the United States responsibility for the administration of Hawaiian Home Lands to the State of Hawaii, but retaining the authority to enforce the trust, including the exclusive right of the United States to consent to any actions affecting the lands which comprise the corpus of the trust and any amendments to the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.), enacted by the legislature of the State of Hawaii affecting the rights of beneficiaries under the Act;

(C) the authorization of mortgage loans insured by the Federal Housing Administration for the purchase, construction, or refinancing of homes on Hawaiian Home Lands under the National Housing Act (Public Law 479; 73d Congress; 12 U.S.C. 1701 et seq.);

(D) authorizing Native Hawaiian representation on the National Commission on American Indian, Alaska Native, and Native Hawaiian Housing under Public Law 101-235;

(E) the inclusion of Native Hawaiians in the definition under section 3764 of title 38, United States Code, applicable to subchapter V of chapter 37 of title 38, United States

Code (relating to a housing loan program for Native American veterans); and

(F) the enactment of the Hawaiian Home Lands Recovery Act (109 Stat. 357; 48 U.S.C. 491, note prec.) which establishes a process for the conveyance of Federal lands to the Department of Hawaiian Home Lands that are equivalent in value to lands acquired by the United States from the Hawaiian Home Lands inventory.

SEC. 513. HOUSING ASSISTANCE.

The Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.) is amended by adding at the end the following:

"TITLE VIII—HOUSING ASSISTANCE FOR NATIVE HAWAIIANS

"SEC. 801. DEFINITIONS.

"In this title:

"(1) DEPARTMENT OF HAWAIIAN HOME LANDS; DEPARTMENT.—The term 'Department of Hawaiian Home Lands' or 'Department' means the agency or department of the government of the State of Hawaii that is responsible for the administration of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.).

"(2) DIRECTOR.—The term 'Director' means the Director of the Department of Hawaiian Home Lands.

"(3) ELDERLY FAMILIES; NEAR-ELDERLY FAMILIES.—

"(A) IN GENERAL.—The term 'elderly family' or 'near-elderly family' means a family whose head (or his or her spouse), or whose sole member, is—

"(i) for an elderly family, an elderly person; or

"(ii) for a near-elderly family, a near-elderly person.

"(B) CERTAIN FAMILIES INCLUDED.—The term 'elderly family' or 'near-elderly family' includes—

"(i) two or more elderly persons or near-elderly persons, as the case may be, living together; and

"(ii) one or more persons described in clause (i) living with one or more persons determined under the housing plan to be essential to their care or well-being.

"(4) HAWAIIAN HOME LANDS.—The term 'Hawaiian Home Lands' means lands that—

"(A) have the status as Hawaiian home lands under section 204 of the Hawaiian Homes Commission Act, 1920 (42 Stat. 110); or

"(B) are acquired pursuant to that Act.

"(5) HOUSING AREA.—The term 'housing area' means an area of Hawaiian Home Lands with respect to which the Department of Hawaiian Home Lands is authorized to provide assistance for affordable housing under this Act.

"(6) HOUSING ENTITY.—The term 'housing entity' means the Department of Hawaiian Home Lands.

"(7) HOUSING PLAN.—The term 'housing plan' means a plan developed by the Department of Hawaiian Home Lands.

"(8) MEDIAN INCOME.—The term 'median income' means, with respect to an area that is a Hawaiian housing area, the greater of—

"(A) the median income for the Hawaiian housing area, which shall be determined by the Secretary; or

"(B) the median income for the State of Hawaii.

"(9) NATIVE HAWAIIAN.—The term 'Native Hawaiian' means any individual who is—

"(A) a citizen of the United States; and

"(B) a descendant of the aboriginal people, who, prior to 1778, occupied and exercised sovereignty in the area that currently constitutes the State of Hawaii, as evidenced by—

"(i) genealogical records;

"(ii) verification by kupuna (elders) or kama'aina (long-term community residents); or

"(iii) birth records of the State of Hawaii.

"SEC. 802. BLOCK GRANTS FOR AFFORDABLE HOUSING ACTIVITIES.

"(a) GRANT AUTHORITY.—For each fiscal year, the Secretary shall (to the extent amounts are made available to carry out this title) make a grant under this title to the Department of Hawaiian Home Lands to carry out affordable housing activities for Native Hawaiian families who are eligible to reside on the Hawaiian Home Lands.

"(b) PLAN REQUIREMENT.—

"(1) IN GENERAL.—The Secretary may make a grant under this title to the Department of Hawaiian Home Lands for a fiscal year only if—

"(A) the Director has submitted to the Secretary a housing plan for that fiscal year; and

"(B) the Secretary has determined under section 804 that the housing plan complies with the requirements of section 803.

"(2) WAIVER.—The Secretary may waive the applicability of the requirements under paragraph (1), in part, if the Secretary finds that the Department of Hawaiian Home Lands has not complied or cannot comply with those requirements due to circumstances beyond the control of the Department of Hawaiian Home Lands.

"(c) USE OF AFFORDABLE HOUSING ACTIVITIES UNDER PLAN.—Except as provided in subsection (e), amounts provided under a grant under this section may be used only for affordable housing activities under this title that are consistent with a housing plan approved under section 804.

"(d) ADMINISTRATIVE EXPENSES.—

"(1) IN GENERAL.—The Secretary shall, by regulation, authorize the Department of Hawaiian Home Lands to use a percentage of any grant amounts received under this title for any reasonable administrative and planning expenses of the Department relating to carrying out this title and activities assisted with those amounts.

"(2) ADMINISTRATIVE AND PLANNING EXPENSES.—The administrative and planning expenses referred to in paragraph (1) include—

"(A) costs for salaries of individuals engaged in administering and managing affordable housing activities assisted with grant amounts provided under this title; and

"(B) expenses incurred in preparing a housing plan under section 803.

"(e) PUBLIC-PRIVATE PARTNERSHIPS.—The Director shall make all reasonable efforts, consistent with the purposes of this title, to maximize participation by the private sector, including nonprofit organizations and for-profit entities, in implementing a housing plan that has been approved by the Secretary under section 803.

"SEC. 803. HOUSING PLAN.

"(a) PLAN SUBMISSION.—The Secretary shall—

"(1) require the Director to submit a housing plan under this section for each fiscal year; and

"(2) provide for the review of each plan submitted under paragraph (1).

"(b) FIVE-YEAR PLAN.—Each housing plan under this section shall—

"(1) be in a form prescribed by the Secretary; and

"(2) contain, with respect to the 5-year period beginning with the fiscal year for which the plan is submitted, the following information:

"(A) MISSION STATEMENT.—A general statement of the mission of the Department of Hawaiian Home Lands to serve the needs of the low-income families to be served by the Department.

"(B) GOAL AND OBJECTIVES.—A statement of the goals and objectives of the Department of Hawaiian Home Lands to enable the

Department to serve the needs identified in subparagraph (A) during the period.

“(C) ACTIVITIES PLANS.—An overview of the activities planned during the period including an analysis of the manner in which the activities will enable the Department to meet its mission, goals, and objectives.

“(c) ONE-YEAR PLAN.—A housing plan under this section shall—

“(1) be in a form prescribed by the Secretary; and

“(2) contain the following information relating to the fiscal year for which the assistance under this title is to be made available:

“(A) GOALS AND OBJECTIVES.—A statement of the goals and objectives to be accomplished during the period covered by the plan.

“(B) STATEMENT OF NEEDS.—A statement of the housing needs of the low-income families served by the Department and the means by which those needs will be addressed during the period covered by the plan, including—

“(i) a description of the estimated housing needs and the need for assistance for the low-income families to be served by the Department, including a description of the manner in which the geographical distribution of assistance is consistent with—

“(I) the geographical needs of those families; and

“(II) needs for various categories of housing assistance; and

“(ii) a description of the estimated housing needs for all families to be served by the Department.

“(C) FINANCIAL RESOURCES.—An operating budget for the Department of Hawaiian Home Lands, in a form prescribed by the Secretary, that includes—

“(i) an identification and a description of the financial resources reasonably available to the Department to carry out the purposes of this title, including an explanation of the manner in which amounts made available will be used to leverage additional resources; and

“(ii) the uses to which the resources described in clause (i) will be committed, including—

“(I) eligible and required affordable housing activities; and

“(II) administrative expenses.

“(D) AFFORDABLE HOUSING RESOURCES.—A statement of the affordable housing resources currently available at the time of the submittal of the plan and to be made available during the period covered by the plan, including—

“(i) a description of the significant characteristics of the housing market in the State of Hawaii, including the availability of housing from other public sources, private market housing;

“(ii) the manner in which the characteristics referred to in clause (i) influence the decision of the Department of Hawaiian Home Lands to use grant amounts to be provided under this title for—

“(I) rental assistance;

“(II) the production of new units;

“(III) the acquisition of existing units; or

“(IV) the rehabilitation of units;

“(iii) a description of the structure, coordination, and means of cooperation between the Department of Hawaiian Home Lands and any other governmental entities in the development, submission, or implementation of housing plans, including a description of—

“(I) the involvement of private, public, and nonprofit organizations and institutions;

“(II) the use of loan guarantees under section 184A of the Housing and Community Development Act of 1992; and

“(III) other housing assistance provided by the United States, including loans, grants, and mortgage insurance;

“(iv) a description of the manner in which the plan will address the needs identified pursuant to subparagraph (C);

“(v) a description of—

“(I) any existing or anticipated homeownership programs and rental programs to be carried out during the period covered by the plan; and

“(II) the requirements and assistance available under the programs referred to in subclause (I);

“(vi) a description of—

“(I) any existing or anticipated housing rehabilitation programs necessary to ensure the long-term viability of the housing to be carried out during the period covered by the plan; and

“(II) the requirements and assistance available under the programs referred to in subclause (I);

“(vii) a description of—

“(I) all other existing or anticipated housing assistance provided by the Department of Hawaiian Home Lands during the period covered by the plan, including—

“(aa) transitional housing;

“(bb) homeless housing;

“(cc) college housing; and

“(dd) supportive services housing; and

“(II) the requirements and assistance available under such programs;

“(viii) (I) a description of any housing to be demolished or disposed of;

“(II) a timetable for that demolition or disposition; and

“(III) any other information required by the Secretary with respect to that demolition or disposition;

“(ix) a description of the manner in which the Department of Hawaiian Home Lands will coordinate with welfare agencies in the State of Hawaii to ensure that residents of the affordable housing will be provided with access to resources to assist in obtaining employment and achieving self-sufficiency;

“(x) a description of the requirements established by the Department of Hawaiian Home Lands to—

“(I) promote the safety of residents of the affordable housing;

“(II) facilitate the undertaking of crime prevention measures;

“(III) allow resident input and involvement, including the establishment of resident organizations; and

“(IV) allow for the coordination of crime prevention activities between the Department and local law enforcement officials; and

“(xi) a description of the entities that will carry out the activities under the plan, including the organizational capacity and key personnel of the entities.

“(E) CERTIFICATION OF COMPLIANCE.—Evidence of compliance that shall include, as appropriate—

“(i) a certification that the Department of Hawaiian Home Lands will comply with—

“(I) title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) or with the Fair Housing Act (42 U.S.C. 3601 et seq.) in carrying out this title, to the extent that such title is applicable; and

“(II) other applicable Federal statutes;

“(ii) a certification that the Department will require adequate insurance coverage for housing units that are owned and operated or assisted with grant amounts provided under this title, in compliance with such requirements as may be established by the Secretary;

“(iii) a certification that policies are in effect and are available for review by the Secretary and the public governing the eligibility, admission, and occupancy of families for housing assisted with grant amounts provided under this title;

“(iv) a certification that policies are in effect and are available for review by the Secretary and the public governing rents charged, including the methods by which such rents or homebuyer payments are determined, for housing assisted with grant amounts provided under this title; and

“(v) a certification that policies are in effect and are available for review by the Secretary and the public governing the management and maintenance of housing assisted with grant amounts provided under this title.

“(d) APPLICABILITY OF CIVIL RIGHTS STATUTES.—

“(1) IN GENERAL.—To the extent that the requirements of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) or of the Fair Housing Act (42 U.S.C. 3601 et seq.) apply to assistance provided under this title, nothing in the requirements concerning discrimination on the basis of race shall be construed to prevent the provision of assistance under this title—

“(A) to the Department of Hawaiian Home Lands on the basis that the Department served Native Hawaiians; or

“(B) to an eligible family on the basis that the family is a Native Hawaiian family.

“(2) CIVIL RIGHTS.—Program eligibility under this title may be restricted to Native Hawaiians. Subject to the preceding sentence, no person may be discriminated against on the basis of race, color, national origin, religion, sex, familial status, or disability.

“(e) USE OF NONPROFIT ORGANIZATIONS.—As a condition of receiving grant amounts under this title, the Department of Hawaiian Home Lands shall, to the extent practicable, provide for private nonprofit organizations experienced in the planning and development of affordable housing for Native Hawaiians to carry out affordable housing activities with those grant amounts.

“SEC. 804. REVIEW OF PLANS.

“(a) REVIEW AND NOTICE.—

“(1) REVIEW.—

“(A) IN GENERAL.—The Secretary shall conduct a review of a housing plan submitted to the Secretary under section 803 to ensure that the plan complies with the requirements of that section.

“(B) LIMITATION.—The Secretary shall have the discretion to review a plan referred to in subparagraph (A) only to the extent that the Secretary considers that the review is necessary.

“(2) NOTICE.—

“(A) IN GENERAL.—Not later than 60 days after receiving a plan under section 803, the Secretary shall notify the Director of the Department of Hawaiian Home Lands whether the plan complies with the requirements under that section.

“(B) EFFECT OF FAILURE OF SECRETARY TO TAKE ACTION.—For purposes of this title, if the Secretary does not notify the Director, as required under this subsection and subsection (b), upon the expiration of the 60-day period described in subparagraph (A)—

“(i) the plan shall be considered to have been determined to comply with the requirements under section 803; and

“(ii) the Director shall be considered to have been notified of compliance.

“(b) NOTICE OF REASONS FOR DETERMINATION OF NONCOMPLIANCE.—If the Secretary determines that a plan submitted under section 803 does not comply with the requirements of that section, the Secretary shall specify in the notice under subsection (a)—

“(1) the reasons for noncompliance; and

“(2) any modifications necessary for the plan to meet the requirements of section 803.

“(c) REVIEW.—

“(1) IN GENERAL.—After the Director of the Department of Hawaiian Home Lands submits a housing plan under section 803, or any amendment or modification to the plan to the Secretary, to the extent that the Secretary considers such action to be necessary to make a determination under this subsection, the Secretary shall review the plan (including any amendments or modifications thereto) to determine whether the contents of the plan—

“(A) set forth the information required by section 803 to be contained in the housing plan;

“(B) are consistent with information and data available to the Secretary; and

“(C) are not prohibited by or inconsistent with any provision of this Act or any other applicable law.

“(2) INCOMPLETE PLANS.—If the Secretary determines under this subsection that any of the appropriate certifications required under section 803(c)(2)(E) are not included in a plan, the plan shall be considered to be incomplete.

“(d) UPDATES TO PLAN.—

“(1) IN GENERAL.—Subject to paragraph (2), after a plan under section 803 has been submitted for a fiscal year, the Director of the Department of Hawaiian Home Lands may comply with the provisions of that section for any succeeding fiscal year (with respect to information included for the 5-year period under section 803(b) or for the 1-year period under section 803(c)) by submitting only such information regarding such changes as may be necessary to update the plan previously submitted.

“(2) COMPLETE PLANS.—The Director shall submit a complete plan under section 803 not later than 4 years after submitting an initial plan under that section, and not less frequently than every 4 years thereafter.

“(e) EFFECTIVE DATE.—This section and section 803 shall take effect on the date provided by the Secretary pursuant to section 807(a) to provide for timely submission and review of the housing plan as necessary for the provision of assistance under this title for fiscal year 2001.

“SEC. 805. TREATMENT OF PROGRAM INCOME AND LABOR STANDARDS.

“(a) PROGRAM INCOME.—

“(1) AUTHORITY TO RETAIN.—The Department of Hawaiian Home Lands may retain any program income that is realized from any grant amounts received by the Department under this title if—

“(A) that income was realized after the initial disbursement of the grant amounts received by the Department; and

“(B) the Director agrees to use the program income for affordable housing activities in accordance with the provisions of this title.

“(2) PROHIBITION OF REDUCTION OF GRANT.—The Secretary may not reduce the grant amount for the Department of Hawaiian Home Lands based solely on—

“(A) whether the Department retains program income under paragraph (1); or

“(B) the amount of any such program income retained.

“(3) EXCLUSION OF AMOUNTS.—The Secretary may, by regulation, exclude from consideration as program income any amounts determined to be so small that compliance with the requirements of this subsection would create an unreasonable administrative burden on the Department.

“(b) LABOR STANDARDS.—

“(1) IN GENERAL.—Any contract or agreement for assistance, sale, or lease pursuant to this title shall contain—

“(A) a provision requiring that an amount not less than the wages prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or

local law) by the Secretary, shall be paid to all architects, technical engineers, draftsmen, technicians employed in the development and all maintenance, and laborers and mechanics employed in the operation, of the affordable housing project involved; and

“(B) a provision that an amount not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Act commonly known as the ‘Davis-Bacon Act’ (46 Stat. 1494; chapter 411; 40 U.S.C. 276a et seq.) shall be paid to all laborers and mechanics employed in the development of the affordable housing involved.

“(2) EXCEPTIONS.—Paragraph (1) and provisions relating to wages required under paragraph (1) in any contract or agreement for assistance, sale, or lease under this title, shall not apply to any individual who performs the services for which the individual volunteered and who is not otherwise employed at any time in the construction work and received no compensation or is paid expenses, reasonable benefits, or a nominal fee for those services.

“SEC. 806. ENVIRONMENTAL REVIEW.

“(a) IN GENERAL.—

“(1) RELEASE OF FUNDS.—

“(A) IN GENERAL.—The Secretary may carry out the alternative environmental protection procedures described in subparagraph (B) in order to ensure—

“(i) that the policies of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other provisions of law that further the purposes of such Act (as specified in regulations issued by the Secretary) are most effectively implemented in connection with the expenditure of grant amounts provided under this title; and

“(ii) to the public undiminished protection of the environment.

“(B) ALTERNATIVE ENVIRONMENTAL PROTECTION PROCEDURE.—In lieu of applying environmental protection procedures otherwise applicable, the Secretary may by regulation provide for the release of funds for specific projects to the Department of Hawaiian Home Lands if the Director of the Department assumes all of the responsibilities for environmental review, decisionmaking, and action under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), and such other provisions of law as the regulations of the Secretary specify, that would apply to the Secretary were the Secretary to undertake those projects as Federal projects.

“(2) REGULATIONS.—

“(A) IN GENERAL.—The Secretary shall issue regulations to carry out this section only after consultation with the Council on Environmental Quality.

“(B) CONTENTS.—The regulations issued under this paragraph shall—

“(i) provide for the monitoring of the environmental reviews performed under this section;

“(ii) in the discretion of the Secretary, facilitate training for the performance of such reviews; and

“(iii) provide for the suspension or termination of the assumption of responsibilities under this section.

“(3) EFFECT ON ASSUMED RESPONSIBILITY.—The duty of the Secretary under paragraph (2)(B) shall not be construed to limit or reduce any responsibility assumed by the Department of Hawaiian Home Lands for grant amounts with respect to any specific release of funds.

“(b) PROCEDURE.—

“(1) IN GENERAL.—The Secretary shall authorize the release of funds subject to the procedures under this section only if, not less than 15 days before that approval and before any commitment of funds to such projects, the Director of the Department of

Hawaiian Home Lands submits to the Secretary a request for such release accompanied by a certification that meets the requirements of subsection (c).

“(2) EFFECT OF APPROVAL.—The approval of the Secretary of a certification described in paragraph (1) shall be deemed to satisfy the responsibilities of the Secretary under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and such other provisions of law as the regulations of the Secretary specify to the extent that those responsibilities relate to the releases of funds for projects that are covered by that certification.

“(c) CERTIFICATION.—A certification under the procedures under this section shall—

“(1) be in a form acceptable to the Secretary;

“(2) be executed by the Director of the Department of Hawaiian Home Lands;

“(3) specify that the Department of Hawaiian Home Lands has fully carried out its responsibilities as described under subsection (a); and

“(4) specify that the Director—

“(A) consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and each provision of law specified in regulations issued by the Secretary to the extent that those laws apply by reason of subsection (a); and

“(B) is authorized and consents on behalf of the Department of Hawaiian Home Lands and the Director to accept the jurisdiction of the Federal courts for the purpose of enforcement of the responsibilities of the Director of the Department of Hawaiian Home Lands as such an official.

“SEC. 807. REGULATIONS.

“The Secretary shall issue final regulations necessary to carry out this title not later than October 1, 2001.

“SEC. 808. EFFECTIVE DATE.

“Except as otherwise expressly provided in this title, this title shall take effect on the date of the enactment of the American Homeownership and Economic Opportunity Act of 2000.

“SEC. 809. AFFORDABLE HOUSING ACTIVITIES.

“(a) NATIONAL OBJECTIVES AND ELIGIBLE FAMILIES.—

“(1) PRIMARY OBJECTIVE.—The national objectives of this title are—

“(A) to assist and promote affordable housing activities to develop, maintain, and operate affordable housing in safe and healthy environments for occupancy by low-income Native Hawaiian families;

“(B) to ensure better access to private mortgage markets and to promote self-sufficiency of low-income Native Hawaiian families;

“(C) to coordinate activities to provide housing for low-income Native Hawaiian families with Federal, State and local activities to further economic and community development;

“(D) to plan for and integrate infrastructure resources on the Hawaiian Home Lands with housing development; and

“(E) to—

“(i) promote the development of private capital markets; and

“(ii) allow the markets referred to in clause (i) to operate and grow, thereby benefiting Native Hawaiian communities.

“(2) ELIGIBLE FAMILIES.—

“(A) IN GENERAL.—Except as provided under subparagraph (B), assistance for eligible housing activities under this title shall be limited to low-income Native Hawaiian families.

“(B) EXCEPTION TO LOW-INCOME REQUIREMENT.—

“(i) IN GENERAL.—The Director may provide assistance for homeownership activities under—

- “(I) section 810(b);
- “(II) model activities under section 810(f);

or

“(III) loan guarantee activities under section 184A of the Housing and Community Development Act of 1992 to Native Hawaiian families who are not low-income families, to the extent that the Secretary approves the activities under that section to address a need for housing for those families that cannot be reasonably met without that assistance.

“(ii) LIMITATIONS.—The Secretary shall establish limitations on the amount of assistance that may be provided under this title for activities for families that are not low-income families.

“(C) OTHER FAMILIES.—Notwithstanding paragraph (1), the Director may provide housing or housing assistance provided through affordable housing activities assisted with grant amounts under this title to a family that is not composed of Native Hawaiians if—

“(i) the Department determines that the presence of the family in the housing involved is essential to the well-being of Native Hawaiian families; and

“(ii) the need for housing for the family cannot be reasonably met without the assistance.

“(D) PREFERENCE.—

“(i) IN GENERAL.—A housing plan submitted under section 803 may authorize a preference, for housing or housing assistance provided through affordable housing activities assisted with grant amounts provided under this title to be provided, to the extent practicable, to families that are eligible to reside on the Hawaiian Home Lands.

“(ii) APPLICATION.—In any case in which a housing plan provides for preference described in clause (i), the Director shall ensure that housing activities that are assisted with grant amounts under this title are subject to that preference.

“(E) USE OF NONPROFIT ORGANIZATIONS.—As a condition of receiving grant amounts under this title, the Department of Hawaiian Home Lands, shall to the extent practicable, provide for private nonprofit organizations experienced in the planning and development of affordable housing for Native Hawaiians to carry out affordable housing activities with those grant amounts.

“SEC. 810. ELIGIBLE AFFORDABLE HOUSING ACTIVITIES.

“(a) IN GENERAL.—Affordable housing activities under this section are activities conducted in accordance with the requirements of section 811 to—

- “(1) develop or to support affordable housing for rental or homeownership; or
- “(2) provide housing services with respect to affordable housing, through the activities described in subsection (b).

“(b) ACTIVITIES.—The activities described in this subsection are the following:

“(1) DEVELOPMENT.—The acquisition, new construction, reconstruction, or moderate or substantial rehabilitation of affordable housing, which may include—

- “(A) real property acquisition;
- “(B) site improvement;
- “(C) the development of utilities and utility services;
- “(D) conversion;
- “(E) demolition;
- “(F) financing;
- “(G) administration and planning; and
- “(H) other related activities.

“(2) HOUSING SERVICES.—The provision of housing-related services for affordable housing, including—

“(A) housing counseling in connection with rental or homeownership assistance;

“(B) the establishment and support of resident organizations and resident management corporations;

“(C) energy auditing;

“(D) activities related to the provisions of self-sufficiency and other services; and

“(E) other services related to assisting owners, tenants, contractors, and other entities participating or seeking to participate in other housing activities assisted pursuant to this section.

“(3) HOUSING MANAGEMENT SERVICES.—The provision of management services for affordable housing, including—

“(A) the preparation of work specifications;

“(B) loan processing;

“(C) inspections;

“(D) tenant selection;

“(E) management of tenant-based rental assistance; and

“(F) management of affordable housing projects.

“(4) CRIME PREVENTION AND SAFETY ACTIVITIES.—The provision of safety, security, and law enforcement measures and activities appropriate to protect residents of affordable housing from crime.

“(5) MODEL ACTIVITIES.—Housing activities under model programs that are—

“(A) designed to carry out the purposes of this title; and

“(B) specifically approved by the Secretary as appropriate for the purpose referred to in subparagraph (A).

“SEC. 811. PROGRAM REQUIREMENTS.

“(a) RENTS.—

“(1) ESTABLISHMENT.—Subject to paragraph (2), as a condition to receiving grant amounts under this title, the Director shall develop written policies governing rents and homebuyer payments charged for dwelling units assisted under this title, including methods by which such rents and homebuyer payments are determined.

“(2) MAXIMUM RENT.—In the case of any low-income family residing in a dwelling unit assisted with grant amounts under this title, the monthly rent or homebuyer payment (as applicable) for that dwelling unit may not exceed 30 percent of the monthly adjusted income of that family.

“(b) MAINTENANCE AND EFFICIENT OPERATION.—

“(1) IN GENERAL.—The Director shall, using amounts of any grants received under this title, reserve and use for operating under section 810 such amounts as may be necessary to provide for the continued maintenance and efficient operation of such housing.

“(2) DISPOSAL OF CERTAIN HOUSING.—This subsection may not be construed to prevent the Director, or any entity funded by the Department, from demolishing or disposing of housing, pursuant to regulations established by the Secretary.

“(c) INSURANCE COVERAGE.—As a condition to receiving grant amounts under this title, the Director shall require adequate insurance coverage for housing units that are owned or operated or assisted with grant amounts provided under this title.

“(d) ELIGIBILITY FOR ADMISSION.—As a condition to receiving grant amounts under this title, the Director shall develop written policies governing the eligibility, admission, and occupancy of families for housing assisted with grant amounts provided under this title.

“(e) MANAGEMENT AND MAINTENANCE.—As a condition to receiving grant amounts under this title, the Director shall develop policies governing the management and maintenance of housing assisted with grant amounts under this title.

“SEC. 812. TYPES OF INVESTMENTS.

“(a) IN GENERAL.—Subject to section 811 and an applicable housing plan approved under section 803, the Director shall have—

“(1) the discretion to use grant amounts for affordable housing activities through the use of—

“(A) equity investments;

“(B) interest-bearing loans or advances;

“(C) noninterest-bearing loans or advances;

“(D) interest subsidies;

“(E) the leveraging of private investments;

or

“(F) any other form of assistance that the Secretary determines to be consistent with the purposes of this title; and

“(2) the right to establish the terms of assistance provided with funds referred to in paragraph (1).

“(b) INVESTMENTS.—The Director may invest grant amounts for the purposes of carrying out affordable housing activities in investment securities and other obligations, as approved by the Secretary.

“SEC. 813. LOW-INCOME REQUIREMENT AND INCOME TARGETING.

“(a) IN GENERAL.—Housing shall qualify for affordable housing for purposes of this title only if—

“(1) each dwelling unit in the housing—

“(A) in the case of rental housing, is made available for occupancy only by a family that is a low-income family at the time of the initial occupancy of that family of that unit; and

“(B) in the case of housing for homeownership, is made available for purchase only by a family that is a low-income family at the time of purchase; and

“(2) each dwelling unit in the housing will remain affordable, according to binding commitments satisfactory to the Secretary, for—

“(A) the remaining useful life of the property (as determined by the Secretary) without regard to the term of the mortgage or to transfer of ownership; or

“(B) such other period as the Secretary determines is the longest feasible period of time consistent with sound economics and the purposes of this title, except upon a foreclosure by a lender (or upon other transfer in lieu of foreclosure) if that action—

“(i) recognizes any contractual or legal rights of any public agency, nonprofit sponsor, or other person or entity to take an action that would—

“(I) avoid termination of low-income affordability, in the case of foreclosure; or

“(II) transfer ownership in lieu of foreclosure; and

“(ii) is not for the purpose of avoiding low-income affordability restrictions, as determined by the Secretary.

“(b) EXCEPTION.—Notwithstanding subsection (a), housing assisted pursuant to section 809(a)(2)(B) shall be considered affordable housing for purposes of this title.

“SEC. 814. LEASE REQUIREMENTS AND TENANT SELECTION.

“(a) LEASES.—Except to the extent otherwise provided by or inconsistent with the laws of the State of Hawaii, in renting dwelling units in affordable housing assisted with grant amounts provided under this title, the Director, owner, or manager shall use leases that—

“(1) do not contain unreasonable terms and conditions;

“(2) require the Director, owner, or manager to maintain the housing in compliance with applicable housing codes and quality standards;

“(3) require the Director, owner, or manager to give adequate written notice of termination of the lease, which shall be the period of time required under applicable State or local law;

"(4) specify that, with respect to any notice of eviction or termination, notwithstanding any State or local law, a resident shall be informed of the opportunity, before any hearing or trial, to examine any relevant documents, record, or regulations directly related to the eviction or termination;

"(5) require that the Director, owner, or manager may not terminate the tenancy, during the term of the lease, except for serious or repeated violation of the terms and conditions of the lease, violation of applicable Federal, State, or local law, or for other good cause; and

"(6) provide that the Director, owner, or manager may terminate the tenancy of a resident for any activity, engaged in by the resident, any member of the household of the resident, or any guest or other person under the control of the resident, that—

"(A) threatens the health or safety of, or right to peaceful enjoyment of the premises by, other residents or employees of the Department, owner, or manager;

"(B) threatens the health or safety of, or right to peaceful enjoyment of their premises by, persons residing in the immediate vicinity of the premises; or

"(C) is criminal activity (including drug-related criminal activity) on or off the premises.

"(b) TENANT OR HOMEBUYER SELECTION.—As a condition to receiving grant amounts under this title, the Director shall adopt and use written tenant and homebuyer selection policies and criteria that—

"(1) are consistent with the purpose of providing housing for low-income families;

"(2) are reasonably related to program eligibility and the ability of the applicant to perform the obligations of the lease; and

"(3) provide for—

"(A) the selection of tenants and homebuyers from a written waiting list in accordance with the policies and goals set forth in an applicable housing plan approved under section 803; and

"(B) the prompt notification in writing of any rejected applicant of the grounds for that rejection.

"SEC. 815. REPAYMENT.

"If the Department of Hawaiian Home Lands uses grant amounts to provide affordable housing under activities under this title and, at any time during the useful life of the housing, the housing does not comply with the requirement under section 813(a)(2), the Secretary shall—

"(1) reduce future grant payments on behalf of the Department by an amount equal to the grant amounts used for that housing (under the authority of section 819(a)(2)); or

"(2) require repayment to the Secretary of any amount equal to those grant amounts.

"SEC. 816. ANNUAL ALLOCATION.

"For each fiscal year, the Secretary shall allocate any amounts made available for assistance under this title for the fiscal year, in accordance with the formula established pursuant to section 817 to the Department of Hawaiian Home Lands if the Department complies with the requirements under this title for a grant under this title.

"SEC. 817. ALLOCATION FORMULA.

"(a) ESTABLISHMENT.—The Secretary shall, by regulation issued not later than the expiration of the 6-month period beginning on the date of the enactment of the American Homeownership and Economic Opportunity Act of 2000, in the manner provided under section 807, establish a formula to provide for the allocation of amounts available for a fiscal year for block grants under this title in accordance with the requirements of this section.

"(b) FACTORS FOR DETERMINATION OF NEED.—The formula under subsection (a)

shall be based on factors that reflect the needs for assistance for affordable housing activities, including—

"(1) the number of low-income dwelling units owned or operated at the time pursuant to a contract between the Director and the Secretary;

"(2) the extent of poverty and economic distress and the number of Native Hawaiian families eligible to reside on the Hawaiian Home Lands; and

"(3) any other objectively measurable conditions that the Secretary and the Director may specify.

"(c) OTHER FACTORS FOR CONSIDERATION.—In establishing the formula under subsection (a), the Secretary shall consider the relative administrative capacities of the Department of Hawaiian Home Lands and other challenges faced by the Department, including—

"(1) geographic distribution within Hawaiian Home Lands; and

"(2) technical capacity.

"(d) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of the American Homeownership and Economic Opportunity Act of 2000.

"SEC. 818. REMEDIES FOR NONCOMPLIANCE.

"(a) ACTIONS BY SECRETARY AFFECTING GRANT AMOUNTS.—

"(1) IN GENERAL.—Except as provided in subsection (b), if the Secretary finds after reasonable notice and opportunity for a hearing that the Department of Hawaiian Home Lands has failed to comply substantially with any provision of this title, the Secretary shall—

"(A) terminate payments under this title to the Department;

"(B) reduce payments under this title to the Department by an amount equal to the amount of such payments that were not expended in accordance with this title; or

"(C) limit the availability of payments under this title to programs, projects, or activities not affected by such failure to comply.

"(2) ACTIONS.—If the Secretary takes an action under subparagraph (A), (B), or (C) of paragraph (1), the Secretary shall continue that action until the Secretary determines that the failure by the Department to comply with the provision has been remedied by the Department and the Department is in compliance with that provision.

"(b) NONCOMPLIANCE BECAUSE OF A TECHNICAL INCAPACITY.—The Secretary may provide technical assistance for the Department, either directly or indirectly, that is designed to increase the capability and capacity of the Director of the Department to administer assistance provided under this title in compliance with the requirements under this title if the Secretary makes a finding under subsection (a), but determines that the failure of the Department to comply substantially with the provisions of this title—

"(1) is not a pattern or practice of activities constituting willful noncompliance; and

"(2) is a result of the limited capability or capacity of the Department of Hawaiian Home Lands.

"(c) REFERRAL FOR CIVIL ACTION.—

"(1) AUTHORITY.—In lieu of, or in addition to, any action that the Secretary may take under subsection (a), if the Secretary has reason to believe that the Department of Hawaiian Home Lands has failed to comply substantially with any provision of this title, the Secretary may refer the matter to the Attorney General of the United States with a recommendation that an appropriate civil action be instituted.

"(2) CIVIL ACTION.—Upon receiving a referral under paragraph (1), the Attorney General may bring a civil action in any United

States district court of appropriate jurisdiction for such relief as may be appropriate, including an action—

"(A) to recover the amount of the assistance furnished under this title that was not expended in accordance with this title; or

"(B) for mandatory or injunctive relief.

"(d) REVIEW.—

"(1) IN GENERAL.—If the Director receives notice under subsection (a) of the termination, reduction, or limitation of payments under this Act, the Director—

"(A) may, not later than 60 days after receiving such notice, file with the United States Court of Appeals for the Ninth Circuit, or in the United States Court of Appeals for the District of Columbia, a petition for review of the action of the Secretary; and

"(B) upon the filing of any petition under subparagraph (A), shall forthwith transmit copies of the petition to the Secretary and the Attorney General of the United States, who shall represent the Secretary in the litigation.

"(2) PROCEDURE.—

"(A) IN GENERAL.—The Secretary shall file in the court a record of the proceeding on which the Secretary based the action, as provided in section 2112 of title 28, United States Code.

"(B) OBJECTIONS.—No objection to the action of the Secretary shall be considered by the court unless the Department has registered the objection before the Secretary.

"(3) DISPOSITION.—

"(A) COURT PROCEEDINGS.—

"(i) JURISDICTION OF COURT.—The court shall have jurisdiction to affirm or modify the action of the Secretary or to set the action aside in whole or in part.

"(ii) FINDINGS OF FACT.—If supported by substantial evidence on the record considered as a whole, the findings of fact by the Secretary shall be conclusive.

"(iii) ADDITION.—The court may order evidence, in addition to the evidence submitted for review under this subsection, to be taken by the Secretary, and to be made part of the record.

"(B) SECRETARY.—

"(i) IN GENERAL.—The Secretary, by reason of the additional evidence referred to in subparagraph (A) and filed with the court—

"(I) may—

"(aa) modify the findings of fact of the Secretary; or

"(bb) make new findings; and

"(II) shall file—

"(aa) such modified or new findings; and

"(bb) the recommendation of the Secretary, if any, for the modification or setting aside of the original action of the Secretary.

"(ii) FINDINGS.—The findings referred to in clause (i)(II)(bb) shall, with respect to a question of fact, be considered to be conclusive if those findings are—

"(I) supported by substantial evidence on the record; and

"(II) considered as a whole.

"(4) FINALITY.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), upon the filing of the record under this subsection with the court—

"(i) the jurisdiction of the court shall be exclusive; and

"(ii) the judgment of the court shall be final.

"(B) REVIEW BY SUPREME COURT.—A judgment under subparagraph (A) shall be subject to review by the Supreme Court of the United States upon writ of certiorari or certification, as provided in section 1254 of title 28, United States Code.

"SEC. 819. MONITORING OF COMPLIANCE.

"(a) ENFORCEABLE AGREEMENTS.—

"(1) IN GENERAL.—The Director, through binding contractual agreements with owners

or other authorized entities, shall ensure long-term compliance with the provisions of this title.

“(2) MEASURES.—The measures referred to in paragraph (1) shall provide for—

“(A) to the extent allowable by Federal and State law, the enforcement of the provisions of this title by the Department and the Secretary; and

“(B) remedies for breach of the provisions referred to in paragraph (1).

“(b) PERIODIC MONITORING.—

“(1) IN GENERAL.—Not less frequently than annually, the Director shall review the activities conducted and housing assisted under this title to assess compliance with the requirements of this title.

“(2) REVIEW.—Each review under paragraph (1) shall include onsite inspection of housing to determine compliance with applicable requirements.

“(3) RESULTS.—The results of each review under paragraph (1) shall be—

“(A) included in a performance report of the Director submitted to the Secretary under section 820; and

“(B) made available to the public.

“(c) PERFORMANCE MEASURES.—The Secretary shall establish such performance measures as may be necessary to assess compliance with the requirements of this title.

“SEC. 820. PERFORMANCE REPORTS.

“(a) REQUIREMENT.—For each fiscal year, the Director shall—

“(1) review the progress the Department has made during that fiscal year in carrying out the housing plan submitted by the Department under section 803; and

“(2) submit a report to the Secretary (in a form acceptable to the Secretary) describing the conclusions of the review.

“(b) CONTENT.—Each report submitted under this section for a fiscal year shall—

“(1) describe the use of grant amounts provided to the Department of Hawaiian Home Lands for that fiscal year;

“(2) assess the relationship of the use referred to in paragraph (1) to the goals identified in the housing plan;

“(3) indicate the programmatic accomplishments of the Department; and

“(4) describe the manner in which the Department would change its housing plan submitted under section 803 as a result of its experiences.

“(c) SUBMISSIONS.—The Secretary shall—

“(1) establish a date for submission of each report under this section;

“(2) review each such report; and

“(3) with respect to each such report, make recommendations as the Secretary considers appropriate to carry out the purposes of this title.

“(d) PUBLIC AVAILABILITY.—

“(1) COMMENTS BY BENEFICIARIES.—In preparing a report under this section, the Director shall make the report publicly available to the beneficiaries of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.) and give a sufficient amount of time to permit those beneficiaries to comment on that report before it is submitted to the Secretary (in such manner and at such time as the Director may determine).

“(2) SUMMARY OF COMMENTS.—The report shall include a summary of any comments received by the Director from beneficiaries under paragraph (1) regarding the program to carry out the housing plan.

“SEC. 821. REVIEW AND AUDIT BY SECRETARY.

“(a) ANNUAL REVIEW.—

“(1) IN GENERAL.—The Secretary shall, not less frequently than on an annual basis, make such reviews and audits as may be necessary or appropriate to determine whether—

“(A) the Director has—

“(i) carried out eligible activities under this title in a timely manner;

“(ii) carried out and made certifications in accordance with the requirements and the primary objectives of this title and with other applicable laws; and

“(iii) a continuing capacity to carry out the eligible activities in a timely manner;

“(B) the Director has complied with the housing plan submitted by the Director under section 803; and

“(C) the performance reports of the Department under section 821 are accurate.

“(2) ONSITE VISITS.—Each review conducted under this section shall, to the extent practicable, include onsite visits by employees of the Department of Housing and Urban Development.

“(b) REPORT BY SECRETARY.—The Secretary shall give the Department of Hawaiian Home Lands not less than 30 days to review and comment on a report under this subsection. After taking into consideration the comments of the Department, the Secretary may revise the report and shall make the comments of the Department and the report with any revisions, readily available to the public not later than 30 days after receipt of the comments of the Department.

“(c) EFFECT OF REVIEWS.—The Secretary may make appropriate adjustments in the amount of annual grants under this title in accordance with the findings of the Secretary pursuant to reviews and audits under this section. The Secretary may adjust, reduce, or withdraw grant amounts, or take other action as appropriate in accordance with the reviews and audits of the Secretary under this section, except that grant amounts already expended on affordable housing activities may not be recaptured or deducted from future assistance provided to the Department of Hawaiian Home Lands.

“SEC. 822. GENERAL ACCOUNTING OFFICE AUDITS.

“To the extent that the financial transactions of the Department of Hawaiian Home Lands involving grant amounts under this title relate to amounts provided under this title, those transactions may be audited by the Comptroller General of the United States under such regulations as may be prescribed by the Comptroller General. The Comptroller General of the United States shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by the Department of Hawaiian Home Lands pertaining to such financial transactions and necessary to facilitate the audit.

“SEC. 823. REPORTS TO CONGRESS.

“(a) IN GENERAL.—Not later than 90 days after the conclusion of each fiscal year in which assistance under this title is made available, the Secretary shall submit to Congress a report that contains—

“(1) a description of the progress made in accomplishing the objectives of this title;

“(2) a summary of the use of funds available under this title during the preceding fiscal year; and

“(3) a description of the aggregate outstanding loan guarantees under section 184A of the Housing and Community Development Act of 1992.

“(b) RELATED REPORTS.—The Secretary may require the Director to submit to the Secretary such reports and other information as may be necessary in order for the Secretary to prepare the report required under subsection (a).

“SEC. 824. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated to the Department of Housing and Urban Development for grants under this title such sums as may be necessary for each of fiscal years 2001, 2002, 2003, 2004, and 2005.”

SEC. 514. LOAN GUARANTEES.

Subtitle E of title I of the Housing and Community Development Act of 1992 is amended by inserting after section 184 (12 U.S.C. 1715z-13a) the following:

“SEC. 184A. LOAN GUARANTEES FOR NATIVE HAWAIIAN HOUSING.

“(a) DEFINITIONS.—In this section:

“(1) DEPARTMENT OF HAWAIIAN HOME LANDS.—The term ‘Department of Hawaiian Home Lands’ means the agency or department of the government of the State of Hawaii that is responsible for the administration of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.).

“(2) ELIGIBLE ENTITY.—The term ‘eligible entity’ means a Native Hawaiian family, the Department of Hawaiian Home Lands, the Office of Hawaiian Affairs, and private nonprofit or private for-profit organizations experienced in the planning and development of affordable housing for Native Hawaiians.

“(3) FAMILY.—The term ‘family’ means one or more persons maintaining a household, as the Secretary shall by regulation provide.

“(4) GUARANTEE FUND.—The term ‘Guarantee Fund’ means the Native Hawaiian Housing Loan Guarantee Fund established under subsection (i).

“(5) HAWAIIAN HOME LANDS.—The term ‘Hawaiian Home Lands’ means lands that—

“(A) have the status of Hawaiian Home Lands under section 204 of the Hawaiian Homes Commission Act (42 Stat. 110); or

“(B) are acquired pursuant to that Act.

“(6) NATIVE HAWAIIAN.—The term ‘Native Hawaiian’ means any individual who is—

“(A) a citizen of the United States; and

“(B) a descendant of the aboriginal people, who, prior to 1778, occupied and exercised sovereignty in the area that currently constitutes the State of Hawaii, as evidenced by—

“(i) genealogical records;

“(ii) verification by kupuna (elders) or kama’aina (long-term community residents); or

“(iii) birth records of the State of Hawaii.

“(7) OFFICE OF HAWAIIAN AFFAIRS.—The term ‘Office of Hawaiian Affairs’ means the entity of that name established under the constitution of the State of Hawaii.

“(b) AUTHORITY.—To provide access to sources of private financing to Native Hawaiian families who otherwise could not acquire housing financing because of the unique legal status of the Hawaiian Home Lands or as a result of a lack of access to private financial markets, the Secretary may guarantee an amount not to exceed 100 percent of the unpaid principal and interest that is due on an eligible loan under subsection (b).

“(c) ELIGIBLE LOANS.—Under this section, a loan is an eligible loan if that loan meets the following requirements:

“(1) ELIGIBLE BORROWERS.—The loan is made only to a borrower who is—

“(A) a Native Hawaiian family;

“(B) the Department of Hawaiian Home Lands;

“(C) the Office of Hawaiian Affairs; or

“(D) a private nonprofit organization experienced in the planning and development of affordable housing for Native Hawaiians.

“(2) ELIGIBLE HOUSING.—

“(A) IN GENERAL.—The loan will be used to construct, acquire, or rehabilitate not more than 4-family dwellings that are standard housing and are located on Hawaiian Home Lands for which a housing plan described in subparagraph (B) applies.

“(B) HOUSING PLAN.—A housing plan described in this subparagraph is a housing plan that—

“(i) has been submitted and approved by the Secretary under section 803 of the Native American Housing Assistance and Self-Determination Act of 1996; and

“(ii) provides for the use of loan guarantees under this section to provide affordable homeownership housing on Hawaiian Home Lands.

“(3) SECURITY.—The loan may be secured by any collateral authorized under applicable Federal or State law.

“(4) LENDERS.—

“(A) IN GENERAL.—The loan shall be made only by a lender approved by, and meeting qualifications established by, the Secretary, including any lender described in subparagraph (B), except that a loan otherwise insured or guaranteed by an agency of the Federal Government or made by the Department of Hawaiian Home Lands from amounts borrowed from the United States shall not be eligible for a guarantee under this section.

“(B) APPROVAL.—The following lenders shall be considered to be lenders that have been approved by the Secretary:

“(i) Any mortgagee approved by the Secretary for participation in the single family mortgage insurance program under title II of the National Housing Act (12 U.S.C.A. 1707 et seq.).

“(ii) Any lender that makes housing loans under chapter 37 of title 38, United States Code, that are automatically guaranteed under section 3702(d) of title 38, United States Code.

“(iii) Any lender approved by the Secretary of Agriculture to make guaranteed loans for single family housing under the Housing Act of 1949 (42 U.S.C.A. 1441 et seq.).

“(iv) Any other lender that is supervised, approved, regulated, or insured by any agency of the Federal Government.

“(5) TERMS.—The loan shall—

“(A) be made for a term not exceeding 30 years;

“(B) bear interest (exclusive of the guarantee fee under subsection (d) and service charges, if any) at a rate agreed upon by the borrower and the lender and determined by the Secretary to be reasonable, but not to exceed the rate generally charged in the area (as determined by the Secretary) for home mortgage loans not guaranteed or insured by any agency or instrumentality of the Federal Government;

“(C) involve a principal obligation not exceeding—

“(i) 97.75 percent of the appraised value of the property as of the date the loan is accepted for guarantee (or 98.75 percent if the value of the property is \$50,000 or less); or

“(ii) the amount approved by the Secretary under this section; and

“(D) involve a payment on account of the property—

“(i) in cash or its equivalent; or

“(ii) through the value of any improvements to the property made through the skilled or unskilled labor of the borrower, as the Secretary shall provide.

“(d) CERTIFICATE OF GUARANTEE.—

“(i) APPROVAL PROCESS.—

“(A) IN GENERAL.—Before the Secretary approves any loan for guarantee under this section, the lender shall submit the application for the loan to the Secretary for examination.

“(B) APPROVAL.—If the Secretary approves the application submitted under subparagraph (A), the Secretary shall issue a certificate under this subsection as evidence of the loan guarantee approved.

“(2) STANDARD FOR APPROVAL.—The Secretary may approve a loan for guarantee under this section and issue a certificate under this subsection only if the Secretary determines that there is a reasonable prospect of repayment of the loan.

“(3) EFFECT.—

“(A) IN GENERAL.—A certificate of guarantee issued under this subsection by the Secretary shall be conclusive evidence of the

eligibility of the loan for guarantee under this section and the amount of that guarantee.

“(B) EVIDENCE.—The evidence referred to in subparagraph (A) shall be incontestable in the hands of the bearer.

“(C) FULL FAITH AND CREDIT.—The full faith and credit of the United States is pledged to the payment of all amounts agreed to be paid by the Secretary as security for the obligations made by the Secretary under this section.

“(4) FRAUD AND MISREPRESENTATION.—This subsection may not be construed—

“(A) to preclude the Secretary from establishing defenses against the original lender based on fraud or material misrepresentation; or

“(B) to bar the Secretary from establishing by regulations that are on the date of issuance or disbursement, whichever is earlier, partial defenses to the amount payable on the guarantee.

“(e) GUARANTEE FEE.—

“(1) IN GENERAL.—The Secretary shall fix and collect a guarantee fee for the guarantee of a loan under this section, which may not exceed the amount equal to 1 percent of the principal obligation of the loan.

“(2) PAYMENT.—The fee under this subsection shall—

“(A) be paid by the lender at time of issuance of the guarantee; and

“(B) be adequate, in the determination of the Secretary, to cover expenses and probable losses.

“(3) DEPOSIT.—The Secretary shall deposit any fees collected under this subsection in the Native Hawaiian Housing Loan Guarantee Fund established under subsection (j).

“(f) LIABILITY UNDER GUARANTEE.—The liability under a guarantee provided under this section shall decrease or increase on a pro rata basis according to any decrease or increase in the amount of the unpaid obligation under the provisions of the loan agreement involved.

“(g) TRANSFER AND ASSUMPTION.—Notwithstanding any other provision of law, any loan guaranteed under this section, including the security given for the loan, may be sold or assigned by the lender to any financial institution subject to examination and supervision by an agency of the Federal Government or of any State or the District of Columbia.

“(h) DISQUALIFICATION OF LENDERS AND CIVIL MONEY PENALTIES.—

“(1) IN GENERAL.—

“(A) GROUNDS FOR ACTION.—The Secretary may take action under subparagraph (B) if the Secretary determines that any lender or holder of a guarantee certificate under subsection (c)—

“(i) has failed—

“(I) to maintain adequate accounting records;

“(II) to service adequately loans guaranteed under this section; or

“(III) to exercise proper credit or underwriting judgment; or

“(ii) has engaged in practices otherwise detrimental to the interest of a borrower or the United States.

“(B) ACTIONS.—Upon a determination by the Secretary that a holder of a guarantee certificate under subsection (c) has failed to carry out an activity described in subparagraph (A)(i) or has engaged in practices described in subparagraph (A)(ii), the Secretary may—

“(i) refuse, either temporarily or permanently, to guarantee any further loans made by such lender or holder;

“(ii) bar such lender or holder from acquiring additional loans guaranteed under this section; and

“(iii) require that such lender or holder assume not less than 10 percent of any loss on further loans made or held by the lender or holder that are guaranteed under this section.

“(2) CIVIL MONEY PENALTIES FOR INTENTIONAL VIOLATIONS.—

“(A) IN GENERAL.—The Secretary may impose a civil monetary penalty on a lender or holder of a guarantee certificate under subsection (d) if the Secretary determines that the holder or lender has intentionally failed—

“(i) to maintain adequate accounting records;

“(ii) to adequately service loans guaranteed under this section; or

“(iii) to exercise proper credit or underwriting judgment.

“(B) PENALTIES.—A civil monetary penalty imposed under this paragraph shall be imposed in the manner and be in an amount provided under section 536 of the National Housing Act (12 U.S.C.A. 1735f-1) with respect to mortgagees and lenders under that Act.

“(3) PAYMENT ON LOANS MADE IN GOOD FAITH.—Notwithstanding paragraphs (1) and (2), if a loan was made in good faith, the Secretary may not refuse to pay a lender or holder of a valid guarantee on that loan, without regard to whether the lender or holder is barred under this subsection.

“(i) PAYMENT UNDER GUARANTEE.—

“(1) LENDER OPTIONS.—

“(A) IN GENERAL.—

“(i) NOTIFICATION.—If a borrower on a loan guaranteed under this section defaults on the loan, the holder of the guarantee certificate shall provide written notice of the default to the Secretary.

“(ii) PAYMENT.—Upon providing the notice required under clause (i), the holder of the guarantee certificate shall be entitled to payment under the guarantee (subject to the provisions of this section) and may proceed to obtain payment in one of the following manners:

“(I) FORECLOSURE.—

“(aa) IN GENERAL.—The holder of the certificate may initiate foreclosure proceedings (after providing written notice of that action to the Secretary).

“(bb) PAYMENT.—Upon a final order by the court authorizing foreclosure and submission to the Secretary of a claim for payment under the guarantee, the Secretary shall pay to the holder of the certificate the pro rata portion of the amount guaranteed (as determined pursuant to subsection (f)) plus reasonable fees and expenses as approved by the Secretary.

“(cc) SUBROGATION.—The rights of the Secretary shall be subrogated to the rights of the holder of the guarantee. The holder shall assign the obligation and security to the Secretary.

“(II) NO FORECLOSURE.—

“(aa) IN GENERAL.—Without seeking foreclosure (or in any case in which a foreclosure proceeding initiated under clause (i) continues for a period in excess of 1 year), the holder of the guarantee may submit to the Secretary a request to assign the obligation and security interest to the Secretary in return for payment of the claim under the guarantee. The Secretary may accept assignment of the loan if the Secretary determines that the assignment is in the best interest of the United States.

“(bb) PAYMENT.—Upon assignment, the Secretary shall pay to the holder of the guarantee the pro rata portion of the amount guaranteed (as determined under subsection (f)).

“(cc) SUBROGATION.—The rights of the Secretary shall be subrogated to the rights of the holder of the guarantee. The holder shall

assign the obligation and security to the Secretary.

“(B) REQUIREMENTS.—Before any payment under a guarantee is made under subparagraph (A), the holder of the guarantee shall exhaust all reasonable possibilities of collection. 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 to be appropriate.

“(2) LIMITATIONS ON LIQUIDATION.—

“(A) IN GENERAL.—If a borrower defaults on a loan guaranteed under this section that involves a security interest in restricted Hawaiian Home Land property, the mortgagee or the Secretary shall only pursue liquidation after offering to transfer the account to another eligible Hawaiian family or the Department of Hawaiian Home Lands.

“(B) LIMITATION.—If, after action is taken under subparagraph (A), the mortgagee or the Secretary subsequently proceeds to liquidate the account, the mortgagee or the Secretary shall not sell, transfer, or otherwise dispose of or alienate the property described in subparagraph (A) except to another eligible Hawaiian family or to the Department of Hawaiian Home Lands.

“(j) HAWAIIAN HOUSING LOAN GUARANTEE FUND.—

“(1) ESTABLISHMENT.—There is established in the Treasury of the United States the Hawaiian Housing Loan Guarantee Fund for the purpose of providing loan guarantees under this section.

“(2) CREDITS.—The Guarantee Fund shall be credited with—

“(A) any amount, claims, notes, mortgages, contracts, and property acquired by the Secretary under this section, and any collections and proceeds therefrom;

“(B) any amounts appropriated pursuant to paragraph (7);

“(C) any guarantee fees collected under subsection (d); and

“(D) any interest or earnings on amounts invested under paragraph (4).

“(3) USE.—Amounts in the Guarantee Fund shall be available, to the extent provided in appropriations Acts, for—

“(A) fulfilling any obligations of the Secretary with respect to loans guaranteed under this section, including the costs (as that term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) of such loans;

“(B) paying taxes, insurance, prior liens, expenses necessary to make fiscal adjustment in connection with the application and transmittal of collections, and other expenses and advances to protect the Secretary for loans which are guaranteed under this section or held by the Secretary;

“(C) acquiring such security property at foreclosure sales or otherwise;

“(D) paying administrative expenses in connection with this section; and

“(E) reasonable and necessary costs of rehabilitation and repair to properties that the Secretary holds or owns pursuant to this section.

“(4) INVESTMENT.—Any amounts in the Guarantee Fund determined by the Secretary to be in excess of amounts currently required at the time of the determination to carry out this section may be invested in obligations of the United States.

“(5) LIMITATION ON COMMITMENTS TO GUARANTEE LOANS AND MORTGAGES.—

“(A) REQUIREMENT OF APPROPRIATIONS.—The authority of the Secretary to enter into commitments to guarantee loans under this section shall be effective for any fiscal year to the extent, or in such amounts as are, or

have been, provided in appropriations Acts, without regard to the fiscal year for which such amounts were appropriated.

“(B) LIMITATIONS ON COSTS OF GUARANTEES.—The authority of the Secretary to enter into commitments to guarantee loans under this section shall be effective for any fiscal year only to the extent that amounts in the Guarantee Fund are or have been made available in appropriations Acts to cover the costs (as that term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) of such loan guarantees for such fiscal year. Any amounts appropriated pursuant to this subparagraph shall remain available until expended.

“(C) LIMITATION ON OUTSTANDING AGGREGATE PRINCIPAL AMOUNT.—Subject to the limitations in subparagraphs (A) and (B), the Secretary may enter into commitments to guarantee loans under this section for each of fiscal years 2001, 2002, 2003, 2004, and 2005 with an aggregate outstanding principal amount not exceeding \$100,000,000 for each such fiscal year.

“(6) LIABILITIES.—All liabilities and obligations of the assets credited to the Guarantee Fund under paragraph (2)(A) shall be liabilities and obligations of the Guarantee Fund.

“(7) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Guarantee Fund to carry out this section such sums as may be necessary for each of fiscal years 2001, 2002, 2003, 2004, and 2005.

“(k) REQUIREMENTS FOR STANDARD HOUSING.—

“(1) IN GENERAL.—The Secretary shall, by regulation, establish housing safety and quality standards to be applied for use under this section.

“(2) STANDARDS.—The standards referred to in paragraph (1) shall—

“(A) provide sufficient flexibility to permit the use of various designs and materials in housing acquired with loans guaranteed under this section; and

“(B) require each dwelling unit in any housing acquired in the manner described in subparagraph (A) to—

“(i) be decent, safe, sanitary, and modest in size and design;

“(ii) conform with applicable general construction standards for the region in which the housing is located;

“(iii) contain a plumbing system that—

“(I) uses a properly installed system of piping;

“(II) includes a kitchen sink and a partitioned bathroom with lavatory, toilet, and bath or shower; and

“(III) uses water supply, plumbing, and sewage disposal systems that conform to any minimum standards established by the applicable county or State;

“(iv) contain an electrical system using wiring and equipment properly installed to safely supply electrical energy for adequate lighting and for operation of appliances that conforms to any appropriate county, State, or national code;

“(v) be not less than the size provided under the applicable locally adopted standards for size of dwelling units, except that the Secretary, upon request of the Department of Hawaiian Home Lands may waive the size requirements under this paragraph; and

“(vi) conform with the energy performance requirements for new construction established by the Secretary under section 526(a) of the National Housing Act (12 U.S.C.A. 1735f-4), unless the Secretary determines that the requirements are not applicable.

“(l) APPLICABILITY OF CIVIL RIGHTS STATUTES.—To the extent that the requirements of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) or of the Fair Housing Act (42 U.S.C.A. 3601 et seq.) apply to a guar-

antee provided under this subsection, nothing in the requirements concerning discrimination on the basis of race shall be construed to prevent the provision of the guarantee to an eligible entity on the basis that the entity serves Native Hawaiian families or is a Native Hawaiian family.”.

TITLE VI—MANUFACTURED HOUSING IMPROVEMENT

SEC. 601. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This title may be cited as the “Manufactured Housing Improvement Act of 2000”.

(b) REFERENCES.—Whenever in this title an amendment is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to that section or other provision of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5401 et seq.).

SEC. 602. FINDINGS AND PURPOSES.

Section 602 (42 U.S.C. 5401) is amended to read as follows:

“SEC. 602. FINDINGS AND PURPOSES.

“(a) FINDINGS.—Congress finds that—

“(1) manufactured housing plays a vital role in meeting the housing needs of the Nation; and

“(2) manufactured homes provide a significant resource for affordable homeownership and rental housing accessible to all Americans.

“(b) PURPOSES.—The purposes of this title are—

“(1) to protect the quality, durability, safety, and affordability of manufactured homes;

“(2) to facilitate the availability of affordable manufactured homes and to increase homeownership for all Americans;

“(3) to provide for the establishment of practical, uniform, and, to the extent possible, performance-based Federal construction standards for manufactured homes;

“(4) to encourage innovative and cost-effective construction techniques for manufactured homes;

“(5) to protect residents of manufactured homes with respect to personal injuries and the amount of insurance costs and property damages in manufactured housing, consistent with the other purposes of this section;

“(6) to establish a balanced consensus process for the development, revision, and interpretation of Federal construction and safety standards for manufactured homes and related regulations for the enforcement of such standards;

“(7) to ensure uniform and effective enforcement of Federal construction and safety standards for manufactured homes; and

“(8) to ensure that the public interest in, and need for, affordable manufactured housing is duly considered in all determinations relating to the Federal standards and their enforcement.”.

SEC. 603. DEFINITIONS.

(a) IN GENERAL.—Section 603 (42 U.S.C. 5402) is amended—

(1) in paragraph (2), by striking “dealer” and inserting “retailer”;

(2) in paragraph (12), by striking “and” at the end;

(3) in paragraph (13), by striking the period at the end and inserting a semicolon; and

(4) by adding at the end the following:

“(14) ‘administering organization’ means the recognized, voluntary, private sector, consensus standards body with specific experience in developing model residential building codes and standards involving all disciplines regarding construction and safety that administers the consensus standards through a development process;

“(15) ‘consensus committee’ means the committee established under section 604(a)(3);

“(16) ‘consensus standards development process’ means the process by which additions, revisions, and interpretations to the Federal manufactured home construction and safety standards and enforcement regulations shall be developed and recommended to the Secretary by the consensus committee;”

“(17) ‘primary inspection agency’ means a State agency or private organization that has been approved by the Secretary to act as a design approval primary inspection agency or a production inspection primary inspection agency, or both;”

“(18) ‘design approval primary inspection agency’ means a State agency or private organization that has been approved by the Secretary to evaluate and either approve or disapprove manufactured home designs and quality control procedures;”

“(19) ‘installation standards’ means reasonable specifications for the installation of a manufactured home, at the place of occupancy, to ensure proper siting, the joining of all sections of the home, and the installation of stabilization, support, or anchoring systems;”

“(20) ‘monitoring’ means the process of periodic review of the primary inspection agencies, by the Secretary or by a State agency under an approved State plan pursuant to section 623, in accordance with regulations promulgated under this title, giving due consideration to the recommendations of the consensus committee under section 604(b), which process shall be for the purpose of ensuring that the primary inspection agencies are discharging their duties under this title; and

“(21) ‘production inspection primary inspection agency’ means a State agency or private organization that has been approved by the Secretary to evaluate the ability of manufactured home manufacturing plants to comply with approved quality control procedures and with the Federal manufactured home construction and safety standards promulgated hereunder, including the inspection of homes in the plant.”

(b) CONFORMING AMENDMENTS.—The National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5401 et seq.) is amended—

(1) in section 613 (42 U.S.C. 5412), by striking “dealer” each place it appears and inserting “retailer”;

(2) in section 614(f) (42 U.S.C. 5413(f)), by striking “dealer” each place it appears and inserting “retailer”;

(3) in section 615 (42 U.S.C. 5414)—

(A) in subsection (b)(1), by striking “dealer” and inserting “retailer”;

(B) in subsection (b)(3), by striking “dealer or dealers” and inserting “retailer or retailers”; and

(C) in subsections (d) and (f), by striking “dealers” each place it appears and inserting “retailers”;

(4) in section 616 (42 U.S.C. 5415), by striking “dealer” and inserting “retailer”; and

(5) in section 623(c)(9), by striking “dealers” and inserting “retailers”.

SEC. 604. FEDERAL MANUFACTURED HOME CONSTRUCTION AND SAFETY STANDARDS.

Section 604 (42 U.S.C. 5403) is amended—

(1) by striking subsections (a) and (b) and inserting the following:

“(a) ESTABLISHMENT.—

“(1) AUTHORITY.—The Secretary shall establish, by order, appropriate Federal manufactured home construction and safety standards, each of which—

“(A) shall—

“(i) be reasonable and practical;

“(ii) meet high standards of protection consistent with the purposes of this title; and

“(iii) be performance-based and objectively stated, unless clearly inappropriate; and

“(B) except as provided in subsection (b), shall be established in accordance with the consensus standards development process.

“(2) CONSENSUS STANDARDS AND REGULATORY DEVELOPMENT PROCESS.—

“(A) INITIAL AGREEMENT.—Not later than 180 days after the date of enactment of the Manufactured Housing Improvement Act of 2000, the Secretary shall enter into a contract with an administering organization. The contractual agreement shall—

“(i) terminate on the date on which a contract is entered into under subparagraph (B); and

“(ii) require the administering organization to—

“(I) recommend the initial members of the consensus committee under paragraph (3);

“(II) administer the consensus standards development process until the termination of that agreement; and

“(III) administer the consensus development and interpretation process for procedural and enforcement regulations and regulations specifying the permissible scope and conduct of monitoring until the termination of that agreement.

“(B) COMPETITIVELY PROCURED CONTRACT.—Upon the expiration of the 4-year period beginning on the date on which all members of the consensus committee are appointed under paragraph (3), the Secretary shall, using competitive procedures (as such term is defined in section 4 of the Office of Federal Procurement Policy Act), enter into a competitively awarded contract with an administering organization. The administering organization shall administer the consensus process for the development and interpretation of the Federal standards, the procedural and enforcement regulations, and regulations specifying the permissible scope and conduct of monitoring, in accordance with this title.

“(C) PERFORMANCE REVIEW.—The Secretary—

“(i) shall periodically review the performance of the administering organization; and

“(ii) may replace the administering organization with another qualified technical or building code organization, pursuant to competitive procedures, if the Secretary determines in writing that the administering organization is not fulfilling the terms of the agreement or contract to which the administering organization is subject or upon the expiration of the agreement or contract.

“(3) CONSENSUS COMMITTEE.—

“(A) PURPOSE.—There is established a committee to be known as the ‘consensus committee’, which shall, in accordance with this title—

“(i) provide periodic recommendations to the Secretary to adopt, revise, and interpret the Federal manufactured housing construction and safety standards in accordance with this subsection;

“(ii) provide periodic recommendations to the Secretary to adopt, revise, and interpret the procedural and enforcement regulations, including regulations specifying the permissible scope and conduct of monitoring in accordance with subsection (b);

“(iii) be organized and carry out its business in a manner that guarantees a fair opportunity for the expression and consideration of various positions and for public participation; and

“(iv) be deemed to be an advisory committee not composed of Federal employees.

“(B) MEMBERSHIP.—The consensus committee shall be composed of—

“(i) 21 voting members appointed by the Secretary, after consideration of the recommendations of the administering organization, from among individuals who are

qualified by background and experience to participate in the work of the consensus committee; and

“(ii) 1 nonvoting member appointed by the Secretary to represent the Secretary on the consensus committee.

“(C) DISAPPROVAL.—The Secretary shall state, in writing, the reasons for failing to appoint any individual recommended under paragraph (2)(A)(ii)(I).

“(D) SELECTION PROCEDURES AND REQUIREMENTS.—Each member of the consensus committee shall be appointed in accordance with selection procedures, which shall be based on the procedures for consensus committees promulgated by the American National Standards Institute (or successor organization), except that the American National Standards Institute interest categories shall be modified for purposes of this paragraph to ensure equal representation on the consensus committee of the following interest categories:

“(i) PRODUCERS.—Seven producers or retailers of manufactured housing.

“(ii) USERS.—Seven persons representing consumer interests, such as consumer organizations, recognized consumer leaders, and owners who are residents of manufactured homes.

“(iii) GENERAL INTEREST AND PUBLIC OFFICIALS.—Seven general interest and public officials members.

“(E) BALANCING OF INTERESTS.—

“(i) IN GENERAL.—In order to achieve a proper balance of interests on the consensus committee, the Secretary, in appointing the members of the consensus committee—

“(I) shall ensure that all directly and materially affected interests have the opportunity for fair and equitable participation without dominance by any single interest; and

“(II) may reject the appointment of any 1 or more individuals in order to ensure that there is not dominance by any single interest.

“(ii) DOMINANCE DEFINED.—In this subparagraph, the term ‘dominance’ means a position or exercise of dominant authority, leadership, or influence by reason of superior leverage, strength, or representation.

“(F) ADDITIONAL QUALIFICATIONS.—

“(i) FINANCIAL INDEPENDENCE.—No individual appointed under subparagraph (D)(ii) shall have, and 3 of the individuals appointed under subparagraph (D)(iii) shall not have—

“(I) a significant financial interest in any segment of the manufactured housing industry; or

“(II) a significant relationship to any person engaged in the manufactured housing industry.

“(ii) POST-EMPLOYMENT BAN.—Each individual described in clause (i) shall be subject to a ban disallowing compensation from the manufactured housing industry during the period of, and during the 1-year following, the membership of the individual on the consensus committee.

“(G) MEETINGS.—

“(i) NOTICE; OPEN TO PUBLIC.—The consensus committee shall provide advance notice of each meeting of the consensus committee to the Secretary and cause to be published in the Federal Register advance notice of each such meeting. All meetings of the consensus committee shall be open to the public.

“(ii) REIMBURSEMENT.—Members of the consensus committee in attendance at meetings of the consensus committee shall be reimbursed for their actual expenses as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in Government service.

“(H) ADMINISTRATION.—The consensus committee and the administering organization shall—

“(i) operate in conformance with the procedures established by the American National Standards Institute for the development and coordination of American National Standards; and

“(ii) apply to the American National Standards Institute and take such other actions as may be necessary to obtain accreditation from the American National Standards Institute.

“(I) STAFF AND TECHNICAL SUPPORT.—The administering organization shall, upon the request of the consensus committee—

“(i) provide reasonable staff resources to the consensus committee; and

“(ii) furnish technical support in a timely manner to any of the interest categories described in subparagraph (D) represented on the consensus committee, if—

“(I) the support is necessary to ensure the informed participation of the consensus committee members; and

“(II) the costs of providing the support are reasonable.

“(J) DATE OF INITIAL APPOINTMENTS.—The initial appointments of all of the members of the consensus committee shall be completed not later than 90 days after the date on which a contractual agreement under paragraph (2)(A) is entered into with the administering organization.

“(4) REVISIONS OF STANDARDS.—

“(A) IN GENERAL.—Beginning on the date on which all members of the consensus committee are appointed under paragraph (3), the consensus committee shall, not less than once during each 2-year period—

“(i) consider revisions to the Federal manufactured home construction and safety standards; and

“(ii) submit proposed revised standards, if approved in a vote of the consensus committee by $\frac{2}{3}$ of the members, to the Secretary in the form of a proposed rule, including an economic analysis.

“(B) PUBLICATION OF PROPOSED REVISED STANDARDS.—

“(i) PUBLICATION BY SECRETARY.—The consensus committee shall provide a proposed revised standard under subparagraph (A)(ii) to the Secretary who shall, not later than 30 days after receipt, cause such proposed revised standard to be published in the Federal Register for notice and comment in accordance with section 553 of title 5, United States Code. Unless clause (ii) applies, the Secretary shall provide an opportunity for public comment on such proposed revised standard in accordance with such section 553 and any such comments shall be submitted directly to the consensus committee, without delay.

“(ii) PUBLICATION OF REJECTED PROPOSED REVISED STANDARDS.—If the Secretary rejects the proposed revised standard, the Secretary shall cause to be published in the Federal Register the rejected proposed revised standard, the reasons for rejection, and any recommended modifications set forth.

“(C) PRESENTATION OF PUBLIC COMMENTS; PUBLICATION OF RECOMMENDED REVISIONS.—

“(i) PRESENTATION.—Any public comments, views, and objections to a proposed revised standard published under subparagraph (B) shall be presented by the Secretary to the consensus committee upon their receipt and in the manner received, in accordance with procedures established by the American National Standards Institute.

“(ii) PUBLICATION BY THE SECRETARY.—The consensus committee shall provide to the Secretary any revision proposed by the consensus committee, which the Secretary shall, not later than 30 calendar days after receipt, cause to be published in the Federal

Register a notice of the recommended revisions of the consensus committee to the standards, a notice of the submission of the recommended revisions to the Secretary, and a description of the circumstances under which the proposed revised standards could become effective.

“(iii) PUBLICATION OF REJECTED PROPOSED REVISED STANDARDS.—If the Secretary rejects the proposed revised standard, the Secretary shall cause to be published in the Federal Register the rejected proposed revised standard, the reasons for rejection, and any recommended modifications set forth.

“(5) REVIEW BY THE SECRETARY.—

“(A) IN GENERAL.—The Secretary shall either adopt, modify, or reject a standard, as submitted by the consensus committee under paragraph (4)(A).

“(B) TIMING.—Not later than 12 months after the date on which a standard is submitted to the Secretary by the consensus committee, the Secretary shall take action regarding such standard under subparagraph (C).

“(C) PROCEDURES.—If the Secretary—

“(i) adopts a standard recommended by the consensus committee, the Secretary shall—

“(I) issue a final order without further rulemaking; and

“(II) cause the final order to be published in the Federal Register;

“(ii) determines that any standard should be rejected, the Secretary shall—

“(I) reject the standard; and

“(II) cause to be published in the Federal Register a notice to that effect, together with the reason or reasons for rejecting the proposed standard; or

“(iii) determines that a standard recommended by the consensus committee should be modified, the Secretary shall—

“(I) cause to be published in the Federal Register the proposed modified standard, together with an explanation of the reason or reasons for the determination of the Secretary; and

“(II) provide an opportunity for public comment in accordance with section 553 of title 5, United States Code.

“(D) FINAL ORDER.—Any final standard under this paragraph shall become effective pursuant to subsection (c).

“(6) FAILURE TO ACT.—If the Secretary fails to take final action under paragraph (5) and to cause notice of the action to be published in the Federal Register before the expiration of the 12-month period beginning on the date on which the proposed revised standard is submitted to the Secretary under paragraph (4)(A)—

“(A) the Secretary shall appear in person before the appropriate housing and appropriations subcommittees and committees of the House of Representatives and the Senate (referred to in this paragraph as the ‘committees’) on a date or dates to be specified by the committees, but in no event later than 30 days after the expiration of that 12-month period, and shall state before the committees the reasons for failing to take final action as required under paragraph (5); and

“(B) if the Secretary does not appear in person as required under subparagraph (A), the Secretary shall thereafter, and until such time as the Secretary does appear as required under subparagraph (A), be prohibited from expending any funds collected under authority of this title in an amount greater than that collected and expended in the fiscal year immediately preceding the date of enactment of the Manufactured Housing Improvement Act of 2000, indexed for inflation as determined by the Congressional Budget Office.

“(b) OTHER ORDERS.—

“(1) REGULATIONS.—The Secretary may issue procedural and enforcement regula-

tions and revisions to existing regulations as necessary to implement the provisions of this title. The consensus committee may submit to the Secretary proposed procedural and enforcement regulations and recommendations for the revision of such regulations.

“(2) INTERPRETATIVE BULLETINS.—The Secretary may issue interpretative bulletins to clarify the meaning of any Federal manufactured home construction and safety standard or procedural and enforcement regulation. The consensus committee may submit to the Secretary proposed interpretative bulletins to clarify the meaning of any Federal manufactured home construction and safety standard or procedural and enforcement regulation.

“(3) REVIEW BY CONSENSUS COMMITTEE.—Before issuing a procedural or enforcement regulation or an interpretative bulletin—

“(A) the Secretary shall—

“(i) submit the proposed procedural or enforcement regulation or interpretative bulletin to the consensus committee; and

“(ii) provide the consensus committee with a period of 120 days to submit written comments to the Secretary on the proposed procedural or enforcement regulation or the interpretative bulletin; and

“(B) if the Secretary rejects any significant comment provided by the consensus committee under subparagraph (A), the Secretary shall provide a written explanation of the reasons for the rejection to the consensus committee; and

“(C) following compliance with subparagraphs (A) and (B), the Secretary shall—

“(i) cause the proposed regulation or interpretative bulletin and the consensus committee's written comments, along with the Secretary's response thereto, to be published in the Federal Register; and

“(ii) provide an opportunity for public comment in accordance with section 553 of title 5, United States Code.

“(4) REQUIRED ACTION.—Not later than 120 days after the date on which the Secretary receives a proposed regulation or interpretative bulletin submitted by the consensus committee, the Secretary shall—

“(A) approve the proposal and cause the proposed regulation or interpretative bulletin to be published for public comment in accordance with section 553 of title 5, United States Code; or

“(B) reject the proposed regulation or interpretative bulletin and—

“(i) provide to the consensus committee a written explanation of the reasons for rejection; and

“(ii) cause to be published in the Federal Register the rejected proposed regulation or interpretative bulletin, the reasons for rejection, and any recommended modifications set forth.

“(5) AUTHORITY TO ACT AND EMERGENCY.—If the Secretary determines, in writing, that such action is necessary to address an issue on which the Secretary determines that the consensus committee has not made a timely recommendation following a request by the Secretary, or in order to respond to an emergency that jeopardizes the public health or safety, the Secretary may issue an order that is not developed under the procedures set forth in subsection (a) or in this subsection, if the Secretary—

“(A) provides to the consensus committee a written description and sets forth the reasons why action is necessary and all supporting documentation; and

“(B) issues the order after notice and an opportunity for public comment in accordance with section 553 of title 5, United States Code, and causes the order to be published in the Federal Register.

“(6) CHANGES.—Any statement of policies, practices, or procedures relating to construction and safety standards, regulations, inspections, monitoring, or other enforcement activities that constitutes a statement of general or particular applicability to implementation, interpret, or prescribe law or policy by the Secretary is subject to subsection (a) or this subsection. Any change adopted in violation of subsection (a) or this subsection is void.

“(7) TRANSITION.—Until the date on which the consensus committee is appointed pursuant to section 604(a)(3), the Secretary may issue proposed orders, pursuant to notice and comment in accordance with section 553 of title 5, United States Code, that are not developed under the procedures set forth in this section for new and revised standards.”;

(2) in subsection (d), by adding at the end the following: “Federal preemption under this subsection shall be broadly and liberally construed to ensure that disparate State or local requirements or standards do not affect the uniformity and comprehensiveness of the standards promulgated under this section nor the Federal superintendence of the manufactured housing industry as established by this title. Subject to section 605, there is reserved to each State the right to establish standards for the stabilizing and support systems of manufactured homes sited within that State, and for the foundations on which manufactured homes sited within that State are installed, and the right to enforce compliance with such standards, except that such standards shall be consistent with the purposes of this title and shall be consistent with the design of the manufacturer.”;

(3) by striking subsection (e);

(4) in subsection (f), by striking the subsection designation and all of the matter that precedes paragraph (1) and inserting the following:

“(e) CONSIDERATIONS IN ESTABLISHING AND INTERPRETING STANDARDS AND REGULATIONS.—The consensus committee, in recommending standards, regulations, and interpretations, and the Secretary, in establishing standards or regulations or issuing interpretations under this section, shall—”;

(5) by striking subsection (g);

(6) in the first sentence of subsection (j), by striking “subsection (f)” and inserting “subsection (e)”;

(7) by redesignating subsections (h), (i), and (j), as subsections (f), (g), and (h), respectively.

SEC. 605. ABOLISHMENT OF NATIONAL MANUFACTURED HOME ADVISORY COUNCIL; MANUFACTURED HOME INSTALLATION.

(a) IN GENERAL.—Section 605 (42 U.S.C. 5404) is amended to read as follows:

“SEC. 605. MANUFACTURED HOME INSTALLATION.

“(a) PROVISION OF INSTALLATION DESIGN AND INSTRUCTIONS.—A manufacturer shall provide with each manufactured home, design and instructions for the installation of the manufactured home that have been approved by a design approval primary inspection agency. After establishment of model standards under subsection (b)(2), a design approval primary inspection agency may not give such approval unless a design and instruction provides equal or greater protection than the protection provided under such model standards.

“(b) MODEL MANUFACTURED HOME INSTALLATION STANDARDS.—

“(1) PROPOSED MODEL STANDARDS.—Not later than 18 months after the date on which the initial appointments of all of the members of the consensus committee are completed, the consensus committee shall develop and submit to the Secretary proposed model manufactured home installation

standards, which shall, to the maximum extent practicable, taking into account the factors described in section 604(e), be consistent with—

“(A) the manufactured home designs that have been approved by a design approval primary inspection agency; and

“(B) the designs and instructions for the installation of manufactured homes provided by manufacturers under subsection (a).

“(2) ESTABLISHMENT OF MODEL STANDARDS.—Not later than 12 months after receiving the proposed model standards submitted under paragraph (1), the Secretary shall develop and establish model manufactured home installation standards, which shall, to the maximum extent practicable, taking into account the factors described in section 604(e), be consistent with—

“(A) the manufactured home designs that have been approved by a design approval primary inspection agency; and

“(B) the designs and instructions for the installation of manufactured homes provided by manufacturers under subsection (a).

“(3) FACTORS FOR CONSIDERATION.—

“(A) CONSENSUS COMMITTEE.—In developing the proposed model standards under paragraph (1), the consensus committee shall consider the factors described in section 604(e).

“(B) SECRETARY.—In developing and establishing the model standards under paragraph (2), the Secretary shall consider the factors described in section 604(e).

“(4) ISSUANCE.—The model manufactured home installation standards shall be issued after notice and an opportunity for public comment in accordance with section 553 of title 5, United States Code.

“(c) MANUFACTURED HOME INSTALLATION PROGRAMS.—

“(1) PROTECTION OF MANUFACTURED HOUSING RESIDENTS DURING INITIAL PERIOD.—During the 5-year period beginning on the date of enactment of the Manufactured Housing Improvement Act of 2000, no State or manufacturer may establish or implement any installation standards that, in the determination of the Secretary, provide less protection to the residents of manufactured homes than the protection provided by the installation standards in effect with respect to the State or manufacturer, as applicable, on the date of enactment of the Manufactured Housing Improvement Act of 2000.

“(2) INSTALLATION STANDARDS.—

“(A) ESTABLISHMENT OF INSTALLATION PROGRAM.—Not later than the expiration of the 5-year period described in paragraph (1), the Secretary shall establish an installation program that meets the requirements of paragraph (3) for the enforcement of installation standards in each State described in subparagraph (B) of this paragraph.

“(B) IMPLEMENTATION OF INSTALLATION PROGRAM.—Beginning on the expiration of the 5-year period described in paragraph (1), the Secretary shall implement the installation program established under subparagraph (A) in each State that does not have an installation program established by State law that meets the requirements of paragraph (3).

“(C) CONTRACTING OUT OF IMPLEMENTATION.—In carrying out subparagraph (B), the Secretary may contract with an appropriate agent to implement the installation program established under that subparagraph, except that such agent shall not be a person or entity other than a government, nor an affiliate or subsidiary of such a person or entity, that has entered into a contract with the Secretary to implement any other regulatory program under this title.

“(3) REQUIREMENTS.—An installation program meets the requirements of this paragraph if it is a program regulating the in-

stallation of manufactured homes that includes—

“(A) installation standards that, in the determination of the Secretary, provide protection to the residents of manufactured homes that equals or exceeds the protection provided to those residents by—

“(i) the model manufactured home installation standards established by the Secretary under subsection (b)(2); or

“(ii) the designs and instructions provided by manufacturers under subsection (a), if the Secretary determines that such designs and instructions provide protection to the residents of manufactured homes that equals or exceeds the protection provided by the model manufactured home installation standards established by the Secretary under subsection (b)(2);

“(B) the training and licensing of manufactured home installers; and

“(C) inspection of the installation of manufactured homes.”.

(b) CONFORMING AMENDMENTS.—Section 623(c) (42 U.S.C. 5422(c)) is amended—

(1) in paragraph (10), by striking “and” at the end;

(2) by redesignating paragraph (11) as paragraph (13); and

(3) by inserting after paragraph (10) the following:

“(11) with respect to any State plan submitted on or after the expiration of the 5-year period beginning on the date of enactment of the Manufactured Housing Improvement Act of 2000, provides for an installation program established by State law that meets the requirements of section 605(c)(3);”.

SEC. 606. PUBLIC INFORMATION.

Section 607 (42 U.S.C. 5406) is amended—

(1) in subsection (a)—

(A) by inserting “to the Secretary” after “submit”; and

(B) by adding at the end the following: “The Secretary shall submit such cost and other information to the consensus committee for evaluation.”;

(2) in subsection (d), by inserting “, the consensus committee,” after “public”; and

(3) by striking subsection (c) and redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

SEC. 607. RESEARCH, TESTING, DEVELOPMENT, AND TRAINING.

(a) IN GENERAL.—Section 608(a) (42 U.S.C. 5407(a)) is amended—

(1) in paragraph (2), by striking “and” at the end;

(2) in paragraph (3), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

“(4) encouraging the government-sponsored housing entities to actively develop and implement secondary market securitization programs for the FHA manufactured home loans and those of other loan programs, as appropriate, thereby promoting the availability of affordable manufactured homes to increase homeownership for all people in the United States; and

“(5) reviewing the programs for FHA manufactured home loans and developing any changes to such programs to promote the affordability of manufactured homes, including changes in loan terms, amortization periods, regulations, and procedures.”.

(b) DEFINITIONS.—Section 608 (42 U.S.C. 5407) is amended by adding at the end the following:

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

“(1) GOVERNMENT-SPONSORED HOUSING ENTITIES.—The term ‘government-sponsored housing entities’ means the Government National Mortgage Association of the Department of Housing and Urban Development, the Federal National Mortgage Association,

and the Federal Home Loan Mortgage Corporation.

“(2) **FHA MANUFACTURED HOME LOAN.**—The term ‘FHA manufactured home loan’ means a loan that—

“(A) is insured under title I of the National Housing Act and is made for the purpose of financing alterations, repairs, or improvements on or in connection with an existing manufactured home, the purchase of a manufactured home, the purchase of a manufactured home and a lot on which to place the home, or the purchase only of a lot on which to place a manufactured home; or

“(B) is otherwise insured under the National Housing Act and made for or in connection with a manufactured home.”.

SEC. 608. PROHIBITED ACTS.

Section 610(a) (42 U.S.C. 5409(a)) is amended—

(1) in paragraph (5), by striking “or” at the end;

(2) in paragraph (6), by striking the period at the end and inserting “; or”; and

(3) by adding at the end the following new paragraph:

“(7) after the expiration of the period specified in section 605(c)(2)(B), fail to comply with the requirements for the installation program required by section 605 in any State that has not adopted and implemented a State installation program.”.

SEC. 609. FEES.

Section 620 (42 U.S.C. 5419) is amended to read as follows:

“SEC. 620. AUTHORITY TO COLLECT FEE.

“(a) **IN GENERAL.**—In carrying out inspections under this title, in developing standards and regulations pursuant to section 604, and in facilitating the acceptance of the affordability and availability of manufactured housing within the Department, the Secretary may—

“(1) establish and collect from manufactured home manufacturers a reasonable fee, as may be necessary to offset the expenses incurred by the Secretary in connection with carrying out the responsibilities of the Secretary under this title, including—

“(A) conducting inspections and monitoring;

“(B) providing funding to States for the administration and implementation of approved State plans under section 623, including reasonable funding for cooperative educational and training programs designed to facilitate uniform enforcement under this title, which funds may be paid directly to the States or may be paid or provided to any person or entity designated to receive and disburse such funds by cooperative agreements among participating States, provided that such person or entity is not otherwise an agent of the Secretary under this title;

“(C) providing the funding for a noncareer administrator within the Department to administer the manufactured housing program;

“(D) providing the funding for salaries and expenses of employees of the Department to carry out the manufactured housing program;

“(E) administering the consensus committee as set forth in section 604;

“(F) facilitating the acceptance of the quality, durability, safety, and affordability of manufactured housing within the Department; and

“(G) the administration and enforcement of the installation standards authorized by section 605 in States in which the Secretary is required to implement an installation program after the expiration of the 5-year period set forth in section 605(c)(2)(B), and the administration and enforcement of a dispute resolution program described in section 623(c)(12) in States in which the Secretary is required to implement such a program after

the expiration of the 5-year period set forth in section 623(g)(2); and

“(2) subject to subsection (e), use amounts from any fee collected under paragraph (1) of this subsection to pay expenses referred to in that paragraph, which shall be exempt and separate from any limitations on the Department regarding full-time equivalent positions and travel.

“(b) **CONTRACTORS.**—In using amounts from any fee collected under this section, the Secretary shall ensure that separate and independent contractors are retained to carry out monitoring and inspection work and any other work that may be delegated to a contractor under this title.

“(c) **PROHIBITED USE.**—No amount from any fee collected under this section may be used for any purpose or activity not specifically authorized by this title, unless such activity was already engaged in by the Secretary prior to the date of enactment of the Manufactured Housing Improvement Act of 2000.

“(d) **MODIFICATION.**—Beginning on the date of enactment of the Manufactured Housing Improvement Act of 2000, the amount of any fee collected under this section may only be modified—

“(1) as specifically authorized in advance in an annual appropriations Act; and

“(2) pursuant to rulemaking in accordance with section 553 of title 5, United States Code.

“(e) **APPROPRIATION AND DEPOSIT OF FEES.**—

“(1) **IN GENERAL.**—There is established in the Treasury of the United States a fund to be known as the ‘Manufactured Housing Fees Trust Fund’ for deposit of amounts from any fee collected under this section. Such amounts shall be held in trust for use only as provided in this title.

“(2) **APPROPRIATION.**—Amounts from any fee collected under this section shall be available for expenditure only to the extent approved in advance in an annual appropriations Act. Any change in the expenditure of such amounts shall be specifically authorized in advance in an annual appropriations Act.

“(3) **PAYMENTS TO STATES.**—On and after the effective date of the Manufactured Housing Improvement Act of 2000, the Secretary shall continue to fund the States having approved State plans in the amounts which are not less than the allocated amounts, based on the fee distribution system in effect on the day before such effective date.”.

SEC. 610. DISPUTE RESOLUTION.

Section 623(c) (42 U.S.C. 5422(c)) is amended—

(1) by inserting after paragraph (11) (as added by the preceding provisions of this title) the following:

“(12) with respect to any State plan submitted on or after the expiration of the 5-year period beginning on the date of enactment of the Manufactured Housing Improvement Act of 2000, provides for a dispute resolution program for the timely resolution of disputes between manufacturers, retailers, and installers of manufactured homes regarding responsibility, and for the issuance of appropriate orders, for the correction or repair of defects in manufactured homes that are reported during the 1-year period beginning on the date of installation; and”; and

(2) by adding at the end the following:

“(g) **ENFORCEMENT OF DISPUTE RESOLUTION STANDARDS.**—

“(1) **ESTABLISHMENT OF DISPUTE RESOLUTION PROGRAM.**—Not later than the expiration of the 5-year period beginning on the date of enactment of the Manufactured Housing Improvement Act of 2000, the Secretary shall establish a dispute resolution program that

meets the requirements of subsection (c)(12) for dispute resolution in each State described in paragraph (2) of this subsection. The order establishing the dispute resolution program shall be issued after notice and opportunity for public comment in accordance with section 553 of title 5, United States Code.

“(2) **IMPLEMENTATION OF DISPUTE RESOLUTION PROGRAM.**—Beginning on the expiration of the 5-year period described in paragraph (1), the Secretary shall implement the dispute resolution program established under paragraph (1) in each State that has not established a dispute resolution program that meets the requirements of subsection (c)(12).

“(3) **CONTRACTING OUT OF IMPLEMENTATION.**—In carrying out paragraph (2), the Secretary may contract with an appropriate agent to implement the dispute resolution program established under paragraph (2), except that such agent shall not be a person or entity other than a government, nor an affiliate or subsidiary of such a person or entity, that has entered into a contract with the Secretary to implement any other regulatory program under this title.”.

SEC. 611. ELIMINATION OF ANNUAL REPORTING REQUIREMENT.

The National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5401 et seq.) is amended—

(1) by striking section 626 (42 U.S.C. 5425); and

(2) by redesignating sections 627 and 628 (42 U.S.C. 5426, 5401 note) as sections 626 and 627, respectively.

SEC. 612. EFFECTIVE DATE.

The amendments made by this title shall take effect on the date of enactment of this Act, except that the amendments shall have no effect on any order or interpretative bulletin that is issued under the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5401 et seq.) and published as a proposed rule pursuant to section 553 of title 5, United States Code, on or before that date of enactment.

SEC. 613. SAVINGS PROVISIONS.

(a) **STANDARDS AND REGULATIONS.**—The Federal manufactured home construction and safety standards (as such term is defined in section 603 of the National Manufactured Housing Construction and Safety Standards Act of 1974) and all regulations pertaining thereto in effect on the day before the date of enactment of this Act shall apply until the effective date of a standard or regulation modifying or superseding the existing standard or regulation that is promulgated under subsection (a) or (b) of section 604 of the National Manufactured Housing Construction and Safety Standards Act of 1974, as amended by this title.

(b) **CONTRACTS.**—Any contract awarded pursuant to a Request for Proposal issued before the date of enactment of this Act shall remain in effect until the earlier of—

(1) the expiration of the 2-year period beginning on the date of enactment of this Act; or

(2) the expiration of the contract term.

TITLE VII—RURAL HOUSING HOMEOWNERSHIP

SEC. 701. GUARANTEES FOR REFINANCING OF RURAL HOUSING LOANS.

Section 502(h) of the Housing Act of 1949 (42 U.S.C. 1472(h)) is amended by adding at the end the following new paragraph:

“(13) **GUARANTEES FOR REFINANCING LOANS.**—

“(A) **IN GENERAL.**—Upon the request of the borrower, the Secretary shall, to the extent provided in appropriation Acts and subject to subparagraph (F), guarantee a loan that is made to refinance an existing loan that is made under this section or guaranteed under

this subsection, and that the Secretary determines complies with the requirements of this paragraph.

“(B) INTEREST RATE.—To be eligible for a guarantee under this paragraph, the refinancing loan shall have a rate of interest that is fixed over the term of the loan and does not exceed the interest rate of the loan being refinanced.

“(C) SECURITY.—To be eligible for a guarantee under this paragraph, the refinancing loan shall be secured by the same single-family residence as was the loan being refinanced, which shall be owned by the borrower and occupied by the borrower as the principal residence of the borrower.

“(D) AMOUNT.—To be eligible for a guarantee under this paragraph, the principal obligation under the refinancing loan shall not exceed an amount equal to the sum of the balance of the loan being refinanced and such closing costs as may be authorized by the Secretary, which shall include a discount not exceeding 200 basis points and an origination fee not exceeding such amount as the Secretary shall prescribe.

“(E) OTHER REQUIREMENTS.—The provisions of the last sentence of paragraph (1) and paragraphs (2), (5), (6)(A), (7), and (9) shall apply to loans guaranteed under this paragraph, and no other provisions of paragraphs (1) through (12) shall apply to such loans.

“(F) AUTHORITY TO ESTABLISH LIMITATION.—The Secretary may establish limitations on the number of loans guaranteed under this paragraph, which shall be based on market conditions and other factors as the Secretary considers appropriate.”.

SEC. 702. PROMISSORY NOTE REQUIREMENT UNDER HOUSING REPAIR LOAN PROGRAM.

The fourth sentence of section 504(a) of the Housing Act of 1949 (42 U.S.C. 1474(a)) is amended by striking “\$2,500” and inserting “\$7,500”.

SEC. 703. LIMITED PARTNERSHIP ELIGIBILITY FOR FARM LABOR HOUSING LOANS.

The first sentence of section 514(a) of the Housing Act of 1949 (42 U.S.C. 1484(a)) is amended by striking “nonprofit limited partnership” and inserting “limited partnership”.

SEC. 704. PROJECT ACCOUNTING RECORDS AND PRACTICES.

Section 515 of the Housing Act of 1949 (42 U.S.C. 1485) is amended by striking subsection (z) and inserting the following new subsections:

“(z) ACCOUNTING AND RECORDKEEPING REQUIREMENTS.—

“(1) ACCOUNTING STANDARDS.—The Secretary shall require that borrowers in programs authorized by this section maintain accounting records in accordance with generally accepted accounting principles for all projects that receive funds from loans made or guaranteed by the Secretary under this section.

“(2) RECORD RETENTION REQUIREMENTS.—The Secretary shall require that borrowers in programs authorized by this section retain for a period of not less than 6 years and make available to the Secretary in a manner determined by the Secretary, all records required to be maintained under this subsection and other records identified by the Secretary in applicable regulations.

“(aa) DOUBLE DAMAGES FOR UNAUTHORIZED USE OF HOUSING PROJECTS ASSETS AND INCOME.—

“(1) ACTION TO RECOVER ASSETS OR INCOME.—

“(A) IN GENERAL.—The Secretary may request the Attorney General to bring an action in a United States district court to recover any assets or income used by any person in violation of the provisions of a loan

made or guaranteed by the Secretary under this section or in violation of any applicable statute or regulation.

“(B) IMPROPER DOCUMENTATION.—For purposes of this subsection, a use of assets or income in violation of the applicable loan, loan guarantee, statute, or regulation shall include any use for which the documentation in the books and accounts does not establish that the use was made for a reasonable operating expense or necessary repair of the project or for which the documentation has not been maintained in accordance with the requirements of the Secretary and in reasonable condition for proper audit.

“(C) DEFINITION.—For the purposes of this subsection, the term ‘person’ means—

“(i) any individual or entity that borrows funds in accordance with programs authorized by this section;

“(ii) any individual or entity holding 25 percent or more interest of any entity that borrows funds in accordance with programs authorized by this section; and

“(iii) any officer, director, or partner of an entity that borrows funds in accordance with programs authorized by this section.

“(2) AMOUNT RECOVERABLE.—

“(A) IN GENERAL.—In any judgment favorable to the United States entered under this subsection, the Attorney General may recover double the value of the assets and income of the project that the court determines to have been used in violation of the provisions of a loan made or guaranteed by the Secretary under this section or any applicable statute or regulation, plus all costs related to the action, including reasonable attorney and auditing fees.

“(B) APPLICATION OF RECOVERED FUNDS.—Notwithstanding any other provision of law, the Secretary may use amounts recovered under this subsection for activities authorized under this section and such funds shall remain available for such use until expended.

“(3) TIME LIMITATION.—Notwithstanding any other provision of law, an action under this subsection may be commenced at any time during the 6-year period beginning on the date that the Secretary discovered or should have discovered the violation of the provisions of this section or any related statutes or regulations.

“(4) CONTINUED AVAILABILITY OF OTHER REMEDIES.—The remedy provided in this subsection is in addition to and not in substitution of any other remedies available to the Secretary or the United States.”.

SEC. 705. DEFINITION OF RURAL AREA.

The second sentence of section 520 of the Housing Act of 1949 (42 U.S.C. 1490) is amended—

(1) by striking “1990 decennial census” and inserting “1990 or 2000 decennial census”; and

(2) by striking “year 2000” and inserting “year 2010”.

SEC. 706. OPERATING ASSISTANCE FOR MIGRANT FARMWORKERS PROJECTS.

The last sentence of section 521(a)(5)(A) of the Housing Act of 1949 (42 U.S.C. 1490a(a)(5)(A)) is amended by striking “project” and inserting “tenant or unit”.

SEC. 707. MULTIFAMILY RENTAL HOUSING LOAN GUARANTEE PROGRAM.

Section 538 of the Housing Act of 1949 (42 U.S.C. 1490p-2) is amended—

(1) in subsection (c), by inserting “an Indian tribe,” after “thereof,”;

(2) in subsection (f), by striking paragraph (1) and inserting the following new paragraph:

“(1) be made for a period of not less than 25 nor greater than 40 years from the date the loan was made and may provide for amortization of the loan over a period of not to exceed 40 years with a final payment of the balance due at the end of the loan term;”;

(3) in subsection (i)(2), by striking “(A) conveyance to the Secretary” and all that follows through “(C) assignment” and inserting “(A) submission to the Secretary of a claim for payment under the guarantee, and (B) assignment”;

(4) in subsection (s), by adding at the end the following new subsection:

“(4) INDIAN TRIBE.—The term ‘Indian tribe’ means—

“(A) any Indian tribe, band, nation, or other organized group or community of Indians, including any Alaska Native village or regional or village corporation, as defined by or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians pursuant to the Indian Self-Determination and Education Assistance Act of 1975 (25 U.S.C. 450 et seq.); or

“(B) any entity established by the governing body of an Indian tribe described in subparagraph (A) for the purpose of financing economic development.”;

(5) in subsection (t), by inserting before the period at the end the following: “to provide guarantees under this section for eligible loans having an aggregate principal amount of \$500,000,000”;

(6) by striking subsection (l);

(7) by redesignating subsections (m) through (u) as subsections (l) through (t), respectively; and

(8) by adding at the end the following new subsections:

“(u) FEE AUTHORITY.—Any amounts collected by the Secretary pursuant to the fees charged to lenders for loan guarantees issued under this section shall be used to offset costs (as defined by section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a)) of loan guarantees made under this section.

“(v) DEFAULTS OF LOANS SECURED BY RESERVATION LANDS.—In the event of a default involving a loan to an Indian tribe or tribal corporation made under this section which is secured by an interest in land within such tribe’s reservation (as determined by the Secretary of the Interior), including a community in Alaska incorporated by the Secretary of the Interior pursuant to the Indian Reorganization Act (25 U.S.C. 461 et seq.), the lender shall only pursue liquidation after offering to transfer the account to an eligible tribal member, the tribe, or the Indian housing authority serving the tribe. If the lender subsequently proceeds to liquidate the account, the lender shall not sell, transfer, or otherwise dispose of or alienate the property except to one of the entities described in the preceding sentence.”.

SEC. 708. ENFORCEMENT PROVISIONS.

(a) IN GENERAL.—Title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.) is amended by adding after section 542 the following:

“SEC. 543. ENFORCEMENT PROVISIONS.

“(a) EQUITY SKIMMING.—

“(1) CRIMINAL PENALTY.—Whoever, as an owner, agent, employee, or manager, or is otherwise in custody, control, or possession of property that is security for a loan made or guaranteed under this title, willfully uses, or authorizes the use, of any part of the rents, assets, proceeds, income, or other funds derived from such property, for any purpose other than to meet actual, reasonable, and necessary expenses of the property, or for any other purpose not authorized by this title or the regulations adopted pursuant to this title, shall be fined under title 18, United States Code, or imprisoned not more than 5 years, or both.

“(2) CIVIL SANCTIONS.—An entity or individual who as an owner, operator, employee, or manager, or who acts as an agent for a

property that is security for a loan made or guaranteed under this title where any part of the rents, assets, proceeds, income, or other funds derived from such property are used for any purpose other than to meet actual, reasonable, and necessary expenses of the property, or for any other purpose not authorized by this title or the regulations adopted pursuant to this title, shall be subject to a fine of not more than \$25,000 per violation. The sanctions provided in this paragraph may be imposed in addition to any other civil sanctions or civil monetary penalties authorized by law.

“(b) CIVIL MONETARY PENALTIES.—

“(1) IN GENERAL.—The Secretary may, after notice and opportunity for a hearing, impose a civil monetary penalty in accordance with this subsection against any individual or entity, including its owners, officers, directors, general partners, limited partners, or employees, who knowingly and materially violate, or participate in the violation of, the provisions of this title, the regulations issued by the Secretary pursuant to this title, or agreements made in accordance with this title, by—

“(A) submitting information to the Secretary that is false;

“(B) providing the Secretary with false certifications;

“(C) failing to submit information requested by the Secretary in a timely manner;

“(D) failing to maintain the property subject to loans made or guaranteed under this title in good repair and condition, as determined by the Secretary;

“(E) failing to provide management for a project which received a loan made or guaranteed under this title that is acceptable to the Secretary; or

“(F) failing to comply with the provisions of applicable civil rights statutes and regulations.

“(2) CONDITIONS FOR RENEWAL OR EXTENSION.—The Secretary may require that expiring loan or assistance agreements entered into under this title shall not be renewed or extended unless the owner executes an agreement to comply with additional conditions prescribed by the Secretary, or executes a new loan or assistance agreement in the form prescribed by the Secretary.

“(3) AMOUNT.—

“(A) IN GENERAL.—The amount of a civil monetary penalty imposed under this subsection shall not exceed the greater of—

“(i) twice the damages the Department of Agriculture, the guaranteed lender, or the project that is secured for a loan under this section suffered or would have suffered as a result of the violation; or

“(ii) \$50,000 per violation.

“(B) DETERMINATION.—In determining the amount of a civil monetary penalty under this subsection, the Secretary shall take into consideration—

“(i) the gravity of the offense;

“(ii) any history of prior offenses by the violator (including offenses occurring prior to the enactment of this section);

“(iii) the ability of the violator to pay the penalty;

“(iv) any injury to tenants;

“(v) any injury to the public;

“(vi) any benefits received by the violator as a result of the violation;

“(vii) deterrence of future violations; and

“(viii) such other factors as the Secretary may establish by regulation.

“(4) PAYMENT OF PENALTIES.—No payment of a penalty assessed under this section may be made from funds provided under this title or from funds of a project which serve as security for a loan made or guaranteed under this title.

“(5) REMEDIES FOR NONCOMPLIANCE.—

“(A) JUDICIAL INTERVENTION.—If a person or entity fails to comply with a final determination by the Secretary imposing a civil monetary penalty under this subsection, the Secretary may request the Attorney General of the United States to bring an action in an appropriate United States district court to obtain a monetary judgment against such individual or entity and such other relief as may be available. The monetary judgment may, in the court's discretion, include the attorney's fees and other expenses incurred by the United States in connection with the action.

“(B) REVIEWABILITY OF DETERMINATION.—In an action under this paragraph, the validity and appropriateness of a determination by the Secretary imposing the penalty shall not be subject to review.”.

(b) CONFORMING AMENDMENT.—Section 514 of the Housing Act of 1949 (42 U.S.C. 1484) is amended by striking subsection (j).

SEC. 709. AMENDMENTS TO TITLE 18 OF UNITED STATES CODE.

(a) MONEY LAUNDERING.—Section 1956(c)(7)(D) of title 18, United States Code, is amended by inserting “any violation of section 543(a)(1) of the Housing Act of 1949 (relating to equity skimming),” after “coupons having a value of not less than \$5,000.”.

(b) OBSTRUCTION OF FEDERAL AUDITS.—Section 1516(a) of title 18, United States Code, is amended by inserting “or relating to any property that is security for a loan that is made or guaranteed under title V of the Housing Act of 1949,” before “shall be fined under this title”.

TITLE VIII—HOUSING FOR ELDERLY AND DISABLED FAMILIES

SEC. 801. SHORT TITLE.

This title may be cited as the “Affordable Housing for Seniors and Families Act”.

SEC. 802. REGULATIONS.

The Secretary of Housing and Urban Development (referred to in this title as the “Secretary”) shall issue any regulations to carry out this title and the amendments made by this title that the Secretary determines may or will affect tenants of federally assisted housing only after notice and opportunity for public comment in accordance with the procedure under section 553 of title 5, United States Code, applicable to substantive rules (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section). Notice of such proposed rulemaking shall be provided by publication in the Federal Register. In issuing such regulations, the Secretary shall take such actions as may be necessary to ensure that such tenants are notified of, and provided an opportunity to participate in, the rulemaking, as required by such section 553.

SEC. 803. EFFECTIVE DATE.

(a) IN GENERAL.—The provisions of this title and the amendments made by this title are effective as of the date of enactment of this Act, unless such provisions or amendments specifically provide for effectiveness or applicability upon another date certain.

(b) EFFECT OF REGULATORY AUTHORITY.—Any authority in this title or the amendments made by this title to issue regulations, and any specific requirement to issue regulations by a date certain, may not be construed to affect the effectiveness or applicability of the provisions of this title or the amendments made by this title under such provisions and amendments and subsection (a) of this section.

Subtitle A—Refinancing for Section 202 Supportive Housing for the Elderly

SEC. 811. PREPAYMENT AND REFINANCING.

(a) APPROVAL OF PREPAYMENT OF DEBT.—Upon request of the project sponsor of a project assisted with a loan under section 202

of the Housing Act of 1959 (as in effect before the enactment of the Cranston-Gonzalez National Affordable Housing Act), the Secretary shall approve the prepayment of any indebtedness to the Secretary relating to any remaining principal and interest under the loan as part of a prepayment plan under which—

(1) the project sponsor agrees to operate the project until the maturity date of the original loan under terms at least as advantageous to existing and future tenants as the terms required by the original loan agreement or any rental assistance payments contract under section 8 of the United States Housing Act of 1937 (or any other rental housing assistance programs of the Department of Housing and Urban Development, including the rent supplement program under section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s)) relating to the project; and

(2) the prepayment may involve refinancing of the loan if such refinancing results in a lower interest rate on the principal of the loan for the project and in reductions in debt service related to such loan.

(b) SOURCES OF REFINANCING.—In the case of prepayment under this section involving refinancing, the project sponsor may refinance the project through any third party source, including financing by State and local housing finance agencies, use of tax-exempt bonds, multi-family mortgage insurance under the National Housing Act, reinsurance, or other credit enhancements, including risk sharing as provided under section 542 of the Housing and Community Development Act of 1992 (12 U.S.C. 1707 note). For purposes of underwriting a loan insured under the National Housing Act, the Secretary may assume that any section 8 rental assistance contract relating to a project will be renewed for the term of such loan.

(c) USE OF UNEXPENDED AMOUNTS.—Upon execution of the refinancing for a project pursuant to this section, the Secretary shall make available at least 50 percent of the annual savings resulting from reduced section 8 or other rental housing assistance contracts in a manner that is advantageous to the tenants, including—

(1) not more than 15 percent of the cost of increasing the availability or provision of supportive services, which may include the financing of service coordinators and congregate services;

(2) rehabilitation, modernization, or retrofitting of structures, common areas, or individual dwelling units;

(3) construction of an addition or other facility in the project, including assisted living facilities (or, upon the approval of the Secretary, facilities located in the community where the project sponsor refinances a project under this section, or pools shared resources from more than 1 such project); or

(4) rent reduction of unassisted tenants residing in the project according to a pro rata allocation of shared savings resulting from the refinancing.

(d) USE OF CERTAIN PROJECT FUNDS.—The Secretary shall allow a project sponsor that is prepaying and refinancing a project under this section—

(1) to use any residual receipts held for that project in excess of \$500 per individual dwelling unit for not more than 15 percent of the cost of activities designed to increase the availability or provision of supportive services; and

(2) to use any reserves for replacement in excess of \$1,000 per individual dwelling unit for activities described in paragraphs (2) and (3) of subsection (c).

(e) BUDGET ACT COMPLIANCE.—This section shall be effective only to extent or in such amounts that are provided in advance in appropriation Acts.

Subtitle B—Authorization of Appropriations for Supportive Housing for the Elderly and Persons With Disabilities

SEC. 821. SUPPORTIVE HOUSING FOR ELDERLY PERSONS.

Section 202 of the Housing Act of 1959 (12 U.S.C. 1701q) is amended by adding at the end the following:

“(m) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for providing assistance under this section such sums as may be necessary for each of fiscal years 2001, 2002, and 2003.”.

SEC. 822. SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES.

Section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013) is amended by striking subsection (m) and inserting the following:

“(m) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for providing assistance under this section such sums as may be necessary for each of fiscal years 2001, 2002, and 2003.”.

SEC. 823. SERVICE COORDINATORS AND CONGREGATE SERVICES FOR ELDERLY AND DISABLED HOUSING.

There are authorized to be appropriated to the Secretary such sums as may be necessary for each of fiscal years 2001, 2002, and 2003, for the following purposes:

(1) GRANTS FOR SERVICE COORDINATORS FOR CERTAIN FEDERALLY ASSISTED MULTIFAMILY HOUSING.—For grants under section 676 of the Housing and Community Development Act of 1992 (42 U.S.C. 13632) for providing service coordinators.

(2) CONGREGATE SERVICES FOR FEDERALLY ASSISTED HOUSING.—For contracts under section 802 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8011) to provide congregate services programs for eligible residents of eligible housing projects under subparagraphs (B) through (D) of subsection (k)(6) of such section.

Subtitle C—Expanding Housing Opportunities for the Elderly and Persons With Disabilities

PART 1—HOUSING FOR THE ELDERLY

SEC. 831. ELIGIBILITY OF FOR-PROFIT LIMITED PARTNERSHIPS.

Section 202(k)(4) of the Housing Act of 1959 (12 U.S.C. 1701q(k)(4)) is amended by inserting after subparagraph (C) the following:

“Such term includes a for-profit limited partnership the sole general partner of which is an organization meeting the requirements under subparagraphs (A), (B), and (C), or a corporation wholly owned and controlled by an organization meeting the requirements under subparagraphs (A), (B), and (C).”.

SEC. 832. MIXED FUNDING SOURCES.

Section 202(h)(6) of the Housing Act of 1959 (12 U.S.C. 1701q(h)(6)) is amended—

(1) by striking “non-Federal sources” and inserting “sources other than this section”; and

(2) by adding at the end the following new sentence: “Notwithstanding any other provision of law, assistance amounts provided under this section may be treated as amounts not derived from a Federal grant.”.

SEC. 833. AUTHORITY TO ACQUIRE STRUCTURES.

Section 202 of the Housing Act of 1959 (12 U.S.C. 1701q) is amended—

(1) in subsection (b), by striking “from the Resolution Trust Corporation”; and

(2) in subsection (h)(2)—

(A) in the paragraph heading, by striking “RTC PROPERTIES” and inserting “ACQUISITION”; and

(B) by striking “from the Resolution” and all that follows through “Insurance Act”.

SEC. 834. USE OF PROJECT RESERVES.

Section 202(j) of the Housing Act of 1959 (12 U.S.C. 1701q(j)) is amended by adding at the end the following:

“(8) USE OF PROJECT RESERVES.—Amounts for project reserves for a project assisted under this section may be used for costs, subject to reasonable limitations as the Secretary determines appropriate, for reducing the number of dwelling units in the project. Such use shall be subject to the approval of the Secretary to ensure that the use is designed to retrofit units that are currently obsolete or unmarketable.”.

SEC. 835. COMMERCIAL ACTIVITIES.

Section 202(h)(1) of the Housing Act of 1959 (12 U.S.C. 1701q(h)(1)) is amended by adding at the end the following: “Neither this section nor any other provision of law may be construed as prohibiting or preventing the location and operation, in a project assisted under this section, of commercial facilities for the benefit of residents of the project and the community in which the project is located, except that assistance made available under this section may not be used to subsidize any such commercial facility.”.

PART 2—HOUSING FOR PERSONS WITH DISABILITIES

SEC. 841. ELIGIBILITY OF FOR-PROFIT LIMITED PARTNERSHIPS.

Section 811(k)(6) of the Housing Act of 1959 (42 U.S.C. 8013(k)(6)) is amended by inserting after subparagraph (D) the following:

“Such term includes a for-profit limited partnership the sole general partner of which is an organization meeting the requirements under subparagraphs (A), (B), (C), and (D) or a corporation wholly owned and controlled by an organization meeting the requirements under subparagraphs (A), (B), (C), and (D).”.

SEC. 842. MIXED FUNDING SOURCES.

Section 811(h)(5) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013(h)(5)) is amended—

(1) by striking “non-Federal sources” and inserting “sources other than this section”; and

(2) by adding at the end the following new sentence: “Notwithstanding any other provision of law, assistance amounts provided under this section may be treated as amounts not derived from a Federal grant.”.

SEC. 843. TENANT-BASED ASSISTANCE.

Section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013) is amended—

(1) in subsection (d), by striking paragraph (4) and inserting the following:

“(4) TENANT-BASED RENTAL ASSISTANCE.—

“(A) ADMINISTERING ENTITIES.—Tenant-based rental assistance provided under subsection (b)(1) may be provided only through a public housing agency that has submitted and had approved an plan under section 7(d) of the United States Housing Act of 1937 (42 U.S.C. 1437e(d)) that provides for such assistance, or through a private nonprofit organization. A public housing agency shall be eligible to apply under this section only for the purposes of providing such tenant-based rental assistance.

“(B) PROGRAM RULES.—Tenant-based rental assistance under subsection (b)(1) shall be made available to eligible persons with disabilities and administered under the same rules that govern tenant-based rental assistance made available under section 8 of the United States Housing Act of 1937, except that the Secretary may waive or modify such rules, but only to the extent necessary to provide for administering such assistance under subsection (b)(1) through private nonprofit organizations rather than through public housing agencies.

“(C) ALLOCATION OF ASSISTANCE.—In determining the amount of assistance provided under subsection (b)(1) for a private nonprofit organization or public housing agency, the Secretary shall consider the needs and

capabilities of the organization or agency, in the case of a public housing agency, as described in the plan for the agency under section 7 of the United States Housing Act of 1937.”; and

(2) in subsection (l)(1)—

(A) by striking “subsection (b)” and inserting “subsection (b)(2)”; and

(B) by striking the last comma and all that follows through “subsection (n)”.

SEC. 844. USE OF PROJECT RESERVES.

Section 811(j) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013(j)) is amended by adding at the end the following:

“(7) USE OF PROJECT RESERVES.—Amounts for project reserves for a project assisted under this section may be used for costs, subject to reasonable limitations as the Secretary determines appropriate, for reducing the number of dwelling units in the project. Such use shall be subject to the approval of the Secretary to ensure that the use is designed to retrofit units that are currently obsolete or unmarketable.”.

SEC. 845. COMMERCIAL ACTIVITIES.

Section 811(h)(1) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013(h)(1)) is amended by adding at the end the following: “Neither this section nor any other provision of law may be construed as prohibiting or preventing the location and operation, in a project assisted under this section, of commercial facilities for the benefit of residents of the project and the community in which the project is located, except that assistance made available under this section may not be used to subsidize any such commercial facility.”.

PART 3—OTHER PROVISIONS

SEC. 851. SERVICE COORDINATORS.

(a) INCREASED FLEXIBILITY FOR USE OF SERVICE COORDINATORS IN CERTAIN FEDERALLY ASSISTED HOUSING.—Section 676 of the Housing and Community Development Act of 1992 (42 U.S.C. 13632) is amended—

(1) in the section heading, by striking “MULTIFAMILY HOUSING ASSISTED UNDER NATIONAL HOUSING ACT” and inserting “CERTAIN FEDERALLY ASSISTED HOUSING”; and

(2) in subsection (a)—

(A) in the first sentence, by striking “(E) and (F)” and inserting “(B), (C), (D), (E), (F), and (G)”; and

(B) in the last sentence—

(i) by striking “section 661” and inserting “section 671”; and

(ii) by adding at the end the following: “A service coordinator funded with a grant under this section for a project may provide services to low-income elderly or disabled families living in the vicinity of such project.”;

(3) in subsection (d)—

(A) by striking “(E) or (F)” and inserting “(B), (C), (D), (E), (F), or (G)”; and

(B) by striking “section 661” and inserting “section 671”; and

(4) by striking subsection (c) and redesignating subsection (d) (as amended by paragraph (3) of this subsection) as subsection (c).

(b) REQUIREMENT TO PROVIDE SERVICE COORDINATORS.—Section 671 of the Housing and Community Development Act of 1992 (42 U.S.C. 13631) is amended—

(1) in the first sentence of subsection (a), by striking “to carry out this subtitle pursuant to the amendments made by this subtitle” and inserting the following: “for providing service coordinators under this section”; and

(2) in subsection (d), by inserting “)” after “section 683(2)”; and

(3) by adding at the end the following:

“(e) SERVICES FOR LOW-INCOME ELDERLY OR DISABLED FAMILIES RESIDING IN VICINITY OF

CERTAIN PROJECTS.—To the extent only that this section applies to service coordinators for covered federally assisted housing described in subparagraphs (B), (C), (D), (E), (F), and (G) of section 683(2), any reference in this section to elderly or disabled residents of a project shall be construed to include low-income elderly or disabled families living in the vicinity of such project."

(c) **PROTECTION AGAINST TELEMARKETING FRAUD.**—

(1) **SUPPORTIVE HOUSING FOR THE ELDERLY.**—The first sentence of section 202(g)(1) of the Housing Act of 1959 (12 U.S.C. 1701q(g)(1)) is amended by striking "and (F)" and inserting the following: "(F) providing education and outreach regarding telemarketing fraud, in accordance with the standards issued under section 671(f) of the Housing and Community Development Act of 1992 (42 U.S.C. 13631(f)); and (G)".

(2) **OTHER FEDERALLY ASSISTED HOUSING.**—Section 671 of the Housing and Community Development Act of 1992 (42 U.S.C. 13631), as amended by subsection (b) of this section, is further amended—

(A) in the first sentence of subsection (c), by inserting after "response," the following: "education and outreach regarding telemarketing fraud in accordance with the standards issued under subsection (f)."; and

(B) by adding at the end the following:

"(f) **PROTECTION AGAINST TELEMARKETING FRAUD.**—

"(1) **IN GENERAL.**—The Secretary, in coordination with the Secretary of Health and Human Services, shall establish standards for service coordinators in federally assisted housing who are providing education and outreach to elderly persons residing in such housing regarding telemarketing fraud. The standards shall be designed to ensure that such education and outreach informs such elderly persons of the dangers of telemarketing fraud and facilitates the investigation and prosecution of telemarketers engaging in fraud against such residents.

"(2) **CONTENTS.**—The standards established under this subsection shall require that any such education and outreach be provided in a manner that—

"(A) informs such residents of—

"(i) the prevalence of telemarketing fraud targeted against elderly persons;

"(ii) how telemarketing fraud works;

"(iii) how to identify telemarketing fraud;

"(iv) how to protect themselves against telemarketing fraud, including an explanation of the dangers of providing bank account, credit card, or other financial or personal information over the telephone to unsolicited callers;

"(v) how to report suspected attempts at telemarketing fraud; and

"(vi) their consumer protection rights under Federal law;

"(B) provides such other information as the Secretary considers necessary to protect such residents against fraudulent telemarketing; and

"(C) disseminates the information provided by appropriate means, and in determining such appropriate means, the Secretary shall consider on-site presentations at federally assisted housing, public service announcements, a printed manual or pamphlet, an Internet website, and telephone outreach to residents whose names appear on 'mooch lists' confiscated from fraudulent telemarketers."

Subtitle D—Preservation of Affordable Housing Stock

SEC. 861. SECTION 236 ASSISTANCE.

(a) **EXTENSION OF AUTHORITY TO RETAIN EXCESS CHARGES.**—Section 236(g) of the National Housing Act (12 U.S.C. 1715z-1(g)), as amended by the Departments of Veterans Af-

fairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, is amended—

(1) in paragraph (2), by striking "Subject to paragraph (3) and notwithstanding" and inserting "Notwithstanding"; and

(2) by striking paragraph (3) and redesignating paragraph (4) as paragraph (3).

(b) **TREATMENT OF EXCESS CHARGES PREVIOUSLY COLLECTED.**—Any excess charges that a project owner may retain pursuant to the amendments made by subsections (b) and (c) of section 532 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000 (Public Law 106-74; 113 Stat. 1116) that have been collected by such owner since the date of the enactment of such Appropriations Act and that such owner has not remitted to the Secretary of Housing and Urban Development may be retained by such owner unless such Secretary otherwise provides. To the extent that a project owner has remitted such excess charges to the Secretary since such date of enactment, the Secretary may return to the relevant project owner any such excess charges remitted. Notwithstanding any other provision of law, amounts in the Rental Housing Assistance Fund, or heretofore or subsequently transferred from the Rental Housing Assistance Fund to the Flexible Subsidy Fund, shall be available to make such return of excess charges previously remitted to the Secretary, including the return of excess charges referred to in section 532(e) of such Appropriations Act.

TITLE IX—OTHER RELATED HOUSING PROVISIONS

SEC. 901. EXTENSION OF LOAN TERM FOR MANUFACTURED HOME LOTS.

Section 2(b)(3)(E) of the National Housing Act (12 U.S.C. 1703(b)(3)(E)) is amended by striking "fifteen" and inserting "twenty".

SEC. 902. USE OF SECTION 8 VOUCHERS FOR OPT-OUTS.

(a) **IN GENERAL.**—Section 8(t)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437f(t)(2)), as amended by the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, is amended by striking "fiscal year 1996" and inserting "fiscal year 1994".

(b) **EFFECTIVE DATE.**—The amendment under subsection (a) shall be made and shall apply—

(1) upon the enactment of this Act, if the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, is enacted before the enactment of this Act; and

(2) immediately after the enactment of such appropriations Act, if such appropriations Act is enacted after the enactment of this Act.

SEC. 903. MAXIMUM PAYMENT STANDARD FOR ENHANCED VOUCHERS.

(a) **IN GENERAL.**—Section 8(t)(1)(B) of the United States Housing Act of 1937 (42 U.S.C. 1437f(t)(1)(B)), as amended by the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, is amended by inserting before the semicolon at the end the following: ", except that a limit shall not be considered reasonable for purposes of this subparagraph if it adversely affects such assisted families".

(b) **EFFECTIVE DATE.**—The amendment under subsection (a) shall be made and shall apply—

(1) upon the enactment of this Act, if the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, is

enacted before the enactment of this Act; and

(2) immediately after the enactment of such appropriations Act, if such appropriations Act is enacted after the enactment of this Act.

SEC. 904. USE OF SECTION 8 ASSISTANCE BY "GRAND-FAMILIES" TO RENT DWELLING UNITS IN ASSISTED PROJECTS.

Section 215(a) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745(a)) is amended by adding at the end the following new paragraph:

"(6) **WAIVER OF QUALIFYING RENT.**—

"(A) **IN GENERAL.**—For the purpose of providing affordable housing appropriate for families described in subparagraph (B), the Secretary may, upon the application of the project owner, waive the applicability of subparagraph (A) of paragraph (1) with respect to a dwelling unit if—

"(i) the unit is occupied by such a family, on whose behalf tenant-based assistance is provided under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f);

"(ii) the rent for the unit is not greater than the existing fair market rent for comparable units in the area, as established by the Secretary under section 8 of the United States Housing Act of 1937; and

"(iii) the Secretary determines that the waiver, together with waivers under this paragraph for other dwelling units in the project, will result in the use of amounts described in clause (iii) in an effective manner that will improve the provision of affordable housing for such families.

"(B) **ELIGIBLE FAMILIES.**—A family described in this subparagraph is a family that consists of at least one elderly person (who is the head of household) and one or more of such person's grand children, great grandchildren, great nieces, great nephews, or great great grandchildren (as defined by the Secretary), but does not include any parent of such grandchildren, great grandchildren, great nieces, great nephews, or great great grandchildren. Such term includes any such grandchildren, great grandchildren, great nieces, great nephews, or great great grandchildren who have been legally adopted by such elderly person."

TITLE X—FEDERAL RESERVE BOARD PROVISIONS

SEC. 1001. FEDERAL RESERVE BOARD BUILDINGS.

The 3rd undesignated paragraph of section 10 of the Federal Reserve Act (12 U.S.C. 243) is amended—

(1) by inserting after the 1st sentence the following new sentence: "After September 1, 2000, the Board may also use such assessments to acquire, in its own name, a site or building (in addition to the facilities existing on such date) to provide for the performance of the functions of the Board."; and

(2) in the sentences following the sentence added by the amendment made by paragraph (1) of this section—

(A) by striking "the site" and inserting "any site"; and

(B) by inserting "or buildings" after "building" each place such term appears.

SEC. 1002. POSITIONS OF BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM ON THE EXECUTIVE SCHEDULE.

(a) **IN GENERAL.**—

(1) **POSITIONS AT LEVEL I OF THE EXECUTIVE SCHEDULE.**—Section 5312 of title 5, United States Code, is amended by adding at the end the following:

"Chairman, Board of Governors of the Federal Reserve System."

(2) **POSITIONS AT LEVEL II OF THE EXECUTIVE SCHEDULE.**—Section 5313 of title 5, United States Code, is amended—

(A) by striking "Chairman, Board of Governors of the Federal Reserve System."; and

(B) by adding at the end the following:
"Members, Board of Governors of the Federal Reserve System."

(3) POSITIONS AT LEVEL III OF THE EXECUTIVE SCHEDULE.—Section 5314 of title 5, United States Code, is amended by striking "Members, Board of Governors of the Federal Reserve System."

(b) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the first day of the first pay period for the Chairman and Members of the Board of Governors of the Federal Reserve System beginning on or after the date of enactment of this Act.

SEC. 1003. AMENDMENTS TO THE FEDERAL RESERVE ACT.

(a) REPEAL.—Section 2A of the Federal Reserve Act (12 U.S.C. 225a) is amended by striking all after the first sentence.

(b) APPEARANCES BEFORE AND REPORTS TO THE CONGRESS.—

(1) IN GENERAL.—The Federal Reserve Act (12 U.S.C. 221 et seq.) is amended by inserting after section 2A the following new section:

"SEC. 2B. APPEARANCES BEFORE AND REPORTS TO THE CONGRESS.

"(a) APPEARANCES BEFORE THE CONGRESS.—

(1) IN GENERAL.—The Chairman of the Board shall appear before the Congress at semi-annual hearings, as specified in paragraph (2), regarding—

"(A) the efforts, activities, objectives and plans of the Board and the Federal Open Market Committee with respect to the conduct of monetary policy; and

"(B) economic developments and prospects for the future described in the report required in subsection (b).

"(2) SCHEDULE.—The Chairman of the Board shall appear—

"(A) before the Committee on Banking and Financial Services of the House of Representatives on or about February 20 of even numbered calendar years and on or about July 20 of odd numbered calendar years;

"(B) before the Committee on Banking, Housing, and Urban Affairs of the Senate on or about July 20 of even numbered calendar years and on or about February 20 of odd numbered calendar years; and

"(C) before either Committee referred to in subparagraph (A) or (B), upon request, following the scheduled appearance of the Chairman before the other Committee under subparagraph (A) or (B).

"(b) CONGRESSIONAL REPORT.—The Board shall, concurrent with each semi-annual hearing required by this section, submit a written report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking and Financial Services of the House of Representatives, containing a discussion of the conduct of monetary policy and economic developments and prospects for the future, taking into account past and prospective developments in employment, unemployment, production, investment, real income, productivity, exchange rates, international trade and payments, and prices."

TITLE XI—BANKING AND HOUSING AGENCY REPORTS

SEC. 1101. SHORT TITLE.

This title may be cited as the "Federal Reporting Act of 2000".

SEC. 1102. PRESERVATION OF CERTAIN REPORTING REQUIREMENTS.

Section 3003(a)(1) of the Federal Reports Elimination and Sunset Act of 1995 (31 U.S.C. 1113 note) shall not apply to any report required to be submitted under any of the following provisions of law:

(1) Section 3 of the Employment Act of 1946 (15 U.S.C. 1022).

(2) Section 309 of the Defense Production Act of 1950 (50 U.S.C. App. 2099).

(3) Section 603 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3213).

(4) Section 7(o)(1) of the Department of Housing and Urban Development Act (42 U.S.C. 3535(o)(1)).

(5) Section 540(c) of the National Housing Act (12 U.S.C. 1735f-18(c)).

(6) Paragraphs (2) and (6) of section 808(e) of the Civil Rights Act of 1968 (42 U.S.C. 3608(e)).

(7) Section 1061 of the Housing and Community Development Act of 1992 (42 U.S.C. 4856).

(8) Section 203(v) of the National Housing Act (12 U.S.C. 1709(v)), as added by section 504 of the Housing and Community Development Act of 1992 (Public Law 102-550; 106 Stat. 3780).

(9) Section 802 of the Housing Act of 1954 (12 U.S.C. 1701a).

(10) Section 8 of the Department of Housing and Urban Development Act (42 U.S.C. 3536).

(11) Section 1320 of the National Flood Insurance Act of 1968 (42 U.S.C. 4027).

(12) Section 4(e)(2) of the Department of Housing and Urban Development Act (42 U.S.C. 3533(e)(2)).

(13) Section 205(g) of the National Housing Act (12 U.S.C. 1711(g)).

(14) Section 701(c)(1) of the International Financial Institutions Act (22 U.S.C. 262d(c)(1)).

(15) Paragraphs (1) and (2) of section 5302(c) of title 31, United States Code.

(16) Section 18(f)(7) of the Federal Trade Commission Act. (15 U.S.C. 57a(f)(7)).

(17) Section 333 of the Revised Statutes of the United States (12 U.S.C. 14).

(18) Section 3(g) of the Home Owners' Loan Act (12 U.S.C. 1462a(g)).

(19) Section 304 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 304).

(20) Sections 2(b)(1)(A), 8(a), 8(c), 10(g)(1), and 11(c) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)(A), 635g(a), 635g(c), 635i-3(g), and 635i-5(c)).

(21) Section 17(a) of the Federal Deposit Insurance Act (12 U.S.C. 1827(a)).

(22) Section 13 of the Federal Financing Bank Act of 1973 (12 U.S.C. 2292).

(23) Section 2B(d) of the Federal Home Loan Bank Act (12 U.S.C. 1422b(d)).

(24) Section 1002(b) of Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1811 note).

(25) Section 8 of the Fair Credit and Charge Card Disclosure Act of 1988 (15 U.S.C. 1637 note).

(26) Section 136(b)(4)(B) of the Truth in Lending Act (15 U.S.C. 1646(b)(4)(B)).

(27) Section 707 of the Equal Credit Opportunity Act (15 U.S.C. 1691f).

(28) Section 114 of the Truth in Lending Act (15 U.S.C. 1613).

(29) The seventh undesignated paragraph of section 10 of the Federal Reserve Act (12 U.S.C. 247).

(30) The tenth undesignated paragraph of section 10 of the Federal Reserve Act (12 U.S.C. 247a).

(31) Section 815 of the Fair Debt Collection Practices Act (15 U.S.C. 1692m).

(32) Section 102(d) of the Federal Credit Union Act (12 U.S.C. 1752a(d)).

(33) Section 21B(i) of the Federal Home Loan Bank Act (12 U.S.C. 1441b(i)).

(34) Section 607(a) of the Housing and Community Development Amendments of 1978 (42 U.S.C. 8106(a)).

(35) Section 708(l) of the Defense Production Act of 1950 (50 U.S.C. App. 2158(l)).

(36) Section 2546 of the Comprehensive Thrift and Bank Fraud Prosecution and Taxpayer Recovery Act of 1990 (28 U.S.C. 522 note).

(37) Section 202(b)(8) of the National Housing Act (12 U.S.C. 1708(b)(8)).

SEC. 1103. COORDINATION OF REPORTING REQUIREMENTS.

(a) FEDERAL DEPOSIT INSURANCE CORPORATION.—Section 17(a) of the Federal Deposit Insurance Act (12 U.S.C. 1827(a)) is amended by adding at the end the following new paragraph:

"(3) COORDINATION WITH OTHER REPORT REQUIREMENTS.—The report required under this subsection shall include the report required under section 18(f)(7) of the Federal Trade Commission Act."

(b) BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.—The 7th undesignated paragraph of section 10 of the Federal Reserve Act (12 U.S.C. 247) is amended by adding at the end the following new sentence: "The report required under this paragraph shall include the reports required under section 707 of the Equal Credit Opportunity Act, section 18(f)(7) of the Federal Trade Commission Act, section 114 of the Truth in Lending Act, and the 10th undesignated paragraph of this section."

(c) COMPTROLLER OF THE CURRENCY.—Section 333 of the Revised Statutes of the United States (12 U.S.C. 14) is amended by adding at the end the following new sentence: "The report required under this section shall include the report required under section 18(f)(7) of the Federal Trade Commission Act."

(d) EXPORT-IMPORT BANK.—

(1) IN GENERAL.—Section 2(b)(1)(A) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)(A)) is amended—

(A) by striking "a annual" and inserting "an annual"; and

(B) by adding at the end the following new sentence: "The annual report required under this subparagraph shall include the report required under section 10(g)."

(2) TECHNICAL AND CONFORMING AMENDMENT.—Section 10(g)(1) of the Export-Import Bank Act of 1945 (12 U.S.C. 635i-3(g)(1)) is amended—

(A) by striking "On or" and all that follows through "the Bank" and inserting "The Bank"; and

(B) by striking "a report" and inserting "an annual report".

(e) DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.—Section 8 of the Department of Housing and Urban Development Act (42 U.S.C. 3536) is amended by adding at the end the following new sentence: "The report required under this section shall include the reports required under paragraphs (2) and (6) of section 808(e) of the Civil Rights Act of 1968, the reports required under subsections (a) and (b) of section 1061 of the Housing and Community Development Act of 1992, the report required under section 802 of the Housing Act of 1954, and the report required under section 4(e)(2) of this Act."

(f) FEDERAL HOUSING ADMINISTRATION.—Section 203(v) of the National Housing Act (12 U.S.C. 1709(v)), as added by section 504 of the Housing and Community Development Act of 1992, is amended by adding at the end the following new sentence: "The report required under this subsection shall include the report required under section 540(c) and the report required under section 205(g)."

(g) INTERNATIONAL FINANCIAL INSTITUTIONS ACT.—Section 701(c)(1) of the International Financial Institutions Act (22 U.S.C. 262d(c)(1)) is amended by striking "Not later" and all that follows through "quarterly" and inserting "The Secretary of the Treasury shall report annually".

SEC. 1104. ELIMINATION OF CERTAIN REPORTING REQUIREMENTS.

(a) EXPORT-IMPORT BANK.—The Export-Import Bank Act of 1945 (12 U.S.C. 635 et seq.) is amended—

- (1) in section 2(b)(1)(D)—
 - (A) by striking “(i)”; and
 - (B) by striking clause (ii);
 - (2) in section 2(b)(8), by striking the last sentence;
 - (3) in section 6(b), by striking paragraph (2) and redesignating paragraph (3) as paragraph (2); and
 - (4) in section 8, by striking subsections (b) and (d) and redesignating subsections (c) and (e) as subsections (b) and (c), respectively.
- (b) **FEDERAL DEPOSIT INSURANCE CORPORATION.**—Section 17 of the Federal Deposit Insurance Act (12 U.S.C. 1827) is amended by striking subsection (h).

TITLE XII—FINANCIAL REGULATORY RELIEF

SEC. 1200. SHORT TITLE.

This title may be cited as the “Financial Regulatory Relief and Economic Efficiency Act of 2000”.

Subtitle A—Improving Monetary Policy and Financial Institution Management Practices

SEC. 1201. REPEAL OF SAVINGS ASSOCIATION LIQUIDITY PROVISION.

(a) **REPEAL OF LIQUIDITY PROVISION.**—Section 6 of the Home Owners’ Loan Act (12 U.S.C. 1465) is hereby repealed.

(b) **CONFORMING AMENDMENTS.**—

(1) **SECTION 5.**—Section 5(c)(1)(M) of the Home Owners’ Loan Act (12 U.S.C. 1464(c)(1)(M)) is amended to read as follows:

“(M) **LIQUIDITY INVESTMENTS.**—Investments (other than equity investments), identified by the Director, for liquidity purposes, including cash, funds on deposit at a Federal reserve bank or a Federal home loan bank, or bankers’ acceptances.”

(2) **SECTION 10.**—Section 10(m)(4)(B)(iii) of the Home Owners’ Loan Act (12 U.S.C. 1467a(m)(4)(B)(iii)) is amended by inserting “as in effect on the day before the date of the enactment of the Financial Regulatory Relief and Economic Efficiency Act of 2000,” after “Loan Act.”

SEC. 1202. NONCONTROLLING INVESTMENTS BY SAVINGS ASSOCIATION HOLDING COMPANIES.

Section 10(e)(1)(A)(iii) of the Home Owners’ Loan Act (12 U.S.C. 1467a(e)(1)(A)(iii)) is amended—

(1) by inserting “, except with the prior written approval of the Director,” after “or to retain”; and

(2) by striking “so acquire or retain” and inserting “acquire or retain, and the Director may not authorize acquisition or retention of.”

SEC. 1203. REPEAL OF DEPOSIT BROKER NOTIFICATION AND RECORDKEEPING REQUIREMENT.

Section 29A of the Federal Deposit Insurance Act (12 U.S.C. 1831f-1) is hereby repealed.

SEC. 1204. EXPEDITED PROCEDURES FOR CERTAIN REORGANIZATIONS.

The National Bank Consolidation and Merger Act (12 U.S.C. 215 et seq.) is amended—

(1) by redesignating section 5 as section 7; and

(2) by inserting after section 4 the following new section:

“SEC. 5. EXPEDITED PROCEDURES FOR CERTAIN REORGANIZATIONS.

“(a) **IN GENERAL.**—A national bank may, with the approval of the Comptroller, pursuant to rules and regulations promulgated by the Comptroller, and upon the affirmative vote of the shareholders of such bank owning at least two-thirds of its capital stock outstanding, reorganize so as to become a subsidiary of a bank holding company or of a company that will, upon consummation of such reorganization, become a bank holding company.

“(b) **REORGANIZATION PLAN.**—A reorganization authorized under subsection (a) shall be carried out in accordance with a reorganization plan that—

“(1) specifies the manner in which the reorganization shall be carried out;

“(2) is approved by a majority of the entire board of directors of the national bank;

“(3) specifies—

“(A) the amount of cash or securities of the bank holding company, or both, or other consideration to be paid to the shareholders of the reorganizing bank in exchange for their shares of stock of the bank;

“(B) the date as of which the rights of each shareholder to participate in such exchange will be determined; and

“(C) the manner in which the exchange will be carried out; and

“(4) is submitted to the shareholders of the reorganizing bank at a meeting to be held on the call of the directors in accordance with the procedures prescribed in connection with a merger of a national bank under section 3.

“(c) **RIGHTS OF DISSENTING SHAREHOLDERS.**—If, pursuant to this section, a reorganization plan has been approved by the shareholders and the Comptroller, any shareholder of the bank who has voted against the reorganization at the meeting referred to in subsection (b)(4), or has given notice in writing at or prior to that meeting to the presiding officer that the shareholder dissents from the reorganization plan, shall be entitled to receive the value of his or her shares, as provided by section 3 for the merger of a national bank.

“(d) **EFFECT OF REORGANIZATION.**—The corporate existence of a national bank that reorganizes in accordance with this section shall not be deemed to have been affected in any way by reason of such reorganization.

“(e) **APPROVAL UNDER THE BANK HOLDING COMPANY ACT.**—This section does not affect in any way the applicability of the Bank Holding Company Act of 1956 to a transaction described in subsection (a).”

SEC. 1205. NATIONAL BANK DIRECTORS.

(a) **AMENDMENTS TO THE REVISED STATUTES.**—Section 5145 of the Revised Statutes of the United States (12 U.S.C. 71) is amended—

(1) by striking “for one year” and inserting “for a period of not more than 3 years”; and

(2) by adding at the end the following: “In accordance with regulations issued by the Comptroller of the Currency, a national bank may adopt bylaws that provide for staggering the terms of its directors.”

(b) **AMENDMENT TO THE BANKING ACT OF 1933.**—Section 31 of the Banking Act of 1933 (12 U.S.C. 71a) is amended in the first sentence, by inserting before the period “, except that the Comptroller of the Currency may, by regulation or order, exempt a national bank from the 25-member limit established by this section”.

SEC. 1206. AMENDMENT TO NATIONAL BANK CONSOLIDATION AND MERGER ACT.

The National Bank Consolidation and Merger Act (12 U.S.C. 215 et seq.) is amended by inserting after section 5, as added by this title, the following new section:

“SEC. 6. MERGERS AND CONSOLIDATIONS WITH SUBSIDIARIES AND NONBANK AFFILIATES.

“(a) **IN GENERAL.**—Upon the approval of the Comptroller, a national bank may merge with 1 or more of its nonbank subsidiaries or affiliates.

“(b) **SCOPE.**—Nothing in this section shall be construed—

“(1) to affect the applicability of section 18(c) of the Federal Deposit Insurance Act; or

“(2) to grant a national bank any power or authority that is not permissible for a national bank under other applicable provisions of law.

“(c) **REGULATIONS.**—The Comptroller shall promulgate regulations to implement this section.”

SEC. 1207. LOANS ON OR PURCHASES BY INSTITUTIONS OF THEIR OWN STOCK; AFFILIATIONS.

(a) **AMENDMENT TO THE REVISED STATUTES.**—Section 5201 of the Revised Statutes of the United States (12 U.S.C. 83) is amended to read as follows:

“SEC. 5201. LOANS BY BANK ON ITS OWN STOCK.

“(a) **GENERAL PROHIBITION.**—No national bank shall make any loan or discount on the security of the shares of its own capital stock.

“(b) **EXCLUSION.**—For purposes of this section, a national bank shall not be deemed to be making a loan or discount on the security of the shares of its own capital stock if it acquires the stock to prevent loss upon a debt previously contracted for in good faith.”

(b) **AMENDMENTS TO THE FEDERAL DEPOSIT INSURANCE ACT.**—Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is amended—

(1) by redesignating subsection (t), as added by section 730 of the Gramm-Leach-Bliley Act (Public Law 106-102; 113 Stat. 1476), as subsection (u); and

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

“(v) **LOANS BY INSURED INSTITUTIONS ON THEIR OWN STOCK.**—

“(1) **GENERAL PROHIBITION.**—No insured depository institution may make any loan or discount on the security of the shares of its own capital stock.

“(2) **EXCLUSION.**—For purposes of this subsection, an insured depository institution shall not be deemed to be making a loan or discount on the security of the shares of its own capital stock if it acquires the stock to prevent loss upon a debt previously contracted for in good faith.”

SEC. 1208. PURCHASED MORTGAGE SERVICING RIGHTS.

Section 475 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 1828 note) is amended—

(1) in subsection (a)(1), by inserting “(or such other percentage exceeding 90 percent but not exceeding 100 percent, as may be determined under subsection (b))” after “90 percent”; and

(2) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and by inserting after subsection (a) the following new subsection:

“(b) **AUTHORITY TO DETERMINE PERCENTAGE BY WHICH TO DISCOUNT VALUE OF SERVICING RIGHTS.**—The appropriate Federal banking agencies may allow readily marketable purchased mortgage servicing rights to be valued at more than 90 percent of their fair market value but at not more than 100 percent of such value, if such agencies jointly make a finding that such valuation would not have an adverse effect on the deposit insurance funds or the safety and soundness of insured depository institutions.”; and

(3) in subsection (c), by striking “and” and inserting “, ‘deposit insurance fund’, and”.

Subtitle B—Streamlining Activities of Institutions

SEC. 1211. CALL REPORT SIMPLIFICATION.

(a) **MODERNIZATION OF CALL REPORT FILING AND DISCLOSURE SYSTEM.**—In order to reduce the administrative requirements pertaining to bank reports of condition, savings association financial reports, and bank holding company consolidated and parent-only financial statements, and to improve the timeliness of such reports and statements, the Federal banking agencies shall—

(1) work jointly to develop a system under which—

(A) insured depository institutions and their affiliates may file such reports and statements electronically; and

(B) the Federal banking agencies may make such reports and statements available to the public electronically; and

(2) not later than 1 year after the date of enactment of this Act, report to the Congress and make recommendations for legislation that would enhance efficiency for filers and users of such reports and statements.

(b) **UNIFORM REPORTS AND SIMPLIFICATION OF INSTRUCTIONS.**—The Federal banking agencies shall, consistent with the principles of safety and soundness, work jointly—

(1) to adopt a single form for the filing of core information required to be submitted under Federal law to all such agencies in the reports and statements referred to in subsection (a); and

(2) to simplify instructions accompanying such reports and statements and to provide an index to the instructions that is adequate to meet the needs of both filers and users.

(c) **REVIEW OF CALL REPORT SCHEDULE.**—Each Federal banking agency shall—

(1) review the information required by schedules supplementing the core information referred to in subsection (b); and

(2) eliminate requirements that are not warranted for reasons of safety and soundness or other public purposes.

(d) **DEFINITION.**—In this section, the term “Federal banking agency” has the same meaning as in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

Subtitle C—Streamlining Agency Actions

SEC. 1221. ELIMINATION OF DUPLICATIVE DISCLOSURE OF FAIR MARKET VALUE OF ASSETS AND LIABILITIES.

Section 37(a)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1831n(a)(3)) is amended by striking subparagraph (D).

SEC. 1222. PAYMENT OF INTEREST IN RECEIVERSHIPS WITH SURPLUS FUNDS.

Section 11(d)(10) of the Federal Deposit Insurance Act (12 U.S.C. 1821(d)(10)) is amended by adding at the end the following new subparagraph:

“(C) **RULEMAKING AUTHORITY OF CORPORATION.**—The Corporation may prescribe such rules, including definitions of terms, as it deems appropriate to establish a single uniform interest rate for or to make payments of post insolvency interest to creditors holding proven claims against the receivership estates of insured Federal or State depository institutions following satisfaction by the receiver of the principal amount of all creditor claims.”.

SEC. 1223. REPEAL OF REPORTING REQUIREMENT ON DIFFERENCES IN ACCOUNTING STANDARDS.

Section 37(c) of the Federal Deposit Insurance Act (12 U.S.C. 1831n(c)) is amended—

(1) in paragraph (1), by striking “Each” and all that follows through “a report” and inserting “The Federal banking agencies shall jointly submit an annual report”; and

(2) by inserting “any” before “such agency” each place that term appears.

SEC. 1224. EXTENSION OF TIME.

Section 6(a)(1) of the Federal Home Loan Bank Act (12 U.S.C. 1426(a)(1)) is amended by striking “1 year” and inserting “18 months”.

Subtitle D—Technical Corrections

SEC. 1231. TECHNICAL CORRECTION RELATING TO DEPOSIT INSURANCE FUNDS.

(a) **IN GENERAL.**—Section 2707 of the Deposit Insurance Funds Act of 1996 (Public Law 104–208; 110 Stat. 3009–496) is amended—

(1) by striking “(b)(2)(C)” and inserting “(b)(2)(E)”; and

(2) by striking “, as redesignated by section 2704(d)(6) of this subtitle”.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall be deemed to

have the same effective date as section 2707 of the Deposit Insurance Funds Act of 1996 (Public Law 104–208; 110 Stat. 3009–496).

SEC. 1232. RULES FOR CONTINUATION OF DEPOSIT INSURANCE FOR MEMBER BANKS CONVERTING CHARTERS.

Section 8(o) of the Federal Deposit Insurance Act (12 U.S.C. 1818(o)) is amended in the second sentence, by striking “subsection (d) of section 4” and inserting “subsection (c) or (d) of section 4”.

SEC. 1233. AMENDMENTS TO THE REVISED STATUTES OF THE UNITED STATES.

(a) **WAIVER OF CITIZENSHIP REQUIREMENT FOR NATIONAL BANK DIRECTORS.**—Section 5146 of the Revised Statutes of the United States (12 U.S.C. 72) is amended in the first sentence, by inserting before the period “, and waive the requirement of citizenship in the case of not more than a minority of the total number of directors”.

(b) **TECHNICAL AMENDMENT TO THE REVISED STATUTES.**—Section 329 of the Revised Statutes of the United States (12 U.S.C. 11) is amended by striking “to be interested in any association issuing national currency under the laws of the United States” and inserting “to hold an interest in any national bank”.

(c) **REPEAL OF UNNECESSARY CAPITAL AND SURPLUS REQUIREMENT.**—Section 5138 of the Revised Statutes of the United States (12 U.S.C. 51) is hereby repealed.

SEC. 1234. CONFORMING CHANGE TO THE INTERNATIONAL BANKING ACT OF 1978.

Section 4(b) of the International Banking Act of 1978 (12 U.S.C. 3102(b)) is amended in the second sentence, by striking paragraph (1) and by redesignating paragraphs (2) through (4) as paragraphs (1) through (3), respectively.

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to the rule, the gentleman from Iowa (Mr. LEACH) and the gentleman from New York (Mr. LAFALCE) each will control 20 minutes.

The Chair recognizes the gentleman from Iowa (Mr. LEACH).

□ 1045

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

Mr. Speaker, the bill before the House today, the American Homeownership and Economic Opportunity Act, combines a number of important banking and housing proposals that were approved by the House on a bipartisan basis earlier in the session.

We are bringing this legislation back to the floor after a consultation with the other body with the expectation that this bill will eventually be enacted into law.

With regard to housing, the legislation draws substantially from H.R. 1776, the American Homeownership and Economic Opportunity Act, which passed the House by a vote of 417 to 8 on April 6.

Mr. Speaker, there are also provisions drawn from H.R. 202, the Preserving Affordable Housing for Seniors and Vulnerable Families into the 21st Century Act, another bipartisan bill designed to help the elderly and individuals with disabilities.

Let me stress that the housing provisions of this bill are a testament to the extraordinary work of the gentleman from New York (Mr. LAZIO), the chairman of the Subcommittee on Housing and Community Opportunity. During

the last 6 years, the gentleman from New York (Chairman LAZIO) has been a recognized leader in Congress on affordable housing and community renewal issues, and in particular, as the author and champion of the historic Public and Assisted Housing Reform Act enacted in the 105th Congress.

In my experience, there has been no greater subcommittee chairmanship than that of the gentleman from New York, and his work will make a great deal of difference in the everyday lives of low-income Americans for generations to come.

There is an also great debt of gratitude owed in this act to the gentleman from New Jersey (Mrs. ROUKEMA), particularly for those parts of the bill that deal with deregulation and certain aspects in the banking industry.

Finally, let me just stress that this bill contains some very important manufactured housing provisions. Manufactured housing is an important part of the American housing mosaic, and modernizing the reform and regulations governing manufactured housing is long overdue. It is critical for the economy to improve the quality and affordability of such housing in the context of maintaining consumer protection and safety.

There are a number of other features in the bill that other Members are going to address, but let me just conclude by thanking all Members for their help and participation in this bill.

In particular, I want to thank the gentleman from New York (Mr. LAFALCE) for his graciousness and thoughtfulness, and the gentleman from Massachusetts (Mr. FRANK) for a number of very thoughtful additions to this bill. I am very, very much in both of their debts.

Mr. Speaker, the bill before the House today, the American Homeownership and Economic Opportunity Act, combines a number of important banking and housing proposals that were approved by the House on a bipartisan basis earlier in this session. We are bringing this legislation back to the House after consultation with the other body, with the expectation that this bill will eventually be enacted into law.

With regard to housing, the legislation draws substantially from H.R. 1776, the “American Homeownership and Economic Opportunity Act,” which passed the House by a vote of 417 to 8 on April 6, 2000. There are also provisions drawn from H.R. 202, the “Preserving Affordable Housing for Seniors and Vulnerable Families into the 21st Century Act,” another bipartisan bill designed to help the elderly and individuals with disabilities with their housing needs which passed the House on September 27, 1999 by a vote of 405 to 5.

Let me stress that the housing provisions in this bill are a testament to the extraordinary work of the gentleman from New York, RICK LAZIO, the Chairman of the Housing Subcommittee. During the last 6 years, Chairman LAZIO has been the recognized leader in Congress on affordable housing and community renewal issues, in particular, as the author and champion of the historic public and assisted housing reform enacted in the 105th

Congress. In my experience, there has been no greater Subcommittee chairmanship than that of RICK LAZIO, and his work will make a real difference in the everyday lives of low-income Americans for generations to come.

Today, affordable housing continues to be out of the reach for many Americans. A strong economy has created a dynamic where in many parts of the country the cost of real estate is rising faster than income levels.

Secondly, although interest rates are not as high as at other times in our history, an unprecedented differential has nevertheless come into being between inflation and long-term interest rates, making financing of a home purchase extremely difficult.

Included in our bill are innovative homeownership programs to empower low-income recipients of Section 8 housing assistance to apply that assistance towards buying a home. Provisions included in this bill from H.R. 202 will help the elderly and individuals with disabilities immensely, and assist the construction and financing of more facilities for these populations. The legislation helps Native Americans and Native Hawaiians, and contains many more provision that will improve our Nation's housing and increase homeownership opportunities.

Finally, the bill also contains important provisions modernizing the Federal manufacturing housing regulatory regime. Manufactured housing is an important part of America's housing mosaic. Modernizing the reform and regulations governing manufactured housing is long overdue. It is critical to the economy to improve the quality and affordability of such housing in the context of maintaining consumer protection and safety.

With regard to the banking provisions of the bill, the legislation includes several provisions that the House has previously approved this session in separate pieces of legislation, combined with non-controversial, bipartisanly-supported elements of a regulatory relief package. Many of these regulatory provisions were contained in H.R. 4364 of the 105th Congress which the House approved by voice vote two years ago, and were carried over this session in legislation introduced in the House by the gentlelady from New Jersey (Mrs. ROUKEMA), the distinguished chair of our Financial Institutions Subcommittee.

In this package we are also renewing, some with slight changes, reporting requirements by the Executive Branch and independent regulators in some 45 instances, as provided for in legislation passed by the House last year on a voice vote. Included is the semi-annual report to Congress of the Federal Reserve Board on the conduct of monetary policy.

While the reports being renewed are deemed important for the oversight work of the Banking Committee, I know of no more important oversight responsibility of the Congress than the review of the Fed's conduct of monetary policy.

With regard to the Fed, there is one other section of the bill that deserves note. This is a section that provides pay parity for Fed Governors and their Cabinet and sub-cabinet counterparts.

Let me conclude by thanking all of those Members and staff on both sides of the House who have participated in putting together the legislation before us today, and to thank in particular Mrs. ROUKEMA, Mr. BEREUTER, Mr. LAFALCE and Mr. FRANK who have contributed so much to all aspects of this bill.

Mr. Speaker, I include for the RECORD the following material regarding H.R. 5640.

The material referred to is as follows:

H.R. 5640—SECTION-BY-SECTION

Section 1. Short Title and Table of Contents.

States that the act may be cited as the "American Homeownership and Economic Opportunity Act of 2000."

TITLE I—REMOVAL OF BARRIERS TO HOUSING AFFORDABILITY

Section 101. Short title.

This title may be referred to as the "Housing Affordability Barrier Removal Act of 2000."

Section 102. Grants for regulatory barrier removal strategies.

Authorizes \$15 million for FY 2001 through FY 2005 for grants to States, local governments, and eligible consortia for regulatory barrier removal strategies. This is reauthorization of the same amount under an already existing CDBG setaside (Section 107(a)(1)(H)). Grants provided for these purposes must be used in coordination with the local comprehensive housing affordability strategy ("CHAS").

Section 103. Regulatory barriers clearinghouse.

Creates within HUD's Office of Policy Development and Research a "Regulatory Barriers Clearinghouse" to collect and disseminate information on, among other things, the prevalence of regulatory barriers and their effects on availability of affordable housing, and successful barrier removal strategies.

TITLE II—HOMEOWNERSHIP FOR WORKING FAMILIES

Section 201. Home equity conversion mortgages.

Allows for the refinancing of home equity conversion mortgages (HECMs) for elderly homeowners. Gives the Secretary discretion to reduce the single premium payment to an amount as determined by an actuarial study, to be conducted by the Secretary within 180 days of enactment, and to credit the premium paid on the original loan. Authorizes the Secretary to establish a limit on origination fees that may be charged (which fees may be fully financed). Waives counseling requirements if the borrower has received counseling in the prior five years and the increase in the principal limit exceeds refinancing costs by an amount set by the Department; provides a disclosure under a refinanced mortgage of the total cost of refinancing and the principal limit increase.

In cases where the reverse mortgage proceeds are used for long-term care insurance contracts, a portion of those proceeds may be used for up-front costs, such as initial service, appraisal and inspection fees. Requires HUD to waive the up-front mortgage insurance premium in cases where reverse mortgage proceeds are used for costs of qualified long-term care insurance contract.

Directs the Department to conduct an actuarial study within 180 days of enactment of the effect creating a single national loan limit for HECM reverse mortgages.

Section 202. Assistant for self-help providers.

Reauthorizes the self-help housing for FY 2001. Allows projects within 5 or more units to use their funds over a 3-year period. Allows entities to advance themselves funds prior to completion of environmental reviews for purposes of land acquisition.

TITLE III—SECTION 8 HOMEOWNERSHIP OPTION

Section 301. Downpayment assistance.

Public Housing Authorities (PHAs) are authorized to provide down-payment assistance in the form of a single grant, in lieu of monthly assistance. Such down-payment as-

sistance shall not exceed the total amount of monthly assistance received by the tenant for the first year of assistance. For FY 2000 and thereafter, assistance under this section shall be available to the extent that sums are appropriated.

Section 302. Pilot program for homeownership assistance for disabled families.

Adds a pilot program to demonstrate the use of tenant-based section 8 assistance (section 8 vouchers) for the purchase of a home that will be owned by 1 or more members of the disabled family and will be occupied by that family and meets certain requirements. Requirements include purchase of the property within three years of enactment of this Act; demonstrated income level from employment or other sources (including public assistance), that is not less than twice the Section 8 payment standard established by the PHA; participation in a housing counseling program provided by the PHA; and other requirements established by the PHA in accordance with requirements established by the Secretary of HUD.

Section 303. Funding for pilot program.

Authorizes such sums as may be appropriated for a grant program to supplement demonstration programs approved under the Section 8 homeownership demonstration program. The program has a 50% match requirement.

TITLE IV—PRIVATE MORTGAGE INSURANCE CANCELLATION AND TERMINATION

Section 401. Short title.

Provides that this title may be cited as the "Private Mortgage Insurance Technical Corrections and Clarification Act".

Section 402. Changes in amortization schedule.

Clarifies that private mortgage insurance (PMI) termination/cancellation rights for adjustable rate mortgages (ARMs) are based on the amortization schedule then in effect (the most recent calculation); treats a balloon mortgage like an ARM (uses most recent amortization schedule); bases cancellation/termination rights on modified terms if loan modification occurs.

Section 403. Deletion of ambiguous references to residential mortgages.

Clarifies that borrowers' PMI cancellation and termination rights apply only to mortgages created after the effective date of the legislation (one-year after the date of enactment).

Section 404. Cancellation rights after cancellation date.

Clarifies that the good payment history requirement in the bill is calculated as of the later of the cancellation date or, the date on which a borrower requests cancellation. Provides that if a borrower is not current on payments as of the termination date, but later becomes current, termination shall not take place until the first day of the following month (eliminates lender need to check and cancel PMI every day of the month). Clarifies that PMI cancellation or termination does not eliminate requirement to make PMI payments legitimately accrued prior to any cancellation or termination of PMI.

Section 405. Clarification of cancellation and termination issues and lender paid mortgage insurance disclosure requirements.

Adds provision clarifying cancellation and termination issues related to terms ambiguous in law, including "good payment history", "automatic termination" and "accrued obligation form premium payments". Clarifies that PMI cancellation rights exist on the cancellation date, or any later date, as long as the borrower complies with all cancellation requirements. Clarifies that borrower must be current on loan payments to exercise cancellation.

Section 406. Definitions.

Sets forth definitions of: (a) refinanced; (b) midpoint of the amortization period; (d) original value; and (e) principal residence.

TITLE V—NATIVE AMERICAN HOMEOWNERSHIP
SUBTITLE A—NATIVE AMERICAN HOUSING

Section 501. Lands Title Report Commission.

Subject to amounts appropriated, creates an Indian Lands Title Report Commission to develop recommended approaches to improving how the Bureau of Indian Affairs (BIA) conducts title reviews in connection with the sale of Indian lands. Receipts of a certificate from BIA is a prerequisite to any sale transaction on Indian lands, and the current procedure is overly burdensome and presents a regulatory barrier to increasing homeownership on Indian lands.

The Commission is composed of 12 members with knowledge of Indian land title issues (4 appointed by the President, 4 by the President from recommendations made by the Chairman of the Senate Committee on Banking, Housing and Urban Affairs Committee, and 4 by President from recommendations made by the Chairman of the House Committee on Banking and Financial Services). Authorized at \$500,000.

Section 502. Loan guarantees.

Premamently authorizes the section 184 Loan Guarantee Program for Indian housing.

Section 503. Native American housing assistance.

Makes the following amendments to the Native American Housing and Self-Determination Act of 1996 (NAHASDA):

Restricts Secretary's authority to grant waiver of Indian housing plan requirements, upon noncompliance due to circumstances beyond the control of the Indian tribe, to a period of 90 days. Allows Secretary to waive requirement for a local cooperation agreement provided the recipient has made a good faith effort to comply and agrees to make payments in lieu of taxes to the jurisdiction.

Sets forth requirement for assistance to Indian families that are now low-income upon a showing of need. Eliminates separate Indian housing plan requirements for small Indian tribes.

Provides Secretary with authority to waive statutory requirements of environmental reviews upon a determination that failure to comply does not undermine goals of the National Environmental Policy Act, will not threaten the health or safety of the community, is the result of inadvertent error and can be corrected by the recipient of funding. The intent is to address problems resulting from procedural, rather than substantive, noncompliance.

Authorizes tribal housing entities to provide housing on Indian reservations to full-time law enforcement officers, sworn to implement the Federal, State, county, or tribal law.

Revises provisions regarding audits and reviews by the Secretary by making applicable the requirements of the Single Audit Act to tribal housing entities; allowing these housing entities to be treated as a non-Federal entities; and, permitting the Secretary to conduct audits. The audits will determine whether the grant recipient has carried out eligible activities in a timely manner; has met certification requirements; has an on going capacity to carry out eligible activities in a timely manner; and, has complied with the proposed housing plan.

Prescribes formula allocation for Indian housing authorities operating fewer than 250 units by requiring the amount of assistance provided to these tribes to be based on an average of their allocations from the prior five (5) fiscal years (fiscal years 1992 through 1997).

Amends hearing requirements to allow the Secretary to take immediate remedial action if the Secretary determines that the recipient has failed to comply substantially with any material provision of NAHASDA resulting in continued federal expenditures not authorized by law.

Upon noncompliance with the law due to technical incapacity, requires a recipient to enter into a "performance agreement" with the Secretary before the Secretary can provide technical assistance.

For section 8 vouchers currently being used by an Indian tribe, requires counting such vouchers under the NAHASDA block grant allocation formula to ensure that families currently participating in the Section 8 voucher program will continue to be funded.

Repeals requirement regarding the certification of compliance with subsidy layering requirements with respect to housing assisted with grant amounts provided under the Act.

SUBTITLE B—NATIVE HAWAIIAN HOUSING

Section 511. Short title.

Provides that the subtitle may be cited as the "Hawaiian Homelands Homeownership Act of 2000."

Section 512. Findings.

Finds that Native Hawaiians continue to have the greatest unmet need for housing and the highest rates of overcrowding in the United States, and that Congress finds it necessary to extend the Federal low-income housing assistance available under the Native American Housing and Self Determination Act of 1996 to those Native Hawaiians.

Section 513. Housing assistance.

Provides the Secretary of HUD with authority to establish a program for the provision of block grants for affordable housing activities for Native Hawaiians, within the Native American Housing Assistance and Self Determination Act of 1996. The Secretary is to be guided by the program requirements of titles I, II and IV of the Native American Housing Assistance and Self-Determination Act in the implementation of housing assistance programs for Native Hawaiians under this title. The Secretary may make exceptions to, or modifications of, program requirements as necessary and appropriate to meet the unique situation and housing needs of Native Hawaiians. Sets forth definitions, the requirements associated with housing plans, and other program requirements.

Section 514. Loan guarantees.

Provides for loan guarantees for Native Hawaiian Housing. Loans guaranteed by the Secretary pursuant to this title shall be in amounts not to exceed one hundred percent of the unpaid principal and interest that is due on an eligible loan. A loan is an eligible loan if that loan is made only to a borrower who is a Native Hawaiian family, the Department of Hawaiian Home Lands, the Office of Hawaiian Affairs, or a private nonprofit organization experience in the planning and development of affordable housing for Native Hawaiians.

TITLE VI—MANUFACTURED HOUSING
IMPROVEMENT

Section 601. Short Title References.

States that this title may be cited as the "Manufactured Housing Improvement Act of 2000."

Section 602. Findings and purposes.

Current law provisions are replaced with a more detailed statement of the original intent of Congress when it enacted the Federal Manufactured Home Construction and Safety Standards Act. Adds a consensus standards development process to the purpose of the

act. Expresses the continuing need for affordability and the need for objective, performance-based standards, while emphasizing the need for consumer protection.

Section 603. Definitions.

Adds several definitions to Section 603 of current law concerning the consensus committee and the consensus standards development process (Section —4). Adds a definition for the monitoring function and related definitions for primary inspection agency, design approval inspection agency, and production inspection primary inspection agency duties, which had not been previously defined. The term "dealer" has been replaced throughout with the term "retailer."

Section 604. Federal manufactured home construction and safety standards.

Section 604 of current law (P.L. 93-383) is revised to establish a consensus committee that would submit recommendations to the Secretary of HUD for developing, amending and revising both the Federal Manufactured Home Construction and Safety Standards and the enforcement regulations. These recommendations would be published in the Federal Register for notice and comment prior to final adoption by the Secretary. The committee shall be composed of 21 voting members, appointed by the Secretary, based on recommendations of administering organizations, who shall be qualified individuals (7 producers of manufactured housing, 7 users of manufactured housing, and 7 general interest groups and/or public officials), and one additional non-voting member to represent the Secretary on the consensus committee. The committee would function in accordance with the American National Standards Institute (ANSI) procedures for the development and coordination of American National Standards.

If the Secretary fails to take final action on a proposed revised standard, the Secretary shall appear before the housing and appropriation subcommittees and committees of the House of Representatives and the Senate and state the reasons for failure.

Further, if the Secretary does not appear in person as required, the Secretary will be prohibited from expending funds collected under authority of this title in any amount greater than that collected and expended in the fiscal year preceding enactment of the Manufactured Housing Improvement Act of 2000.

The revisions to section 604 would also clarify the scope of federal preemption to ensure that disparate state or local requirements do not affect the uniformity and comprehensive nature of the federal standards. At the same time, the bill would reinforce the proposition that installation standards and regulations remain under the exclusive authority of each state.

Section 605. Abolishment of the National Manufactured Home Advisory Council; manufactured home installation.

Section 605 of existing law (P.L. 93-383) would be repealed, abolishing the National Manufactured Home Advisory Council, which is replaced by the consensus committee formed under Section —04. A new section 605 is added, entitled "Section 605. Manufactured Home Installation," which give states five years to adopt an installation program. During this five-year period, the Secretary of the Department of Housing and Urban Development (HUD) and the Consensus Committee are charged with constructing a "model" manufactured housing installation program. In states that choose not to adopt an installation program, HUD may contract with an appropriate agent in those states to implement the "model" installation program.

Section 606. Public information.

Amends current requirements governing cost information of any new standards submitted by manufacturers to the Secretary by requiring the Secretary to submit such cost information to the consensus committee for evaluation.

Section 607. Research, Testing, Development, and Training.

Requires HUD Secretary to conduct research, testing, development and training necessary to carry out the purposes of facilitating manufactured housing, including encouraging GSE's to develop and implement secondary market securitization programs for FHA manufactured home loans, and reviewing the programs for FHA manufactured home loans and developing any changes to such programs to promote the affordability of manufactured homes.

Section 608. Prohibited Acts.

Requires continued compliance with the requirements for the installation program required by Section 605 in any State that has not adopted and implemented a State installation program.

Section 609. Fees.

Amends current section 620 by allowing the Secretary to use industry label fees for the administration of the consensus committee, hiring additional program staff, for additional travel funding, funding of a non-career administrator to oversee the program, and for HUD's efforts to promote the availability and affordability of manufactured housing. Prohibits the use of label fees to fund any activity not expressly authorized by the act, unless already engaged in by the Secretary, makes expenditure of label fees to annual Congressional appropriations review. Requires HUD to be accountable for any fee increase by requiring notice and comment rulemaking.

Section 610. Dispute Resolution.

In order to address problems that may arise with manufactured homes, Section 610 gives the states five years to adopt a dispute resolution program for the timely resolution of disputes between manufacturers, retailers, and installers regarding the responsibility for the correction or repair of defects in manufactured homes that are reported during the one year period beginning on the date of installation. This also requires state issuance of appropriate orders for the correction or repair of defects in the manufactured homes that are reported during the 1-year period beginning on the date of installation under the dispute resolution program. In states that choose not to adopt their own dispute program, HUD may contract with an appropriate agent in those states to implement a dispute resolution program.

Section 611. Elimination of annual report requirement.

Eliminates existing annual reporting by the Secretary to Congress on manufactured housing standards.

Section 612. Effective date.

Effective date of the legislation is the date of enactment, except that interpretive bulletins or orders published as a proposed rule prior to the date of enactment shall be unaffected.

Section 613. Savings provision.

Existing manufactured housing standards are maintained in effect until the effective date of the Federal manufactured home construction and safety standards pursuant to the amendments made by this act.

TITLE VII—RURAL HOUSING HOMEOWNERSHIP
Section 701. Guarantees for refinancing of rural loans.

Amends Section 502(h) of the Housing Act of 1949 to allow borrowers of Rural Housing

Service single-family loans to refinance an existing direct or guaranteed loan with a new guarantee loan, provided the interest rate is at least equal or lower than the current interest rate being refinanced; the same home is used as security; the principal is equal to or lower than the refinanced amount plus costs, discount points not exceeding 2 basis points and, an origination fee by the Agriculture Secretary [HR 3834 (Andrews) Homeowners Financing Protection Act (passed the House under suspension on September 19, 2000).]

Section 702. Promissory note requirement under housing repair loan program.

Increases amount of promissory note (instead of use of liens on property) amounts from \$2,500 to \$7,500 (adjusted from late 1970's amount to account for home repairs, e.g., roofing, heating systems, windows, etc.) without going through the formal loan process.

Section 703. Limited partnership eligibility for farm labor housing loans.

Technical amendment that clarifies that limited partnerships are eligible for loans under Section 514 (Farm Labor Housing) in cases where the general partner is a non-profit entity.

Section 704. Project accounting records and practices.

Sets forth accounting and record keeping requirements, including maintaining accounting records in accordance with generally accepted accounting principles for all projects that receive funds under this program; retaining records available for inspection by the USDA Secretary for not less than six years, and other requirements.

Section 705. Definition of rural area.

Extends designation of rural areas, for purposes of the Rural Housing Service housing programs, for a narrow category of communities until the 2010 census.

Section 706. Operating assistance for migrant farmworkers projects.

Allows Section 521 operating assistance for farm labor housing complexes where "mixed" migrant and annual workers will live.

Section 707. Multifamily rental housing loan guarantee program.

Allows Native Americans to become eligible borrowers under the multifamily loan guarantee program; authorizes a "balloon payment" as a financing option; allows fees from lenders to be used to help offset program costs; and repeals existing prohibition against the transfer of property title from the lender to the federal government as well as the prohibition against the transfer of liability from one borrower to another.

Section 708. Enforcement provisions.

Provides criminal penalties and civil sanctions for violations of program requirements.

Section 709. Amendments to title 18 of the United States Code.

Amends Title 18 of U.S. Code—Money Laundering—to strengthen enforcement and prosecution of program fraud and abuse.

TITLE VIII—HOUSING FOR ELDERLY AND DISABLED FAMILIES*Section 801. Short Title.*

This title may be cited as the "Affordable Housing for Seniors and Families Act."

Section 802. Regulations.

Provides that the Secretary of HUD shall issue regulations implementing the provisions of this title only after notice and opportunity for public comment.

Section 803. Effective Date.

Provides that the provisions of the title are effective upon enactment unless such

provisions specifically provide for effectiveness or applicability upon another date certain.

SUBTITLE A—REFINANCING FOR SECTION 202 SUPPORTIVE HOUSING FOR THE ELDERLY*Section 811. Prepayment and refinancing.*

Requires the Secretary to approve prepayment of mortgages for Section 202 properties if the sponsor (owner) continues the low-income use restrictions. Requires that upon refinancing, the Secretary make available at least 50% of annual savings resulting from reduced Section 8 or other rental housing assistance in a manner that is advantageous to tenants, which may include increasing supportive services, rehabilitation, modernization, and retrofitting of structure, and other specified purposes.

This allows sponsors to build equity in their project that can be used to refinance at lower interest rates. The refinancing may result in lower project based Section 8 if the sponsor elects to lower debt service in addition to the lower interest rate. The savings can then be used for improvements to the facility or services for residents.

SUBTITLE B—AUTHORIZATION OF APPROPRIATIONS FOR SUPPORTIVE HOUSING FOR THE ELDERLY AND PERSONS WITH DISABILITIES*Section 821. Supportive housing for elderly persons.*

Authorizes such sums for the existing program of supportive housing for the elderly (section 202 housing) for FY 01 and "such sums as may be necessary" for FY 02, and FY 03.

Section 822. Supportive housing for persons with disabilities.

Authorizes such sums for the existing program of supportive housing for the disabled (section 811 housing) for FY 01 and "such sums as may be necessary" for FY 02, and FY 03.

Section 823. Service coordinators and congregate services for elderly and disabled housing.

Authorizes such sums for grants for service coordinators, who link residents with supportive or medical services in the community, for certain federally assisted multifamily housing projects for FY 01 and "such sums as may be necessary" for FY 02, and FY 03.

SUBTITLE C—EXPANDING HOUSING OPPORTUNITIES FOR THE ELDERLY AND PERSONS WITH DISABILITIES**Part 1—Housing for the Elderly***Section 831. Eligibility of for-profit limited partnerships.*

Allows 202 sponsors to form limited partnerships with for-profits, but the nonprofits must be the controlling partner. Through this partnership, the sponsors could compete for the low income housing tax credit. With this change, owners could build bigger developments and achieve scale economies. The units financed under Section 202 would be governed by those rules, and the tax units would be governed under those rules. States would still be making the decision who gets the LIHTC, and the limited partnerships would have to compete like everybody else.

Section 832. Mixing funding sources.

Allows private non-profit housing providers to use all sources of financing, including Federal funds, for amenities, relevant design features and construction of affordable housing for seniors.

Section 833. Authority to acquire structures.

Removes limitation allowing private non-profit housing providers to acquire only RTC-held properties. RTC went out of business. This provision allows 202 projects to acquire properties.

Section 834. Use of project reserves.

Project reserves, a set-aside account funded through rent receipts for repairs to the building's structure or infrastructure over the years (roof, elevator, etc.), may be used to reduce the number of dwelling units in the 202 project. The use of these funds is subject to the Secretary's approval to ensure the use is designed to retrofit obsolete or unmarketable units.

During the cost containment phase of the Section 202 program, many efficiencies were built. In many cases, it is preferable to convert efficiencies to 1 or 2 bedroom apartments. In other instances, the project may want to reduce units to make room for a clinic or community space.

Section 835. Commercial activities.

Makes clear that commercial facilities may be located and operated in Section 202 projects, as long as the business is not subsidized with 202 funds. These facilities can benefit residents and bring some additional revenue (rent) to the project.

Part 2—Housing for Persons with Disabilities
Section 841. Eligibility of for-profit limited partnerships.

Provides that for-profit limited partnerships are eligible to participate in the 811 program established under this Act. The nonprofit will be the controlling partner, and the limited partnership may compete with for the LIHTC.

Section 842. Mixed funding sources.

Allows private non-profit housing providers to use all sources of financing, including Federal funds, for amenities, relevant design features and construction of affordable housing for the disabled.

Section 843. Tenant-based assistance for persons with disabilities.

Provides that tenant-based rental assistance provided under Section 811 of the Cranston-Gonzalez National Affordable Housing Act may be provided by a private nonprofit organization as well as by a public housing agency as under current law. Caps the amount of tenant-based assistance under Section 811 at 25% of the yearly appropriation for Section 811 housing to ensure that money remains available for construction of affordable housing stock for the disabled.

Section 844. Use of project reserves.

Project reserves may be used to reduce the number of dwelling units in an 811 project to retrofit obsolete or unmarketable units. Allows flexibility to design the project in a way that makes it more comfortable and appealing for the residents.

Section 845. Commercial Activities.

Clarifies that commercial facilities may be located and operated in Section 811 projects, as long as the business is not subsidized with 811 funds.

*Part 3—Other Provisions**Section 851. Service coordinators.*

Allows service coordinators to assist low-income elderly or disabled families living in the vicinity of an eligible federally assisted project. Requires HUD and HHS to develop standards for service coordinators in federally assisted housing to educate seniors about telemarketing fraud and facilitating prosecution of such fraud. This change will make the project a focal point of the community, address the isolation many seniors feel particularly in rural areas—and help seniors protect themselves against fraud.

*SUBTITLE D—PRESERVATION OF AFFORDABLE HOUSING STOCK**Section 861. Section 236 Assistance.*

Allows owners of uninsured Section 236 projects to retain excess income. This money

is needed for repairs to the aging projects. The FY 00 VA-HUD bill allowed uninsured Section 236 owners to retain excess income (which results when 30% of somebody's income exceeds the base rent established by HUD), but the authority had to be approved on an annual basis through the appropriations process. This provision puts the uninsured 236s on equal footing with the FHA insured projects, which are already allowed to retain excess income.

To the extent a project owner has remitted excess income charges to HUD since the date of enactment of the FY 1999 appropriations Act, the Department may return to the relevant project owner any such excess charges remitted. This would put these owners on an equal footing with those owners who had retained these excess charges and whom HUD has, through notice, permitted to retain such excess income.

*TITLE IX—OTHER RELATED HOUSING PROVISIONS**Section 901. Extension of Loan Term for Manufactured Home Lots.*

Extends the loan terms for manufactured home lots financed by insured financial institutions from 15 years, 32 days to 20 years, 32 days.

Section 902. Use of Section 8 Vouchers for Opt-Outs.

Amends the VA, HUD and Independent Agencies Appropriations Act of FY 2001 by changing the effective date when Section 8 vouchers may be used in situations where owners opt out of the program from 1996 to 1994.

Section 903. Maximum payment standard for enhanced vouchers.

Amends the VA, HUD and Independent Agencies Appropriations Act of FY 2001 to require that HUD may not limit the value of enhanced vouchers as provided under the statute if such limit would adversely affect the assisted families to which enhanced vouchers are provided.

Section 904. Use of section 8 assistance by "grand-families" to rent dwelling units in assisted projects.

Allows HOME funds (in rental units otherwise not eligible for HOME funds) to be used for facilities with units with low-income families having a grandparent residing with a grandchild, or in some cases, where great- and great-great grandchildren are residing in the unit, with neither of the child's parents residing in the household.

*TITLE X—FEDERAL RESERVE BOARD PROVISIONS**Section 1001. Federal Reserve Board Buildings.*

Allows the Federal Reserve Board to have more than one building.

Section 1002. Positions of Board of Governors of Federal Reserve System on the Executive Schedule.

Raises the pay of the Chairman of the Federal Reserve Board from Level II of the Executive Schedule to Level I (approx. \$14,800) and the Board Members from Level III to Level II (approx. \$10,500).

Section 1003. Amendments to the Federal Reserve Act.

Provides a new reporting requirement to replace the expired provisions relating to the semi-annual "Humphrey-Hawkins" reports requirements. Section 1002 requires the Chairman of the Federal Reserve Board to appear before Congress a semi-annual hearings to discuss monetary policy as well as economic developments and prospects for the future. The Chairman will appear before the House Banking Committee around February 20 of even numbered years and July 20 of odd numbered years, and before the Senate

Banking Committee on February 20 of odd numbered years and July 20 of even numbered years. Either Committee may request the Chairman to appear after his scheduled appearance before the other.

Requires the Federal Reserve Board to submit, concurrent with each semi-annual hearing, a written report to both Committees discussing the same subjects, taking into account developments in employment, unemployment, production, investment, real income, productivity, exchange rates, international trade and payments, and prices.

*TITLE XI—BANKING AND HOUSING AGENCY REPORTS**Section 1101. Short title.*

The title is cited as the "Federal Reporting Act of 2000."

Section 1102. Preservation of certain reporting requirements.

This Section reinstates certain reports which expired in May 2000 pursuant to the Federal Reports Elimination and Sunset Act of 1995.

(1) President's economic report, together with the annual report of the Council of Economic Advisors. Due: During the first 20 days of each regular session.

(2) President's report on impact of offsets on the defense preparedness, industrial competitiveness, employment, and trade of the US. Due: Annually (to Banking and Armed Services Committees) (This report discloses impact on the U.S. economy in cases where foreign governments, to justify the purchase of a U.S.-made defense systems, require technology transfers or direct in-country investments. Such concessions ensure the sale but may impair future sales or enhance the production capacity of a potential foreign competitor to the U.S.)

(3) Commerce Department report on operations under the Public Works and Economic Development Act of 1965 (by the Economic Development Administration) Due: Annually. (The EDA provides grants for public works and other assistance to alleviate unemployment in economically distressed areas.)

(4) HUD's agenda of all rules and regulations under development or review. Due: Semiannually (to Banking Committee).

(5) HUD report on early defaults on FHA-insured loans. Due: Annually. (The report includes data on lenders and the numbers of loans they make—and defaults and foreclosures thereon—by census tract.)

(6) Two HUD Reports related to rights: (a) Progress in eliminating discriminatory housing practices. Due: Annually. (The report reviews the nature and extent of progress in eliminating housing discrimination practices, obstacles remaining, and recommendations for legislation or executive action.) and (b) Data on applicants, participants, and beneficiaries of the programs administered by HUD. Due: Annually. (The report provides data on race, color, religion, sex, national origin, age, handicap, and family characteristics of applicants or participants in HUD programs.)

(7) Two HUD reports related to lead-based paint hazards: (a) Assessment of the progress made in implementing the various programs authorized by the Act. Due: Annually. (This report covers research/studies into lead poisoning and recommendations for legislative or other action to improve HUD's performance in combating such hazards.); and (b) Progress of the Department in implementing expanded lead-based paint hazard evaluation and reduction activities. Due: Biennially. (This report is related to the one above and provides an assessment of HUD's progress in various lead-based paint abatement programs.)

(8) FHA annual report. Due: Annually. (The report provides an analysis of income-demographic borrower information, specifically related to incomes not exceeding 100% of area median income (AMI), 80% of AMI, 60% of AMI; minority central city and rural borrowers; and, HUD activities to ensure participation by these groups.)

(9) HUD annual report. Due: Annually. (This is an annual report by the Secretary to the President for submission to the Congress on all operations and programs under HUD's jurisdiction during the previous year.)

(10) HUD annual report. Due: Annually. (This is a general requirement for an annual report from the Secretary to the President on the activities of HUD for submission to Congress.)

(11) FEMA report on operations under the National Flood Insurance Act of 1968. Due: Biennially. (This report covers operations of the national flood insurance program offered to communities which enforce flood plain management measures.)

(12) HUD report on Indians and Alaska Native housing and community development. Due: Annually. (The report covers the housing needs of Indian tribes in the U.S. and HUD's activities in meeting such needs. It includes estimates of the costs of projected activities for succeeding fiscal years, statistics on the conditions of Indian and Alaska Native housing, and recommendations for new legislation.)

(13) HUD report on actuarial soundness of the Mutual Mortgage Insurance Fund. Due: Annually. (The report describes HUD actions to ensure the Fund maintains a capital ratio of at least 1.25 percent.)

(14) Treasury Department report on progress in enhancing human rights through U.S. participation in international financial institutions. Due: Quarterly (to Banking and International Relations Committees).

(15) Treasury Department reports: (a) Financial statement and report of transactions of the Exchange Stabilization Fund (ESF). Due: Monthly (to Banking Committee); and (b) Operations of the ESF. Due: Annually.

(16) OCC, FDIC, and Federal Reserve Board reports on activities of the consumer affairs division. Due: Annually. (These reports describe actions taken by the agencies to prevent unfair or deceptive acts or practices by banks and to address consumer complaints.)

(17) OCC Annual Report. Due: Annually.

(18) OTS report on minority institutions. Due: Annually. (This report relates to OTS actions to preserve minority ownership of minority financial institutions many of which serve lower income and minority communities.)

(19) Appalachian Regional Commission report to activities. Due: Annually. (The report covers Federal-State activities to support economic development in the 13 Appalachian states.)

(20) Export-Import Bank reports: (a) Export financing competition. Due: Annually. (This report reviews how well Exim's programs compete with those of other export credit agencies, and includes other "sub-reports" which will also continue, i.e. the Trade Promotion Coordinating Committee (TPCC) Strategic Plan, Advisory Committee comments on Exim's competitiveness, and Competitive Insurance Opportunities report on Exim deals with respect to countries that deny opportunities to US insurance companies.); (b) Tied aid credits. Due: Biennially. (This report covers the tied aid credit program under which grants are made to supplement financing for a US export when it appears predatory financing will be available from another country for a competitor's product.); and (c) Operations as of the close of business each fiscal year. Due: Annually. (This report includes other "sub-reports"

which would also be retained, i.e. environmental exports and small business exports. Three other sub-reports are listed for repeal under Section 1005.)

(21) FDIC report on operations of the Corporation. Due: Annually. (The report also includes information on the BIF and SAIF.)

(22) Federal Financing Bank report on activities of the Bank. Due: Annually. (The FFB lends to federal agencies to reduce the cost of borrowing, ensure coordination of borrowings with federal fiscal and debt management, and assure minimal disruption of private markets and institutions.)

(23) Federal Housing Finance Board Annual Report. Due: Annually.

(24) Federal Reserve survey of bank fees and services. Due: Annually. (The report covers discernible changes in cost and availability of bank services.)

(25) Federal Reserve assessment of the profitability of credit card operations of depository institutions. 15 U.S.C. 1637 Due: Annually. (The report also discusses trends in credit card interest rates.)

(26) Federal Reserve report on credit card price and availability information. Due: Semiannually. (The Board provides information on a sample of 150 card issuers twice a year.)

(27) Federal Reserve activities under the Equal Credit Opportunity Act. Due: Annually. (This information is included in the Board's annual report.)

(28) Federal Reserve report on administration of and recommendations as to changes in the Truth in Lending Act. Due: Annually. (The report provides information on compliance with TILA regulations.)

(29) Federal Reserve Board of Governors report of activities. Due: Annually.

(30) Federal Reserve report on policy actions of the Federal Open Market Committee and the Board. Due: Annually. (This is included in the Fed's annual report.)

(31) Federal Trade Commission's reports on administration of the Fair Debt Collection Practices Act. Due: Annually. (The report covers elimination of abusive debt collection practices.)

(32) National Credit Union Administration's report on operations and financial information. Due: Annually.

(33) Treasury Department report on activities and audit of financial statement of the Resolution Funding Corporation. Due: Annually. (REFCORP was established by FIRREA to raise funding for RTC resolution of insolvent S&Ls. Funds are appropriated to Treasury to pay interest on obligations issued by REFCORP.)

(34) Neighborhood Reinvestment Corporation's annual report. Due: Annually. (The corporation was set up to continue the work of the Urban Reinvestment Task Force in establishing neighborhood housing services and providing grants and technical assistance to facilitate reinvestment.)

(35) Voluntary agreements under the Defense Production Act. Due: At least annually. (This report is due to the Congress and the President from any individual(s) designated by the President, describing voluntary agreements and plans of action in effect for preparedness programs and expansion of production capacity and supply.)

(36) Justice Department report on data collection re banks and banking. Due: Quarterly. (This report details civil and criminal investigations and prosecutions relating to banking law offenses.)

(37) Federal Housing Administration Advisory Board report on assessment of the activities of the Federal Housing Administration; effectiveness of the Mortgage Review Board. Due: Annually. (This report covers the soundness of FHA's underwriting procedures and other activities relating to the

FHA's ability to serve nation's homebuyers and renters, as well as the effectiveness of the Mortgage Review Board which takes action against mortgagees in violation of the Fair Housing Act or other statutory requirements.)

Section 1103. Coordination of Reporting Requirements.

Subsection (a) requires the FDIC's annual report to include the agency's annual consumer affairs report.

Subsection (b) requires the annual report of the Federal Reserve Board of Governors to include the Fed's annual report of activities under the Equal Credit Opportunity Act, the Board's annual consumer affairs report, the annual report on administration of the Truth in Lending Act, and the Fed's annual report on policy actions of the Federal Open Market Committee and the Board.

Subsection (c) requires the OCC annual report to include the agency's annual consumer affairs report.

Subsection (d) requires the Exim Bank's annual report on export financing competition to include the tied aid report, and makes the latter an annual rather than semi-annual report.

Subsection (e) requires HUD's annual report to include the Department's two annual reports required under the Civil Rights Act relating to progress in eliminating housing discrimination and data on applicants and participants in HUD programs, the Department's annual and biennial reports on lead based paint, the Department's annual report on all HUD programs and operations, and HUD's annual report on housing programs related to Indians and Alaskan Natives.

Subsection (f) requires the annual report of the Federal Housing Administration to include the annual report on early defaults on FHA-insured loans and the annual report on the actuarial soundness of the Mutual Mortgage Insurance Fund.

Subsection (g) amends the International Financial Institutions Act to change Treasury's report on promoting human rights through international financial institutions from a quarterly report to an annual report.

Section 1104. Elimination of certain reporting requirements.

Provides for the repeal of certain Export-Import Bank reports. One is a report from the President requesting legislation if the amount of direct loan authority or guarantee authority available to the Export-Import Bank for the fiscal year involved exceeds the amount necessary. This report is being repealed because it is a corollary to the President's annual report on sufficiency of Exim authority which expired pursuant to the sunset. There are four "sub-reports" to Exim's annual report that are also to be repealed: (1) a report on specific Exim's programs and activities to promote nonnuclear renewable energy resources and description of Exim's actions to assist small business which is being repealed because this information is already included in other reports; (2) a report on Exim's actions on maintaining "key linkage industries" which is unnecessary because Exim's annual report covers exports for various industries; (3) a report on Exim's measures to supplement financing for agricultural commodities which was enacted 20 years ago but which is no longer needed with Exim continuing to be involved in this area; and (4) a report on Exim's programs on the export of services which is also covered in the annual report since it is part of Exim's activities.

This section also provides for the repeal of a semi-annual FDIC report on the agencies efforts to maximize the efficient use of private sector contractors to manage assets held by the agency. There is little need for

the report today since assets have declined significantly since 1991. The 1999 report showed the agency had only about 3% of the assets in liquidation it had 7 years earlier.

TITLE XII—FINANCIAL REGULATORY RELIEF

Section 1200. Short Title.

This title may be cited as the "Financial Regulatory Relief and Economic Efficiency Act of 2000.

Section 1201. Repeal of Savings Association Liquidity Provision.

Repeals unnecessary provisions relating to savings association liquidity requirements.

Section 1202. Non-controlling Investments by Savings Association Holding Companies.

Allows a savings and loan holding company to acquire a five to twenty-five percent non-controlling interest of another SLHC or savings association, subject to the approval of the Director of the OTS.

Section 1203. Repeal of Deposit Broker Notification and Record Keeping Requirement.

Repeals requirement that brokers file a written notice with the FDIC before soliciting or placing deposits with an insured depository institution.

Section 1204. Expedited Procedures for Certain Reorganizations.

Simplifies procedures for a national bank reorganizing into a bank holding company.

Section 1205. National Bank Directors.

Permits national banks to elect directors to terms of up to 3 years on a staggered basis. Permits Comptroller to remove the limitation on the number of board members.

Section 1206. Amendment to Bank Consolidation and Merger Act.

Permits national bank, upon approval of Comptroller, to merge or consolidate with its subsidiaries or nonbank affiliates—with no increase in powers for the national bank.

Section 1207. Loans on or Purchases by Institutions of their own Stock.

Repeals prohibition on a bank owning or holding its stock, but retains prohibition on making loans or discounts on the security of its own stock.

Section 1208. Purchased Mortgage Servicing Rights.

Authorizes the appropriate Federal banking agencies to jointly simplify capital calculations by not requiring banks or thrifts to distinguish between types of mortgage servicing rights. This would allow regulators to value marketable mortgage servicing assets in capital determinations up to 100% of their fair market value rather than the current level which is limited to 90% of fair market value.

SUBTITLE B—STREAMLINING ACTIVITIES OF INSTITUTIONS

Section 1211. Call Report Simplifications.

Provides for the modernization of the call report filing and disclosure system.

SUBTITLE STREAMLINING AGENCY ACTIONS

Section 1221. Elimination of Duplicative Disclosure of Fair Market Value of Assets and Liabilities.

Clarifies that banking agencies need no longer pursue further development of the supplemental disclosure method. Even so, Section 36 of FDIA and its supporting regulations provide agencies with discretion to seek additional information in regulatory reports and annual reports regarding fair market value.

Section 1222. Payment of Interest in Receiverships With Surplus Funds.

Gives the FDIC the authority to establish a uniform interest rate with regard to receiverships.

Section 1223. Repeal of Reporting Requirement on Differences in Accounting standards.

Amends the requirement for each agency to produce an Annual Report on "Agency Differences in Reporting Capital Ratios and Related Accounting Standards." Instead, this provision directs the Federal banking agencies to jointly produce one report.

Section 1224. Extension of Time.

Extends deadline for new FHLB capital rules from 12 months to 28 months.

SUBTITLE D—TECHNICAL CORRECTIONS

Section 1231. Technical Correction Relating to Deposit Insurance Funds.

Makes technical correction to FDIA.

Section 1232. Rules for Continuation of Deposit Insurance For Member Banks Converting Charters.

Makes technical changes with regard to a cross-reference cite.

Section 1233. Amendments to the Revised Statutes of the United States.

503(a) Provides that the Comptroller may waive the U.S. citizenship requirement for up to a minority of a national bank's directors. The Economic Growth and Regulatory Paperwork Reduction Act (EGRPRA) inadvertently deleted the long-standing authority of the Comptroller to waive the citizenship requirement for up to a minority of directors of national banks that are subsidiaries or affiliates of foreign banks.

503(b) Updates Section 11 to reflect that national banks no longer issue national currency, while maintaining the provision that prohibits the Comptroller from owning interest in the national banks they regulate.

503(c) Repeals Section 5138 of the Revised Statutes (first enacted in 1864), which imposes minimum capital requirements for national banks. This minimum capital requirement (ranging from \$50,000 to \$200,000) is obsolete, since Congress granted the Federal banking agencies the regulatory authority to establish minimum capital requirements in 1983.

Section 1234. Conforming Change to the International Banking Act of 1978.

Allows branches and agencies of foreign banks that satisfy the asset test imposed on domestic banks to be examined on an 18-month cycle instead of the 12-month cycle.

Mr. Speaker, I reserve the balance of my time.

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

Mr. Speaker, in October of this year, our House passed S. 1452, a bill that included a number of housing and banking provisions that had been developed on a bipartisan basis. Unfortunately, the majority party in the Senate took issue with a few provisions in that bill and refused to take it up.

Therefore, in the interest of enacting the great number of positive, non-controversial provisions, in the interest of advancing legislation, we are therefore back before this body without the excellent provisions that the Senate refused to accept.

Most critically, I am extremely disappointed that today's bill drops a provision that I authored to authorize 1 percent down FHA mortgage loans for teachers, policemen, and firemen who would buy a home in the school district or local employing jurisdiction where they work.

The purpose of my bill was to provide low downpayment loans to these crit-

ical public servants to help them afford to buy a home in the community they serve, and to help schools and localities recruit teachers, policemen, and firemen.

The Congressional Budget Office had projected that this provision would generate \$125,000 new loans to teachers, policemen, and firemen over the next 5 years. Moreover, CBO projects it would have increased the Federal budget surplus by \$162 billion over the same 5-year period. It was a win-win situation. And, the provision was supported by the Fraternal Order of Police, the American Federation of Teachers, the National Education Association, the American Association of School Administrators, et cetera.

In short, it is most unfortunate that today's bill omits that critical provision. Be assured, the House will be back again next year fighting for its enactment.

The bill we are now considering includes not only the Manufactured Housing Improvement Act, largely the House version, for which both the gentleman from New York (Mr. LAZIO) and the gentleman from Massachusetts (Mr. FRANK) in particular deserve special credit, but a number of other initiatives that have had broad bipartisan support, including other housing proposals, language reauthorizing the Humphrey-Hawkins report and other key consumer housing reports, and some technical changes of importance to bank and thrift regulators.

With respect to housing provisions, today's bill includes a number of provisions with bipartisan support that have been pulled together from homeownership and elderly housing legislation that has previously passed the House. The bill addresses the challenge of meeting the affordable housing and health care needs of our growing elderly population.

I am especially pleased the House is again acting on my initiative to make FHA reverse mortgages more affordable when used to buy long-term care insurance. This provision has recently been enhanced by adding a requirement that any long-term care insurance policy must comply with disclosure, suitability, and contingent nonforfeiture requirements recently adopted under the National Association of Insurance Commissioners' model reg in order to qualify for the lower premium.

The bill also includes a number of provisions designed to encourage mixed-income mixed-finance elderly housing. This is something we need to do much more of. And it increases flexibility for federally-funded service coordinators, and provides more resources to sponsors of existing elderly housing to make needed capital repairs.

Our bill also represents a balanced resolution of the 3-year effort to reform our manufactured housing legislation. I would point out that the final product reflects a number of democratic pro-consumer initiatives.

For the first time, we will be establishing a national Federal installation standard, and requiring that there be a dispute resolution process in each State to adequately address consumer complaints.

With regard to the process of updating our construction and safety standards, we have revised the initial legislation to put HUD back in charge of setting standards, and have balanced the consensus committee process and eliminated its strong role in setting enforcement regulations, as proposed in previous drafts of this bill.

Should the present chairman of the Subcommittee on Housing and Community Opportunity wind up being Secretary of HUD, I think he will be especially happy that he conceded on those issues to us.

Finally, the legislation includes a number of noncontroversial but important provisions in the housing area, including technical corrections of the Private Mortgage Insurance Act, native Hawaiian housing legislation, Native American housing legislation, and a number of rural housing provisions.

The package also contains other important initiatives that have had broad bipartisan support in the House: legislation reauthorizing the critical Humphrey-Hawkins report and a number of other important consumer and housing reports that are essential in helping the authorizing committee to shape policy; some largely technical changes intended to remove some inefficiencies in the bank and thrift regulatory system.

As we reach the end of this congressional session, we should pass this very sound piece of banking and housing legislation.

Mr. Speaker, I would urge its adoption, and I reserve the balance of my time.

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

Mr. Speaker, first in response to something the gentleman from New York (Mr. LAFALCE) said, let me stress that the gentleman from New York (Mr. LAZIO) and I were deeply disappointed that the provision mentioned was deleted from the bill, and I am hopeful in the next Congress we can move forward with that kind of provision. I would be delighted to assist the gentleman in that effort.

Mr. Speaker, I yield 5 minutes to the distinguished gentlewoman from New Jersey (Mrs. ROUKEMA), the subcommittee chairman.

(Mrs. ROUKEMA asked and was given permission to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Speaker, certainly I rise in strong support of this bill.

As has been outlined, it comprehensively addresses a range of banking issues: as mentioned, the important housing provisions and regulatory burden restrictions and regulation provisions.

Certainly I want to thank the chairman, the gentleman from Iowa (Mr.

LEACH), for his outstanding leadership for bringing this bill in this form back to the floor. As has been noted, it was passed in October, but it did not get approved in the Senate.

In any case, I want to point out how deeply involved a number of us have been on this legislation. I want to point out that it is very important for us to resolve them hopefully once and for all.

The regulatory relief provisions of the bill I would like to focus on because Congress has a defined responsibility, and we have recognized that, to assure the Federal laws and regulations and the supervisory system promote safety and soundness of the banking system. Unnecessary regulatory burdens by their very nature, as we have learned over and over again in these recent years, unnecessary regulatory burdens have the effect of undermining the ability of banks to operate efficiently and effectively.

I want to point out that I am pleased that this bill includes H.R. 1585, the Depository Institution Regulatory Streamlining Act, which I introduced in Congress and have gotten broad support for. So I am very pleased that this is included.

There are a number of technical provisions, but we widely agree on a bipartisan basis that this is necessary. I am pleased that the bill contains many of the provisions that we have worked together on in a cooperative fashion, both on a bipartisan basis with the industry and with the regulators and all the members of the Committee on Banking and Financial Services.

I want to stress here something that has not been mentioned specifically. That is the private mortgage insurance technical corrections and clarifications that are included in this bill.

In particular, this bill will clarify the cancellation and termination issues to ensure that homeowners will be able to cancel private mortgage insurance, PMI, as it is noted. This is what Congress intended in 1998 in the bills that we passed at that time.

This clarification will be particularly helpful to those with certain adjustable rate mortgages. The bill also ensures that defined terms, such as "adjustable rate mortgage" and "balloon rate mortgages", are used consistently and appropriately. So this particular piece of legislation is consistent also with what the gentleman from Utah (Mr. HANSEN), a leader on this issue, desires. His legislation and leadership has been helpful, and we have put it into this bill.

Again I want to thank the gentleman from Iowa (Mr. LEACH) and the gentleman from New York (Mr. LAFALCE), and look forward to clearing up a lot of ambiguities in the law through this legislation for the good of all people in housing, as well as regulatory relief.

Mr. FRANK of Massachusetts. Mr. Speaker, I ask unanimous consent that I be allowed to control the time of the gentleman from New York (Mr. LAFALCE).

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased that at this late date we are still able to move this bill forward. I would like to make a point that sometimes escapes our friends in the press and the rest of the press, which may be the majority.

The House is continuing to function, as will the other body. We will pass important legislation. There is this assumption among headline writers and some others that when there are major differences of opinion between the parties, somehow that means paralysis of the whole institution.

□ 1100

This is one further example of the fallacy of that viewpoint. We are capable of strong disagreement on some important issues and at the same time being able to work together on non-ideological matters that advance the public interest. This is an example.

There have probably been few times in our country's history when there has been a greater partisan division over some important subjects; that does not prevent this committee, and this House and, ultimately, this Congress from moving forward with an important piece of legislation that was more important than people will know, because it is not controversial.

We do have a journalistic tendency to equate controversy with importance, and if Members are not yelling at each other, nobody knows about it. This is a very significant piece of legislation that will advance important housing interests, and it will be done in this kind of fashion.

There are some very important specifics. The manufactured housing piece has been alluded to. I want to acknowledge that the gentleman from Indiana (Mr. ROEMER), who sits here and who will be speaking later, did an enormous amount of work with me and others in persuading us of the importance of sticking with it.

We had some disagreements. I do not think everything in this is perfect.

Mr. Speaker, I yield to the gentleman from Iowa (Mr. LEACH), chairman of the Committee on Banking and Financial Services, because he and I had a colloquy on the manufactured housing piece in the last discussion of this bill. And I would just like to incorporate it by reference and ask the gentleman if he agrees that our previous colloquy should stand with regard to this bill.

Mr. LEACH. Mr. Speaker, I fully agree with the gentleman from Massachusetts (Mr. FRANK), and I believe it was a thoughtful expression of concern on the gentleman's part in the last debate, and that colloquy should stand exactly as in this debate.

Mr. FRANK of Massachusetts. Mr. Speaker, I thank the gentleman from

Iowa (Chairman LEACH), and I hope we have set an example for our colleagues by referring to something we both said before and not repeating it.

The manufactured housing piece is important, because manufactured housing is important. Manufactured housing is an undervalued housing resource, particularly for people of moderate income, and to the extent that we can advance the ability of the manufactured housing industry to supply that important niche in the housing market, we should take it. We advance it in this bill.

There are some gaps, as we have said, and I look forward to working on them next year. We also took some steps to further protect those tenants who are living in federally subsidized tendencies, not public housing, but privately owned, federally subsidized tenancies, who would otherwise have been victimized by a 20-year expiration date that was put into the law that should not have been. This tweaks further legislation, that we did in a favored way earlier, the gentleman from New York (Mr. LAZIO), chairman of the Subcommittee on Housing and Community Opportunity, and I had worked on. We in this past Congress, essentially protected virtually all of the tenants in those tenancies from eviction.

I wish we could have also protected the tenancies. We could not. That is, when the existing tenants leave, we will lose those subsidized units. That is something I hope we will address next year, but we have protected the tenancies.

I appreciate the ability to work with the gentleman from New York (Mr. LAZIO) on that, and we extend that somewhat here.

We do some other important things in this bill within the limits that were set for us, and this is the final point I want to make, this is an example of co-operation on a nonideological set of issues where we were able to, within the framework of existing programs and law, improve things.

There is one other specific thing I want to mention that is important, and that was we make it easier to ease Federal housing assistance supplied through HUD in conjunction with the low-income housing tax credit, and we should again be doing more of that next year. That is a very important piece that the gentleman from New York (Mr. LAZIO) and I have worked on, and I am very pleased that we have been able to do that to improve the efficiency of both programs so they can go further.

This leaves us, however, with an undone task. And I am grateful to the gentleman from Iowa (Mr. LEACH), the gentleman from New York (Mr. LAZIO), and the staffs of both committees who did an enormous amount of important technical work on this bill, which is primarily a technical bill. We did the best we could within the framework. Now is the time to address the framework.

There is a housing crisis increasingly in this country caused, ironically in some part, by prosperity because, as some people increase their wealth, those who are not participants in that prosperity find themselves squeezed. That is why we tried, as the gentleman from Iowa (Mr. LEACH) and the gentleman from New York (Mr. LAFALCE) mentioned, to extend some special help in cities to policeman and teachers, people who serve our public interests and who are sometimes required by law to live in the municipality where they work but find themselves by economic trends priced out of an ability to live there.

We tried to help them. It is time for us to get back in the business of increasing housing production. This bill and the previous bill that we adopted goes as far as it is possible to go without getting back in the housing production business, but the demands of this society are such that now we have to get back in the housing production business, and I hope we will be able to do that next year.

Mr. Speaker, I reserve the balance of my time.

Mr. LEACH. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from New York (Mr. GILMAN), chairman of the Committee on International Relations.

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

Mr. GILMAN. Mr. Speaker, I am pleased to rise today in strong support of the American Homeownership and Economic Opportunity Act of 2000, legislation containing a number of housing measures which the House has already approved throughout the 106th Congress.

Though our economy is strong, it imperative that Congress continue to focus on the needs of those who are in need of clean, safe, and affordable housing. Furthermore, we must recognize that often outdated or poorly crafted regulations are the only barriers standing between working families and homeownership.

Accordingly, I want to thank our good friend and colleague, the gentleman from Iowa (Mr. LEACH), our distinguished chairman of the Committee on Banking and Financial Services for the introduction of this legislation now before us.

In addition, I want to commend the gentleman from New York (Mr. LAZIO), chairman of the Subcommittee on Housing and Community Opportunity, for his diligence and outstanding work in seeing these measures through to a successful conclusion. The gentleman from New York (Mr. LAZIO) throughout his tenure in the Congress has been a strong champion for affordable, accessible and quality housing for all of our citizens.

The legislation before us today provides grants to States and local governments to renew regulatory barriers against affordable housing. It also pro-

vides for the refinancing of home equity conversion mortgages for our elderly and provides authorization for public housing authorities to provide down payment assistance and important construction and safety standards for manufactured homes.

Moreover, this legislation provides numerous other worthy programs to streamline and provide homeownership opportunities.

Accordingly, Mr. Speaker, I urge all of our colleagues to support this important omnibus housing measure, and I thank the gentleman from Iowa for yielding the time to me.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield 4 minutes to the gentleman from Indiana (Mr. ROEMER), who did so much to make sure that we address the manufactured housing issues in this bill.

Mr. ROEMER. Mr. Speaker, I thank my good friend, the gentleman from Massachusetts (Mr. FRANK) for yielding time to me, and I would like to start by talking about this bipartisan bill in a bipartisan way and saying to my colleagues here, as the gentleman from Massachusetts (Mr. FRANK), my good colleague said, to the people hopefully watching on television, that I hope this bill is a stepping stone for successes of a future Congress, that we can work together in a bipartisan way to help moderate- and low-income people get access to housing and help their children and help their families and help engage in this economy that has benefitted so many people but has also left some behind.

I want to especially thank the gentleman from Massachusetts (Mr. FRANK), my friend, and the gentleman from New York (Mr. LAFALCE) for never giving up on this bill at times when this process may have killed this bill or put it in the Senate, where we had some tough sledding for a while; and I want to thank the gentleman for your tenacity and your determination.

I want to thank the gentleman from Iowa (Mr. LEACH) and the gentleman from New York (Mr. LAZIO) for their hard work on this legislation.

In perspective, Mr. Speaker, roughly one out of every four new homes in America is a manufactured home; and yet up until today, up until this historic moment, we have waited almost 26 years to update the regulatory infrastructure to say how we will produce and manufacture these homes that are increasingly better quality and increasingly places for people to start in the home equity ladder and moving up.

This is historic in meeting this challenge from the American people. I am very happy we finally are there today passing this legislation. Can we imagine if we were passing high-technology legislation that had not been addressed for 25 years given the changes in that industry over the last 8 years?

We have worked with President Bush and Secretary Kemp. We have worked with President Clinton and Secretary Cisneros and Secretary Cuomo and Mr.

Apgar on this legislation, and I want to thank them and the Clinton administration for their hard work and their diligence and their patience and their tenacity to get this legislation through today.

In a broader sense, S. 1452 promotes and expands modified section 202, elderly, and section 811, disabled housing programs. It allows seniors to refinance federally insured reverse mortgages, and it includes numerous bank regulatory relief provisions. All of these provisions are very important in including people in the ladder of homeownership.

As a longtime advocate of manufactured housing, I have been working with the Department of Housing and Urban Development for successive Presidential administrations and for 8 years to pass this important regulatory change in the climate of how we address regulations for consumer safety and for safe products coming from the industry.

I am currently one of the authors and cosponsors of this Manufactured Housing Improvement Act, which has become title VII of this bill. It seeks to reform and improve the Federal manufactured housing program by modernizing 26-year-old statutory frameworks that have often been characterized by ineffective allocation of resources within the agency and a poor response to the needs and concerns of both manufacturers and consumers.

Mr. Speaker, I again thank my colleagues for this bipartisan legislation and hope this leads to bipartisanship in education and debt reduction and electoral reform and campaign finance reform in the next session of Congress.

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

Mr. Speaker, first let me thank the gentleman from Indiana (Mr. ROEMER) for his thoughtful additions to this bill. Manufactured housing is clearly one of the most important aspects of the American housing mosaic and key to our future.

Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska (Mr. BEREUTER).

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

Mr. BEREUTER. Mr. Speaker, I rise in strong support of this legislation.

Mr. Speaker, this Member wants to express my appreciation and my commendations to the gentleman from Iowa (Mr. LEACH), Chairman of the Committee on Banking and Financial Services; the gentleman from New York (Mr. LAZIO), Chairman of the Subcommittee on Housing and Community Opportunity; the gentlewoman from New Jersey (Mrs. ROUKEMA); as well as the gentleman from New York (Mr. LAFALCE); the gentleman from Massachusetts (Mr. FRANK); and to the gentleman from Indiana (Mr. ROEMER) and others who have made important contributions in this legislation.

This legislation does, through a number of provisions, advance the cause of

homeownership across the United States, as well as improving the housing opportunities for those Americans who rent their homes.

Mr. Speaker, I remind my colleagues that among the most poorly housed Americans are those that live on Indian reservations. In most cases, they live in housing that is public housing, but by the permanent extension of a demonstration program, section 184, we provide for the first time through this legislation a continuing opportunity for Native Americans living on Indian reservations to own their own homes. This Member believes that is a major contribution.

Additionally, as a part of that effort, through the establishment of an Indian Lands Title Report Commission, with a sunset, we will see direction and consistency given to the Bureau of Indian Affairs so that their procedures are standard and have a positive effect across the whole country for the use of section 184.

In the area of the housing programs of USDA, this legislation makes a number of very important advances. Among other things, it makes it possible for us to extend the provisions of the so-called "Norfolk amendment" to those medium-sized cities that are non-metropolitan for the next decade.

These are important provisions of USDA's housing programs for those of us Americans who live in smaller cities and villages and on farms. Through this method and others, as we modernize and make it more likely that these USDA programs will be beneficially used by the USDA's clients across the country.

This legislation, H.R. 5640, contains many of the same provisions included in the earlier American Homeownership and Economic Opportunity Act, H.R. 1776, which passed the House by a vote of 417-8, on April 6, 2000, with this Member's support. Unfortunately, the Senate has yet to act on H.R. 1776. In addition, many of these provisions also were included in S. 1452, which passed the House on October 24, 2000, by a voice vote. Unfortunately, the Senate failed to act on S. 1452.

For many Americans, the most important investment they make is to purchase a home. Homeownership gives an individual or family a sense of pride in themselves, their home, as well as in their community. This legislation goes to great lengths to promote homeownership for Americans across the entire country.

The following are, in this Member's opinion, six significant provisions, among many others, of the American Homeownership and Economic Opportunity Act of 2000.

First, this legislation allows families to use their Federal monthly assistance for down payment assistance.

Second, this legislation amends Section 502(h) of the Housing Act of 1949 to allow borrowers of the Rural Housing Service (RHS) single-family loans to refinance either an existing Section 502 direct or guaranteed loan to a new Section 502 guaranteed loan, provided the interest rate is at least equal or lower than the current interest rate being refinanced and the same home is used as security.

This Member supports this legislation as it utilizes the RHS Section 502 Single Family

Loan Guarantee Program. In particular, this loan guarantee program, which was first authorized because of my initiative, has been very effective in non-metropolitan communities by guaranteeing loans made by approved lenders to low to moderate income households.

In particular, since its inception as a pilot program in 1991, the Section 502 Single-Family Loan Guarantee Program has facilitated over \$10.2 billion in lending in non-metropolitan areas. This translates into 151,000 loans to families who now own homes which they otherwise may not have been able to purchase.

Third, this measure extends the grandfather status until the 2010 census for similarly situated cities nationwide like Norfolk, Nebraska, to continue to be able to use the USDA Rural Housing Service program. The current grandfather is until the 2000 census, which is currently under way. This Member introduced a bill earlier in the 106th Congress which would accomplish the furtherance of this grandfather provision until 2010.

Fourth, this legislation also includes a permanent authorization of Section 184, the Native American Loan Guarantee program, which this Member authored. Under current law, the Section 184 program is authorized through 2001. A very conservative estimate would suggest that the Section 184 program should annually facilitate over \$72 million in guaranteed loans for privately financed homes for Indian families who are otherwise unable to secure conventional financing due to the trust status of Indian reservation land.

Fifth, a provision is included in this legislation which would create a short term Indian Lands Title Report Commission to improve the procedure by which the Bureau of Indian Affairs conducts title reviews in connection with the sale of Indian lands. This provision is identical to a bill that this Member introduced previously in the current 106th Congress. Moreover, this Commission should facilitate the Section 184 program to benefit additional Native Americans in purchasing homes.

Sixth, this Member is pleased that as a matter of equity, this legislation extends Native American housing assistance to Native Hawaiians. In particular, it applies the Section 184 Loan Guarantee program to the unique legal status of the Hawaiian home lands.

Lastly, it is important to note that this bill no longer contains the Federal Housing Administration (FHA) reduced downpayment provisions for municipal employees. This provision resulted in opposition to the bill by some in the Senate. Hopefully, the Senate will now finally act on the American Homeownership and Economic Opportunity Act of 2000.

In closing, this Member, because of the above provisions, and for other reasons, would encourage his colleagues to vote for H.R. 5640.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield 2¼ minutes to the gentlewoman from Ohio (Mrs. JONES), a very active member of the Subcommittee on Housing and Community Opportunity.

(Mrs. JONES of Ohio asked and was given permission to revise and extend her remarks.)

Mrs. JONES of Ohio. Mr. Speaker, I would like to thank the gentleman from Iowa (Mr. LEACH), the chairman

of the Committee on Banking and Financial Services, and the gentleman from New York (Mr. LAFALCE), my ranking member on the Committee on Banking and Financial Services, and the gentleman from Massachusetts (Mr. FRANK), the ranking member on the Subcommittee on Housing and Community Opportunity, for all the work that they do in this particular area.

In my first term of Congress, serving on the Subcommittee on Housing and Community Opportunity has been one of the most exciting opportunities that I have had. I am glad to serve as the chair of the Housing committee for the Congressional Black Caucus.

This piece of legislation will provide a number of incentives for housing ownership in my congressional district.

□ 1115

On December 1, I had the pleasure to have an opportunity to celebrate World AIDS Day and went to a facility in my congressional district funded as a result of some of the work that we have been doing on the Subcommittee on Housing and Community Opportunity to visit a home, a facility, where there are 14 apartments for people who are living with AIDS just to see in place some legislation that was proposed and passed. And actually seeing it in place was an exciting thing for me.

Let me point out two or three things that I think are particularly significant about this piece of legislation. One of those is wherein people can use section 8 dollars for down payment on a home. I believe that if we can have families who have wonderful homes or have comfortable homes where they can raise their families and live together and enjoy one another, we can deal with many of the issues that we address in our particular country.

One section, section 904, provides for section 8 housing assistance for grandfamilies, meaning grandparents or great grandparents who are raising their grandchildren. In my congressional district, that is a significant issue; and I am constantly confronted by grandparents and great grandparents saying "I need help." So I am so happy to see this in the legislation as well.

With regard to pilot programs for homeownership for disabled families, that is an important issue as well.

So I just come here to say I am pleased that we in this Congress on this date, December 5, are able to pass a significant piece of legislation that is bipartisan so that the public can see we are moving forward with the issues of the day and representing the American people.

Mr. LEACH. Mr. Speaker, I yield 6 minutes to the gentleman from New York (Mr. LAZIO), this body's great friend and I guess the term is "soon to be departed," but with our greatest, greatest esteem.

Mr. LAZIO. Mr. Speaker, let me thank the gentleman from Iowa (Mr.

LEACH), the distinguished chairman of the Committee on Banking and Financial Services, not just for his persistence and hard work, his professionalism and dedication with respect to this bill, but as a partner and as a friend, as an honest broker, as somebody who has worked very hard over these last 6 years to enact sweeping housing legislation. I am very, very appreciative for his extraordinary efforts.

Mr. Speaker, I would also like to thank the members of the committee, the gentleman from Massachusetts (Mr. FRANK), who has been a terrific partner as well in working through in a bipartisan fashion many of these issues, the gentleman from New York (Mr. LAFALCE), Members on both sides of the aisle who have been tremendous advocates for housing.

Last, but certainly not least, I thank the people who staff the committee on both sides of the aisle, a thankless job that should be acknowledged; and, in my humble way, I hope I can right now.

Mr. FRANK of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. LAZIO. I am happy to yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Speaker, I would just on behalf of everyone on our side want to reciprocate, because the gentleman from New York (Mr. LAZIO) has been an exemplar of our ability to at the same time have disagreements on major policy issues that are legitimately debated and yet to be able to work in a very constructive fashion on a broad range of common agreement.

I thank the gentleman from New York for helping us set that wonderful example, and he can look back on a record of a very significant accomplishment of protecting vulnerable tenants.

Mr. LAZIO. Mr. Speaker, I thank the gentleman very much.

More than ever in the impending political environment, comity and bipartisan cooperation, as the gentleman from Massachusetts (Mr. FRANK) has just referred to, will be the overriding guiding principles that will shape public policy.

Mr. Speaker, like no other country in the world, Americans cherish the ideals of self-sufficiency and independence that is embodied in the family home. For many of us, the most important financial investment that we make in our lives is the purchase of a home. Homeownership creates a sense of community, binding neighbors together, investing all in the common good.

Today, two-thirds of Americans own their own homes, continuing a trend since the mid-1990s of historically high homeownership rates. Much of this success is attributed to the strong American economy, a product of Federal fiscal restraint, and the enterprising spirit of working men and women across the country.

Yet a paradox of the strong economy has been the rising real estate prices

unmatched by a similar rise in income for many working families. For African American and Hispanic American populations, homeownership rates continue to remain under 50 percent.

We are also confronting a demographic explosion as America's baby boomers move into retirement years. Today, there are more than 33 million Americans age 65 years and older. By the year 2020, the number will grow to almost 53 million, or one in every six Americans. Already more than a million senior citizens across the country are experiencing worst-case housing needs.

Our challenge is to do more. Our blueprint is before us. Today we consider what in many ways is the final piece of the housing puzzle. During my time as chairman of the Subcommittee on Housing and Community Opportunity, we have enacted the most comprehensive public housing reform in 60 years. We have reformed Native American housing, section 8 housing. We have provided the first major partnership with the Habitat For Humanity, reverse mortgages for seniors. We have set in place mechanisms to provide permanent housing solutions to homelessness. Most recently, we have provided a means to preserve affordable housing for seniors and individuals with disabilities incorporated right in this bill.

Mr. Speaker, our proposal will build on these accomplishments and help provide millions more Americans with greater opportunity for affordable housing and homeownership. Let me mention just a few of the provisions that will make a very real difference in the everyday lives of Americans across the country.

Today, more than 3 million families receive annual rental assistance through HUD section 8 voucher program. Many of these families would rent for life, never being able to achieve a sense of homeownership, never being able to achieve and build personal equity.

Our proposal builds on a successful nonprofit demonstration project in my home district on Long Island to allow families receiving section 8 to aggregate up to 1 year's worth of assistance toward down payment and closing costs. So instead of a perpetual cycle of rental assistance, we are helping build personal wealth and a sense of pride. Most importantly, we are helping families across the country achieve the American dream of homeownership.

As we look to the future, for our parents and the generations to come, the issue of affordable housing will be as critical as the future of Social Security and Medicare. Without a roof over one's head, little else seems to matter.

Our proposal today also includes a comprehensive set of initiatives to give nonprofit housing providers greater flexibility and resources to grow the inventory of affordable housing for seniors and individuals with disabilities. If we do nothing else, we must provide security and peace of mind for those who

have given so much for their families and to our country.

Mr. Speaker, our continuing challenge must be to recognize that the family home serves as a foundation for all else, where we teach our children right from wrong, our sanctuary from the rush of the outside world, and where we draw strength for the other pursuits of life and faith.

Today we take an important step toward an agenda for housing and the renewal of the American dream.

This legislator is very proud to be closing out his career doing just what he has always loved to do, legislating.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield the remaining time to the gentlewoman from California (Ms. LEE), one of our most active and dedicated supporters of the inadequate housing response.

Ms. LEE. Mr. Speaker, I want to thank the gentleman from Massachusetts for yielding me this time and also for his steady and committed work and focus on behalf of affordable housing initiatives throughout our country.

I also want to thank the gentleman from New York (Mr. LAFALCE), also the gentleman from Iowa (Mr. LEACH), our committee chair, and the gentleman from New York (Mr. LAZIO) for bringing this bill to the floor in such a bipartisan manner.

I come from one of the areas in the country which is really quickly becoming the least affordable area to live in, the Bay Area of California. So as a Member of this subcommittee, I have been very pleased to work with our leadership to develop this bill.

I want to just say a couple of things with regard to housing, because we know that housing is really not just a roof over one's head. Having a decent place to live can make all of the difference in the world in terms of the quality of life.

Also, homeownership provides one with a stake in the American dream. It provides the average, ordinary American with the ability to develop equity so that he or she may develop a small business or send their children to college. Not everyone has stock options. Not everyone can accumulate wealth through mutual funds and through planning in the stock market. So homeownership is so integral and so serious in terms of the ability to realize the American dream.

In a time when our country is experiencing a time of unprecedented economic growth, we must seize this opportunity to invest in those who need it the most. In communities across our Nation, like, again, in my district in Oakland, California, which, again, has been in the past been a very affordable city but now is becoming one of the least affordable cities, we have our nonprofits and developers and local governments working together to develop strategies to find solutions to our housing crisis. This bill will help us tremendously in our efforts.

Clearly, the Federal Government must always fight hard to maintain

what we believe is a very central part to the American dream, and that is homeownership.

So I would like to thank both sides again for allowing us the opportunity to bring this bill forward. It is one of the most important pieces of legislation this year for my area. I want to thank my colleagues again for the opportunity to make my presentation.

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

(Mr. LEACH asked and was given permission to revise and extend his remarks, and include extraneous material.)

Mr. LEACH. Mr. Speaker, in conclusion, let me thank again the gentleman from New York (Mr. LAFALCE), the distinguished ranking member, and the gentleman from Massachusetts (Mr. FRANK), as well as the gentleman from New York (Mr. LAZIO) and the gentlewoman from New Jersey (Mrs. ROUNKEMA), two extraordinary subcommittee chairmen, on this bill.

This is a bill that has returned to the House with a very important provision unfortunately deleted because it could not receive consensus in the other body. But I am very hopeful that this bill in its current form can be accepted by the other body and that we will have a change in law that will be for the good of the country and particularly for the good of those Americans that are on the cusp of being able to afford a family home. I urge acceptance of this bill.

Ms. PELOSI. Mr. Speaker, I rise in support of the American Homeownership and Economic Opportunity Act which would enhance America's affordable housing and promote homeownership opportunities. Far too many, an estimated 5.4 million Americans, suffer worst-case housing needs, paying more than 50 percent of their income for housing, and this bill takes important steps to address this and related housing needs. The bill would enable tenants to use their section 8 rental assistance as a downpayment toward homeownership, strengthen the service delivery of elderly and disabled service coordinators, and streamline manufactured housing standards.

I strongly support the important provisions in this bill that would protect tenants of project based section 8 buildings, especially those who have experienced conversion of their units to market rent levels, through owner opt-outs or prepayments. Tenant protections are needed to avoid displacing HUD tenants, to provide converted tenants with enhanced vouchers, and to reduce other harmful effects. It is vital that Congress enact all the needed legal steps and HUD take the needed administrative steps to ensure project based tenants may continue to reside in their units and are held harmless against conversion's adverse consequences. This bill takes important steps and in the next Congress, I will continue working toward this goal.

I strongly support this bill's reach back provision, "Use of Section 8 Vouchers for Opt-Outs", which would protect tenants whose properties were converted in the years before Congress addressed the owner opt-out problem. This provision would enable HUD to grant converted tenants protective enhanced vouchers

in opt-out situations extending back to fiscal year 1994. This bill also contains an important provision, "Maximum Payment Standard for Enhanced Vouchers", which would grant some HUD discretion to limit the enhanced voucher payment standard, yet deny this discretion where it adversely affects HUD tenants. The House passed Manufactured Housing Improvement Act includes these provisions in sections 902 and 903. HUD also supports them.

It is disappointing that the Senate did not support, and this bill does not include, the House passed provisions to promote homeownership for public service employees, which would enable teachers and public safety officers to obtain FHA loans with a 1-percent downpayment. Earlier this year, in coordination with concerned constituents, I authored a successful amendment to the House passed American Homeownership and Economic Opportunity Act, H.R. 1776, to extend this opportunity to prekindergarten teachers. Many cities and rural communities, including the district I represent, San Francisco, suffer a shortage of quality teachers and are experiencing problems recruiting and retaining teachers. To alleviate this problem, we must take additional steps to help teachers and public sector employees obtain affordable housing in the communities they serve.

I urge my colleagues to support this bill and continue working to increase affordable housing opportunities across the country.

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

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the motion offered by the gentleman from Iowa (Mr. LEACH) that the House suspend the rules and pass the bill, H.R. 5640.

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

A motion to reconsider was laid on the table.

□

GENERAL LEAVE

Mr. LEACH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 5640.

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

There was no objection.

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SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

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The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

(Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)