A motion to reconsider was laid on the table.

FHA MULTIFAMILY LOAN LIMIT ADJUSTMENT ACT OF 2003

Mr. NEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1985) to amend the National Housing Act to increase the maximum mortgage amount limit for FHA-insured mortgages for multifamily housing located in high-cost areas, as amended.

The Clerk read as follows:

H.R. 1985

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''FHA Multifamily Loan Limit Adjustment Act of 2003''.

SEC. 2. MAXIMUM MORTGAGE AMOUNT LIMIT FOR MULTIFAMILY HOUSING IN HIGH-COST AREAS.

In the National Housing Act, sections 207(c)(3), 213(b)(2)(B)(i), 220(d)(3)(B)(iii)(II), 221(d)(3)(ii)(II), 221(d)(4)(ii)(II), 231(c)(2)(B), and 234(e)(3)(B) (12 U.S.C. 1713(c)(3), 1715e(b)(2)(B)(i), 1715k(d)(3)(B)(iii)(II), 1715l(d)(3)(ii)(II), 1715l(d)(4)(ii)(II), 1715v(c)(2)(B)), and 1715y(e)(3)(B)) are each amended—

(1) by striking ''110 percent'' and inserting ''170 percent''; and

(2) by striking ''140 percent'' and inserting ''170 percent''.

SEC. 3. CATCH-UP ADJUSTMENTS TO CERTAIN MAXIMUM MORTGAGE AMOUNT LIMITS.

(a) SECTION 207 LIMITS.—Section 207(c)(3) of the National Housing Act (12 U.S.C. 1713(c)(3)) is amended by striking ''$11,250'' and inserting ''$17,460''.

(b) SECTION 213 LIMITS.—Section 213(b)(2)(A) of the National Housing Act (12 U.S.C. 1715e(b)(2)(A)) is amended—

(1) by striking ''$38,025'', ''$42,120'', ''$50,310'', ''$62,010'', and ''$70,200'' and inserting ''$41,207'', ''$47,511'', ''$57,300'', ''$73,343'', and ''$81,708'', respectively; and

(2) by striking ''$49,140'', ''$60,255'', ''$75,465'', and ''$85,328'' and inserting ''$49,710'', ''$60,446'', ''$78,197'', and ''$85,836'', respectively.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. NEY) and the gentleman from Massachusetts (Mr. FRANK) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. NEY).

GENERAL LEAVE

Mr. NEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to insert extraneous material on this legislation.

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

There was no objection.

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

Today I rise in support of H.R. 1985, the FHA Multifamily Loan Limit Adjustment Act of 2003. This important piece of legislation introduced by the gentleman from California (Mr. GARY G. MILLER) and the gentleman from Massachusetts (Mr. FRANK) amends the National Housing Act to increase the maximum mortgage amount limit for FHA-insured mortgages for multifamily housing located in high-cost areas.

The Federal Housing Administration is one of the most effective programs in helping low-to-middle-income buyers purchase their first home. It was originally designed to encourage lenders to make credit more readily available and at lower rates. Through FHA programs, HUD insures mortgages and loans made by HUD-approved lenders for a wide variety of purposes including new construction, rehabilitation, property improvement, and refinancing in connection with a wide variety of types of property. FHA programs include all types of residential property (multifamily, single family, manufactured homes), nonresidential commercial property, hospitals, and certain other health care facilities.

The FHA multifamily mortgage insurance program is a critical source of financing for affordable multifamily rental housing. During the previous 2 years, Congress supported and implemented improvements to the program, including increasing the base loan limits by 25 percent and indexing the loan limits to inflation, which begins in 2004. As a result, loan values have increased significantly in many areas of the country where the program previously, frankly, was not working.

However, there are a number of high-cost urban markets such as New York, Boston, San Francisco, Chicago, and Los Angeles where construction costs are significantly higher than other areas of the country, and the high-cost factors have not been sufficient to allow the use of FHA multifamily mortgage insurance programs. The FHA Multifamily Loan Limit Adjustment Act of 2003 will give the HUD Secretary the discretion to increase the maximum mortgage amount limit for FHA-insured mortgages for multifamily houses located in high-cost areas. In addition, it would change the statutory maximum adjustment percentage for geographic areas from 110 to 170 percent, which would change HUD's maximum high-cost percentage to 270 percent.

Providing the HUD Secretary additional flexibility to increase the maximum loan limits in high-cost areas would greatly improve the FHA multifamily mortgage insurance programs. With severe shortages of affordable rental housing in most of the high-cost markets, this change would enable developers to provide much-needed new affordable housing to low- and moderate-income families.

This is a tremendous bill, Mr. Speaker, and I want to give credit again to the gentleman from California (Mr. GARY G. MILLER) and the gentleman from Massachusetts (Mr. FRANK), the gentleman from Ohio (Chairman OXLEY) and the staff on both sides of the aisle. It is a good bill. It is a bill that will definitely help people in the United States, and I would urge all of my colleagues to support this vital housing initiative.

Mr. Speaker, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

I am particularly appreciative of the efforts of the gentleman from Ohio, the chairman of the Subcommittee on Housing and Community Opportunity and the other gentleman from Ohio, who chairs the full committee, for helping us bring this bill forward.

The gentleman from California and I began our collaboration on this issue in a previous Congress when this came up as part of an omnibus housing bill, and while we bogged down on that omnibus bill because of some differences between the parties and ideological concerns, it struck us that there was no reason to hold back on something that ought to be, and we believe is, in fact, in everybody's interest with no downside.

I would note that this is one of those times when we can bring forward a bill that will advance an important social purpose dealing with our housing affordability crisis, and this is not for subsidized housing, but as we build housing, multifamily housing, as we increase the housing stock, we deal with the affordability problem because there is a problem here of supply and demand. The affordability program is exacerbated by a shortage of supply, and as we increase the supply even of conventional housing, we are dealing with that.

This also has the unusual aspect of probably helping to reduce the Federal deficit. FHA premiums, given the repayment rate, particularly when we are dealing at this end of the spectrum, make money for the Federal Government. So if this has any impact on the Federal budget, it will be a directly positive one, not simply an economic activity that will be generated, that housing will be built, but specifically in the collections that will come from the FHA.

□ 1530

We do not have a single housing market in this country. We have, for a variety of reasons, some areas which cost more than others. Those are both supply- and demand-related factors. We should not, therefore, have a single FHA rule. Where we are dealing with high-cost areas, given the value that the FHA has as a financing mechanism for housing, we ought to take advantage of that.

I want to express my appreciation also to the gentleman from California (Mr. GARY G. MILLER) for his consistent leadership on this issue. I would also like to acknowledge the role that the National Association of Homebuilders played in helping educate all the Members to the importance of this and to the benefit which we will all receive from it.

So I again express my appreciation to Members on the majority side, the lead sponsor of the bill, the gentleman from California (Mr. GARY G. MILLER), the chairman of the subcommittee, the gentleman from Ohio (Mr. NEY), and the chairman of the full committee, the gentleman from Ohio (Mr. OXLEY).

I am very pleased we will be moving this bill, and I hope that it is one that can be signed before the end of the year. I reserve the balance of my time.

Mr. NEY. Madam Speaker, I yield 5 minutes to the gentleman from California (Mr. GARY G. MILLER), the sponsor of this bill, who has literally traveled 2000 miles to be here for this bill today.

Mr. GARY G. MILLER of California. Madam Speaker, I rise in support of H.R. 1985, the FHA Multifamily Loan Limit Adjustment Act of 2003. This legislation is really critical to make sure we provide affordable rental housing in this country.

I applaud the gentleman from Massachusetts (Mr. FRANK). He and I have a passion on this issue. We have been working on this for a while, and we continue to look for areas that we can impact in this country to make sure that housing is available to those who need housing most. I think our goal is to make sure that everybody in this Nation has an opportunity to own or rent their own home, a place they can call theirs.

I would like to commend the chairman of the Committee on Financial Services, the gentleman from Ohio (Mr. OXLEY), for his efforts in this. The gentleman from Ohio (Chairman NEY) has been very, very good about making sure that this was diligently processed through the committee, and I want to thank him very much for that.

When it comes to high-cost markets, where land and construction costs are significantly higher than in other areas in the country, there is no question that FHA multifamily mortgage insurance limits are not keeping pace. The fact is that in high-cost areas, the land is continually growing in value. People are actually able to auction it off, and the rates they are getting for it are increasing rapidly, and the construction costs are increasing the same way.

The slowdown in affordable rental housing production has resulted in a significant gap between the demand for and the supply of rental housing. This is a problem we have to come together to solve today.

The FHA Multifamily Program provides mortgage insurance for multifamily developments, particularly serving low- and moderate-income families. In our most expensive cities, it is very difficult for these families to find affordable rental housing in the communities where they work. Today, many public servants in my district, police officers, firefighters and teachers, are not able to live in the community in which they grew up and work today. And if Congress does not act to promote affordable rental housing, things will not get easier for families in my district and the Nation as a whole.

Orange County, California, had the third largest rent increases out of 25 of the largest metropolitan areas in 11 Western States. Thirty-three percent of the renters in Orange County sent 35 percent or more of their income to their landlord.

The FHA Multifamily Mortgage Insurance Program has operated for over 65 years, working with private sector partners to expand the supply of rental housing. This public-private partnership has leveraged more than $100 billion of private sector investments to provide rental housing for more than 4 million families and the elderly throughout this country.

The problem is that, according to HUD's data, no multifamily loans were FHA insured in high-cost cities such as New York, Philadelphia, Seattle or Los Angeles in 2003. The entire State of California only had one multifamily development that has been built and insured by FHA. These are the same areas of the country in which there exists a wide availability gap of affordable rental housing.

The problem is in California and many high-cost States, Massachusetts is a great example, you cannot find a rental available. They are just not available. The costs are escalating so rapidly.

The developers are simply unable to provide affordable housing units in these areas because the current statutory mortgage limits for FHA mortgage insurance are unrealistically low. We have to get the rates up to keep up with the demand out there.

I have a letter from an individual who is a developer in the Boston area, and this gives you an example of what developers are going through today in this country.

He said, ''I am currently in the planning stages of developing 180-unit, garden-style, walk-up apartments located in Burlington. Twenty percent of the units will be affordable to seniors with incomes of 80 percent of the area median, and the rest will be at market rate. The units range in size from 700 square feet, one-bedroom units to 1,200 square foot, two-bedroom units.''

He has been planning this for quite a few years.

''However, I may not be able to actually obtain the FHA-insured loan. My total development costs are $176,000 per unit, which exceeds the high-cost limits. The figure is actually somewhat low because I bought the lands many years ago for $15,000 per unit. The land is currently worth $50,000 per unit.''

In nexus, what this gentleman is saying is if he cannot get this loan, which is not competing with the private sector, it is a loan for FHA for these income houses, he is likely to have to sell this property off to a developer who will not build it for low-income people, who will build it for at-market rates, whether it be multifamily, condos or townhomes. The problem is that does not do anything to remove the problem we face today, but makes it worse.

We are not giving grants and that is the key, the gentleman from Massachusetts (Mr. FRANK) tried to say. This is not a government giveaway. Whether you are a conservative or a liberal should not impact anybody. This is a loan that is made to an individual that is a very safe loan. In fact, the government makes money off these loans.

It is very seldom we can bring a bill to this floor that not only deals with the housing crisis we face in this country, but actually does not cost the government a dime. Nobody is given anything, it is just a conduit between the builder and the people who need a place to live.

This is a good bill, I see no objection to it, and I ask for unanimous approval of this.

Mr. FRANK of Massachusetts. Madam Speaker, I yield myself 1 minute to make one other point.

Even with regard to Section 8, this is helpful legislation, because the Section 8 cost is based on the cost of the housing. To the extent we can get multifamily housing built more efficiently with financing help, then the Section 8 rent, even in one of those units, which could happen, would be nice. So this is a bill which, as I said, has no downside.

I appreciate the gentleman from California noting he and I will continue to look for ways without regard to ideological party differences, which will remain and which are legitimate and which we will debate, but aside from those, we can find ways to move this along.

So, again, with thanks, particularly to the gentleman from Ohio who worked very hard on this, I urge passage of the bill.

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

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

Madam Speaker, in closing, I want to again commend the gentleman from California (Mr. GARY G. MILLER) and the gentleman from Massachusetts (Mr. FRANK), who worked together on a very important piece of legislation, our ranking member, the gentlewoman from California (Ms. WATERS), and the gentleman from Ohio (Chairman OXLEY). Our Subcommittee on Housing and Community Opportunity put this straight to the full committee so we did not delay on it.

I also want to note something, and the gentleman from Massachusetts (Mr. FRANK) talked about it, omnibus bills. I think the approach we are taking on the committee, both the subcommittee and the full committee, is the right approach. We are looking at high-cost. Somebody said, what are you doing for rural? We are doing things for rural. We are discussing everything on the table.

Avoiding an omnibus bill, that everybody works a year on and then it does not pass both Chambers, has been an approach we have taken so we can get bits and pieces of bills that are good bills.

Mr. FRANK of Massachusetts. Madam Speaker, will the gentleman yield?

Mr. NEY. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Madam Speaker, I thank the gentleman very much, and I agree with almost everything he said today, but only almost. I would still like to see an omnibus bill.

Mr. NEY. Madam Speaker, reclaiming my time, we can still work an omnibus bill, and we can still continue to do these. These are probably going a little faster, I hope. But an omnibus will keep us all busy.

With that, I urge support of the bill.

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

The SPEAKER pro tempore (Mrs. CAPITO). The question is on the motion offered by the gentleman from Ohio (Mr. NEY) that the House suspend the rules and pass the bill, H.R. 1985, as amended.

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

A motion to reconsider was laid on the table.

TRANSFER TO PUBLIC PRINTER OF AUTHORITY OVER INDIVIDUALS RESPONSIBLE FOR PREPARING CONGRESSIONAL RECORD INDEXES

Mr. NEY. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 3229) to amend title 44, United States Code, to transfer to the Public Printer the authority over the individuals responsible for preparing indexes of the CONGRESSIONAL RECORD, and for other purposes.

The Clerk read as follows:

H.R. 3229

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

SECTION 1. TRANSFER TO PUBLIC PRINTER OF AUTHORITY OVER INDIVIDUALS RESPONSIBLE FOR PREPARING CONGRESSIONAL RECORD INDEXES.

(a) IN GENERAL.—Section 902 of title 44, United States Code, is amended to read as follows:

"§ 902. Congressional Record: Indexes

"The Public Printer shall prepare the semimonthly and the session index to the Congressional Record. The Joint Committee on Printing shall direct the form and manner of its publication and distribution.".

(b) TRANSITION RULE FOR CURRENT EMPLOYEES.—

(1) IN GENERAL.—Any individual who is an employee of the Congressional Record Index Office as of the effective date of this Act shall be transferred to the Government Printing Office, subject to the provisions of this title governing the selection and appointment of employees of the Government Printing Office and any applicable regulations.

(2) TREATMENT OF ACCRUED LEAVE.—Any annual and sick leave accrued by such an individual prior to such date shall be transferred and made available to the individual as an employee of the Government Printing Office, subject to applicable regulations of the Government Printing Office governing the use of such leave.

SEC. 2. EFFECTIVE DATE.

This Act and the amendments made by this Act shall apply with respect to pay periods beginning on or after October 1, 2003 (or, if later, the first day of the first month which begins after the date of the enactment of this Act).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. NEY) and the gentleman from Connecticut (Mr. LARSON) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. NEY).

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

Madam Speaker, it is a pleasure to be here today with my colleague, our esteemed ranking member of the Committee on House Administration.

I rise here today in support of H.R. 3229, a bill to amend title 44, United States Code, to transfer to the Public Printer the authority over the individuals responsible for preparing indexes of the CONGRESSIONAL RECORD. The indexes create the semimonthly and session indexes to the CONGRESSIONAL RECORD.

Under the Printing Act of 1895, the Joint Committee on Printing, known as JCP, designates to the Public Printer persons to prepare the index and fixes the compensation to be paid by the Public Printer for their work. Their compensation, benefits, and related office expenses are charged directly to the Congressional Printing and Binding Appropriation.

Although the indexers have long been recognized as Congressional employees, their daily work is supervised by the GPO, the Government Printing Office. Therefore, we are here today to make this change to title 44.

GPO provides administrative support for the indexers; pays the indexers from the GPO revolving fund, which is then reimbursed by the Congressional Printing and Binding Appropriation; and maintains employment records for the indexers. The indexers are housed in buildings under GPO's control and subject to GPO's rules and regulations regarding security and other related matters. GPO provides equipment for the indexers, who work on a day-to-day basis directly with GPO's production staff in compiling and publishing the CONGRESSIONAL RECORD Index.

Prior to 1999, the JCP managed the indexers. However, in 1999 the funding for the JCP ended. The employee transfer that this legislation will provide will relieve the JCP of the administrative burden of managing a daily production activity that more appropriately belongs, frankly, in the Government Printing Office. At the same time, it will preserve the JCP's control over the CONGRESSIONAL RECORD Index itself, which is important.

Most importantly, however, it will correct an employment situation. The JCP, in conjunction with GPO, has crafted legislative language to accomplish the transfer with minimal impact on office employees. The JCP and the GPO have ensured that despite the transfer accomplished by this legislation, the format and substance of the CONGRESSIONAL RECORD will remain the same as before, which, of course, is very important to many people in the country.

With the transfer, the employees will be placed in the civil service and will be covered by the laws and regulations covering GPO employment. Their contributions and service time accumulated under retirement systems as Congressional employees will be fully credited. They will retain their current rates of pay and their future pay will be subject to pay systems governing other GPO employees. They will be allowed to carry accumulated annual and sick leave with them, with subsequent use subject to GPO regulations.

The CONGRESSIONAL RECORD Index Office will be assigned to the appropriate GPO organization, subject to GPO management direction, although any future changes to the form and production of the CONGRESSIONAL RECORD Index will be subject to the review and approval of the JCP.

The indexers will continue to be funded by the Congressional Printing and Binding Appropriation. This change will not interrupt their work on the index. Consequently, the effects of the transfer will have no impact to CONGRESSIONAL RECORD Index users in Congress, the government or the public.

As a request from the JCP, the GPO has briefed the Index Office employees on this legislative proposal. No objection was raised to the JCP.

The indexer employment situation has been in flux since 1999, and I commend the JCP and the GPO for working through this fluid situation and also for helping us bring this resolution to the floor.

The Public Printer, Bruce James, is to be commended also. He has done an excellent job and I think has really brought the Government Printing Office into the 21st century. I am going to be urging full support of this resolution.

I look forward to our ranking member, who is a definite student of history, and I am sure he is going to provide, Madam Speaker, a historical perspective to this resolution.

Madam Speaker, I reserve the balance of my time.

Mr. LARSON of Connecticut. Madam Speaker, I yield myself such time as I may consume, and I thank the chairman for his historical reference.

I am pleased to join with the chairman in support of this legislation to transfer control of the CONGRESSIONAL RECORD Index Office to the Government Printing Office.

The gentleman has ably explained the bill. The Public Printer, who asked