

Larson (CT)	Obey	Skelton	Souder	Turner	Westmoreland
Lee	Olver	Slaughter	Stearns	Upton	Whitfield
Levin	Ortiz	Smith (WA)	Sullivan	Walberg	Wicker
Lewis (GA)	Pallone	Snyder	Tancredo	Walden (OR)	Wilson (NM)
Lipinski	Pascrell	Solis	Terry	Walsh (NY)	Wilson (SC)
Loebssack	Pastor	Space	Thornberry	Wamp	Wolf
Lofgren, Zoe	Payne	Spratt	Tiaht	Weldon (FL)	Young (AK)
Lowey	Perlmutter	Stark	Tiberi	Weller	Young (FL)
Lynch	Peterson (MN)	Stupak			
Mahoney (FL)	Pomeroy	Sutton			
Markey	Price (NC)	Bean	Jindal	Neal (MA)	
Marshall	Rahall	Tanner	Boren	Johnson (IL)	Reichert
Matheson	Rangel	Tauscher	Carson	Johnson, E. B.	Rogers (KY)
Matsui	Reyes	Taylor	Castor	King (NY)	Wilson (OH)
McCarthy (NY)	Richardson	Thompson (CA)	Cubin	Maloney (NY)	
McCullom (MN)	Rodriguez	Thompson (MS)	Ellison	Miller, Gary	
McDermott	Ross	Tierney			
McGovern	Rothman	Towns			
McIntyre	Royal-Allard	Udall (CO)			
McNerney	Ruppersberger	Udall (NM)			
McNulty	Rush	Van Hollen			
Meek (FL)	Ryan (OH)	Velázquez			
Meeks (NY)	Salazar	Visclosky			
Melancon	Sánchez, Linda	Walz (MN)			
Michaud	T.	Wasserman			
Miller (NC)	Sanchez, Loretta	Schultz			
Miller, George	Sarbanes	Waters			
Mitchell	Schakowsky	Watson			
Mollohan	Schiff	Watt			
Moore (KS)	Schwartz	Waxman			
Moore (WI)	Scott (GA)	Weiner			
Moran (VA)	Scott (VA)	Welch (VT)			
Murphy (CT)	Serrano	Wexler			
Murphy, Patrick	Sestak	Woolsey			
Murtha	Shea-Porter	Wu			
Nadler	Sherman	Wynn			
Napolitano	Shuler	Yarmuth			
Oberstar	Sires				

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Aderholt	Everett	Manzullo			
Akin	Fallin	Marchant			
Alexander	Feeley	McCarthy (CA)			
Bachmann	Ferguson	McCaull (TX)			
Bachus	Flake	McCotter			
Baker	Forbes	McCrary			
Barrett (SC)	Fortenberry	McHenry			
Bartlett (MD)	Fossella	McHugh			
Barton (TX)	Foxx	McKeon			
Biggert	Franks (AZ)	McMorris			
Bilbray	Frelinghuysen	Rodgers			
Bilirakis	Gallegly	Mica			
Bishop (UT)	Garrett (NJ)	Miller (FL)			
Blackburn	Gerlach	Miller (MI)			
Blunt	Gilchrest	Moran (KS)			
Boehner	Gingrey	Murphy, Tim			
Bonner	Gohmert	Musgrave			
Bono	Goode	Myrick			
Boozman	Goodlatte	Neugebauer			
Boustany	Gordon	Nunes			
Boyd (FL)	Granger	Paul			
Brady (TX)	Graves	Pearce			
Braley (IA)	Hall (TX)	Pence			
Brown (GA)	Hastert	Peterson (PA)			
Brown (SC)	Hastings (WA)	Petri			
Brown-Waite,	Hayes	Pickering			
Ginny	Heller	Pitts			
Buchanan	Hensarling	Platts			
Burgess	Herger	Poe			
Burton (IN)	Hill	Porter			
Buyer	Hobson	Price (GA)			
Calvert	Hoekstra	Pryce (OH)			
Camp (MI)	Hulshof	Putnam			
Campbell (CA)	Hunter	Radanovich			
Cannon	Inglis (SC)	Ramstad			
Cantor	Issa	Regula			
Capito	Johnson, Sam	Rehberg			
Carter	Jones (NC)	Renzi			
Castle	Jordan	Reynolds			
Chabot	Keller	Rogers (AL)			
Coble	King (IA)	Rogers (MI)			
Cole (OK)	Kingston	Rohrabacher			
Conaway	Kirk	Ros-Lehtinen			
Crenshaw	Kline (MN)	Roskam			
Culberson	Knollenberg	Royce			
Davis (KY)	Kuhl (NY)	Ryan (WI)			
Davis, David	LaHood	Sali			
Davis, Tom	Lamborn	Saxton			
Deal (GA)	Lampson	Schmidt			
Dent	Latham	Sensenbrenner			
Diaz-Balart, L.	LaTourette	Sessions			
Diaz-Balart, M.	Lewis (CA)	Shadegg			
Doolittle	Lewis (KY)	Shays			
Drake	Linder	Shimkus			
Dreier	LoBiondo	Shuster			
Duncan	Lucas	Simpson			
Ehlers	Lungren, Daniel	Smith (NE)			
Emerson	E.	Smith (NJ)			
English (PA)	Mack	Smith (TX)			

Souder	Turner	Westmoreland
Slaughter	Upton	Whitfield
Smith (WA)	Sullivan	Wicker
Snyder	Tancredo	Walden (OR)
Solis	Terry	Walsh (NY)
Space	Thornberry	Wilson (SC)
Spratt	Tiaht	Wolf
Stark	Tiberi	Young (AK)
Stupak		Young (FL)
Sutton		
Bean	Jindal	Neal (MA)
Tanner	Boren	Reichert
Tauscher	Carson	Rogers (KY)
Taylor	Castor	King (NY)
Thompson (CA)	Cubin	Maloney (NY)
Thompson (MS)	Ellison	Miller, Gary

NOT VOTING—16

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE
The SPEAKER pro tempore (during the vote). Members are advised that 2 minutes remain in this vote.

□ 1242

So the resolution was agreed to.
The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. JOHNSON of Illinois. Mr. Speaker, unfortunately this morning, October 10, 2007, I was unable to cast my votes on Ordering the Previous Question on H. Res. 720, H. Res. 720, Ordering the Previous Question on H. Res. 719 and H. Res. 719 and wish the RECORD to reflect my intentions had I been able to vote.

Had I been present for rollcall No. 951 on Ordering the Previous Question on H. Res. 720, Providing for consideration of H.R. 2895, the National Affordable Housing Trust Fund Act of 2007, I would have voted “nay.”

Had I been present for rollcall No. 952 on passing H. Res. 720, Providing for consideration of H.R. 2895, the National Affordable Housing Trust Fund Act of 2007, I would have voted “No.”

Had I been present for rollcall No. 953 on Ordering the Previous Question on H. Res. 719, Providing for consideration of H.R. 3056, the Tax Collection Responsibility Act of 2007, I would have voted “nay.”

Had I been present for rollcall No. 954 on H. Res. 719, Providing for consideration of H.R. 3056, the Tax Collection Responsibility Act of 2007, I would have voted “nay.”

ELECTING MINORITY MEMBERS TO CERTAIN STANDING COMMITTEES OF THE HOUSE OF REPRESENTATIVES

Mr. PUTNAM. Mr. Speaker, by direction of the House Republican Conference, I send to the desk a privileged resolution (H. Res. 722) and ask for its immediate consideration in the House.

The Clerk read the resolution, as follows:

H. RES. 722

Resolved, That the following named Members be, and are hereby, elected to the following standing committees of the House of Representatives:

COMMITTEE ON ARMED SERVICES: Mr. Lamborn.

COMMITTEE ON FOREIGN AFFAIRS: Mr. Blunt, to rank after Mr. Chabot.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FRANK of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks and insert extraneous material on H.R. 2895.

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

There was no objection.

NATIONAL AFFORDABLE HOUSING TRUST FUND ACT OF 2007

The SPEAKER pro tempore. Pursuant to House Resolution 720 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 2895.

□ 1243

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2895) to establish the National Affordable Housing Trust Fund in the Treasury of the United States to provide for the construction, rehabilitation, and preservation of decent, safe, and affordable housing for low-income families with Mr. HOLDEN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered read the first time.

The gentleman from Massachusetts (Mr. FRANK) and the gentleman from Alabama (Mr. BACHUS) each will control 30 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, this is an historic day. This is an important piece of legislation, broadly and eagerly supported by virtually every organization in this country seeking to expand the supply of affordable housing for low-income people, and also from the leading business groups that understand the need for an increase in the housing supply. So from the Low Income Housing Coalition and all the homeless groups, over to the National Association of Home-builders and the National Association of Realtors, this is a day they have long waited for; and I submit the following for the RECORD:

NATIONAL ASSOCIATION
OF REALTORS,
Washington, DC, October 9, 2007.

House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE: On behalf of the 1.3 million members of the NATIONAL ASSOCIATION OF REALTORS®, I urge your support of H.R. 2895, the “National Affordable Housing Trust Fund Act of 2007”. The number of families facing critical housing needs is significant and growing. Today, one in seven U.S. households—both owners and renters—spend over 50% of their household income on housing. A dedicated fund to produce, rehabilitate, and preserve affordable housing could make great strides towards addressing this crisis.

NAR has consistently maintained that homeownership serves as a cornerstone of our democratic system of government. We believe that homeownership continues to be a strong personal and social priority for most Americans. Living in one's own home is a measure of security and success in life. The homeownership rate fell slightly during the recent housing market slowdown. Despite modestly lower home prices in many regions of the country, many deserving American families continue to face obstacles in their quest to own a home.

NAR has equally and forcefully maintained that rental housing has an immediate and beneficial effect on the prosperity of a community. Rental housing provides a range of housing options that not only attract top employers but also generate local taxes, fees and income that benefit local economies. Sadly, the stock of affordable and available rental units is declining. As a result, approximately 25% of renters spend more than half of their household income on housing costs. Perhaps even more sobering, there is no location in the country where a household headed by a single minimum-wage worker can afford a two-bedroom rental apartment.

The NATIONAL ASSOCIATION OF REALTORS® recognizes that accessibility to safe, decent and affordable housing at all levels must be one of our nation's highest priorities. NAR strongly endorses H.R. 2895 and urges your support of this important legislation.

Sincerely,

PAT V. COMBS,
2007 President, National Association
of Realtors.

NATIONAL ASSOCIATION
OF HOME BUILDERS,
Washington, DC, October 9, 2007.

Hon. NANCY PELOSI,
Speaker, House of Representatives,
Washington, DC.

DEAR SPEAKER PELOSI: On behalf of the 235,000 members of the National Association of Home Builders (NAHB), I am writing to urge your support for H.R. 2895, the National Affordable Housing Trust Fund Act of 2007, which provides grants and other assistance in support of the production, rehabilitation and preservation of affordable housing.

NAHB's members are acutely aware of the significant and urgent unmet housing needs throughout the country, and welcome this initiative to marshal additional resources to improve housing opportunities and conditions in America's communities. In conjunction with efforts to revitalize the Federal Housing Administration, we believe that the National Affordable Housing Trust Fund can improve housing opportunities for those that need it most. As H.R. 2895 moves forward in the legislative process, NAHB looks forward to working with Congress to ensure that the new Affordable Housing Trust Fund has income targeting requirements that allow grantees and grant recipients to meet the fullest range of critical housing needs.

Again, NAHB believes this legislation is an opportunity to help the increasing need for affordable housing, and urges your support for H.R. 2895 when it comes to the floor this week.

Thank you for your attention to our views.
Sincerely,

JOSEPH M. STANTON,
Senior Staff Vice President.

Mr. Chairman, I yield such time as she may consume to the gentlewoman from California (Ms. WATERS), the chair of the Subcommittee on Housing, with whom I have been very pleased to work all year in trying to advance the important goal of providing affordable

housing for America, one of our greatest social and economic needs.

Ms. WATERS. Mr. Chairman, the Chair of the Financial Services Committee, Chairman FRANK, who just spoke, is absolutely correct. This is a very exciting day, a day that so many housing advocates and working people and poor people have been waiting for. They get a chance to see their government responding to one of the most critical needs in our society.

Mr. Chairman, I rise in support of H.R. 2895, the Affordable Housing Trust Fund Act of 2007, and I sincerely thank Chairman FRANK for his unrelenting efforts to get the Federal Government back in the affordable housing production business.

I am so proud to be part of this committee, to be a cosponsor of this bill and to work with Chairman FRANK in not only producing housing under this National Affordable Housing Trust Fund, but for all the other work that has been coming out of this committee under his leadership.

The need for this bill could not be more urgent. Mr. Chairman, last week you joined me when I chaired a hearing in the Housing and Community Opportunity Subcommittee that demonstrated that when affordable housing is not produced, homelessness is. The stark bottom line that emerged from the hearing, focused narrowly on reauthorizing the McKinney-Vento Homeless Assistance Act of 1987, is that, nationwide, we haven't made demonstrable progress in reducing the number of households experiencing homelessness in the past two decades. While some homeless people face personal challenges that require social services or other support, every homeless individual and family shares one common need: Housing they can afford. And there simply is not enough of it.

For example, there are 9 million renter households who earn less than 30 percent of area median income, but only 6.2 million units affordable to them. This leaves an absolute deficit of 2.8 affordable rental housing units for our poorest families. This kind of math leads inevitably to widespread homelessness. But I want to emphasize that the National Housing Trust Fund addresses the affordable housing crisis as it affects every level of society.

Right now, housing costs are outstripping wages for more households than ever before in recent memory. According to the "Harvard University Study on the State of the Nation's Housing in 2007," 17 million renters and homeowners are paying more than half their incomes in housing costs.

Working is simply no longer a guarantee of being able to afford housing. In Los Angeles, for example, it takes an hourly wage of over \$22 an hour to afford a moderately priced two-bedroom apartment, when the minimum wage in California is only \$7.50 an hour. Put another way, a two-parent family with both parents working full-time at minimum-wage jobs puts that family

less than two-thirds of the way to being able to afford decent housing.

Finally, as a recent Center for Housing Policy study "Paycheck to Paycheck" dramatically shows, many of our Nation's essential workers cannot afford to live in or near the communities where they work. In high-cost communities like Los Angeles where the median home price is \$523,000, the income needed to afford a home is far higher than that earned by teachers, police, firefighters, nurses and other key occupations studied. The National Affordable Housing Trust Fund addresses this full range of housing crises, providing relief to overburdened renters and homeowners, while targeting funds where the need is greatest.

Mr. Chairman, I want to emphasize that H.R. 2895 does so at no additional cost to taxpayers. It is a trust fund in the truest sense, a dedicated source of revenue, separate and apart from the annual appropriations process, reflecting the need for the Federal Government to make a long overdue commitment to affordable housing production.

We have clearly demonstrated that the fund will be drawn from moneys from the affordable housing fund proposed as part of the GSE reform bill, H.R. 1427, from Federal Housing Administration savings and other existing revenue streams. I am prepared to debate with my colleagues on the other side of the aisle whether such revenues should be diverted to uses other than addressing the housing needs of America's working families and poorest, disabled individuals. I do not think there is any better use for them, particularly since both GSE and FHA revenues derive from housing activities that the Federal Government and government-sponsored enterprises engage in, at significant profit to both, I might add.

In conclusion, Mr. Chairman, it has been 17 years since the Federal Government last enacted a major affordable housing production program, spearheaded in 1990 by, Mr. Chairman, your predecessor, Chairman GONZALEZ. The time has long since passed to enact another one.

I am so proud of this legislation. I am so thankful, Chairman FRANK, for your leadership. And I am so proud and pleased to have the opportunity at this time in my career not only to work on the committee with you and to chair this subcommittee, but to be able to stand here today and see something about to happen that has been needed for so long.

Mr. BACHUS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as we start this discussion or debate about this new program, the National Affordable Housing Trust Fund program, I think it is important to distinguish between what we disagree on and what we agree on.

The first thing that we agree on is that Chairman FRANK and the members of the majority have a sincere commitment to meeting the housing needs of

low-income Americans, to make housing more affordable for low-income Americans, and we share that need. What we debated in committee, what we have debated on the floor of this House on two previous occasions and now, is how we meet those needs.

What this legislation does is it creates a new National Affordable Housing Trust Fund. This is a new Federal program. In fact, Chairman FRANK has said this is the largest expansion of a housing program I think in the last 30 years.

Mr. Chairman, this is a multi-billion dollar program. We say that this is not the way to do it. If we are to address the unmet needs of low-income Americans for affordable housing, this is not the way to go.

Why do we say that? Because presently there are over 30 Federal programs addressing affordable housing for low-income Americans. In addition to those 30-something programs at HUD, we have FHA and we have the GSEs, Fannie Mae and Freddie Mac. What this legislation proposes to do is not reform any of those programs. What it proposes to do is take money from FHA and from the GSEs, Fannie and Freddie, and transfer that money into a new program.

So we end up with all the programs we presently have, which it ought to be obvious to everyone apparently are not working. You are talking about the majority of the \$35 billion. And when I say "not working," let me say this to the chairman: They are not meeting the needs, or we wouldn't need to create a new program.

But what we are saying is if there is something wrong with the existing program, if there is something wrong with the \$35 billion we are presently committing under the HUD programs, if FHA or the GSEs are not doing their job, why come along and create another program? And then if FHA and the GSEs are doing their job, why take money from FHA and the GSEs, particularly because at the same time we are saying to those programs, we want you to play a larger role in the mortgage crisis, the subprime mortgage crisis in America, but at the same time we are taking money from those programs.

So that is what we are debating. We are debating whether or not with all these programs, with the large Federal role in creating low-income affordable housing, why it is necessary to create another large program. As Chairman FRANK actually says, this is one of the most significant expansions of Federal programs for low-income Americans.

Mr. Chairman, I yield 3 minutes to the gentlewoman from Illinois (Mrs. BIGGERT).

Mrs. BIGGERT. I thank the gentleman.

Mr. Chairman, I rise to oppose the creation of the National Affordable Housing Trust Fund. While I share Chairman FRANK's goal of increasing the amount of available affordable

housing, I do not think that H.R. 2895 is the right way to do it. I will make three quick points to explain why.

First, let's look at how the trust fund is financed. Thanks to self-defeating provisions in both the GSE reform and the FHA reauthorization bills, low- and middle-income Americans, including the elderly, are going to pay for it.

How will it work? It is estimated that Fannie Mae and Freddie Mac, two entities that purchase or securitize almost 80 percent of American families' mortgages, will be taxed at more than \$3 billion over a 5-year period to pay for the trust fund. Where will they get the money? As publicly traded companies, accountable to their shareholders, Fannie Mae and Freddie Mac will inevitably pass along these new assessments to their customers. America's low- and middle-income homeowners will be footing the bill. That is not a good plan. It amounts to a mortgage tax on these hard-working, low- and middle-income Americans seeking to secure, maintain or refinance their home mortgages. In short, it is robbing Peter to house Paul.

What is worse, the Congressional Budget Office has estimated that the FHA trust fund provision could include a \$370 million surplus in 2008 and a \$2.1 billion surplus over the 2008 to 2012 period. Where does this come from? Well, the majority of FHA's surplus would come from reverse mortgage premiums that are paid for by our seniors, suggesting that they have been overcharged. I have supported ideas aimed at giving this surplus back to our seniors in the form of reduced premiums, which the Financial Services Committee rejected.

I would agree with the chairman that the funds for this trust fund should not be used for other purposes that have nothing to do with housing. But here with the FHA funds, in fact, I think that the money should stay in FHA, period.

Second, why are we creating yet another Federal housing program, when we have so many housing programs already in existence, over 100? The National Low Income Housing Coalition cites that nearly 600 housing trust funds have been created in the cities, counties and States in this country, generating more than \$1.6 billion per year to support housing needs.

Third, to the extent that the State programs fall short in some way, I must point to the existing federally administered program designed to serve the housing needs of low-income Americans, the HOME Investment Partnership Program. This program already has the personnel, systems and regulatory oversight in place to accomplish the same objective as the National Housing Trust Fund. Instead of creating a Federal bureaucracy, let's improve on the home loan program.

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

My friend from Alabama said that there are 30 programs that this would

duplicate. I know of one program which helps build family affordable housing. That is what this does. I would yield to the gentleman. Would he name some of the other programs?

The question is, what are the 30 programs that help construct, not Fannie Mae and Freddie Mac and FHA, he said there were 30 HUD programs that help build affordable family housing.

I would yield to the gentleman if he would tell me what they are.

□ 1300

Mr. BACHUS. Let me say this to the chairman.

Mr. FRANK of Massachusetts. I'm sorry, Mr. Chairman, I take back my time. I yielded for a specific purpose. He has as much time as I do. I asked him, and he has had time to get the list from people: What is the list of programs that build affordable family housing? Construction.

And I will yield.

Mr. BACHUS. CDBG, those programs under HUD, designate money to all of the States, to many local governments, and to our different territories.

In addition to that, you have the HOME program. You have patterned this bill, if you look at it—

Mr. FRANK of Massachusetts. Mr. Chairman, I take back my time. I think the gentleman doesn't have 30; he doesn't have three.

Would the gentleman please abide by the rules.

He made a statement, and I am yielding my time. He has equal time. I don't think there are 30 programs. I don't think they can come up with them.

The HOME program, I agree, there are reasons why this must be in addition to the HOME program.

Community Development Block Grants are not supposed to be primarily a construction program. Mayors and city council members and others all over the country will be appalled to be told that they are supposed to put CDBG primarily in housing construction; they aren't. It is for a whole variety of programs. People know that.

We do have programs to build housing for the elderly and for the disabled, but there is simply not a list for housing construction.

Secondly, the gentleman from Alabama says, Why don't we fix these programs? Of course, the Republican Party was in control of both Houses of Congress and the Department of Housing and Urban Development for 6 years. Apparently, they didn't do anything.

He then says, Why don't we fix FHA and GSE? Well, I was surprised by that, Mr. Chairman. The gentleman knows that this House has, in fact, passed bills that do make reforms in both the FHA and the GSE. For him to say why don't we fix FHA and GSE when he knows we have passed bills to do it seems, to me, strange because we have done that.

Here is the point. We do have the HOME program. It is subject to annual appropriations. And we do have local

housing trust funds. It is the local housing trust funds that want this bill. The gentlewoman from Illinois mentioned the Low Income Housing Coalition. They are the major driver behind this bill because they understand its importance.

We want to supplement the funds. What is the problem with the one program that builds affordable housing, the HOME program, there is not enough money. It competes with other appropriated funds.

By the way, the argument that somehow we are being unfair to the elderly, in this bill, unlike what happened during the Republican rule, we limit the fees that can be charged to the elderly under the HOME equity mortgage program. We do that. They didn't. We limit what the FHA can charge for mortgage insurance. OMB ordered HUD to raise the fees so they would make even more of a profit. We said you can't do that. We authorized some additional activity. We have limited the fee increases, and we have taken some of the money from the additional activity, not from fee increases.

The fact is this: The Republican Party has opposed any funding for affordable housing construction. They inherited the HOME program. They haven't been very good to it in the appropriations process. This says we need to get back in the business in a major way of helping build affordable housing. There is no 30 programs that build affordable housing for low-income people. That is not what CDBG is intended to do, and it is not what CDBG largely does. Most of the money goes for other things.

This list of 30 programs is mythical. I await its reality, but I don't have any high expectations.

Mr. Chairman, I yield to the gentleman from Virginia for a colloquy.

Mr. MORAN of Virginia. Mr. Chairman, the fact is that Americans are in a crisis in terms of affordable housing today. This is the most programmatically rational and fiscally responsible way to address that crisis.

I strongly support Mr. FRANK's bill, and I appreciate him offering this opportunity for the Congress as a whole to show that we really can make a positive difference in people's lives.

I would appreciate some clarification on one aspect of the bill, however. Within the bill, at least 75 percent of the funds are set aside for families whose incomes are no more than 30 percent of the area median income, and at least 10 percent is for people whose income is more than 50 percent of the area median income. That only leaves about 15 percent of the trust fund available to be flexibly used by localities.

I represent the Washington suburbs where housing is extraordinarily high, not dissimilar from the Boston suburbs that the chairman represents. Many of these families and governments are concerned that there will not be the opportunity to address the crisis that

their middle-class families are facing in housing. In fact, there are more than 50,000 families in northern Virginia who are paying over 30 percent of their income for housing but who are at about 100 percent of the area median income.

What I would like to ask the chairman to do is to clarify how we can address that affordable housing need within this bill's parameters.

Mr. FRANK of Massachusetts. First, there was allusion by the gentleman from Alabama to Fannie Mae and Freddie Mac. In fact, Fannie Mae and Freddie Mac in the bill we passed, which we did do some reforms in, we did say that they should in their secondary mortgage activity be supportive of people at 80 percent of median. We have given them the affordable housing goals, and people who understand this issue understand that there is a distinction, as the gentleman from Virginia understands. Fannie Mae and Freddie Mac have primarily and historically been aimed at helping people in the more moderate income range. We have actually lowered it to 80 percent of median. This gets to people much below that in general, which is why there is no overlap between Fannie Mae and Freddie Mac and this program.

Secondly, to the gentleman's argument, what we want to do here is give as much flexibility as we can to the local communities. That is why, yes, we are not creating a Federal bureaucracy here. The Federal Government will largely be passing this money through to the State and local housing trust funds who can focus on the needs of their own community. They would have the ability, with the 15 percent, to spend it where they think best. If they thought it was needed for the lowest income people, they could do that. But if they felt, as in the gentleman's area, this needs to go to people at 60 percent of median, and ultimately when we get the fund up to 80 percent of median, they would have the ability to do that. So the 15 percent is within the discretion of the local communities.

Mr. MORAN of Virginia. That is very helpful.

Mr. BACHUS. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. Mr. Chairman, I thank the gentleman for yielding, and I rise today in favor of greater housing opportunities for working families. I also rise today against adding yet another new Federal Government housing program on top of the roughly 80-plus programs that HUD already administers, and I hold the list in my hand. And since it is called "HUD," ostensibly, these programs have something to do with either affordable housing or urban development.

Mr. Chairman, what we have in front of us again is another classic liberal let's take money away from working families, send it to Washington, and then somehow throw a little bit back

at the people. Throw money at the problem.

I might add, as the chairman brought out as a beneficial feature of this, that the money goes to the States. The last I looked, all but four or five are running a surplus. Unfortunately, there is still a deficit in the Nation's Capital.

Now, I appreciate the chairman's commitment to affordable housing. I agree with him, there is a need for greater affordable housing. He is very sincere in his passion, and I respect that. But I note that he and other Members on that side of the aisle, unfortunately, constantly vote against affordable housing. The greatest determinant in how affordable your housing is is a paycheck. It's a paycheck, Mr. Chairman.

And almost all the Democrats voted against the Economic Growth and Tax Relief Act of 2001 and the Jobs and Growth Reconciliation Act of 2003, which created 8.2 million jobs and helped lead to one of the largest rates of homeownership in the entire history of our Nation.

The next biggest determinant in the affordability of housing is once you have that paycheck, how much of it does Uncle Sam take? What is your tax bite? Yet we know, Mr. Chairman, in the budget passed by the Democrat majority, it contains the single largest tax increase in history. We are talking about an average of \$3,000 per year on every American family when it is imposed.

And I hear from some of these families. I hear from people like the Stephens family in Mesquite who wrote to me: "Dear Congressman, I wanted to let you know that I am a single mom that does not receive any type of child support, and an increase of this amount," talking about the taxes, "would break me. I would be at risk of losing my home with this type of tax increase." So much for making housing more affordable.

Also, many of our friends on the other side of the aisle do not support increased opportunities for trade. They want to put tariffs on the Canadian lumber or the Mexican concrete which leads to homes being less affordable.

Finally, there is the regulatory burden. Mr. Chairman, they almost all supported Davis-Bacon provisions which increases the cost of public housing by artificially raising wages. At almost every juncture, the Democrat majority is voting against affordable housing, and those are the facts.

So it really comes down to a choice: Do we want more opportunity housing or do we want more government housing? We should support opportunity.

Mr. BACHUS. Mr. Chairman, I yield to myself because I would like to make one statement.

Mr. Chairman, as I said at the start of this debate, the trust fund will be the largest expansion in Federal housing programs in decades. That is what we are debating.

Also at this time I would like to introduce, and I asked back in July for

HUD to produce the list of programs which today promote affordable housing. They sent me a list, and it has actually 34 programs which in some way assist low-income Americans with their housing needs. That is not my list; that is their list.

But let's again focus on, we have all of these programs. Do we rehabilitate these programs or do we shift money from one program to another? And if we are shifting money from one program to another, I don't see how this is the largest expansion of Federal housing programs in decades, or as the gentlewoman from California said, the most significant new program in over 11 years.

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

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume to underline an important distinction that appears to have escaped the gentleman from Alabama: There is a difference between a section 8 voucher program which gives people money to pay their rent on a year-by-year basis and does not encourage the construction of any housing, there is a difference between that and a program to help people build affordable housing. The gentleman now has disclaimed the list to some extent. He says it is not his list; it was when he first mentioned it, it seems to me. Now it is HUD's list.

It is a list that he very carefully reworded, the phraseology, I think. It is a list that assists people who are poor with housing. Yes, it builds shelters for the homeless. That is probably one or two of the programs. It gives section 8 vouchers.

The HOME program is the only one of that list that helps build affordable housing. It helps build it. So the gentleman's list, and he doesn't want to read it, and I understand why. He mentioned Community Development Block Grants. No one familiar with Community Development Block Grants think they are primarily for housing construction. That is not what it does. There are programs that help build housing for the disabled and the elderly. But other than the HOME program, there aren't programs that help build affordable housing.

Fannie Mae and Freddie Mac are now aimed at helping people at 100 percent of median and above. We say that should be dropped to 80 percent of median, not 100, but it doesn't help people in the lower income categories. There are no such programs. And so that's the answer to what the gentleman said.

He keeps talking about, Well, we should fix the programs. Of course for 6 years with a Republican President and a Republican-led Congress, they didn't do much.

There are fixes this year. The House did try last year on the FHA. We have repeated that. So we do improve the FHA program. We improve the GSE program, and we also take additional nontax dollars and make them available.

Again, I await this list of programs that help the construction of affordable rental housing. I think I will wait a very long time.

The only other point I make is that I regret we have limited time. I was sorry that the Ways and Means Committee didn't yield time to the gentleman from Texas (Mr. HENSARLING) since he talked about trade and taxes, none of which have anything to do with this bill. So maybe Ways and Means owes us a few minutes, and when their bill comes up later, maybe I will come talk about housing to offset the gentleman from Texas talking about trade and taxes.

I now yield 4 minutes to the gentleman from Georgia (Mr. SCOTT).

Mr. SCOTT of Georgia. Chairman FRANK, let me commend you for the excellent leadership you have provided on this issue.

Mr. Chairman, never before in the history of this country, the United States of America, have we had as great a need for affordable housing as we need right now.

□ 1315

We have just come out of perhaps the most devastating storm and natural disaster in the history of our country and the greatest need in that area, not just in the gulf area, but rippling throughout this country as a result of that is affordable housing.

And, Mr. Chairman, one in seven households now spend more than 50 percent of their income on housing, and on any given night in America, across the width and breadth of this country, nearly 1 million of our people are homeless, including men, women, and children, and nowhere is it targeted to the elderly and the low income.

So what are we doing with this affordable housing trust fund? We're responding to the hue and the cry of the American people, for we need to make sure that we have affordable housing.

Now, yes, we have the HOME program. And there may be coming an amendment on here to strike what we're doing and make it a part of the HOME program. And the HOME program has done some good things, but it does not do the most important things that this country needs now, building and constructing new homes. The HOME program doesn't target that, nor does the HOME program target those in most basic need, the lower income and the disabled.

Now, let me just explain for my remaining time because I want to show precisely and explain how this trust fund is funded. This is very important. We've had a lot of things said today. This is how it is funded.

It's funded with moneys from the proposed GSE affordable housing fund, H.R. 1427, which we passed. It also funds it from the Federal Housing Administration, FHA, savings that result from the enactment of the expanding of the American homeownership program.

And it does not go or cost any money. It's pay-as-you-go and does not add to the Federal deficit.

The estimated numbers from these funding sources will result in an initial allocation of \$800 million to \$1 billion to the States and local communities for affordable housing funds, with a 60-40 match with the States and the local governments.

Furthermore, not only will these moneys be used for construction, the moneys will be used for rehabilitation. They will be very diverse in usage, acquisition, preservation and operating assistance. These moneys will also be used for both rental housing and for down payments and costs for closing assistance for first-time homebuyers, very, very important considerations.

So we're going to hear a lot from the other side, and I respect my friends on the Republican side, but it is us on the Democratic side that are clearly responding to the needs of the American people here.

We're creating, yes, and we're expanding. Why? Because the problem has expanded. As I said at the outset, 1 million people every night homeless. We've been ratcheted from one end of this country to the other for displaced people from Katrina, and God knows what else is going to happen with the global warming and the global climate changing. There could be more.

No, this is a great program. It's a program that is needed. The timing is right, and the American people are expecting us to respond, and the best way to respond to the American people is to establish this affordable housing trust fund.

Mr. BACHUS. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina (Mr. McHENRY).

Mr. McHENRY. I thank my colleague for yielding time.

Mr. Chairman, I want to start by thanking the chairman, Mr. FRANK, for engaging in, as he always does, a really great debate, and I agree with his idea here but I disagree with the principle that he's using to achieve it by expanding and creating a new government program.

The HOME program, the gentleman before me just spoke of, provides a very similar application of funds, \$2 billion a year, to help with rental assistance and affordable housing. Rather than fixing this program and improving it, they are creating a whole other program.

And, as I said, I disagree with the principle on the size and scope of government and government's role, but Mr. Chairman, there's a common thread running through the agenda of this new Democrat majority, and that common thread is that there's a massive expansion of government. If government is not needed, they will add a little government intervention, and if there's already too much government intervention, they will just expand it even more.

The bill we're debating falls squarely into the second category. The bill, so

far as I can tell, is all about more government control of this process. Rather than using the marketplace to improve the affordability of homes, they're creating another government program which redistributes money, in fact, a tax on every mortgage in this country, and then redistribute it to those through a government program. It makes no sense to create another duplicative program.

As my colleague from Alabama said, there are already over 30 affordable housing programs within the government. Most of those programs do not, in fact, build houses, but they give rental assistance. They give assistance so people can buy their first home. They give assistance in a number of different categories, but the Federal Government doesn't build homes. We have to allow the private sector to do that, which is what I think is most important.

But what is especially true in light of the fact that this bill we're debating today creates a new program that is nearly identical to one already existing, the HOME program, which, as I said earlier, is a \$2-billion-a-year program, let's fix that program. Let's look at market-based incentives to allow people to afford housing. Let's allow the marketplace to work rather than create another government program, and that's why we should vote against this bill.

Mr. FRANK of Massachusetts. How much time remains, Mr. Chairman?

The CHAIRMAN. The gentleman from Massachusetts has 9 minutes remaining, and the gentleman from Alabama has 16½ minutes remaining.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 1 minute just to say that the assertion that this is ignoring the private market would be more persuasive to me if it were not for the fact that every organization that is engaged in the private market building of housing disagrees.

The National Association of Realtors and the National Association of Home Builders, neither of which are known for its socialist tendencies, have written letters in support of this bill exactly as it has been presented. They who fully understand the market, and we don't just use boilerplate rhetoric to describe it, understand the importance of interactivity between some public sector participation and the market, and this creates no new government bureaucracies.

This funds existing State and local housing programs. The Federal role will be for HUD by a formula to distribute it. It is a funding mechanism for the State and local authority.

Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. AL GREEN).

Mr. AL GREEN of Texas. I thank the chairman and the ranking member, but I also thank the subcommittee chairperson, MAXINE WATERS, for the fine, stellar job that she has done with this piece of historic legislation.

Mr. Chairman, this is an historic occasion with historic opportunities. This historic occasion provides the historic opportunity to not only cast an historic vote but to also be on the right side of history.

On July 2, 1964, this House made history when it passed the Civil Rights Act of 1964 which, among other things, outlawed discrimination in public accommodations and encouraged desegregation and education. 289 were on the right side of history. They voted for the Civil Rights Act of 1964.

On August 3, 1965, this House again made history with the passage of the Voting Rights Act of 1965, benefiting millions of minority voters. 328 were on the right side of history. They voted right when they voted to protect voting rights.

On April 10, 1968, this House again made history when it passed the Fair Housing Act, prohibiting discrimination in housing. 250 were on the right side of history. They voted for equality of housing opportunities for all.

Today, we must cast another historic vote, a vote for a National Affordable Housing Trust Fund. For the first time in history, in the history of the United States of America, we will have a fund dedicated to making the American Dream of a place to call home a reality.

And, yes, there are other housing programs, some say 30, some say more than 30. Every one of them is needed. Every one of them, even under a Republican-controlled House, Republican-controlled Senate, Republican-controlled administration, the programs were not eliminated. Every one of them is needed.

There is a need for this affordable housing trust fund as well, and I say to my friends, whether we will make history today with our vote is not the question. The question is what side of history will we be on. Will we be on the side of those who need this affordable housing trust fund or will we be on the side of the rhetoric that is in opposition to a needed program?

Mr. BACHUS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want us to be clear about something. We hear from the majority this is a historic moment, and I will say to the majority I believe that it is. I believe that it is very significant. I don't believe that what we're debating here is insignificant at all. In fact, I want to yield the chairman 15 seconds to respond, but I believe the chairman himself has said, my recollection, that this trust fund would be the largest expansion of a Federal housing program in decades, and I yield to the chairman because when I said that before, he shook his head and I don't know if he was shaking his head at that.

I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Yes, in decades. I thought the gentleman said 30 years. I would not claim that it was

the largest in 30 years, but it certainly has been the largest since the Republicans took power 12 years ago since they tried to kill them all.

Mr. BACHUS. Back in June, when you released your press statement, you said this trust fund would be the largest expansion of Federal housing in decades and that was June 28.

Mr. FRANK of Massachusetts. I would say 20 years.

Mr. BACHUS. What we're doing here is we're taking money to fund this large expansion of Federal housing, we're not taking it from the 30 existing programs that specifically address low-income housing, elderly, disabled, AIDS, senior citizens.

We're taking it from FHA and from the GSEs which actually that money presently today promotes an affordable mortgage for all Americans. So we're taking from low-income, middle-income Americans, we're taking from programs which promote affordable housing for them, and we're transferring it to other Americans.

In doing it, we're not reforming. There are 80-something programs. The gentleman had said how many programs, are there 80 or 30. There's 80 housing programs, 34 of which specifically address low-income Americans.

At this time I would like to yield 3 minutes to the gentlewoman from West Virginia (Mrs. CAPITO).

Mrs. CAPITO. I would like to thank the ranking member for yielding me time, even though we happen to disagree on this issue. I would also like to thank the chairman for his dedication to affordable housing.

I rise today in support of the creation of the affordable housing trust fund. Many States and communities across the Nation have already created State housing trust funds.

My home State of West Virginia is one of those, and what we've seen in the creation of that West Virginia housing trust fund is the flexibility in the ability to target certain funds to certain projects, and it becomes a very workable and a very adaptable program.

The creation of a national trust fund will continue the good work of providing low-income folks with rental assistance, new construction, preservation of existing units, homeownership assistance and many other important programs.

This trust fund will provide State and local housing authorities with the funding and flexibility to best address the unique housing needs of their communities. Certainly the needs of communities in my home State of West Virginia are drastically different than those in the larger urban areas. For instance, in West Virginia we have a high homeownership, but we also have a definite question about the quality of the housing that people are living in and the rehabilitation of those homes is extremely important.

We also have an aging population where the different needs and different

housing situations change, and I don't think we are addressing those needs, and I think this Federal housing trust fund could help with us with that.

So today I applaud this bill. I applaud the flexibility and adaptability in it, and I'm very much in favor of the ability that this trust fund is going to have to be able to adapt and create housing opportunities for those who need it.

□ 1330

Mr. BACHUS. Mr. Chairman, I would like to yield to another of our Members.

Let me say this about Members. Two Members on our side have spoken in favor of this program. It is very difficult for Members to oppose a program that actually creates or has at its purpose creating affordable housing. You will see that by the two Members who are speaking.

Again, I will say that the majority of our Members believe that if you have 80-something programs and they are not working, you have a program, the HOME Investment Partnerships Program which, actually, this program actually says that if HUD doesn't adopt regulations, just simply adopt the regulations and the distribution of that program. So they almost mirror each other.

If those programs aren't working, why take money from FHA, which is one of the most successful affordable housing programs in America? Why take money away from middle- and low-income Americans to create yet another program? In fact, if you think about that, you are creating two bureaucracies, two programs with all the Federal employees that go into those programs, and you are putting money in one program, and then you are taking it out of that program and you are putting it in another program. That, in itself, involves a cost to the taxpayers.

In fact, when you take from one Federal program and put it in another, as opposed to appropriate money, to me that's the worst of all worlds from an efficiency standpoint.

I yield to the gentleman from Connecticut (Mr. SHAYS) for 3 minutes.

Mr. SHAYS. I appreciate my ranking member, SPENCER BACHUS, who I think is just an outstanding Member of this Congress, for yielding me this time.

Mr. Chairman, I rise in support of this legislation, of which I am an original cosponsor, and am grateful to the ranking member for his understanding about these issues and to Chairman FRANK and to Chairwoman WATERS' outstanding work in bringing this bill to the floor.

I know there are some on my side, obviously, who oppose and are uncomfortable with reinjecting the Federal Government into the construction of new housing. I think it's long overdue.

Here is where I come from on this issue. We have an undeniable and pressing need for high-quality, affordable housing, not just in Connecticut, but

around the country. We simply cannot wish the problem away. There are steps that can be taken at a local level, such as requiring affordable units to be included in the construction of new housing. But without the Federal Government's assistance, I am concerned we will have a perpetual problem of families struggling with rent payments that consume 50, 60 or 70 percent of their monthly income.

Low-income families who are committing such a high percentage of their income to meeting rent are suffocating. There is less money for food, less money for new clothes for the kids and less for taking care of one's health. A Harvard study reported the number of American households paying more than half their incomes on housing increased to 17 million in 2005; 8.2 million renters and 5 million homeowners have suffered severe cost burdens. On any given night we can find three-quarters of a million Americans homeless. In these great United States, I believe we can do better.

This legislation addresses the problem in a creative way. The government-sponsored enterprises, Fannie Mae and Freddie Mac, who receive significant special treatment under Federal law by not having to pay State or local taxes and who are able to borrow money at a lower rate because of an implicit government backing, will be required to contribute funds in amounts equal to a percentage of their average mortgage portfolio.

In addition, expected savings from passage of legislation to modernize the Federal Housing Administration will be applied to these funds. These funds will be distributed by formula to the States and localities that will subsequently make funds available under a competitive selection process to qualified recipients for the construction, rehabilitation and preservation of affordable housing, including both rental housing and homeownership. The results will be directly and quickly realized in our communities.

Capital grants and loans for new and rehabilitated housing, land acquisition, homeowners assistance and interest rate buy-downs will be available. The fund targets low-income individuals but also allows localities to address the needs of working-class families. The fund will be adequately flexible but subject to many responsible use restrictions to ensure taxpayers' dollars are well spent.

I am also grateful that among the purposes of this bill is the stated goal of building rental housing in mixed income settings.

As a strong supporter of the HOPE VI program, which requires mixed income reconstruction, I have seen first hand the value of building diverse communities where people of different income levels can live together, learn from one another, and raise their families in a safe and healthy environment.

I urge my colleague to support this legislation and again would like to express my appreciation to my colleagues on the Financial Services Committee who made this excellent idea a reality.

Mr. BACHUS. Mr. Chairman, I reserve the balance of my time.

Mr. FRANK of Massachusetts. I yield 2 minutes to the gentleman from Rhode Island, my neighbor, Mr. KENNEDY.

Mr. KENNEDY. Mr. Chairman, I want to commend the chairman of the committee, Mr. FRANK, for his tireless efforts on behalf of affordable housing and say I am astounded to hear my colleagues on the other side bemoan the fact that there is too much effort being made to provide affordable housing in this country. I don't know where they are living. I don't know who they represent. They are certainly not living anywhere that I have been.

In my district, my business community is saying that they can't get workers because there aren't enough affordable housing spots for those workers to be able to live so they can actually work in the businesses that they are needed.

I don't know how my Republican friends think that they are somehow on the side of the free market, when the free market isn't going to even work if the workers they need can't even afford the housing they need in order to live where they work.

This housing trust fund is a basic concept. I think it's a fantastic idea. It's one that I support wholeheartedly.

I just would say that this notion that government is bad, bad, bad, it's funny, because it reminds me of the story of the elderly woman jumping up at a senior town hall meeting saying, get your government hands off my Medicare. Medicare, by the way, is a government program, in case everyone hasn't forgotten, and one of the most successful programs that there has ever been, but you wouldn't know that by the way Republicans talk, 3 percent overhead on their Medicare. You never hear that when they talk about socialization and government programs.

Finally, I would just say there is a story about the Englishman and the German and the Russian. All have a genie that says "Give us your wish." The Englishman says, "Oh, I will have Wyoming, a big ranch out in Wyoming." The German says, "I will have a Swiss chalet." The Russian says, "Well, you know what? My neighbor has a barn; destroy it."

Sounds like the Republicans kind of have the Russian point of view. It doesn't make any sense. Their neighbors can't have it. That's their attitude.

Mr. BACHUS. Mr. Chairman, I have been in this House for 15 years. I have never asked that a Member's words be taken down, but I will tell you that I came as close to doing that as I have any time in my 15-year career. For a gentleman to get up and say that we Republicans today have said we don't care about low-income Americans and we think too much money is being spent on these programs, no one has said that.

I don't know where he is getting that. I wish he would talk about the

merits of the program as opposed to slamming Republicans, going into Medicaid, Medicare, and those. But I didn't do that, but I will tell you that those last remarks did not represent what anyone on this side has said.

Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. ROSKAM).

Mr. ROSKAM. I thank the gentleman for yielding.

You know, the gentleman from Rhode Island said he was astounded, and he was bemoaning, and wondering who people like me represent.

Well, folks that I represent have a very high expectation of this Congress, and the expectation is that it's a Congress that is going to live up to and match the rhetoric of the campaign of 2006. The campaign of 2006, you recall, was a campaign that seemed to focus on living within our means.

I didn't hear, as one speaker on the other side of the aisle, the hue and cry of the American people to come up with a new program. I heard the hue and cry of people within my district to live within the means of government.

I am informed that right now the budget of the Department of Housing and Urban Development is on the order of \$35 billion. When I go back to the Sixth District of Illinois, they are not bemoaning, they are not astounded. They have an expectation that we are going to live within our means, that within \$35 billion, not \$5 billion, not 10, not 15, not 20, not 25, not 30, but \$35 billion, that the taxpayers have entrusted to us, that somehow that's not enough, and that the only way that this problem can get solved is by going to create another fund, another fund that somehow isn't going to have new Federal employees, somehow is going to be cut out of whole cloth and, counterintuitively, from my point of view, is going to create a higher cost of housing borrowing on the very people that we are trying to help. Well, the district that I represent has the expectation that we will do the right thing, that we won't get caught up in a demagogic and sound bites and so forth, but that we will look clearly at the bills that are before us.

In this case, with all due respect to the well-intentioned sponsors, this bill falls short, and we can do better.

Mr. FRANK of Massachusetts. Mr. Chairman, I reserve the balance of my time.

Mr. BACHUS. Mr. Chairman, what we are talking about here today is creating what the chairman of the committee said back in June was the largest expansion of a Federal housing program in decades. How the chairman proposes, and I don't question his motivation, because I know that his motivation is helping low-income Americans. There is a need for low-income affordable housing.

He has disputed my representation that there are 30 some-odd programs that address low-income affordable housing.

Mr. Chairman, I would like to include the response to my inquiry to HUD, which is a list of 34 programs.

HUD PROGRAMS—PROMOTING AFFORDABLE HOUSING OPPORTUNITIES

PROGRAM AREA: COMMUNITY PLANNING & DEVELOPMENT

1. Home Investment Partnerships Program.
2. Supportive Housing Program.
3. Section 8 Moderate Rehabilitation Single Room Occupancy.
4. Rural Housing and Economic Development Program.
5. Self-Help Homeownership Opportunity Program.
6. Housing Opportunities for Persons With AIDS.

PROGRAM AREA: HOUSING

7. One- to Four-Family Home Mortgage Insurance.
8. Mortgage Insurance for Disaster Victims.
9. Rehabilitation Loan Insurance.
10. Loss Mitigation.
11. Mortgage Insurance for Condominium Units.
12. Home Equity Conversion Mortgage Insurance.
13. Good Neighbor Next Door Program.
14. Section 202—Supportive Housing for the Elderly Program.
15. Assisted-Living Conversion Program.
16. Cooperative Housing.
17. Multifamily Rental Housing for Moderate-Income Families Mortgage Insurance.
18. Existing Multifamily Rental Housing (Section 207/223 (f)).
19. Mortgage Insurance for Housing for the Elderly (Section 231).
20. New Construction or Substantial Rehabilitation of Nursing Homes, Intermediate Care Facilities, Board and Care Homes, and Assisted Living Facilities; Purchase or Refinancing of Existing Facilities..
21. Supplemental Loans for Multifamily Projects.
22. Supportive Housing for Persons with Disabilities (Section 811).
23. Multifamily Mortgage Risk-Sharing Program.
24. Mark-to-Market Program.
25. Section 8 Project-Based Rental Assistance.

PROGRAM AREA: PUBLIC & INDIAN HOUSING

26. Housing Choice Voucher Program.
27. Homeownership Voucher Assistance.
28. Project-Based Voucher Program.
29. Revitalization of Severely Distressed Public Housing (HOPE VI).

PROGRAM AREA: FAIR HOUSING AND EQUAL OPPORTUNITY

30. Section 3 Program.

PROGRAM AREA: POLICY DEVELOPMENT & RESEARCH

31. Partnership for Advancing Technologies in Housing (PATH) Initiative.

PROGRAM AREA: GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

32. Ginnie Mae I Mortgage-Backed Securities.
33. Ginnie Mae II Mortgage-Backed Securities.
34. Ginnie Mae Multiclass Securities Program.

You look over those programs and you find HOPE VI, which, I think all Members would agree, supplies low-income housing for America. We have got section 8. We have got programs to rehabilitate nursing homes, to build intermediate care facilities, to establish boarding and care homes, on and on, support for persons with disabilities,

persons with AIDS, disaster assistance or homes for those caught in disasters.

As the gentleman from Illinois said, \$35 billion is going into those programs. But out of all those programs, this program, if you look at where the money is going to be distributed, it actually says that if HUD does not write regulations that will basically take the HOME investment program, it will be distributed to the same agencies for purposes of low-income housing, which is the exact purpose of the HOME program. If the HOME program isn't working, why wouldn't we appropriate money for the HOME program? If these programs are not working, why would we do that?

Why? Several people have said, the gentleman from Texas on the other side said over 50 percent of Americans today are struggling to meet their housing needs. Most of those, most of those low- and middle-income Americans are homeowners, and they are struggling with making their mortgage payments.

You open the newspapers, you find that foreclosures are at a historic high; yet what is proposed to us today?

What is proposed is that we take money from FHA and from Fannie and Freddie, which are both used. One is, FHA, as we all know, is affordable mortgage for low-income, middle-income Americans.

The GSEs promote mortgage liquidity. I don't see how you can take money from FHA, take money from the GSEs, fund this program without it affecting FHA and the GSEs. Diverting GSE funds to an affordable housing fund is essentially a tax on the GSEs.

Who has to pay that tax? That's a tax on their mortgage business. That ultimately is going to be paid by low-income borrowers. The proposal to take FHA receipts, it's going to mean fewer low-income Americans will have access to affordable FHA mortgages in the long run.

You can't create something from nothing. You can't create a program funded from an established program which supplies Americans with low-income mortgages or supplies liquidity to the mortgage market. You can't take money from those programs without affecting those programs. There are always costs.

You can't, as the chairman said, have the largest expansion of Federal housing programs in decades, take it from FHA and the GSEs, which supply mortgage liquidity. You can't take that kind of money without affecting those programs.

□ 1345

With all these programs, including the HOME program, which, as I said, mirrors the proposal before us today, we need, in conclusion, let's ask ourselves two questions: If all the efforts today, all these programs, 80 programs in all, 30-something programs addressing this, plus FHA and the GSEs, which also have a mission to loan money for

mortgages for multifamily units, if those aren't working, why wouldn't we fix those existing programs?

And even if we conclude that we need a new program, a national housing trust fund, why in the world would we go to FHA and the GSEs and ask them to fund those programs at the very time when we're having a subprime mortgage crisis in this country? And we have all asked, we have directed FHA and the GSEs to address this problem, and now we're taking money away from them and ultimately from low- and middle-income Americans.

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

Mr. FRANK of Massachusetts. How much time remains, Mr. Chairman?

The CHAIRMAN. The gentleman from Massachusetts has 3 minutes remaining.

Mr. FRANK of Massachusetts. Mr. Chairman, I regret to say that my colleague from Alabama does not appear to be familiar with the bills. I will say, this argument that, oh, how can we do this and create a housing trust fund at the moment that we have a subprime crisis has no validity, it's purely tactical, because exactly the same arguments were being made before the subprime crisis. There's an ideological objection to getting the Federal Government in the business of helping build affordable housing.

The gentleman finally named some of the programs: Building intermediate nursing home facilities, housing for people with AIDS.

My question to him, repeated and ultimately unanswered was, where are the programs that help build affordable family housing? It is not an annual section 8 voucher program which doesn't help build housing. It's not intermediate nursing home facilities. It's not help for people with AIDS. It's none of those programs. HOPE VI, yes. It exchanges some kind of housing for others. HOPE VI has not resulted in any net addition to housing. We're trying to prevent it from being a net diminution.

He then says, well, you're taking money from the FHA and they won't help low-income people. Totally and completely false, portraying a total misunderstanding of the bill. In fact, it is the bill that we passed, unlike the bill that passed under the Republicans, that prohibits the FHA from raising mortgage insurance premiums on people and give that money to the Treasury. That was the Republican approach. We capped those fees.

Here's where the FHA money comes from. We take the limit that the Republicans allowed to stand for years on the number of home equity mortgages the FHA can insure. We also, unlike the Republicans, limit the amount that the elderly can be charged for the first time under those by the servicers, and we are told by CBO that as we increase the volume of FHA home equity mortgages at a lower price for the elderly than existed under the Republican rule, we will generate money.

Now, if we didn't pass this bill, this administration would take that money and put it into the Treasury so it could go help fund the war in Iraq; it could go help fund highway projects, agricultural subsidies.

That's the choice. Do we, having created an additional revenue stream for the FHA, while limiting fees, let it go to the Treasury for agricultural subsidies and the war in Iraq, or do we put it into affordable housing?

With the GSEs, until we talked about helping build affordable low-income housing, my Republican friends were very critical of the GSEs on the whole. The stockholders were getting too much money and too much return for too little.

Nothing in this bill will increase the amount that people have to pay on the mortgages any iota. What it says is that out of the profits of Fannie Mae and Freddie Mac, we're going to make them divert some of this for these public purposes. So in direct contradiction to what the gentleman says, there are not 34 programs that help build affordable housing. There is one, now there will be two, and I hope the bill passes.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise today in strong support of H.R. 2895, the National Affordable Housing Trust Fund Act of 2007. I would like to thank my distinguished colleague, the chairman of the Financial Services Committee, Mr. FRANK, for introducing this legislation, as well as for his leadership in bringing this important issue to the floor.

Mr. Chairman, in recent months we have seen a crisis in subprime mortgage lending, which has threatened the stability of the housing market and the livelihoods of large numbers of Americans. This Democratic Congress is committed to strengthening the housing market and stabilizing the economy, and this legislation is an important step toward these important goals.

Because of the lack of regulation by the Federal Government, many loans were accompanied by fraud, inadequate information and other failures of responsible marketing. With exceptionally high (and rising) foreclosure rates across the country, homeowners all over America are losing their homes. Homeowners are surprised to find out that their monthly payments are spiking and they are struggling to make these increasingly high payments.

The sub-prime mortgage crisis has impacted families and communities across the country. Home foreclosure filings rose to 1.2 million in 2006—a 42 percent jump—due to rising mortgage bills and a slowing housing market. In Iowa, 3,445 families experienced foreclosure last year, up 64 percent from 2005. Nationally, as many as 2.4 million sub-prime borrowers have either lost their homes or could lose them in the next few years. I commend the Democratic-led House Financial Services Committee for its work on this issue, toward achieving a balanced solution that helps stabilize the mortgage market, stops abuses, preserves access to credit, and aids stable homeownership.

H.R. 2895 establishes a National Affordable Housing Trust Fund to build or preserve 1.5 million homes or apartments over the next 10 years, and it does so without increasing Gov-

ernment spending or the Federal deficit. This legislation is a fiscally responsible way of expanding affordable housing and mortgage loan opportunities for families at risk of foreclosure, while also strengthening consumer protections against future risky loans. H.R. 2895 initially allocates between \$800 million and \$1 billion annually, funded through Fannie Mae and Freddie Mac. This funding is given directly to States and local communities, and is targeted to be used for the construction of affordable housing and support for lower income families, who face the greatest housing affordability challenges.

Mr. Chairman, 17 million households, or one in seven, spend more than 50 percent of their income on housing. On any given night, approximately 750,000 men, women, and children are homeless. Constructing more affordable housing is necessary to help families who have lost their homes in the subprime mortgage crisis or due to a family financial crisis, such as illness or job loss. It will also make significant strides toward reducing homelessness and the number of Americans living in unsafe housing conditions.

The National Affordable Housing Trust Fund, established by this legislation, must be used for low- and moderate-income families, or those below 80 percent of State or local median income. At least 75 percent of funds must go to extremely low-income families, who are below 30 percent of median income. This legislation also helps the families of our Nation's nurses, teachers, firefighters, and police officers by reserving 10 percent of trust fund money for families who earn between 50 and 80 percent of the national median income. H.R. 2895 allows these funds to be used for construction, rehabilitation, acquisition, preservation incentives, and operating assistance to facilitate affordability. These funds may be used for both affordable rental housing and for down payment and closing cost assistance by first-time homebuyers.

Mr. Chairman, provisions in this legislation ensure equitable distribution of funds across our Nation. Of these funds, 60 percent will go to participating local jurisdictions, and 40 percent will go to States, Indian Tribes, and insular areas. All grantees will be required to make funds available in rural areas, proportionate to identified need in such areas. Eligible recipients of these funds can be any organization, agency, or other entity that has demonstrated the experience and the capacity to carry out the proposed trust fund activity, including for-profits, nonprofits, and faith-based organizations. Funds may not be used for administrative costs or expenses, political activities, advocacy, lobbying, counseling, travel expenses, and preparation of or advice on tax returns. Grantees are required to develop systems to ensure program compliance and oversight.

In my home district in Houston, homelessness remains a significant problem. Houston's homeless population increased to approximately 14,000 in 2005, before Hurricanes Katrina and Rita, and hurricane evacuees remaining in the Houston area could result in the homeless population increasing by some 23,000. Approximately 28 percent of homeless Americans are veterans.

In August, I, in coordination with the Texas Department of Housing and Community Affairs, hosted a workshop on the introductory concepts and considerations in applying for Housing Tax Credits in Texas. This workshop

was designed to create new incentives for developers to expand business opportunities in housing development, as well as to generate a significant increase in the availability of low-income and affordable housing for the residents of Houston and Harris County. I believe that an increase in affordable housing and job opportunities will help reduce the high rates of homelessness among Houston residents.

Mr. Chairman, the 110th Congress has already demonstrated its commitment to moving America in a new direction. This includes strengthening the housing market and stabilizing the economy, particularly after the recent subprime mortgage crisis. This legislation is an important step toward expanding affordable housing and mortgage opportunities for American families.

I strongly urge my colleagues to join me in supporting this important legislation.

Mr. BACA. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

One in seven households now spends more than half of its income on housing and nearly one million men, women, and children are homeless.

How can we claim to be the leader of the free world yet allow so many of our own to be chained by the bonds of poverty?

Unfortunately, there are no programs to help build housing for low-income households. This bill will construct affordable housing for the poorest among us who need it the most.

It will help families who have lost their homes in the subprime mortgage crisis or due to a family financial crisis, such as ill health or job loss.

It will also help reduce homelessness and the number of Americans living in unsafe housing conditions.

Because of this bill, more nurses, teachers, firefighters, and police officers throughout California will have access to affordable housing.

The bottom line is that no family should have to choose between paying for food and medicine and safe, decent housing.

H.R. 2895 restores our Nation's promise of a decent home for every American family and I urge my colleagues to support it.

Ms. LEE. Mr. Chairman, I rise today in strong support of the rule for H.R. 2895 and the underlying bill, the National Affordable Housing Trust Fund Act.

As a former member of the Financial Services Committee, I helped author—along with our colleague BERNIE SANDERS and others—the first housing trust fund bill. I am so very pleased that our two great champions of housing, Chairwoman WATERS and Chairman FRANK have continued this legacy to bring this proposal before us today.

Quite frankly it's a real shame that in America we have so many people who have found the goal of simply finding shelter for themselves and their families so elusive.

I know that in my district in Oakland, where more than half of all renters are unable to afford the cost of a 2-bedroom apartment, many low-income families often have to choose between food or medicine and housing.

This doesn't have to be the case, Mr. Chairman. That's why this legislation is crucial.

By producing, rehabilitating, and preserving 1.5 million housing units over the next 10 years, this legislation will take steps to end the affordable housing crisis in our country.

By allocating up to \$1 billion annually this bill will address one of the most serious social and economic problems facing our Nation.

By passing this bill, 75 percent of all funds will be used to benefit families at the poverty line or 30 percent of local area median income, bringing meaningful assistance to those most at need.

I urge my colleagues to support this important bill that will move our Nation forward in ensuring that all Americans have a decent place to live.

Mr. VAN HOLLEN. Mr. Chairman, first let me thank Chairman FRANK and Subcommittee Chair WATERS for their work on this important, bipartisan bill.

The National Affordable Housing Trust Fund will help provide funding for low-income families who, absent this assistance, may not be able to afford their own home. There are many dedicated Government agencies, non-profits, for-profits and community and faith-based organizations who will seek to participate in this important program.

To ensure that the most productive housing projects are funded—projects dedicated to funding sustainable, successful programs—I am proposing an amendment to introduce a measure of longer term accountability to the trust fund application process.

This bill establishes two levels of applicant-centered accountability:

A trust fund applicant must describe the types of projects he intends to support and must establish performance goals, benchmarks and timetables to help measure the projects' success—later, the applicant must produce a report describing the progress of those projects during that fiscal year.

Because the applicant is only required to report on his projects for that year, this process, despite its commonsense ambitions—effectively breaks the chain of accountability between the grantee and his projects at the end of the fiscal year.

This amendment will maintain that chain of accountability by requiring that any previous grantee who seeks funding from the Affordable Housing Trust Fund provide as part of his application a progress report on the previous projects funded by his organization with funds from this trust fund.

The Affordable Housing Trust Fund will produce billions of dollars worth of grants. HUD does not have the resources to monitor all the projects funded with these funds. The government will therefore have to rely on grantees to shoulder part of the burden. When grantees return for additional assistance each year, they will be required to update HUD on the success of their previous trust-funded projects.

I encourage my colleagues to support my amendment and help ensure that the real beneficiaries of this important program are the low-income families it was created to help.

Mr. RAMSTAD. Mr. Chairman, that great Minnesotan Hubert Humphrey said, "The moral test of government is how that government treats those who are in the dawn of life, the children; those who are in the twilight of life, the elderly; and those who are in the shadows of life, the sick, the needy, and the disabled."

The National Affordable Housing Trust Fund meets this moral test. It fills a critical need for vulnerable families, children, the elderly and people with disabilities.

The shortage of affordable housing is truly a crisis in our country—and it is not restricted to inner cities.

Virtually all of the suburban cities I represent have long waiting lists for affordable housing. I hear stories every week about families living in their cars, veterans living on the streets, seniors having to choose between medicine and housing.

Several of the communities I represent have sponsored "sleepouts" to raise money and awareness of the problem of homelessness and near-homelessness. They have raised millions of dollars and helped thousands of families.

But the crisis is just too big. The Federal Government has a critical role to play in helping the 14.4 million families with housing needs in our country. The important assistance in this bill can make the difference between stable housing and no housing at all.

Mr. Chairman, by setting aside funds for the production, preservation and rehabilitation of affordable housing, this legislation will help those suffering the ravages of poverty, homelessness and near-homelessness.

I urge all members to support this important legislation to expand affordable housing for all Americans. Everyone deserves to have a place to sleep every night that is stable and warm.

It's time to address the affordable housing crisis in America. It's time to pass the Affordable Housing Trust Fund.

Mr. WELCH of Vermont. Mr. Chairman, I want to thank Chairman FRANK and his Committee staff, particularly Scott Olson, for working with me on this important bill to reach a compromise on issues in the bill affecting small states.

The legislation as a whole creates a national housing trust fund for the construction, rehabilitation, and preservation of an estimated 1.5 million units of affordable housing for low-income families. Along with food, health care, and energy costs, affordable housing can make all the difference in economic survival.

In Vermont, we have a great need for affordable housing. While so many low- and moderate-income households aspire to own their own home, limited supply, rising costs, and other barriers can make this dream out of reach. Beginning in 2005, the new construction of 12,321 owner-occupied homes in Vermont was needed to meet the total demand expected in 2010.

Creating a National Affordable Housing Trust Fund is the brainchild of my predecessor in the House, BERNIE SANDERS, and I thank him for getting the ball rolling.

I am grateful to Chairman FRANK for including two items I recommended into the manager's amendment. The first provision will ensure that each State receive at least one half of one percent of funding. For a State agency, there really is a funding level below which it's incredibly inefficient to administer a Federal program. There are always numerous Federal requirements resulting in a tremendous amount of work to comply. In addition, it's hard to raise the expectations of those who would potentially benefit from the program and then have very little money to deliver.

Furthermore, numerous social programs, including the HOME program to which this trust fund is similar, include small state minimums. For programs that are targeted at a need that is universal, it is a pretty rational argument that a mechanism should be in place to ensure that a portion of funding gets distributed

nationwide. In this case, for something like housing, it is a nationwide issue so the appropriations of Congress should be a nationwide effort.

The second provision in the manager's amendment says that within the participating local jurisdictions pool of funding, that each State has at least one local jurisdiction receiving funding. Currently in the bill, for a local jurisdiction set to receive less than \$750,000, that amount is reduced to zero. Without this guarantee, many small cities and small States risk receiving no funding under this section of the bill.

I thank the Chairman for his excellent work on this legislation.

Mr. UDALL of Colorado. Mr. Chairman, I rise in strong support of the "National Affordable Housing Trust Fund Act." This legislation does a great deal to expand safe and affordable housing opportunities for millions of American families.

The bill will initially allocate between \$800 million to \$1 billion annually to States and local communities for affordable housing projects for purposes such as construction and rehabilitation. Funds may also be used for both rental housing and for down payment and closing cost assistance by first-time homebuyers.

It would reach this worthy goal without increasing Government spending or the Federal deficit. The revenue of the fund is supported through fees from Fannie Mae and Freddie Mac and the increase in the number of FHA loans provided for in legislation already passed by the House of Representatives.

This fund is also targeted; it must be used for low- and moderate-income families, below 80 percent of State or local median income. The bill also prohibits funds from being used for administrative costs or expenses, political activities, advocacy, lobbying, counseling, travel expenses, and preparation of or advice on tax returns. Any misuse of funds is required to be reimbursed.

This legislation, now more than ever, is worth supporting to expand affordable housing and mortgage loan opportunities for families at risk. I urge a "yea" vote.

Mrs. CHRISTENSEN. Mr. Chairman, I rise in support of H.R. 2895, the National Affordable Housing Trust Fund Act of 2007 because it is just what our country needs to strengthen the housing market, stabilize the economy, expand affordable housing and mortgage opportunities for families at risk of foreclosure and strengthen consumer protections against risky loans in the future.

Mr. Chairman, this bill takes an important step forward in addressing the subprime mortgage crisis, and it also makes way for the construction of more affordable housing and strengthens FHA's efforts to expand homeownership.

The National Affordable Housing Trust Fund Act will build or preserve 1.5 million homes or apartments over the next 10 years without increasing Government spending or the Federal deficit. It will initially allocate \$800 million and \$1 billion annually directly to States and local communities. It targets funds for the construction of affordable housing and more for lower income families facing the greatest housing affordability challenges.

Mr. Chairman, I am particularly pleased that 40 percent of the funding will go to States, Indian tribes and insular areas, with special re-

quirements for funding in rural areas, many of which face particular challenges.

I urge my colleagues to support this important measure which ensures that the American dream of owning a home can become a reality for yet another generation of Americans.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in the bill shall be considered as an original bill for the purpose of amendment under the 5-minute rule and shall be considered read.

The text of the committee amendment is as follows:

H.R. 2895

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 "National Affordable Housing Trust Fund Act of 2007".

SEC. 2. NATIONAL AFFORDABLE HOUSING TRUST FUND.

(a) IN GENERAL.—Title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721 et seq.) is amended by adding at the end the following new subtitle:

"Subtitle G—National Affordable Housing Trust Fund

"SEC. 291. PURPOSES.

"The purposes of this subtitle are—

"(1) to address the national shortage of housing that is affordable to low-income families by creating a permanently appropriated fund, with dedicated sources of funding, to finance additional housing activities, without supplanting existing housing appropriations or existing State and local funding for affordable housing;

"(2) to enable rental housing to be built, for families with the greatest economic need, in mixed-income settings and in areas with the greatest economic opportunities;

"(3) to promote ownership of one-to-four family owner-occupied housing by low-income families; and

"(4) to construct, rehabilitate, and preserve at least 1,500,000 affordable dwelling units over the next decade.

"SEC. 292. TRUST FUND.

"(a) ESTABLISHMENT.—There is established in the Treasury of the United States a trust fund to be known as the National Affordable Housing Trust Fund.

"(b) DEPOSITS TO TRUST FUND.—The Trust Fund shall consist of—

"(1) any amounts of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation transferred to the Trust Fund under title XIII of the Housing and Community Development Act of 1992;

"(2) any amounts appropriated to the Trust Fund pursuant to the authorization in the Expanding American Homeownership Act of 2007, relating to the use of FHA savings for an affordable housing grant fund; and

"(3) any amounts as are or may be appropriated, transferred, or credited to such Fund under any other provisions of law.

"(c) EXPENDITURES FROM TRUST FUND.—Amounts in the Trust Fund shall be available to the Secretary of Housing and Urban Development, and are hereby appropriated, for providing assistance under this subtitle.

"(d) FEDERAL ASSISTANCE.—All assistance provided using amounts in the Trust Fund shall be considered to be Federal financial assistance.

"(e) CONDITIONS ON USE OF FHA SAVINGS.—

"(1) USE.—For each fiscal year, no funds may be made available under paragraph (2) of subsection (b), unless the amount equal to the net increase for such fiscal year in the negative credit subsidy for the mortgage insurance pro-

grams under title II of the National Housing Act resulting from the Expanding American Homeownership Act of 2007, and the amendments made by such Act, is first made available for the following purposes in the following amounts:

"(A) SINGLE FAMILY HOUSING MORTGAGE INSURANCE.—For each fiscal year, for costs (as such term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) of mortgage insurance provided pursuant to section 203(b) of the National Housing Act (12 U.S.C. 1709(b)), the additional amount (not including any costs of such mortgage insurance resulting from this Act or the amendments made by this Act), if any, necessary to ensure that the credit subsidy cost of such mortgage insurance for such fiscal year is \$0.

"(B) HOUSING COUNSELING.—For each of fiscal years 2008 through 2012, the amount needed to increase funding, for the housing counseling program under section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x), in connection with homebuyers and homeowners with mortgages insured under title II of the National Housing Act, from the amount appropriated for the preceding fiscal year to \$100,000,000.

"(C) MORTGAGE INSURANCE TECHNOLOGY, PROCEDURES, PROCESSES, PROGRAM PERFORMANCE, AND SALARIES.—For each of fiscal years 2008 through 2012, \$25,000,000 for increasing funding for the purpose of improving technology, procedures, processes, and program performance, and salaries in connection with the mortgage insurance programs under title II of the National Housing Act.

"(2) EXCLUSION OF EARNINGS FROM THE SINGLE FAMILY MORTGAGE INSURANCE PROGRAM.—No funds under paragraph (2) of subsection (b) for a fiscal year may be derived from the negative credit subsidy cost for such fiscal year, if any, for mortgage insurance provided pursuant to section 203(b) of the National Housing Act.

"(3) CERTIFICATION.—No funds may be made available under paragraph (2) of subsection (b) for any fiscal year unless the Secretary of Housing and Urban Development has, by rule making in accordance with section 553 of title 5, United States Code (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section), made a determination that premiums being, or to be, charged during such fiscal year for mortgage insurance under title II of the National Housing Act are established at the minimum amount sufficient to comply with the requirements of section 205(f) of such Act (relating to required capital ratio for the Mutual Mortgage Insurance Fund) and ensure the safety and soundness of the other mortgage insurance funds under such Act, and any negative credit subsidy for such fiscal year resulting from such mortgage insurance programs adequately ensures the efficient delivery and availability of such programs.

"(4) LIMITATION ON MORTGAGE INSURANCE PREMIUM INCREASES.—Notwithstanding any other provision of law—

"(A) the premiums charged for mortgage insurance under any program under the National Housing Act may not be increased above the premium amounts in effect under such program on October 1, 2006, unless the Secretary of Housing and Urban Development determines that, absent such increase, insurance of additional mortgages under such program would, under the Federal Credit Reform Act of 1990, require the appropriation of new budget authority to cover the costs (as such term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a) of such insurance; and

"(B) a premium increase pursuant to paragraph (1) may be made only by rule making in accordance with the procedures under section 553 of title 5, United States Code (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section).

“SEC. 293. ALLOCATIONS FOR STATES, INDIAN TRIBES, INSULAR AREAS, AND PARTICIPATING LOCAL JURISDICTIONS.

“(a) DETERMINATION OF AMOUNT AVAILABLE FOR FISCAL YEAR.—For fiscal year 2008 and for each fiscal year thereafter, the Secretary shall determine the total amount available from the Trust Fund pursuant to section 292(c) for assistance under this subtitle and shall use such amount to provide such assistance for such fiscal year.

“(b) ALLOCATION.—For each such fiscal year, of such total amount available from the Trust Fund, the Secretary shall allocate for use under section 294—

“(1) 40 percent for States, Indian tribes, and insular areas; and

“(2) 60 percent for participating local jurisdictions.

“SEC. 294. ASSISTANCE FROM TRUST FUND.

“(a) AFFORDABLE HOUSING NEEDS FORMULA.—

“(1) ESTABLISHMENT AND FACTORS.—The Secretary shall establish a formula to allocate amounts made available for a fiscal year for assistance under this subtitle among States, all Indian tribes, insular areas, and participating local jurisdictions based on the relative needs of such entities, for funds to increase the supply of decent quality affordable housing. The formula shall be based upon a comparison of the following factors with respect to each State, Indian tribes, each insular area, and each participating local jurisdiction:

“(A) The ratio of the population of the State, Indian tribes, insular area, or participating jurisdiction, to the aggregate population of all States, Indian tribes, insular areas, and participating jurisdictions.

“(B) The percentage of families in the jurisdiction of the State, of Indian tribes, or of the insular area or participating jurisdiction that live in substandard housing.

“(C) The percentage of families in the jurisdiction of the State, of Indian tribes, or of the insular area or participating jurisdiction that pay more than 50 percent of their annual income for housing costs.

“(D) The percentage of persons in the jurisdiction of the State, of Indian tribes, or of the insular area or participating jurisdiction having an income at or below the poverty line.

“(E) The cost of constructing or carrying out rehabilitation of housing in the jurisdiction of the State, of Indian tribes, or of the insular area or participating jurisdiction.

“(F) The percentage of the population of the State, of Indian tribes, or of the insular area or participating jurisdiction that resides in counties having extremely low vacancy rates.

“(G) The percentage of housing stock in the jurisdiction of the State, of Indian tribes, or of the insular area or participating jurisdiction that is extremely old housing.

“(H) For the jurisdiction of a State, of Indian tribes, or of an insular area or participating jurisdiction that has an extremely low percentage of affordable rental housing, the extent to which the State, Indian tribes, or the insular area or participating jurisdiction has in the preceding fiscal year increased the percentage of rental housing within its jurisdiction that is affordable housing.

“(I) Any other factors that the Secretary determines to be appropriate.

“(2) FAILURE TO ESTABLISH.—If, in any fiscal year referred to in section 293(a), the regulations establishing the formula required under paragraph (1) of this subsection have not been issued by the date that the Secretary determines the total amount available from the Trust Fund for assistance under this subtitle for such fiscal year pursuant to section 292(c), or there has been enacted before such date a joint resolution expressly disapproving the use of the formula required under paragraph (1) and submitted to the Congress pursuant to paragraph (3), for purposes of such fiscal year—

“(A) section 293(b), paragraphs (2) and (3) of subsection (b) of this section, and subsection (c) of this section shall not apply;

“(B) the allocation for Indian tribes shall be such amount as the Secretary shall establish; and

“(C) the formula amount for each State, insular area, or participating local jurisdiction shall be determined by applying, for such State, insular area, or participating local jurisdiction, the percentage that is equal to the percentage of the total amounts made available for such fiscal year for allocation under subtitle A of this title (42 U.S.C. 12741 et seq.) that are allocated in such year, pursuant to such subtitle, to such State, insular area, or participating local jurisdiction, respectively, and the allocation for each State, insular area, or participating jurisdiction, for purposes of subsection (e) shall, except as provided in subsection (d), be the formula amount for the State, insular area, or participating jurisdiction, respectively.

“(3) SUBMISSION TO CONGRESS.—Notwithstanding any other provision of this subtitle, any formula established by the Secretary pursuant to this subsection shall be submitted to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate not less than 120 days before application of the formula for purposes of determining formula amounts under subsection (b) for a fiscal year. Such submission shall be accompanied by a detailed explanation of the factors under the formula and anticipated effects of the formula.

“(b) FORMULA AMOUNT.—

“(1) IN GENERAL.—For each fiscal year referred to in section 293(a), the Secretary shall determine the formula amount under this subsection for each State, for Indian tribes, for each insular area, and for each participating local jurisdiction.

“(2) STATES, INDIAN TRIBES, AND INSULAR AREAS.—The formula amount for each State, for Indian tribes, and for each insular area shall be the amount determined for such State, for Indian tribes, or for such insular area by applying the formula under subsection (a) of this section to the total amount allocated under section 293(b)(1) for all States, Indian tribes, and insular areas for the fiscal year.

“(3) PARTICIPATING LOCAL JURISDICTIONS.—The formula amount for each participating local jurisdiction shall be the amount determined for such participating local jurisdiction by applying the formula under subsection (a) of this section to the total amount allocated under section 293(b)(2) for all participating local jurisdictions for the fiscal year.

“(4) NOTICE.—For each fiscal year referred to in section 293(a), not later than 60 days after the date that the Secretary determines the total amount available from the Trust Fund for such fiscal year pursuant to section 292(c) for assistance under this subtitle, the Secretary shall cause to be published in the Federal Register a notice that such amounts shall be so available.

“(c) ALLOCATION BASED ON AFFORDABLE HOUSING NEEDS FORMULA.—The allocation under this subsection for a State, for Indian tribes, for an insular area, or for a local participating jurisdiction for a fiscal year shall be determined as follows:

“(1) STATES.—Subject to subsection (d), the allocation for a State shall be the formula amount for the State.

“(2) INDIAN TRIBES AND INSULAR AREAS.—The allocation for Indian tribes and for each insular area shall be the formula amount for Indian tribes or for the insular area, respectively, determined under subsection (b), as applicable.

“(3) PARTICIPATING LOCAL JURISDICTIONS.—Subject to subsection (d), the allocation for each participating local jurisdiction shall be the formula amount for the jurisdiction determined under subsection (b).

“(d) ALLOCATION EXCEPTION FOR YEARS IN WHICH LESS THAN \$2 BILLION IS AVAILABLE.—If,

for any fiscal year, the total amount available pursuant to section 293(a) for assistance under this subtitle is less than \$2,000,000,000—

“(1) for each participating local jurisdiction having a formula amount of less than \$750,000, the allocation shall be \$0, except that if the Secretary finds that the jurisdiction has demonstrated a capacity to carry out provisions of this subtitle and the State in which such jurisdiction is located has authorized the Secretary to transfer to the jurisdiction a portion of the State's allocation that is equal to or greater than the difference between the jurisdiction's formula amount and \$750,000, or the State or jurisdiction has made available such an amount from the State's or jurisdiction's own sources available for use by the jurisdiction in accordance with this subtitle, the jurisdiction's allocation for a fiscal year shall be the formula amount for the jurisdiction; and

“(2) in the case of any jurisdiction whose allocation is \$0 by operation of paragraph (1), the allocation for the State in which such participating local jurisdiction is located shall be increased by the amount of the formula amount for the participating local jurisdiction. Any adjustments pursuant to paragraphs (1) and (2) shall be made notwithstanding the allocation percentages under section 293(b).

“(e) GRANT AWARDS.—For each fiscal year referred to in section 293(a), using the amounts made available to the Secretary from the Trust Fund for such fiscal year under section 292(c), the Secretary shall, subject to subsection (f), make a grant to each State, insular area, and participating local jurisdiction in the amount of the allocation under subsection (a)(2), (c), or (d), as applicable, for the State, area, or jurisdiction, respectively.

“(f) MATCHING REQUIREMENT.—

“(1) IN GENERAL.—Each grantee for a fiscal year shall contribute to eligible activities funded with Trust Fund grant amounts, or require the contribution to such eligible activities by recipients of such Trust Fund grant amounts of, in addition to any such grant amounts, not less than the following amount:

“(A) STATE, LOCAL, OR PRIVATE RESOURCES.—To the extent that such contributed amounts are derived from State, local, or private resources, 12.5 percent of such grant amounts.

“(B) FEDERAL AMOUNTS.—To the extent that such contributed amounts are derived from State- or locally-controlled amounts from Federal assistance, or from amounts made available under the affordable housing program of a Federal Home Loan Bank pursuant to section 10(j) of the Federal Home Loan Bank Act (12 U.S.C. 1430(j)), 25 percent of such grant amounts. Nothing in this paragraph may be construed to prevent a grantee or recipient from complying with this paragraph only by contributions in accordance with subparagraph (A), only by contributions in accordance with subparagraph (B), or by a combination of such contributions.

“(2) REDUCTION OR WAIVER FOR RECIPIENTS IN FISCAL DISTRESS.—The Secretary may reduce or waive the requirement under paragraph (1) with respect to any grantee that the Secretary determines, pursuant to such demonstration by the recipient as the Secretary shall require, is in fiscal distress. The Secretary shall make determinations regarding fiscal distress for purposes of this paragraph in the same manner, and according to the same criteria, as fiscal distress is determined with respect to jurisdictions under section 220(d) (42 U.S.C. 12750(d)).

“(3) QUALIFICATION OF SERVICES FUNDING FOR MATCH.—For purposes of meeting the requirements of paragraph (1), amounts that a grantee, recipient, or other governmental or private agency or entity commits to contribute to provide services to residents of affordable housing provided using grant amounts under this subtitle, by entering into a binding commitment for such contribution as the Secretary shall require, shall be considered contributions to eligible activities. Amounts to be considered eligible contributions under this paragraph shall not exceed

33 percent of the total cost of the eligible activity.

“(4) REDUCTION OR WAIVER FOR CERTAIN ACTIVITIES.—With respect to Trust Fund grant amounts made available for a fiscal year, the Secretary shall reduce or waive the amount of contributions otherwise required under paragraph (1) to be made with respect to eligible activities to be carried out with such grant amounts and for which any variance from zoning laws or other waiver of regulatory requirements was approved by the local jurisdiction. Such reduction may be implemented in the year following the year in which such activities are funded with Trust Fund grant amounts.

“(5) WAIVER FOR DISASTER AREAS.—In the case of any area that is subject to a declaration by the President of a major disaster or emergency under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121), the Secretary shall, for the fiscal year following such declaration, waive the requirement under paragraph (1) with respect to any eligible activities to be carried out in such area.

“(g) COMPETITIVE GRANTS FOR INDIAN TRIBES.—For each fiscal year referred to in section 293(a), the Secretary shall, using amounts allocated for Indian tribes pursuant to subsection (a)(2)(B) or (c)(2), as applicable, and subject to subsection (f), make grants to Indian tribes on a competitive basis, based upon such criteria as the Secretary shall establish, which shall include the factors specified in section 295(c)(2)(B).

“(h) USE BY STATE OF UNUSED FUNDS OF LOCAL JURISDICTIONS.—If any participating local jurisdiction for which an allocation is made for a fiscal year pursuant to this section notifies the Secretary of an intent not to use all or part of such funds, any such funds that will not be used by the jurisdiction shall be added to the grant award under subsection (e) for the State in which such jurisdiction is located.

“(i) COMPETITIVE GRANTS FOR AREAS WITHOUT ALLOCATION PLANS AND RECIPIENTS WITH INSUFFICIENT MATCHING CONTRIBUTIONS.—

“(I) AVAILABLE AMOUNTS.—For a fiscal year, the following amounts shall be available for grants under this subsection:

“(A) ALLOCATION FOR AREAS NOT SUBMITTING ALLOCATION PLANS.—With respect to each State, insular area, or participating local jurisdiction that has not, before the expiration of the 12-month period beginning upon the date of the publication of the notice of funding availability for such fiscal year under subsection (b)(4), submitted to and had approved by the Secretary an allocation plan for such fiscal year meeting the requirements of section 295, the amount of the allocation for such State, insular area, or participating local jurisdiction for such fiscal year determined under this section.

“(B) UNMATCHED PORTION OF ALLOCATION.—With respect to any grantee for which the Trust Fund grant amount awarded for such fiscal year is reduced from the amount of the allocation determined under this section for the grantee by reason of failure to comply with the requirements under subsection (f), the amount by which such allocation for the grantee for the fiscal year exceeds the Trust Fund grant amount for the grantee for the fiscal year.

“(C) UNCOMMITTED AMOUNTS.—Any Trust Fund grant amounts for a fiscal year that are not committed for use for eligible activities before the expiration of the 24-month period beginning upon the date of the publication of the notice of availability of amounts under subsection (b)(4) for such fiscal year.

“(D) UNUSED AMOUNTS.—Any Trust Fund grant amounts for which the grantee notifies the Secretary that such funds will not be used under this subtitle.

“(2) NOTICE.—For each fiscal year, not later than 60 days after the date that the Secretary determines that the amounts described in paragraph (1) shall be available for grants under this subsection, the Secretary shall cause to be

published in the Federal Register a notice that such amounts shall be so available.

“(3) APPLICATIONS.—The Secretary shall provide for nonprofit and public entities (and consortia thereof, which may include regional consortia of units of local government) to submit applications, during the 9-month period beginning upon publication of a notice of funding availability under paragraph (2) for a fiscal year, for a grant of all or a portion of the amounts referred to in paragraph (1) for such fiscal year. Such an application shall include a certification that the applicant will comply with all requirements of this subtitle applicable to a grantee under this subsection.

“(4) SELECTION CRITERIA.—The Secretary shall, by regulation, establish criteria for selecting applicants that meet the requirements of paragraph (3) for funding under this subsection. Such criteria shall give priority to applications that provide that grant amounts under this subsection will be used for eligible activities relating to affordable housing that is located in the State or insular area, as applicable, for which such grant funds were originally allocated under this section.

“(5) AWARD AND USE OF GRANT ASSISTANCE.—

“(A) AWARD.—Subject only to the absence of applications meeting the requirements of paragraph (3), upon the expiration of the period referred to in such paragraph, the Secretary shall select an applicant or applicants under this subsection to receive the amounts available under paragraph (1) and shall make a grant or grants to such applicant or applicants. The selection shall be based upon the criteria established under paragraph (4).

“(B) USE.—Amounts from a grant under this subsection shall be Trust Fund grant amounts for purposes of this subtitle.

SEC. 295. ALLOCATION PLANS.

“(a) IN GENERAL.—Each grantee that is a State, insular area, participating local jurisdiction, or grantee under section 294(i) for a fiscal year, shall establish an allocation plan in accordance with this section for the distribution of Trust Fund grant amounts provided to the grantee for such fiscal year, which shall be a plan that—

“(1) provides for use of such amounts in accordance with section 296;

“(2) is based on priority housing needs, including priority housing needs in rural areas, as determined by the grantee; and

“(3) is consistent with the comprehensive housing affordability strategy under section 105 (42 U.S.C. 12705) or any applicable consolidated submission used for purposes of applying for other community planning and development and housing assistance programs administered by the Secretary, for the applicable State, insular area, jurisdiction, or grantee under section 294(i).

“(b) ESTABLISHMENT.—In establishing an allocation plan, a grantee described in subsection (a) shall notify the public of the establishment of the plan, provide an opportunity for public comments regarding the plan, consider any public comments received, and make the completed plan available to the public.

“(c) CONTENTS.—Each allocation plan of a grantee described in subsection (a) shall comply with the following requirements:

“(1) APPLICATION REQUIREMENTS FOR ELIGIBLE RECIPIENTS.—The allocation plan shall set forth the requirements for eligible recipients to apply to the grantee to receive assistance from Trust Fund grant amounts of the grantee for use for eligible activities, including a requirement that each such application include—

“(A) a description of the eligible activities to be conducted using such assistance; and

“(B) a certification by the eligible recipient applying for such assistance that any housing assisted with such grant amounts will comply with—

“(i) all of the requirements under this subtitle, including the targeting requirements under sec-

tion 296(c) and the affordable housing requirements under section 297;

“(ii) section 808(d) of the Fair Housing Act (relating to the obligation to affirmatively further fair housing); and

“(iii) section 504 of the Rehabilitation Act of 1973 (relating to prohibition of discrimination on the basis of disability).

“(2) SELECTION PROCESS AND CRITERIA FOR ASSISTANCE.—

“(A) SELECTION PROCESS.—The allocation plan shall set forth a process for the grantee to select eligible activities meeting the grantee's priority housing needs for funding with Trust Fund grant amounts of the grantee, which shall comply with requirements for such process as the Secretary shall, by regulation, establish.

“(B) SELECTION CRITERIA.—The allocation plan shall set forth the factors for consideration in selecting among applicants that meet the application requirements established pursuant to paragraph (1), which shall provide for geographic diversity among eligible activities to be assisted with Trust Fund grant amounts of the grantee and shall include—

“(i) the merits of the proposed eligible activity of the applicant, including the extent to which the activity addresses housing needs identified in the allocation plan of the grantee and the applicable comprehensive housing affordability strategy or consolidated submission referred to in subsection (a)(3);

“(ii) the experience of the applicant, including its principals, in carrying out projects similar to the proposed eligible activity;

“(iii) the ability of the applicant to obligate grant amounts for the proposed eligible activities and to undertake such activities in a timely manner;

“(iv) the extent of leveraging of funds by the applicant from private and other non-Federal sources for carrying out the eligible activities to be funded with Trust Fund grant amounts, including assistance made available under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) that is devoted to the project that contains the affordable housing to be assisted with such assistance;

“(v) the extent of local assistance that will be provided in carrying out the eligible activities, including financial assistance;

“(vi) the efficiency of total project fund use as measured by the cost per unit of the proposal, as adjusted by factors which shall include whether the funding with Trust Fund grant amounts is for new construction, rehabilitation, preservation, or homeownership assistance, whether the project involves supportive housing, differences in construction and rehabilitation costs in different areas of the grantee, and other appropriate adjustments;

“(vii) the degree to which the project in which the affordable housing will be located will have residents of various incomes;

“(viii) the extent of employment and other economic opportunities for low-income families in the area in which the housing will be located;

“(ix) the extent to which the applicant demonstrates the ability to maintain dwelling units as affordable housing through the use of assistance made available under this subtitle, assistance leveraged from non-Federal sources, assistance made available under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), State or local assistance, programs to increase tenant income, cross-subsidization, and any other resources;

“(x) the extent to which the applicant demonstrates that the county in which the housing is to be located is experiencing an extremely low vacancy rate;

“(xi) the extent to which the percentage of the housing located in such county that is extremely old housing exceeds 35 percent;

“(xii) the extent to which the housing assisted with the grant amounts will be accessible to persons with disabilities;

“(xiii) the extent to which the applicant demonstrates that the affordable housing assisted

with the grant amounts will be located in proximity to public transportation, job opportunities, child care, and community revitalization projects;

“(xiv) the extent to which the applicant has provided that assistance from grant amounts will be used for eligible activities relating to housing located in census tracts in which the number of families having incomes less than the poverty line is less than 20 percent; and

“(xv) the extent to which the housing assisted with grant amounts will comply with energy efficiency standards and the national Green Communities criteria checklist for residential construction that provides criteria for the design, development, and operation of affordable housing, as the Secretary shall by regulation provide.

A grantee may allocate a portion of funds under this section for use by such grantee for eligible activities pursuant to the selection process as under subparagraph (A).

“(3) PERFORMANCE GOALS, BENCHMARKS, AND TIMETABLES.—The allocation plan shall include performance goals, benchmarks, and timetables for the grantee for the conducting of eligible activities with Trust Fund grant amounts that comply with requirements and standards for such goals, benchmarks, and timetables as the Secretary shall, by regulation, establish.

“(d) REVIEW AND APPROVAL BY SECRETARY.—

“(1) SUBMISSION.—A grantee described in subsection (a) shall submit an allocation plan for the fiscal year for which the grant is made to the Secretary not later than the expiration of the 6-month period beginning upon the notice of funding availability under section 294(b)(4) for such fiscal year amounts.

“(2) REVIEW AND APPROVAL OR DISAPPROVAL.—The Secretary shall review and approve or disapprove an allocation plan not later than the expiration of the 3-month period beginning upon submission of the plan.

“(3) STANDARD FOR DISAPPROVAL.—The Secretary may disapprove an allocation plan only if the plan fails to comply with requirements of this section or section 296.

“(4) RESUBMISSION UPON DISAPPROVAL.—If the Secretary disapproves a plan, the grantee may submit to the Secretary a revised plan for review and approval or disapproval under this subsection.

“(5) TIMING FOR FISCAL YEAR 2008.—With respect only to fiscal year 2008, the Secretary may extend each of the periods referred to in paragraphs (1) and (2), and the period referred to in section 294(i)(1)(A), by not more than 6 months.

SEC. 296. USE OF ASSISTANCE BY RECIPIENTS.

“(a) DISTRIBUTION TO RECIPIENTS; USE REQUIREMENTS.—Each grantee shall distribute Trust Fund grant amounts of the grantee to eligible recipients for use in accordance with this section. Trust Fund grant amounts of a grantee may be used, or committed for use, only for eligible activities that—

“(1) are conducted in the jurisdiction of the grantee;

“(2) in the case of a grantee that is a State, insular area, participating local jurisdiction, or grantee under section 294(i), comply with the allocation plan of the grantee under section 295;

“(3) are selected for funding by the grantee in accordance with the process and criteria for such selection established pursuant to section 295(c)(2); and

“(4) comply with the targeting requirements under subsection (c) of this section and the affordable housing requirements under section 297.

“(b) ELIGIBLE RECIPIENTS.—Trust Fund grant amounts of a grantee may be provided only to an organization, agency, or other entity (including a for-profit entity, a nonprofit entity, a faith-based organization, a community development financial institution, a community development corporation, and a State or local housing trust fund) that—

“(1) demonstrates the experience, ability, and capacity (including financial capacity) to undertake, comply, and manage the eligible activities;

“(2) demonstrates its familiarity with the requirements of any other Federal, State or local housing program that will be used in conjunction with such grant amounts to ensure compliance with all applicable requirements and regulations of such programs; and

“(3) makes such assurances to the grantee as the Secretary shall, by regulation, require to ensure that the recipient will comply with the requirements of this subtitle during the entire period that begins upon selection of the recipient to receive such grant amounts and ending upon the conclusion of all eligible activities that are engaged in by the recipient and funded with such grant amounts.

“(c) TARGETING REQUIREMENTS.—The targeting requirements under this subsection are as follows:

“(1) REQUIREMENT OF USE OF ALL AMOUNTS FOR AFFORDABLE HOUSING FOR LOW-INCOME FAMILIES.—All Trust Fund grant amounts of a grantee shall be distributed for use only for eligible activities relating to affordable housing that are for the benefit only of families whose incomes do not exceed 80 percent of the greater of—

“(A) the median family income for the area in which the housing is located, as determined by the Secretary with adjustments for smaller and larger families; and

“(B) the median family income for the State or insular area in which the housing is located, as determined by the Secretary with adjustments for smaller and larger families.

“(2) USE OF 75 PERCENT FOR AFFORDABLE HOUSING FOR EXTREMELY LOW-INCOME FAMILIES.—Not less than 75 percent of the Trust Fund grant amounts of a grantee for each fiscal year shall be used only for eligible activities relating to affordable housing that are for the benefit only of families whose incomes do not exceed the higher of—

“(A) 30 percent of the median family income for the area in which the housing is located, as determined by the Secretary with adjustments for smaller and larger families; and

“(B) the poverty line (as such term is defined in section 673 of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902), including any revision required by such section) applicable to a family of the size involved.

“(3) USE OF 30 PERCENT FOR AFFORDABLE HOUSING FOR VERY POOR FAMILIES.—Not less than 30 percent of the Trust Fund grant amounts of a grantee for each fiscal year shall be used only for eligible activities relating to affordable housing that are for the benefit only of families whose incomes do not exceed the maximum amount of income that an individual or family could have, taking into consideration any income disregards, and remain eligible for benefits under the Supplemental Security Income program under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.).

“(4) USE OF 10 PERCENT FOR AFFORDABLE HOUSING FOR FAMILIES ABOVE 50 PERCENT OF AREA MEDIAN INCOME.—Not less than 10 percent of the Trust Fund grant amounts of a grantee for each fiscal year shall be used only for eligible activities relating to affordable housing that are for the benefit only of families whose incomes exceed 50 percent of the median family income for the area in which the housing is located, as determined by the Secretary with adjustments for smaller and larger families.

“(5) LIMITATION FOR YEARS IN WHICH LESS

“ THAN \$2 BILLION IS AVAILABLE.—If, for any fiscal year, the total amount available pursuant to section 293(a) for assistance under this subtitle is less than \$2,000,000,000, in addition to the other requirements under this subsection, all such amounts shall be used only for eligible activities relating to affordable housing that are for the benefit only of families whose incomes do

not exceed 60 percent of the median family income for the area in which the housing is located, as determined by the Secretary with adjustments for smaller and larger families.

“(6) REVIEW OF TARGETING REQUIREMENTS.—The Secretary shall assess the need for, and the appropriateness of, the requirements under paragraphs (1) through (4) and shall submit a report to the Congress on the results of the assessment not later than October 1, 2012, and not later than the expiration of the 5-year period beginning upon such date and each successive 5-year period thereafter. In each such report, the Secretary shall identify and make recommendations regarding the continuation or adjustment of the targeting requirements in paragraphs (1) through (4).

“(d) USE FOR RURAL AREAS.—Of the Trust Fund grant amounts for any fiscal year for any grantee that is a State or participating local jurisdiction that includes any rural areas, the State or participating local jurisdiction shall use a portion for eligible activities located in rural areas that is proportionate to the identified need for such activities in such rural areas.

“(e) COST LIMITS.—The Secretary shall establish limitations on the amount of Trust Fund grant amounts that may be used, on a per unit basis, for eligible activities. Such limitations shall be the same as the per unit cost limits established pursuant to section 212(e) (42 U.S.C. 12742(e)), as adjusted annually, and established by number of bedrooms, market area, and eligible activity.

“(f) FORMS OF ASSISTANCE.—

“(1) IN GENERAL.—Assistance may be distributed pursuant to this section in the form of—

“(A) capital grants, noninterest-bearing or low-interest loans or advances, deferred payment loans, guarantees, and loan loss reserves;

“(B) in the case of assistance for ownership of one- to four-family owner-occupied housing, downpayment assistance, closing cost assistance, and assistance for interest rate buy-downs; and

“(C) any other forms of assistance approved by the Secretary.

“(2) REPAYMENTS.—If a grantee awards assistance under this section in the form of a loan or other mechanism by which funds are later repaid to the grantee, any repayments and returns received by the grantee shall be distributed by the grantee in accordance with the allocation plan under section 295 for the grantee for the fiscal year in which such repayments are made or returns are received.

“(g) COORDINATION WITH OTHER ASSISTANCE.—In distributing assistance pursuant to this section, each grantee shall, to the maximum extent practicable, coordinate such distribution with the provision of other Federal, State, tribal, and local housing assistance, including—

“(1) in the case of any State, housing credit dollar amounts allocated by the State under section 42(h) of the Internal Revenue Code of 1986;

“(2) assistance made available under subtitles A through F (42 U.S.C. 12721 et seq.) or the community development block grant program under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.);

“(3) private activity bonds;

“(4) assistance made available under section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g);

“(5) assistance made available under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o));

“(6) assistance made available under title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.);

“(7) assistance made available under section 101 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111);

“(8) assistance made available from any State or local housing trust fund established to provide or assist in making available affordable housing; and

“(9) any other housing assistance programs.

“(h) PROHIBITED USES.—The Secretary shall—
 “(1) by regulation, set forth prohibited uses of grant amounts under this subtitle, which shall include use for—
 ““(A) political activities;
 ““(B) advocacy;
 ““(C) lobbying, whether directly or through other parties;
 ““(D) counseling services;
 ““(E) travel expenses; and
 ““(F) preparing or providing advice on tax returns;

“(2) by regulation, provide that, except as provided in paragraph (3), grant amounts under this subtitle may not be used for administrative, outreach, or other costs of—

“(A) a grantee; or

“(B) any recipient of such grant amounts; and

“(3) by regulation, limit the amount of any Trust Fund grant amounts for a fiscal year that may be used for administrative costs of the grantee of carrying out the program required under this subtitle to a percentage of such grant amounts of the grantee for such fiscal year, which may not exceed 10 percent.

“(i) LABOR STANDARDS.—Each grantee receiving Trust Fund grant amounts shall ensure that contracts for eligible activities assisted with such amounts comply with the same requirements under section 286 (42 U.S.C. 12836) that are applicable to contracts for construction of affordable housing assisted under subtitles A and D.

“(j) COMPLIANCE WITH OTHER FEDERAL LAWS.—All amounts from the Trust Fund shall be allocated in accordance with, and any eligible activities carried out in whole or in part with grant amounts under this subtitle (including housing provided with such grant amounts) shall comply with and be operated in compliance with, other applicable provisions of Federal law, including—

“(1) laws relating to tenant protections and tenant rights to participate in decision making regarding their residences;

“(2) laws requiring public participation, including laws relating to Consolidated Plans, Qualified Allocation Plans, and Public Housing Agency Plans; and

“(3) fair housing laws and laws regarding accessibility in federally assisted housing, including section 504 of the Rehabilitation Act of 1973.

“SEC. 297. AFFORDABLE HOUSING.

“(a) RENTAL HOUSING.—A rental dwelling unit (which may include a dwelling unit in limited equity cooperative housing, as such term is defined in section 143(k) of the Internal Revenue Code of 1986 (26 U.S.C. 143(k)) or in housing of a cooperative housing corporation, as such term is defined in section 216(b) of the Internal Revenue Code of 1986 (26 U.S.C. 216(b))), shall be considered affordable housing for purposes of this subtitle only if the dwelling unit is subject to legally binding commitments that ensure that the dwelling unit meets all of the following requirements:

“(1) RENTS.—The dwelling unit bears a rent not greater than the lesser of—

“(A) the existing fair market rental established by the Secretary under section 8(c) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)) for a dwelling unit of the same size in the same market area, or the applicable payment standard for assistance under section 8(o) of such Act, if higher; and

“(B) a rent that does not exceed 30 percent of the adjusted income of a family whose income equals 65 percent of the median income for the area, as determined by the Secretary, with adjustment for number of bedrooms in the unit, except that the Secretary may establish income ceilings higher or lower than 65 percent of the median for the area on the basis of the findings of the Secretary that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

“(2) TENANT RENT CONTRIBUTION.—The contribution toward rent by the family residing in the dwelling unit will not exceed 30 percent of the adjusted income of such family.

“(3) NON-DISCRIMINATION AGAINST VOUCHER HOLDERS.—The dwelling unit is located in a project in which all dwelling units are subject to enforceable restrictions that provide that a unit may not be refused for leasing to a holder of a voucher of eligibility under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) because of the status of the prospective tenant as a holder of such voucher.

“(4) MIXED INCOME.—

“(A) IN GENERAL.—The dwelling unit is located in a project in which not more than 50 percent of the rental units in the project that receive assistance under this subtitle and are not previously occupied may be rented initially to families with incomes described in section 296(c)(2), as determined at a reasonable time before occupancy.

“(B) REHABILITATION.—In the case of a dwelling unit in a project for which Trust Fund grant amounts are used for the rehabilitation of the project, the dwelling unit is located in a project in which the percentage of units being rented upon completion of the rehabilitation to families with incomes described in section 296(c)(2) may not exceed the higher of 50 percent or the percentage of such families occupying the project at the time funds are awarded for such project.

“(C) EXCEPTIONS.—Subparagraph (A) shall not apply in the case of a project having 25 or fewer dwelling units that is—

“(i) located in a census tract in which the number of families having incomes less than the poverty line is less than 20 percent;

“(ii) located in a rural area, as such term is defined in section 520 of the Housing Act of 1949 (42 U.S.C. 1490); or

“(iii) specifically made available only for households comprised of elderly families or disabled families.

“(5) VISITABILITY.—To the extent the dwelling unit is not required under Federal law to comply with standards relating to accessibility to persons with disabilities, the dwelling unit complies with such basic visitability standards as the Secretary shall by regulation provide.

“(6) DURATION OF USE.—The dwelling unit will continue to be subject to all requirements under this subsection for not less than 50 years.

“(b) OWNER-OCCUPIED HOUSING.—For purposes of any eligible activity involving one- to four-family owner-occupied housing (which may include housing of a cooperative housing corporation, as such term is defined in section 216(b) of the Internal Revenue Code of 1986 (26 U.S.C. 216(b))), such a residence shall be considered affordable housing for purposes of this subtitle only if—

“(1) in the case of housing to be made available for purchase—

“(A) the housing is available for purchase only for use as a principal residence by families that qualify as first-time homebuyers, as such term is defined in section 104 (42 U.S.C. 12704), except that any reference in such section to assistance under title II of this Act shall for purposes of this section be considered to refer to assistance from Trust Fund grant amounts;

“(B) the housing has an initial purchase price that meets the requirements of section 215(b)(1); and

“(C) the housing is subject to the same resale restrictions established under section 215(b)(3) and applicable to the participating jurisdiction that is the State in which such housing is located; and

“(2) the housing is made available for purchase only by, or in the case of assistance to a homebuyer pursuant to this subsection, the assistance is made available only to, homebuyers who have, before purchase, completed a program of counseling with respect to the responsibilities and financial management involved in

homeownership that is approved by the Secretary; except that the Secretary may, at the request of a State, waive the requirements of this paragraph with respect to a geographic area or areas within the State if—

“(A) the travel time or distance involved in providing counseling with respect to such area or areas, as otherwise required under this paragraph, on an in-person basis is excessive or the cost of such travel is prohibitive; and

“(B) the State provides alternative forms of counseling for such area or areas, which may include interactive telephone counseling, on-line counseling, interactive video counseling, and interactive home study counseling and a program of financial literacy and education to promote an understanding of consumer, economic, and personal finance issues and concepts, including saving for retirement, managing credit, long-term care, and estate planning and education on predatory lending, identity theft, and financial abuse schemes relating to homeownership that is approved by the Secretary, except that entities providing such counseling shall not discriminate against any particular form of housing.

“(C) PRIORITY FOR FAMILIES ON SECTION 8 OR PUBLIC HOUSING WAITING LIST FOR 12 MONTHS OR LONGER.—A dwelling unit in rental housing or owner-occupied housing shall be considered affordable housing for purposes of this subtitle only if the dwelling unit is subject to such requirements, as the Secretary shall provide, to ensure that priority for occupancy in or, in the case of owner-occupied housing, purchase of, the dwelling unit is provided to families who are eligible for rental assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) or occupancy in public housing assisted under such Act, and have applied to a public housing agency for such assistance or occupancy, as applicable, and been on a waiting list of a public housing agency for such assistance or occupancy, as applicable, for at least 12 consecutive months.

“SEC. 298. OTHER PROVISIONS.

“(a) EFFECT OF ASSISTANCE UNDER PROGRAM.—Notwithstanding any other provision of law, the provision of assistance under this subtitle for a project shall not reduce the amount of assistance for which such project is otherwise eligible under subtitles A through F of this title, if the project does not exceed the cost limits established pursuant to section 296(e).

“(b) ACCOUNTABILITY OF GRANTEES AND RECIPIENTS.—

“(1) RECIPIENTS.—

“(A) TRACKING OF FUNDS.—The Secretary shall—

“(i) require each grantee to develop and maintain a system to ensure that each recipient of assistance from Trust Fund grant amounts of the grantee uses such amounts in accordance with this subtitle, the regulations issued under this subtitle, and any requirements or conditions under which such amounts were provided; and

“(ii) establish minimum requirements for agreements between the grantee and recipients, regarding assistance from the Trust Fund grant amounts of the grantee, which shall include—

“(I) appropriate continuing financial and project reporting, record retention, and audit requirements for the duration of the grant to the recipient to ensure compliance with the limitations and requirements of this subtitle and the regulations under this subtitle; and

“(II) any other requirements that the Secretary determines are necessary to ensure appropriate grant administration and compliance.

“(B) MISUSE OF FUNDS.—

“(i) REIMBURSEMENT REQUIREMENT.—If any recipient of assistance from Trust Fund grant amounts of a grantee is determined, in accordance with clause (ii), to have used any such amounts in a manner that is materially in violation of this subtitle, the regulations issued under this subtitle, or any requirements or conditions under which such amounts were provided—

“(I) such recipient shall be ineligible for any further assistance from any Trust Fund grant amounts of any grantee during the period that begins upon such determination and ends upon reinstatement by the Secretary of the eligibility of recipient for such assistance, except that the Secretary may reinstate such an ineligible recipient only pursuant to application by the recipient for such reinstatement and the recipient may not apply to the Secretary for such reinstatement during the 12-month period, or the 10-year period in the case of a second or subsequent such determination, beginning upon such determination; and

“(II) the grantee shall require that, within 12 months after the determination of such misuse, the recipient shall reimburse the grantee for such misused amounts and return to the grantee any amounts from the Trust Fund grant amounts of the grantee that remain unused or uncommitted for use.

The remedies under this clause are in addition to any other remedies that may be available under law.

“(ii) DETERMINATION.—A determination is made in accordance with this clause if the determination is—

“(I) made by the Secretary; or

“(II)(aa) made by the grantee;

“(bb) the grantee provides notification of the determination to the Secretary for review, in the discretion of the Secretary, of the determination; and

“(cc) the Secretary does not subsequently reverse the determination.

“(2) GRANTEES.—

“(A) REPORT.—

“(i) IN GENERAL.—The Secretary shall require each grantee receiving Trust Fund grant amounts for a fiscal year to submit a report, for such fiscal year, to the Secretary that—

“(I) describes the activities funded under this subtitle during such year with the Trust Fund grant amounts of the grantee; and

“(II) the manner in which the grantee complied during such fiscal year with the allocation plan established pursuant to section 295 for the grantee.

“(ii) PUBLIC AVAILABILITY.—The Secretary shall make such reports pursuant to this subparagraph publicly available.

“(B) MISUSE OF FUNDS.—If the Secretary determines, after reasonable notice and opportunity for hearing, that a grantee has failed to comply substantially with any provision of this subtitle and until the Secretary is satisfied that there is no longer any such failure to comply, the Secretary shall—

“(i) reduce the amount of assistance under this section to the grantee by an amount equal to the amount of Trust Fund grant amounts which were not used in accordance with this subtitle;

“(ii) require the grantee to repay the Secretary an amount equal to the amount of the Trust Fund grant amounts which were not used in accordance with this subtitle;

“(iii) limit the availability of assistance under this subtitle to the grantee to activities or recipients not affected by such failure to comply; or

“(iv) terminate any assistance under this subtitle to the grantee.

SEC. 299. DEFINITIONS.

“For purposes of this subtitle, the following definitions shall apply:

“(1) ELIGIBLE ACTIVITIES.—The term ‘eligible activities’ means activities relating to the construction, preservation, or rehabilitation of affordable rental housing or affordable one- to four-family owner-occupied housing, including—

“(A) the construction of new housing;

“(B) the acquisition of real property;

“(C) site preparation and improvement, including demolition;

“(D) rehabilitation of existing housing;

“(E) use of funds to facilitate affordability for homeless and other extremely low-income house-

holds of dwelling units assisted with Trust Fund grant amounts, in a combined amount not to exceed 20 percent of the project grant amount, for—

“(i) project-based rental assistance for not more than 12 months for a project assisted with Trust Fund grant amounts;

“(ii) project operating reserves for use to cover the loss of rental assistance or in conjunction with a project loan; or

“(iii) project operating accounts used to cover net operating income shortfalls for dwelling units assisted with Trust Fund grant amounts;

“(F) providing incentives to maintain existing housing (including manufactured housing) as affordable housing and to establish or extend any low-income affordability restrictions for such housing, including covering capital expenditures and costs of establishing community land trusts to provide sites for manufactured housing provided such incentives; and

“(G) in the case of affordable one- to four-family owner-occupied housing, downpayment assistance, closing cost assistance, and assistance for interest rate buy-downs.

“(2) ELIGIBLE RECIPIENT.—The term ‘eligible recipient’ means an entity that meets the requirements under section 296(b) for receipt of Trust Fund grant amounts of a grantee.

“(3) EXTREMELY LOW VACANCY RATE.—The term ‘extremely low vacancy rate’ means a housing or rental vacancy rate of 2 percent or less.

“(4) EXTREMELY OLD HOUSING.—The term ‘extremely old housing’ means housing that is 45 years old or older.

“(5) FAMILIES.—The term ‘families’ has the meaning given such term in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)).

“(6) FISCAL DISTRESS; SEVERE FISCAL DISTRESS.—The terms ‘fiscal distress’ and ‘severe fiscal distress’ have the meanings given such terms in section 220(d).

“(7) GRANTEE.—The term ‘grantee’ means—

“(A) a State, insular area, or participating local jurisdiction for which a grant is made under section 294(e);

“(B) an Indian tribe for which a grant is made under section 294(g); or

“(C) a nonprofit or public entity for which a grant is made under section 294(i).

“(8) INDIAN TRIBE.—The term ‘Indian tribe’ means a federally recognized Indian tribe.

“(9) INSULAR AREA.—The term ‘insular area’ has the meaning given such term in section 104.

“(10) PARTICIPATING LOCAL JURISDICTION.—The term ‘participating local jurisdiction’ means, with respect to a fiscal year—

“(A) any unit of general local government (as such term is defined in section 104 (42 U.S.C. 12704) that qualifies as a participating jurisdiction under section 216 (42 U.S.C. 12746) for such fiscal year; and

“(B) at the option of such a consortium, any consortium of units of general local governments that is designated pursuant to section 216 (42 U.S.C. 12746) as a participating jurisdiction for purposes of title II.

“(11) POVERTY LINE.—The term ‘poverty line’ has the meaning given such term in section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by such section.

“(12) RECIPIENT.—The term ‘recipient’ means an entity that receives assistance from a grantee, pursuant to section 296(a), from Trust Fund grant amounts of the grantee.

“(13) RURAL AREA.—The term ‘rural area’ has the meaning given such term in section 520 of the Housing Act of 1949 (42 U.S.C. 1490).

“(14) SECRETARY.—The term ‘Secretary’ means the Secretary of Housing and Urban Development.

“(15) STATE.—The term ‘State’ has the meaning given such term in section 104.

“(16) TRUST FUND.—The term ‘Trust Fund’ means the National Affordable Housing Trust Fund established under section 292.

“(17) TRUST FUND GRANT AMOUNTS.—The term ‘Trust Fund grant amounts’ means amounts from the Trust Fund that are provided to a grantee pursuant to subsection (e), (g), or (i) of section 294.

SEC. 299A. INAPPLICABILITY OF HOME PROVISIONS.

“Except as specifically provided otherwise in this subtitle, no requirement under, or provision of, title I or subtitles A through F of this title shall apply to assistance provided under this subtitle.

SEC. 299B. REGULATIONS.

“Not later than 6 months after the date of enactment of the National Affordable Housing Trust Fund Act of 2007, the Secretary of Housing and Urban Development shall promulgate regulations to carry out this subtitle, which shall include regulations establishing the affordable housing needs formula in accordance with section 294(a).”

(b) CONFORMING AMENDMENT.—Section 201 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12701 note) is amended by striking “This title” and inserting “Subtitles A through F of this title”.

The CHAIRMAN. No amendment to the committee amendment is in order except those printed in House Report 110-369. Each amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent of the amendment, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

AMENDMENT NO. 1 OFFERED BY MR. FRANK OF MASSACHUSETTS

The CHAIRMAN. It is now in order to consider amendment No. 1 printed in House Report 110-369.

Mr. FRANK of Massachusetts. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. FRANK of Massachusetts:

Page 14, strike lines 14 through 16, and insert the following:

“(1) STATES.—Subject to subsection (d), the allocation for a State shall be as follows:

“(A) MINIMUM AMOUNT.—If the formula amount determined under subsection (b)(2) for the State for the fiscal year is less than 0.5 percent of the total amount allocated for such fiscal year under section 293(b)(1), the allocation for the State shall be 0.5 percent of the total amount allocated for such fiscal year under section 293(b)(1).

“(B) FORMULA AMOUNT.—If the formula amount determined under subsection (b)(2) for the State for the fiscal year is 0.5 percent or more of the total amount allocated for such fiscal year under section 293(b)(1), the allocation for the State shall be the formula amount for the State, except that—

“(i) the Secretary shall reduce such formula amounts for all States whose allocations are determined under this subparagraph on a pro rata basis, except as provided in clause (ii), by the amount necessary to account for any increases from the formula amount for allocations made under subparagraph (A), so that the total of the allocations for all States pursuant to this paragraph is equal to the aggregate of the formula amounts under subsection (b)(2) for all States; and

“(ii) no reduction pursuant to clause (i) for any State may reduce the formula amount for the State to less than 0.5 percent of such total amount allocated for such fiscal year.”.

Page 15, strike lines 8 through 10, and insert the following:

“(1) for each participating local jurisdiction having a formula amount for such fiscal year of less than \$750,000, the allocation shall be \$0, except that the allocation for such a jurisdiction for such fiscal year shall be the formula amount for the jurisdiction for such fiscal year if—

“(A) the Secretary.”

Page 15, strike the comma in line 20 and all that follows through line 22, and insert “; or”.

Page 15, after line 22, insert the following:

“(B) the formula amount for such jurisdiction for such fiscal year is an amount that is greater than the formula amount for such fiscal year for any other participating local jurisdiction that is located in the same State; and”.

Page 42, strike lines 21 through 25, and insert the following:

“(A) IN GENERAL.—The dwelling unit is located in a project (i) that receives assistance under this subtitle, and (ii) for which not more than 50 percent of the rental units in the project that are not previously occupied may be rented initially only to”.

Strike line 15 on page 43 and all that follows through page 44, line 3, and insert the following:

“(B) EXCEPTIONS.—Subparagraph (A) shall not apply in the case of a project that—

“(i) has 25 or fewer dwelling units and that is—

“(I) located in a census tract in which the number of families having incomes less than the poverty line is less than 20 percent;

“(II) located in a rural area, as such term is defined in section 520 of the Housing Act of 1949 (42 U.S.C. 1490); or

“(III) specifically made available only for households comprised of disabled families; or

“(ii) is specifically made available only for households comprised of elderly families.”.

Page 51, line 5, after “that” insert “describes”.

Page 51, line 6, strike “describes”.

At the end of the bill, insert the following new section:

“SECTION 299C. BENEFITS.

“Nothing in this subtitle allows any payments under this subtitle for any individual or head of household that is not a legal resident.”

The CHAIRMAN. Pursuant to House Resolution 720, the gentleman from Massachusetts (Mr. FRANK) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I don’t believe any of these are controversial.

The first thing we do, we had in the committee an adoption of an amount, a minimum amount that would go to each State. Remember, this is largely a distribution to the States. It’s not an existing Federal. This would not be administered at the Federal level. It would be sent to the States.

And some of the smaller States raised a question, and the smaller communities that they might be excluded. Indeed, while this is not exactly what the gentleman from Florida (Mr. BILIRAKIS) had wanted to offer, which I thought was perfectly reasonable, it

comes close to, it touches on the same area. So this would make sure that no State would go without, and at least one community in every State would get some funding.

Next, we had a provision that really didn’t make sense requiring a mixed income requirement in elderly projects. We didn’t think that was reasonable, and we take it out.

We have a clarification involving the number of units that go to people who are below 50 percent, and we say that applies to all units.

And finally, in response to concerns in the House, we had language that could be better worded. It was somewhat hastily added at the last minute, and I hope it will be improved as we go forward, which seeks to say that no one who is in the country illegally should be allowed to be a resident of one of these projects.

That’s the manager’s amendment.

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

Mr. NEUGEBAUER. Mr. Chairman, we have no objection to the manager’s amendment to H.R. 2895, the National Affordable Housing Trust Fund Act of 2007.

I yield back my time.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield back the balance of my time with gratitude to my colleagues.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. FRANK).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. FRANK of Massachusetts. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Massachusetts will be postponed.

AMENDMENT NO. 2 OFFERED BY MR. FRANK OF MASSACHUSETTS

The CHAIRMAN. It is now in order to consider amendment No. 2 printed in House Report 110-369.

Mr. FRANK of Massachusetts. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. FRANK of Massachusetts:

Page 53, after line 20, insert the following: “(F) use of funds to facilitate affordability for families having incomes described in section 296(c)(3), in a combined amount for a grantee in any fiscal year not to exceed 10 percent of the aggregate Trust Fund grant amounts provided to the grantee for such fiscal year, for project operating accounts used to cover net operating income shortfalls for dwelling units assisted with Trust Fund grant amounts;”.

Page 53, line 21, strike “(F)” and insert “(G)”.

Page 54, line 4, strike “(G)” and insert “(H)”.

The CHAIRMAN. Pursuant to House Resolution 720, the gentleman from

Massachusetts (Mr. FRANK) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, the gentlewoman from California, in consultation with a number of groups, put this forward, and it’s to give more flexibility to the recipients.

I yield to the gentlewoman from California who will explain the amendment.

Ms. WATERS. Mr. Chairman, I rise in support of this amendment.

Chairman FRANK, I applaud you for your willingness to modify the trust fund proposal as it has moved through this Chamber to reflect the realities of the housing market while simultaneously keeping your eye on the prize, a significant increase in the production of affordable housing for the very poorest Americans. This amendment continues to maintain such a balance.

Let me share some simple math with my colleagues. The monthly SSI payment in California is \$836. As the Brooke amendment established, the Federal Government considers an affordable rent to be 30 percent of that income, or \$250 per month. Nobody can operate housing anywhere in California, much less in high-cost areas like Los Angeles, for \$250 per unit monthly. It doesn’t matter whether you’re a nonprofit or for-profit or whether you have significant debt service on loans for the capital, or if someone has just handed you a brand new building for free. As the green eye shade types in the real estate business say, it just “doesn’t pencil out.”

This need to address the operating cost shortfall in projects targeted to the lowest income folks, especially those at SSI income levels and below, is not news to those of us who have been fighting for a national affordable housing trust fund for over half a decade. Nor, to be clear, does it suggest that there’s any shortage of need for plain old low-cost bricks and sticks capital grants which will comprise the vast majority of funding under H.R. 2895, even if this amendment is adopted. What has become clear, though, is that the State and local housing agencies need some flexibility with the trust fund dollars to address the operating shortfall issue in order for the trust fund to generate the greatest number of new units for the poorest, most disabled residents of trust fund projects.

Critically, neither this amendment nor the underlying bill discourages grantees from seeking other sources of operating subsidies or rental assistance. Indeed, it requires as much. Even the full 10 percent of the trust fund in a given year, should States and localities choose to use the maximum permitted to operate accounts, will not come close to providing the total amount of operating subsidy needed to achieve the trust fund’s targeting goals. So grantees like my own California Housing Finance Agency or Los

Angeles City Housing Department will have no choice but to leverage trust funds with section 8, McKinney-Vento subsidies and State or local rental assistance programs.

But this flexibility will ensure that some projects can move forward that otherwise could not in the current environment, where section 8, for example, has been under attack since the moment the trust fund movement began. That is the essence of the trust fund bill that you have championed, Chairman FRANK, recognizing and overcoming the obstacles to affordable housing production for the poorest people in this country. This amendment is wholly consistent with that goal, and I urge my colleagues to support that.

Mr. FRANK of Massachusetts. Mr. Chairman, I reserve the balance of my time.

Mr. NEUGEBAUER. Mr. Chairman, I do not oppose this amendment. I think some of us had a concern early on that converting any of these monies to operating monies was a precedent we didn't want to move down. I think the purpose of the bill is to build housing. Although I believe this does help some of our very low income families, we would hope that they would not have to use any of that allocation for that. But this amendment does give them the flexibility to do that, and so we will support this amendment.

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

Mr. FRANK of Massachusetts. I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. FRANK).

The amendment was agreed to.

AMENDMENT NO. 3 OFFERED BY MR. HASTINGS OF FLORIDA

The CHAIRMAN. It is now in order to consider amendment No. 3 printed in House Report 110-369.

Mr. HASTINGS of Florida. Mr. Chairman, I have an amendment at the desk.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. HASTINGS of Florida:

Page 45, line 20, before the semicolon insert the following: "and includes counseling regarding financial literacy, strategies to save money, qualifying for a mortgage loan, methods to avoid predatory lenders and foreclosure, and, where appropriate by region, any requirements and costs associated with obtaining flood or other disaster-specific insurance coverage".

The CHAIRMAN. Pursuant to House Resolution 720, the gentleman from Florida (Mr. HASTINGS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Florida.

Mr. HASTINGS of Florida. Mr. Chairman, I rise today to offer an amendment to H.R. 2895. I commend Chairman FRANK and Subcommittee Chairwoman WATERS and the full committee for their work on this legislation, and

particularly the work of Ranking Members BACHUS and BIGGERT as well as those that I have complimented.

The purpose of my amendment is to include flood and disaster specific insurance counseling in the home ownership counseling criteria for beneficiaries of the trust fund.

I know that we're all concerned about the current instability in the housing market, and increasing foreclosure rates around this country, and especially in places like where I live. One of every 50 households in my congressional district have filed for foreclosure already this year. All of us know that that's unacceptable.

Mr. Chairman, the unfortunate truth is that many of these foreclosures have come from a lack of financial literacy and limited understanding of all the costs associated with owning a home. In many regions of our Nation more prone to disasters, appropriate insurance is one of many added costs of homeownership that can push people to the edge.

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And when you are on the edge, staying in your home or returning to your home after a disaster rests on having the right insurance.

I don't even need to point out to the Members the tragedies of withheld insurance from many of the victims in Hurricane Katrina. Knowledge of the specifics and nuances in disaster and flood insurance policies will encourage further financial empowerment and homeownership stability among our Nation's most vulnerable populations.

I urge Members to support the amendment.

Mr. Chairman, my amendment reflects homeownership counseling criteria which I initially included in the Workforce Housing Act of 2006, a bill which I introduced last year.

While my legislation from the 109th Congress focused on developing mortgage down-payment accounts and other development incentives, local and state housing trust funds have also been very effective in providing access to affordable housing. I applaud the approach of the National Affordable Housing Trust Fund Act of 2007, which will take these local successes even further.

Once again, I commend my friends Chairman FRANK and Chairwoman WATERS for shepherding this legislation to the floor and considering my contribution to their fine work.

I urge my colleagues to support this amendment and reserve the balance of my time.

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

Mr. NEUGEBAUER. Mr. Chairman, I rise to claim the time in opposition, although I am not opposed to the amendment.

The CHAIRMAN. Without objection, the gentleman from Texas is recognized for 5 minutes.

There was no objection.

Mr. NEUGEBAUER. Mr. Chairman, I think anytime that we can make sure that our people involved in housing, homeowners, renters, everybody, has the appropriate counseling is a good

strategy, because in many cases what we find is people lose their assets or lose opportunities because they did not take advantage of some of the things that are available to them.

So I thank the gentleman from Florida for introducing that amendment. We support his amendment.

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

Mr. HASTINGS of Florida. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. HASTINGS).

The amendment was agreed to.

AMENDMENT NO. 4 OFFERED BY MR. FRANK OF MASSACHUSETTS

The CHAIRMAN. It is now in order to consider amendment No. 4 printed in House Report 110-369.

Mr. FRANK of Massachusetts. Mr. Chairman, as the designee of the gentleman from Washington (Mr. INSLEE), I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. FRANK of Massachusetts:

Page 29, line 16, strike "and".

Page 29, line 24, strike the period and insert ";" and".

Page 29, after line 24, insert the following:

"(xvi) the extent to which the design, construction, and operation of the housing assisted with grant amounts reduces utility costs for residents and thereby reduces their total housing cost".

The CHAIRMAN. Pursuant to House Resolution 720, the gentleman from Massachusetts (Mr. FRANK) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, the gentleman from Washington has been a strong advocate of energy efficiency and reducing excess energy costs. He approached the committee and argued that it would be very useful to have in the bill the language of this amendment, which says that you will take into account, in making the grants, the extent to which the money would reduce utility costs for residents. This would, of course, have the dual advantage of making it less expensive for these low-income residents and also conserving energy. So it seemed to us an entirely reasonable approach, and I was glad to tell the gentleman from Washington that I agree with him and, in fact, to serve as his designee in offering it.

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

Mr. NEUGEBAUER. Mr. Chairman, I rise to claim the time in opposition, although I am not opposed to the amendment.

The Acting CHAIRMAN (Mr. Ross). Without objection, the gentleman is recognized for 5 minutes.

There was no objection.

Mr. NEUGEBAUER. Mr. Chairman, certainly I think that anytime we are

going to be investing Federal dollars in any housing in the future, we need to make the sure the houses are as energy efficient as they possibly can be. And as I understand the gentleman's amendment, this would be about making sure, in consideration for granting funds for that, that the construction, the design, all of the phases of creating housing in this country would take into account the utility costs and, hopefully, the overall operating costs of those projects.

So with that, we support the amendment.

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

Mr. FRANK of Massachusetts. Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. FRANK).

The amendment was agreed to.

AMENDMENT NO. 5 OFFERED BY MR. FRANK OF MASSACHUSETTS

The Acting CHAIRMAN. It is now in order to consider amendment No. 5 printed in House Report 110-369.

Mr. FRANK of Massachusetts. Mr. Chairman, as the designee of the gentlewoman from California (Ms. WOOLSEY), I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Mr. FRANK of Massachusetts:

Page 30, after line 4, insert the following:

“(3) USE FOR FIRST RESPONDERS AND TEACHERS.—To the extent that Trust Fund grant amounts of a grantee are made available for eligible activities involving one- to four-family owner-occupied housing, the grantee may give preference in the use of such grant amounts to eligible activities relating to affordable housing for first responders, public safety officers, teachers, and other public employees who have family incomes such that such use of the grant amounts complies with the requirements under section 296(c).”.

Page 30, line 5, strike “(3)” and insert “(4)”.

The Acting CHAIRMAN. Pursuant to House Resolution 720, the gentleman from Massachusetts (Mr. FRANK) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, the gentlewoman from California, representing a high-cost area, Marin County, especially, in California, confronts the problem that many others confront, but she has it particularly in her district where workers in a municipality can't afford to live in the city in which they work.

So what her amendment does is to propose that with one- to four-family owner-occupied housing, the grantees who receive this money can give preference to public safety officers, teachers, et cetera.

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

Mr. NEUGEBAUER. Mr. Chairman, I rise to claim the time in opposition, although I am not opposed to the amendment.

The Acting CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Acting CHAIRMAN. The gentleman from Texas is recognized for 5 minutes.

Mr. NEUGEBAUER. Mr. Chairman, I want to agree with the chairman of the full committee that we do need to make sure that our first responders and teachers and people that we rely on to serve our communities be able to live in the communities that they are working in.

I think this is a good amendment, and we are not opposed to the amendment.

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

Mr. FRANK of Massachusetts. Mr. Chairman, I yield the balance of my time to the gentlewoman from California (Ms. WOOLSEY) so that she can speak for herself.

The Acting CHAIRMAN. Without objection, the gentlewoman from California will control the balance of time of the gentleman from Massachusetts (Mr. FRANK).

There was no objection.

Ms. WOOLSEY. Mr. Chairman, the amendment I offer today simply says that the organizations receiving grant money from the trust fund may give consideration to first responders, public safety officers, teachers, other public employees whose incomes have kept them from living in the communities that they serve.

Mr. Chairman, I represent a district where the median income is higher than some others and so is the price of housing. Sometimes public service employees actually require that workers live within a certain distance from their job, and it's simply unfair that when home prices put affordable housing out of reach for these workers, then they cannot participate in that career.

The amendment would not only affect high-cost areas but would benefit every single county or city in our country where public service employees have trouble finding housing.

If these employees meet the income requirements of the bill, grantees would be able to give consideration to them and to their contributions to our communities.

Mr. Chairman, it is time we stand up for these employees. It is time we let them know that we welcome them in our communities.

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

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. FRANK).

The amendment was agreed to.

AMENDMENT NO. 6 OFFERED BY MR. FRANK OF MASSACHUSETTS

The Acting CHAIRMAN. It is now in order to consider amendment No. 6 printed in House Report 110-369.

Mr. FRANK of Massachusetts. Mr. Chairman, as the designee of the gentleman from Rhode Island (Mr. LANGEVIN), I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 offered by Mr. FRANK of Massachusetts:

Page 52, after line 15, insert the following:

“(c) GREEN HOUSING CLEARINGHOUSE.—

“(1) ESTABLISHMENT.—The Secretary shall establish a clearinghouse of information relating to green building techniques to provide grantees and recipients of Trust Fund amounts information regarding use of Trust Fund grant amounts in a manner that increases the efficiency of buildings and their use of energy, water, and materials, and reducing building impacts on human health and the environment, through better siting, design, construction, operation, maintenance, and removal, including information regarding best practices and technical recommendations.

“(2) ACCESS THROUGH INTERNET.—The Secretary shall make the information of the clearinghouse available by means of the Internet.”.

Page 51, line 9, strike “and”.

Page 51, line 14, strike the period and insert “; and”.

Page 51, after line 14, insert the following:

“(III) certifies the number of total dwelling units of affordable housing that were constructed, preserved, or rehabilitated during such fiscal year with assistance from Trust Funds grant amounts of the grantee comply with widely accepted standards for green building.”.

The Acting CHAIRMAN. Pursuant to House Resolution 720, the gentleman from Massachusetts (Mr. FRANK) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, we have in our committee been working hard to try to incorporate pro-environmental, energy-saving measures, measures that would reduce global warming. And this is an amendment offered by the gentleman from Rhode Island that is very much in tune with this.

Mr. Chairman, for further elaboration, I yield 2½ minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Chairman, I appreciate the gentleman's courtesy, and I appreciate his leadership in guiding the committee to deal with issues of affordable housing, the crisis that plagues our country dealing with the mortgage crisis.

If we are serious about providing affordable housing for families, then we need to be serious about building that housing in a sustainable fashion. Energy costs are increasing much faster than family incomes. Green homes are often 30 percent more energy efficient; that can cut utility costs by hundreds of dollars a year from the outset and an amount that is going to compound over time. We need to do well by our environment but we also need to save families' hard-earned money.

There is also strong evidence that green homes are also healthier homes. More than 4 million American children have asthma, and it is estimated that had more than 40 percent of diagnosed asthma is due to residential exposure. Green homes use building practices and materials that minimize moisture, that provide proper ventilation, that prevent infestation and avoid toxic materials.

I had the opportunity last night in Portland, OR, to be part of a celebration for our Oregon's architectural foundation, and these folks are zeroing in on practices that make a difference and add value. Many of the advantages of "going green" are based on people just having the fundamental information. There is a great deal of misinformation.

This amendment would provide a "green housing clearinghouse" that will provide fundamental information for people who are involved with the industry. It requires grantees to self-certify how many of the total units they build with the grants were green. This will help keep the grantees accountable. It gives HUD important information on how many affordable housing units are, in fact, green. And I think it's going to be an important step, low cost, high impact, that is going to promote the housing in this arena to be of the highest quality and most sustainable practices.

I strongly urge adoption of the amendment.

Mr. NEUGEBAUER. Mr. Chairman, I rise to claim the time in opposition, although I am not opposed to the amendment.

The Acting CHAIRMAN. Without objection, the gentleman from Texas is recognized for 5 minutes.

There was no objection.

Mr. NEUGEBAUER. Mr. Chairman, I would just say, again, I think we want to make sure that any new housing that's done is energy efficient and also meets as many green criteria.

One of the things I would encourage and would hope that the chairman would work with me in is in the final version of this bill I would hope that, once we conference that, the National Association of Home Builders has been involved in green building for a number of years and has set up a lot of information.

So one of the things that you and I have talked about is we want to try to make this money go as far as we possibly can and avoid as much duplication as we can.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. NEUGEBAUER. I would be glad to yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, the gentleman is absolutely right. And that same issue, as he knows, is arising in the context of our work on HOPE VI. We want to do the green building standards. We want to do them in a way that will be sensible and reasonable.

Let's be very clear. There aren't enough law enforcement people in the world to make this work if there isn't a willingness on the part of those involved to do it. If people think it is too rigid or inflexible, it's just not going to work as well. I think we have a wide willingness now on the part of the homebuilders and others to be participating in this.

And, yes, we will make this very much a collaborative enterprise. Of course if the gentleman's substitute were to pass, it wouldn't be relevant. But in case it didn't, we will work together.

Mr. NEUGEBAUER. Thank you.

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

Mr. FRANK of Massachusetts. Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. FRANK).

The amendment was agreed to.

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AMENDMENT NO. 7 OFFERED BY MR. FRANK OF MASSACHUSETTS

The Acting CHAIRMAN. It is now in order to consider amendment No. 7 printed in House Report 110-369.

Mr. FRANK of Massachusetts. Mr. Chairman, as the designee of the gentleman from Maryland (Mr. VAN HOLLEN), I offer the amendment that is now in order.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 Offered by Mr. FRANK of Massachusetts:

Page 24, line 24, strike "and".

Page 25, line 15, strike the period and insert ";" and".

Page 25, after line 15, insert the following:

"(C) in the case of any recipient who has received assistance from Trust Fund grant amounts in any previous fiscal year, a report on the progress made in carrying out the eligible activities funded with such previous assistance."

The Acting CHAIRMAN. Pursuant to House Resolution 720, the gentleman from Massachusetts (Mr. FRANK) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, this is a very reasonable and thoughtful amendment from the gentleman from Maryland. What it says is that we hope this program is established, we hope that there will be entities that will be repeat applicants. We just want to make explicit that if people have gotten a grant and now come back for another one, they be very explicit about what they have done with it.

It is, I think, a very useful kind of oversight that's built into the program. It may seem obvious, but we sometimes read about people getting renewed programs when they haven't done a very good job in the last one.

This won't make that absolutely impossible, but it will make it less likely. I think it is a very useful amendment by the gentleman from Maryland, and I hope it's adopted.

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

Mr. NEUGEBAUER. Mr. Chairman, I seek the time in opposition, although I am not opposed to the amendment.

The Acting CHAIRMAN. Without objection, the gentleman from Texas is recognized for 5 minutes.

There was no objection.

Mr. NEUGEBAUER. Mr. Chairman, I think this is a very good amendment. Accountability in any government program is always welcome, and I thank the gentleman for offering this.

We need to make sure that, as we are passing out these monies, we want them to go as far as they can, we want them to go to people that can actually deliver what they said in their grant proposals and in their quest in their housing proposals, and so I support it.

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

Mr. FRANK of Massachusetts. Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. FRANK).

The amendment was agreed to.

AMENDMENT NO. 8 OFFERED BY MR. NEUGEBAUER

The Acting CHAIRMAN. It is now in order to consider amendment No. 8 printed in House Report 110-369.

Mr. NEUGEBAUER. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 8 offered by Mr. NEUGEBAUER:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Affordable Housing Grant Act of 2007".

SEC. 2. NATIONAL AFFORDABLE HOUSING GRANTS.

(a) IN GENERAL.—Title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721 et seq.) is amended by adding at the end the following new subtitle:

Subtitle G—National Affordable Housing Grant Program

SEC. 291. PURPOSES.

"The purposes of this subtitle are—

"(1) to address the national shortage of housing that is affordable to low-income families by making grants to finance additional housing activities, without supplanting existing housing appropriations;

"(2) to enable rental housing to be built, for families with the greatest economic need, in mixed-income settings and in areas with the greatest economic opportunities;

"(3) to promote ownership of one-to-four family owner-occupied housing by low-income families; and

"(4) to construct, rehabilitate, and preserve at least 750,000 affordable dwelling units over the next decade.

SEC. 292. GRANT AUTHORITY.

"(a) IN GENERAL.—To the extent that amounts are made available to carry out this

subtitle, the Secretary of Housing and Urban Development may make grants to participating jurisdictions in accordance with this subtitle.

“(b) FEDERAL ASSISTANCE.—All assistance provided under this subtitle shall be considered to be Federal financial assistance.

“(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for grants under this title such sums as may be necessary for each of fiscal years 2008 through 2012.

“SEC. 293. ALLOCATIONS FOR STATES, INDIAN TRIBES, INSULAR AREAS, AND PARTICIPATING LOCAL JURISDICTIONS.

“For fiscal year 2008 and for each fiscal year thereafter, of the total amount available for assistance under this subtitle, the Secretary shall allocate for use under section 294—

“(1) 40 percent for States, Indian tribes, and insular areas; and

“(2) 60 percent for participating local jurisdictions.

“SEC. 294. GRANT ASSISTANCE.

“(a) AFFORDABLE HOUSING NEEDS FORMULA.—

“(1) ESTABLISHMENT AND FACTORS.—The Secretary shall establish a formula to allocate amounts made available for a fiscal year for assistance under this subtitle among States, all Indian tribes, insular areas, and participating local jurisdictions based on the relative needs of such entities, for funds to increase the supply of decent quality affordable housing. The formula shall be based upon a comparison of the following factors with respect to each State, Indian tribes, each insular area, and each participating local jurisdiction:

“(A) The ratio of the population of the State, Indian tribes, insular area, or participating local jurisdiction, to the aggregate population of all States, Indian tribes, insular areas, and participating local jurisdictions..

“(B) The percentage of families in the jurisdiction of the State, of Indian tribes, or of the insular area or participating local jurisdiction that live in substandard housing.

“(C) The percentage of families in the jurisdiction of the State, of Indian tribes, or of the insular area or that pay more than 50 percent of their annual income for housing costs.

“(D) The percentage of persons in the jurisdiction of the State, of Indian tribes, or of the insular area or participating local jurisdiction having an income at or below the poverty line.

“(E) The cost of constructing or carrying out rehabilitation of housing in the jurisdiction of the State, of Indian tribes, or of the insular area or participating local jurisdiction.

“(F) The percentage of the population of the State, of Indian tribes, or of the insular area or participating local jurisdiction that resides in counties having extremely low vacancy rates.

“(G) The percentage of housing stock in the jurisdiction of the State, of Indian tribes, or of the insular area or participating local jurisdiction that is extremely old housing.

“(H) Any other factors that the Secretary determines to be appropriate.

“(2) FAILURE TO ESTABLISH.—Until such time as the Secretary publishes a notice in the Federal Register implementing regulations establishing the formula required under paragraph (1) of this subsection, for the purpose of allocating assistance under this subtitle—

“(A) section 293, paragraphs (2) and (3) of subsection (b) of this section, and subsection (c) of this section shall not apply;

“(B) the allocation for Indian tribes shall be such amount as the Secretary shall establish; and

“(C) the formula amount for each State, insular area, or participating local jurisdiction shall be determined by applying, for such State, insular area, or participating local jurisdiction, the percentage that is equal to the percentage of the total amounts made available for such fiscal year for allocation under subtitle A of this title (42 U.S.C. 12741 et seq.) that are allocated in such year, pursuant to such subtitle, to such State, insular area, or participating local jurisdiction, respectively, and the allocation for each State, insular area, or participating local jurisdiction, for purposes of subsection (d) shall be the formula amount for the State, insular area, or participating local jurisdiction, respectively.

“(b) FORMULA AMOUNT.—

“(1) IN GENERAL.—For each fiscal year referred to in section 293, the Secretary shall determine the formula amount under this subsection for each State, for Indian tribes, for each insular area, and for each participating local jurisdiction.

“(2) STATES, INDIAN TRIBES, AND INSULAR AREAS.—The formula amount for each State, for Indian tribes, and for each insular area shall be the amount determined for such State, for Indian tribes, or for such insular area by applying the formula under subsection (a) of this section to the total amount allocated under section 293(1) for all States, Indian tribes, and insular areas for the fiscal year.

“(3) PARTICIPATING LOCAL JURISDICTIONS.—The formula amount for each participating local jurisdiction shall be the amount determined for such participating local jurisdiction by applying the formula under subsection (a) of this section to the total amount allocated under section 293(2) for all participating local jurisdictions for the fiscal year.

“(4) NOTICE.—For each fiscal year referred to in section 293, not later than 60 days after the date that the Secretary determines the total amount available for such fiscal year pursuant to section 292(c) for assistance under this subtitle, the Secretary shall cause to be published in the Federal Register a notice that such amounts shall be so available.

“(c) ALLOCATION BASED ON AFFORDABLE HOUSING NEEDS FORMULA.—The allocation under this subsection for a State, for Indian tribes, for an insular area, or for a participating local jurisdiction for a fiscal year shall be determined as follows:

“(1) STATES.—The allocation for a State shall be as follows:

“(A) MINIMUM AMOUNT.—If the formula amount determined under subsection (b)(2) for the State for the fiscal year is less than 1 percent of the total amount allocated for such fiscal year under section 293(1), the allocation for the State shall be 1 percent of the total amount allocated for such fiscal year under section 293(1).

“(B) FORMULA AMOUNT.—If the formula amount determined under subsection (b)(2) for the State for the fiscal year is 1 percent or more of the total amount allocated for such fiscal year under section 293(1), the allocation for the State shall be the formula amount for the State, except that the Secretary shall reduce such formula amounts for all States whose allocations are determined under this subparagraph on a pro rata basis by the amount necessary to account for any increases from the formula amount for allocations made under subparagraph (A) so that the total of the allocations for all States pursuant to this paragraph is equal to the aggregate of the formula amounts under subsection (b)(2) for all States.

“(2) INDIAN TRIBES AND INSULAR AREAS.—The allocation for Indian tribes and for each insular area shall be the formula amount for Indian tribes or for the insular area, respectively, determined under subsection (b), as applicable.

“(3) PARTICIPATING LOCAL JURISDICTIONS.—The allocation for each participating local jurisdiction shall be the formula amount for the unit determined under subsection (b).

“(d) GRANT AWARDS.—For each fiscal year referred to in section 293, using the amounts made available to the Secretary for assistance under this subtitle for such fiscal year, the Secretary shall, subject to subsection (e), make a grant to each State, insular area, and participating local jurisdiction in the amount of the allocation under subsection (a)(2) or (c), as applicable, for the State, area, or jurisdiction, respectively.

“(e) MATCHING REQUIREMENT.—

“(1) IN GENERAL.—Each participating jurisdiction for a program year shall contribute to eligible activities funded with grant amounts under this subtitle, or require the contribution to such eligible activities by recipients of such grant amounts of, in addition to any such grant amounts, one dollar for every four dollars of such grant amounts.

“(2) REDUCTION OR WAIVER FOR RECIPIENTS IN FISCAL DISTRESS.—The Secretary may reduce or waive the requirement under paragraph (1) with respect to any participating jurisdiction that the Secretary determines, pursuant to such demonstration by the recipient as the Secretary shall require, is in fiscal distress. The Secretary shall make determinations regarding fiscal distress for purposes of this paragraph in the same manner, and according to the same criteria, as fiscal distress is determined with respect to jurisdictions under section 220(d) (42 U.S.C. 12750(d)).

“(3) QUALIFICATION OF SERVICES FUNDING FOR MATCH.—For purposes of meeting the requirements of paragraph (1), amounts that a participating jurisdiction, recipient, or other governmental or private agency or entity commits to contribute to provide services to residents of affordable housing provided using grant amounts under this subtitle, by entering into a binding commitment for such contribution as the Secretary shall require, shall be considered contributions to eligible activities.

“(4) REDUCTION OR WAIVER FOR CERTAIN ACTIVITIES.—With respect to grant amounts under this subtitle made available for a fiscal year, the Secretary shall reduce or waive the amount of contributions otherwise required under paragraph (1) to be made with respect to eligible activities to be carried out with such grant amounts and for which any variance from zoning laws or other waiver of regulatory requirements was approved by the local jurisdiction. Such reduction may be implemented in the year following the year in which such activities are funded with grant amounts under this subtitle.

“(5) WAIVER FOR DISASTER AREAS.—In the case of any area that is subject to a declaration by the President of a major disaster or emergency under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121), the Secretary shall, for the fiscal year following such declaration, waive the requirement under paragraph (1) with respect to any eligible activities to be carried out in such area.

“(f) COMPETITIVE GRANTS FOR INDIAN TRIBES.—For each fiscal year referred to in section 293, the Secretary shall, using amounts allocated for Indian tribes pursuant to subsection (a)(2)(B) or (c)(2), as applicable, and subject to subsection (e), make grants to Indian tribes on a competitive basis, based

upon such criteria as the Secretary shall establish, which shall include the factors specified in section 295(c)(2)(B).

“(g) USE BY STATE OF UNUSED FUNDS OF LOCAL JURISDICTIONS.—If any participating local jurisdiction for which an allocation is made for a fiscal year pursuant to this section notifies the Secretary of an intent not to use all or part of such funds, any such funds that will not be used by the jurisdiction shall be added to the grant award under subsection (d) for the State in which such jurisdiction is located.

“(h) COMPETITIVE GRANTS FOR AREAS WITHOUT ALLOCATION PLANS AND RECIPIENTS WITH INSUFFICIENT MATCHING CONTRIBUTIONS.—

“(1) AVAILABLE AMOUNTS.—For a fiscal year, the following amounts shall be available for grants under this subsection:

“(A) ALLOCATION FOR AREAS NOT SUBMITTING ALLOCATION PLANS.—With respect to each State, insular area, or participating local jurisdiction that has not, before the expiration of the 12-month period beginning upon the date of the publication of the notice of funding availability for such fiscal year under subsection (b)(4), submitted to and had approved by the Secretary an allocation plan for such fiscal year meeting the requirements of section 295, the amount of the allocation for such State, insular area, or participating local jurisdiction for such fiscal year determined under this section.

“(B) UNMATCHED PORTION OF ALLOCATION.—With respect to any participating jurisdiction for which the grant amount awarded under this subtitle for such fiscal year is reduced from the amount of the allocation determined under this section for the participating jurisdiction by reason of failure to comply with the requirements under subsection (e), the amount by which such allocation for the participating jurisdiction for the fiscal year exceeds the grant amount for the participating jurisdiction for the fiscal year.

“(C) UNUSED AMOUNTS.—Any grant amounts under this subtitle for which the participating jurisdiction notifies the Secretary that such funds will not be used under this subtitle.

“(2) NOTICE.—For each fiscal year, not later than 60 days after the date that the Secretary determines that the amounts described in paragraph (1) shall be available for grants under this subsection, the Secretary shall cause to be published in the Federal Register a notice that such amounts shall be so available.

“(3) APPLICATIONS.—The Secretary shall provide for nonprofit and public entities (and consortia thereof, which may include regional consortia of units of local government) to submit applications, during the 9-month period beginning upon publication of a notice of funding availability under paragraph (2) for a fiscal year, for a grant of all or a portion of the amounts referred to in paragraph (1) for such fiscal year. Such an application shall include a certification that the applicant will comply with all requirements of this subtitle applicable to a participating jurisdiction under this subsection.

“(4) SELECTION CRITERIA.—The Secretary shall, by regulation, establish criteria for selecting applicants that meet the requirements of paragraph (3) for funding under this subsection. Such criteria shall give priority to applications that provide that grant amounts under this subsection will be used for eligible activities relating to affordable housing that is located in the State or insular area, as applicable, for which such grant funds were originally allocated under this section.

“(5) AWARD AND USE OF GRANT ASSISTANCE.—

“(A) AWARD.—Subject only to the absence of applications meeting the requirements of

paragraph (3), upon the expiration of the period referred to in such paragraph, the Secretary shall select an applicant or applicants under this subsection to receive the amounts available under paragraph (1) and shall make a grant or grants to such applicant or applicants. The selection shall be based upon the criteria established under paragraph (4).

“(B) USE.—Amounts from a grant under this subsection shall be grant amounts for purposes of this subtitle.

“SEC. 295. STATE ALLOCATION PLANS.

“(a) IN GENERAL.—Each State shall establish, in consultation with participating local jurisdictions within the State, an allocation plan in accordance with this section for the distribution grant amounts provided under this subtitle to the State and the participating local jurisdictions. The plan shall—

“(1) provide for use of such amounts in accordance with section 296;

“(2) be based on priority needs within the State; and

“(3) be consistent with the comprehensive housing affordability strategy under section 105 (42 U.S.C. 12705).

“(b) ESTABLISHMENT.—In establishing an allocation plan, after consultation with participating local jurisdictions, the State shall notify the public of the establishment of the plan, provide an opportunity for public comments regarding the plan, consider any public comments received, and make the completed plan available to the public.

“(c) CONTENTS.—Each allocation plan of a State described in subsection (a) shall comply with the following requirements:

“(1) APPLICATION REQUIREMENTS FOR ELIGIBLE RECIPIENTS.—The allocation plan shall set forth the requirements for eligible recipients to apply to the State to receive assistance from grant amounts under this subtitle of the State or participating local jurisdiction for use for eligible activities, including a requirement that each such application include—

“(A) a description of the eligible activities to be conducted using such assistance; and

“(B) a certification by the eligible recipient applying for such assistance that any housing assisted with such grant amounts will comply with—

“(i) all of the requirements under this subtitle, including the targeting requirements under section 296(c) and the affordable housing requirements under section 297;

“(ii) section 808(d) of the Fair Housing Act (relating to the obligation to affirmatively further fair housing); and

“(iii) section 504 of the Rehabilitation Act of 1973 (relating to prohibition of discrimination on the basis of disability).

“(2) SELECTION PROCESS AND CRITERIA FOR ASSISTANCE.—

“(A) SELECTION PROCESS.—The allocation plan shall set forth a process for the State to select eligible activities meeting the State's priority housing needs for funding with grant amounts under this subtitle of the State and local governments, which shall comply with requirements for such process as the Secretary shall, by regulation, establish.

“(B) SELECTION CRITERIA.—The allocation plan shall set forth the factors for consideration in selecting among applicants that meet the application requirements established pursuant to paragraph (1), which shall provide for geographic diversity among eligible activities to be assisted with grant amounts of the State or participating local jurisdictions, and shall include—

“(i) the merits of the proposed eligible activity of the applicant, including the extent to which the activity addresses housing needs identified in the allocation plan of the participating jurisdiction and the applicable

comprehensive housing affordability strategy or consolidated submission referred to in subsection (a)(3);

“(ii) the ability of the applicant to obligate grant amounts for the proposed eligible activities and to undertake such activities in a timely manner;

“(iii) the amount of assistance leveraged by the applicant from private and other non-Federal sources for carrying out the eligible activities to be funded with grant amounts under this subtitle, including assistance made available under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) that is devoted to the project that contains the affordable housing to be assisted with such assistance;

“(iv) the extent of local assistance that will be provided in carrying out the eligible activities, including financial assistance;

“(v) the degree to which the project in which the affordable housing will be located will have residents of various incomes;

“(vi) the extent of employment and other economic opportunities for low-income families in the area in which the housing will be located;

“(vii) the extent to which the applicant demonstrates the ability to maintain dwelling units as affordable housing through the use of assistance made available under this subtitle, assistance leveraged from non-Federal sources, assistance made available under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), State or local assistance, programs to increase tenant income, cross-subsidization, and any other resources;

“(viii) the extent to which the applicant demonstrates that the county in which the housing is to be located is experiencing an extremely low vacancy rate;

“(ix) the extent to which the percentage of the housing located in such county that is extremely old housing exceeds 35 percent;

“(x) the extent to which the housing assisted with the grant amounts will be accessible to persons with disabilities;

“(xi) the extent to which the applicant demonstrates that the affordable housing assisted with the grant amounts will be located in proximity to public transportation, job opportunities, child care, and community revitalization projects;

“(xii) the extent to which the applicant has provided that assistance from grant amounts will be used for eligible activities relating to housing located in census tracts in which the number of families having incomes less than the poverty line is less than 20 percent; and

“(xiii) the extent to which the housing assisted with grant amounts will comply with energy efficiency standards and the national Green Communities criteria checklist for residential construction that provides criteria for the design, development, and operation of affordable housing, as the Secretary shall by regulation provide.

A State may allocate a portion of funds under this section for use by such State for eligible activities pursuant to the selection process under subparagraph (A).

“(C) APPLICATIONS.—Applications for funding eligible activities from grant amounts of the local government shall be submitted to the local government, and applications received by the local government that are consistent with the priority housing needs of the local government shall be sent by the local government to the State for selection by the State in accordance with the process established by the State.

“(3) PERFORMANCE GOALS, BENCHMARKS, AND TIMETABLES.—The allocation plan shall include performance goals, benchmarks, and timetables for the participating jurisdiction

for the conducting of eligible activities with grant amounts under this subtitle that comply with requirements and standards for such goals, benchmarks, and timetables as the Secretary shall, by regulation, establish.

“(d) REVIEW AND APPROVAL BY SECRETARY.—

“(1) SUBMISSION.—A participating jurisdiction described in subsection (a) shall submit an allocation plan for the fiscal year for which the grant is made to the Secretary not later than the expiration of the 6-month period beginning upon the notice of funding availability under section 294(b)(4) for such fiscal year amounts.

“(2) REVIEW AND APPROVAL OR DISAPPROVAL.—The Secretary shall review and approve or disapprove an allocation plan not later than the expiration of the 3-month period beginning upon submission of the plan.

“(3) STANDARD FOR DISAPPROVAL.—The Secretary may disapprove an allocation plan only if the plan fails to comply with requirements of this section or section 296.

“(4) RESUBMISSION UPON DISAPPROVAL.—If the Secretary disapproves a plan, the participating jurisdiction may submit to the Secretary a revised plan for review and approval or disapproval under this subsection.

“(5) TIMING FOR FISCAL YEAR 2008.—With respect only to fiscal year 2008, the Secretary may extend each of the periods referred to in paragraphs (1) and (2), and the period referred to in section 294(h)(1)(A), by not more than 6 months.

“(e) COMPLIANCE WITH INTERNAL REVENUE CODE.—A State may combine the allocation plan and process under this section with the qualified allocation plan and process required under section 42 of the Internal Revenue Code of 1986.

“SEC. 296. USE OF ASSISTANCE BY RECIPIENTS.

“(a) DISTRIBUTION TO RECIPIENTS; USE REQUIREMENTS.—Each participating jurisdiction shall distribute grant amounts under this subtitle of the participating jurisdiction to eligible recipients for use in accordance with this section. Grant amounts under this subtitle of a participating jurisdiction may be used, or committed for use, only for eligible activities that—

“(1) are conducted in the jurisdiction of the participating jurisdiction;

“(2) in the case of a participating jurisdiction that is a State, insular area, participating local jurisdiction, or participating jurisdiction under section 294(h), comply with the allocation plan of the participating jurisdiction under section 295;

“(3) are selected for funding by the participating jurisdiction in accordance with the process and criteria for such selection established pursuant to section 295(c)(2); and

“(4) comply with the targeting requirements under subsection (c) of this section and the affordable housing requirements under section 297.

“(b) ELIGIBLE RECIPIENTS.—Grant amounts under this subtitle of a participating jurisdiction may be provided only to an organization, agency, or other entity (including a for-profit entity, a nonprofit entity, a faith-based organization, a community development financial institution, a community development corporation, and a State or local housing trust fund) that—

“(1) demonstrates the experience, ability, and capacity (including financial capacity) to undertake, comply, and manage the eligible activity;

“(2) demonstrates its familiarity with the requirements of any other Federal, State or local housing program that will be used in conjunction with such grant amounts to ensure compliance with all applicable requirements and regulations of such programs; and

“(3) makes such assurances to the participating jurisdiction as the Secretary shall, by

regulation, require to ensure that the recipient will comply with the requirements of this subtitle during the entire period that begins upon selection of the recipient to receive such grant amounts and ending upon the conclusion of all eligible activities that are engaged in by the recipient and funded with such grant amounts.

“(c) TARGETING REQUIREMENTS.—The targeting requirements under this subsection are as follows:

“(1) REQUIREMENT OF USE OF ALL AMOUNTS FOR AFFORDABLE HOUSING FOR LOW-INCOME FAMILIES.—All grant amounts under this subtitle of a participating jurisdiction shall be distributed for use only for eligible activities relating to affordable housing that are for the benefit only of families whose incomes do not exceed 80 percent of the greater of—

“(A) the median family income for the area in which the housing is located, as determined by the Secretary with adjustments for smaller and larger families; and

“(B) the median family income for the State or insular area in which the housing is located, as determined by the Secretary with adjustments for smaller and larger families.

“(2) USE OF 75 PERCENT FOR AFFORDABLE HOUSING FOR EXTREMELY LOW-INCOME FAMILIES.—Not less than 75 percent of the grant amounts under this subtitle of a participating jurisdiction for each fiscal year shall be used only for eligible activities relating to affordable housing that are for the benefit only of families whose incomes do not exceed the higher of—

“(A) 30 percent of the median family income for the area in which the housing is located, as determined by the Secretary with adjustments for smaller and larger families; and

“(B) the poverty line (as such term is defined in section 673 of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902), including any revision required by such section) applicable to a family of the size involved.

“(3) USE OF 30 PERCENT FOR AFFORDABLE HOUSING FOR VERY POOR FAMILIES.—Not less than 30 percent of the grant amounts under this subtitle of a participating jurisdiction for each fiscal year shall be used only for eligible activities relating to affordable housing that are for the benefit only of families whose incomes do not exceed the maximum amount of income that an individual or family could have, taking into consideration any income disregards, and remain eligible for benefits under the Supplemental Security Income program under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.).

“(d) USE FOR RURAL AREAS.—Of the grant amounts under this subtitle for any fiscal year for any participating jurisdiction that is a State or participating jurisdiction that includes any rural areas, the State or participating jurisdiction shall use a portion for eligible activities located in rural areas that is proportionate to the identified need for such activities in such rural areas.

“(e) COST LIMITS.—The Secretary shall establish limitations on the amount of grant amounts under this subtitle that may be used, on a per unit basis, for eligible activities. Such limitations shall be the same as the per unit cost limits established pursuant to section 212(e) (42 U.S.C. 12742(e)), as adjusted annually, and established by number of bedrooms, market area, and eligible activity.

“(f) FORMS OF ASSISTANCE.—

“(1) IN GENERAL.—Assistance may be distributed pursuant to this section in the form of—

“(A) capital grants, noninterest-bearing or low-interest loans or advances, deferred payment loans, guarantees, and loan loss reserves;

“(B) in the case of assistance for ownership of one- to four-family owner-occupied housing, downpayment assistance, closing cost assistance, and assistance for interest rate buy-downs; and

“(C) any other forms of assistance approved by the Secretary.

“(2) REPAYMENTS.—If a participating jurisdiction awards assistance under this section in the form of a loan or other mechanism by which funds are later repaid to the participating jurisdiction, any repayments and returns received by the participating jurisdiction shall be distributed by the participating jurisdiction in accordance with the allocation plan under section 295 for the State for the fiscal year in which such repayments are made or returns are received.

“(g) COORDINATION WITH OTHER ASSISTANCE.—In distributing assistance pursuant to this section, each participating jurisdiction shall, to the maximum extent practicable, coordinate such distribution with the provision of other Federal, State, tribal, and local housing assistance, including—

“(1) in the case of any State, housing credit dollar amounts allocated by the State under section 42(h) of the Internal Revenue Code of 1986;

“(2) assistance made available under subtitles A through F (42 U.S.C. 12721 et seq.) or the community development block grant program under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.);

“(3) private activity bonds;

“(4) assistance made available under section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g);

“(5) assistance made available under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o));

“(6) assistance made available under title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.);

“(7) assistance made available under section 101 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111);

“(8) assistance made available from any State or local housing trust fund established to provide or assist in making available affordable housing; and

“(9) any other housing assistance programs.

“(h) PROHIBITED USES.—The Secretary shall—

“(1) by regulation, set forth prohibited uses of grant amounts under this subtitle, which shall include use for—

“(A) political activities;

“(B) advocacy;

“(C) lobbying, whether directly or through other parties;

“(D) counseling services;

“(E) travel expenses; and

“(F) preparing or providing advice on tax returns;

“(2) by regulation, provide that, except as provided in paragraph (3), grant amounts under this subtitle may not be used for administrative, outreach, or other costs of—

“(A) a participating jurisdiction; or

“(B) any recipient of such grant amounts; and

“(3) by regulation, limit the amount of any grant amounts under this subtitle for a fiscal year that may be used for administrative costs of the participating jurisdiction of carrying out the program required under this subtitle to a percentage of such grant amounts of the participating jurisdiction for such fiscal year, which may not exceed 10 percent.

“(i) LABOR STANDARDS.—Each participating jurisdiction receiving grant amounts under this subtitle shall ensure that contracts for eligible activities assisted with

such amounts comply with the same requirements under section 286 (42 U.S.C. 12836) that are applicable to contracts for construction of affordable housing assisted under such Act.

“(j) COMPLIANCE WITH OTHER FEDERAL LAWS.—All amounts made available for use under this subtitle shall be allocated in accordance with, and any eligible activities carried out in whole or in part with grant amounts under this subtitle (including housing provided with such grant amounts) shall comply with and be operated in compliance with, other applicable provisions of Federal law, including—

“(1) laws relating to tenant protections and tenant rights to participate in decision making regarding their residences;

“(2) laws requiring public participation, including laws relating to Consolidated Plans, Qualified Allocation Plans, and Public Housing Agency Plans; and

“(3) fair housing laws and laws regarding accessibility in federally assisted housing, including section 504 of the Rehabilitation Act of 1973.

“SEC. 297. AFFORDABLE HOUSING.

“(a) RENTAL HOUSING.—A rental dwelling unit (which may include a dwelling unit in limited equity cooperative housing, as such term is defined in section 143(k) of the Internal Revenue Code of 1986 (26 U.S.C. 143(k)) or in housing of a cooperative housing corporation, as such term is defined in section 216(b) of the Internal Revenue Code of 1986 (26 U.S.A. 216(b))), shall be considered affordable housing for purposes of this subtitle only if the dwelling unit is subject to legally binding commitments that ensure that the dwelling unit meets all of the following requirements:

“(1) RENTS.—The dwelling unit bears a rent not greater than the lesser of—

“(A) the existing fair market rental established by the Secretary under section 8(c) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)) for a dwelling unit of the same size in the same market area, or the applicable payment standard for assistance under section 8(o) of such Act, if higher; and

“(B) a rent that does not exceed 30 percent of the adjusted income of a family whose income equals 65 percent of the median income for the area, as determined by the Secretary, with adjustment for number of bedrooms in the unit, except that the Secretary may establish income ceilings higher or lower than 65 percent of the median for the area on the basis of the findings of the Secretary that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

“(2) TENANT RENT CONTRIBUTION.—The contribution toward rent by the family residing in the dwelling unit will not exceed 30 percent of the adjusted income of such family.

“(3) NON-DISCRIMINATION AGAINST VOUCHER HOLDERS.—The dwelling unit is located in a project in which all dwelling units are subject to enforceable restrictions that provide that a unit may not be refused for leasing to a holder of a voucher of eligibility under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) because of the status of the prospective tenant as a holder of such voucher.

“(4) MIXED INCOME.—

“(A) IN GENERAL.—The dwelling unit is located in a project in which not more than 50 percent of the rental units in the project that receive assistance under this subtitle and are not previously occupied may be rented initially to families with incomes described in section 295(c)(2), as determined at a reasonable time before occupancy.

“(B) EXCEPTIONS.—Subparagraph (A) shall not apply in the case of a project having 25 or fewer dwelling units that is—

“(i) located in a census tract in which the number of families having incomes less than the poverty line is less than 20 percent;

“(ii) located in a rural area, as such term is defined in section 520 of the Housing Act of 1949 (42 U.S.C. 1490); or

“(iii) specifically made available only for households comprised of elderly families or disabled families.

“(5) VISITABILITY.—To the extent the dwelling unit is not required under Federal law to comply with standards relating to accessibility to persons with disabilities, the dwelling unit complies with such basic visibility standards as the Secretary shall by regulation provide.

“(6) DURATION OF USE.—The dwelling unit will continue to be subject to all requirements under this subsection for not less than 50 years.

“(b) OWNER-OCCUPIED HOUSING.—For purposes of any eligible activity involving one-to four-family owner-occupied housing (which may include housing of a cooperative housing corporation, as such term is defined in section 216(b) of the Internal Revenue Code of 1986 (26 U.S.C. 216(b))), such a residence shall be considered affordable housing for purposes of this subtitle only if—

“(1) in the case of housing to be made available for purchase—

“(A) the housing is available for purchase only for use as a principal residence by families that qualify as first-time homebuyers, as such term is defined in section 104 (42 U.S.C. 12704), except that any reference in such section to assistance under title II of this Act shall for purposes of this section be considered to refer to assistance from grant amounts under this subtitle;

“(B) the housing has an initial purchase price that meets the requirements of section 215(b)(1); and

“(C) the housing is subject to the same resale restrictions established under section 215(b)(3) and applicable to the participating jurisdiction that is the State in which such housing is located; and

“(2) the housing is made available for purchase only by, or in the case of assistance to a homebuyer pursuant to this subsection, the assistance is made available only to, homebuyers who have, before purchase, completed a program of counseling with respect to the responsibilities and financial management involved in homeownership that is approved by the Secretary; except that the Secretary may, at the request of a State, waive the requirements of this paragraph with respect to a geographic area or areas within the State if—

“(A) the travel time or distance involved in providing counseling with respect to such area or areas, as otherwise required under this paragraph, on an in-person basis is excessive or the cost of such travel is prohibitive; and

“(B) the State provides alternative forms of counseling for such area or areas, which may include interactive telephone counseling, on-line counseling, interactive video counseling, and interactive home study counseling and a program of financial literacy and education to promote an understanding of consumer, economic, and personal finance issues and concepts, including saving for retirement, managing credit, long-term care, and estate planning and education on predatory lending, identity theft, and financial abuse schemes relating to homeownership that is approved by the Secretary, except that entities providing such counseling shall not discriminate against any particular form of housing; and

“SEC. 298. OTHER PROVISIONS.

“(a) EFFECT OF ASSISTANCE UNDER PROGRAM.—Notwithstanding any other provision of law, the provision of assistance under this subtitle for a project shall not reduce the amount of assistance for which such project is otherwise eligible under subtitles A through F of this title, if the project does not exceed the cost limits established pursuant to section 296(e).

“(b) ACCOUNTABILITY OF PARTICIPATING JURISDICTIONS AND RECIPIENTS.—

“(1) RECIPIENTS.—

“(A) TRACKING OF FUNDS.—The Secretary shall—

“(i) require each participating jurisdiction to develop and maintain a system to ensure that each recipient of assistance from grant amounts under this subtitle of the participating jurisdiction uses such amounts in accordance with this subtitle, the regulations issued under this subtitle, and any requirements or conditions under which such amounts were provided; and

“(ii) establish minimum requirements for agreements, between the participating jurisdiction and recipients, regarding assistance from the grant amounts under this subtitle of the participating jurisdiction, which shall include—

“(I) appropriate continuing financial and project reporting, record retention, and audit requirements for the duration of the grant to the recipient to ensure compliance with the limitations and requirements of this subtitle and the regulations under this subtitle; and

“(II) any other requirements that the Secretary determines are necessary to ensure appropriate grant administration and compliance.

“(B) MISUSE OF FUNDS.—

“(i) REIMBURSEMENT REQUIREMENT.—If any recipient of assistance from grant amounts under this subtitle of a participating jurisdiction is determined, in accordance with clause (ii), to have used any such amounts in a manner that is materially in violation of this subtitle, the regulations issued under this subtitle, or any requirements or conditions under which such amounts were provided, the participating jurisdiction shall require that, within 12 months after the determination of such misuse, the recipient shall reimburse the participating jurisdiction for such misused amounts and return to the participating jurisdiction any amounts from the grant amounts under this subtitle of the participating jurisdiction that remain unused or uncommitted for use. The remedies under this clause are in addition to any other remedies that may be available under law.

“(ii) DETERMINATION.—A determination is made in accordance with this clause if the determination is—

“(I) made by the Secretary; or

“(II)(aa) made by the participating jurisdiction;

“(bb) the participating jurisdiction provides notification of the determination to the Secretary for review, in the discretion of the Secretary, of the determination; and

“(cc) the Secretary does not subsequently reverse the determination.

“(2) PARTICIPATING JURISDICTIONS.—

“(A) REPORT.—

“(i) IN GENERAL.—The Secretary shall require each participating jurisdiction receiving grant amounts under this subtitle for a fiscal year to submit a report, for such fiscal year, to the Secretary that—

“(I) describes the activities funded under this subtitle during such year with the grant amounts under this subtitle of the participating jurisdiction; and

“(II) the manner in which the participating jurisdiction complied during such fiscal year

with the allocation plan established pursuant to section 295 for the participating jurisdiction.

“(ii) PUBLIC AVAILABILITY.—The Secretary shall make such reports pursuant to this subparagraph publicly available.

“(B) MISUSE OF FUNDS.—If the Secretary determines, after reasonable notice and opportunity for hearing, that a participating jurisdiction has failed to comply substantially with any provision of this subtitle and until the Secretary is satisfied that there is no longer any such failure to comply, the Secretary shall—

“(i) reduce the amount of assistance under this section to the participating jurisdiction by an amount equal to the amount of grant amounts under this subtitle which were not used in accordance with this subtitle;

“(ii) require the participating jurisdiction to repay the Secretary an amount equal to the amount of the grant amounts under this subtitle which were not used in accordance with this subtitle;

“(iii) limit the availability of assistance under this subtitle to the participating jurisdiction to activities or recipients not affected by such failure to comply; or

“(iv) terminate any assistance under this subtitle to the participating jurisdiction.

“(C) UNEXPENDED FUNDS.—Grant amounts under this subtitle that are not committed to projects by the State or participating local jurisdiction before the expiration of the 24-month period beginning the last day of the month in which the Secretary executes the grant agreement with the State or participating local jurisdiction shall be recaptured by the Secretary and added to amounts available in the following fiscal year for formula allocation under section 294.

SEC. 299. DEFINITIONS.

“For purposes of this subtitle, the following definitions shall apply:

“(1) ELIGIBLE ACTIVITIES.—The term ‘eligible activities’ means activities relating to the construction, preservation, or rehabilitation of affordable rental housing or affordable one- to four-family owner-occupied housing, including—

“(A) the construction of new housing;

“(B) the acquisition of real property;

“(C) site preparation and improvement, including demolition;

“(D) rehabilitation of existing housing;

“(E) use of funds to facilitate affordability for homeless and other extremely low-income households of dwelling units assisted with grant amounts under this subtitle, in a combined amount not to exceed 20 percent of the project grant amount, for—

“(i) project-based rental assistance for not more than 12 months for a project assisted with grant amounts under this subtitle;

“(ii) project operating reserves for use to cover the loss of rental assistance or in conjunction with a project loan; or

“(iii) project operating accounts used to cover net operating income shortfalls for dwelling units assisted with grant amounts under this subtitle; and

“(F) providing incentives to maintain existing housing (including manufactured housing) as affordable housing and to establish or extend any low-income affordability restrictions for such housing, including covering capital expenditures and costs of establishing community land trusts to provide sites for manufactured housing provided such incentives;

“(2) ELIGIBLE RECIPIENT.—The term ‘eligible recipient’ means an entity that meets the requirements under section 296(b) for receipt of grant amounts under this subtitle of a participating jurisdiction.

“(3) EXTREMELY LOW VACANCY RATE.—The term ‘extremely low vacancy rate’ means a

housing or rental vacancy rate of 2 percent or less.

“(4) EXTREMELY OLD HOUSING.—The term ‘extremely old housing’ means housing that is 45 years old or older.

“(5) FAMILIES.—The term ‘families’ has the meaning given such term in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)).

“(6) FISCAL DISTRESS; SEVERE FISCAL DISTRESS.—The terms ‘fiscal distress’ and ‘severe fiscal distress’ have the meanings given such terms in section 220(d).

“(7) GRANT AMOUNTS.—The term ‘grant amounts’ means amounts that are provided to a participating jurisdiction pursuant to subsection (d), (f), or (h) of section 294.

“(8) INDIAN TRIBE.—The term ‘Indian tribe’ means a federally recognized Indian tribe.

“(9) INSULAR AREA.—The term ‘insular area’ has the meaning given such term in section 104.

“(10) PARTICIPATING LOCAL JURISDICTION.—The term ‘participating local jurisdiction’ means, with respect to a fiscal year—

“(A) any unit of general local government (as such term is defined in section 104 (42 U.S.C. 12704) that qualifies as a participating jurisdiction under section 216 (42 U.S.C. 12746) for such fiscal year; and

“(B) at the option of such a consortium, any consortium of units of general local governments that is designated pursuant to section 216 (42 U.S.C. 12746) as a participating jurisdiction for purposes of title II.

“(11) PARTICIPATING JURISDICTION.—The term ‘participating jurisdiction’ means—

“(A) a State, insular area, or participating local jurisdiction for which a grant is made under section 294(d);

“(B) an Indian tribe for which a grant is made under section 294(f); or

“(C) a nonprofit or public entity for which a grant is made under section 294(h).

“(12) POVERTY LINE.—The term ‘poverty line’ has the meaning given such term in section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by such section.

“(13) RECIPIENT.—The term ‘recipient’ means an entity that receives assistance from a participating jurisdiction, pursuant to section 296(a), from grant amounts under this subtitle of the participating jurisdiction.

“(14) RURAL AREA.—The term ‘rural area’ has the meaning given such term in section 520 of the Housing Act of 1949 (42 U.S.C. 1490).

“(15) SECRETARY.—The term ‘Secretary’ means the Secretary of Housing and Urban Development.

“(16) STATE.—The term ‘State’ has the meaning given such term in section 104.

SEC. 300. INAPPLICABILITY OF HOME PROVISIONS.

“Except as specifically provided otherwise in this subtitle, no requirement under, or provision of, subtitles B through D of this title shall apply to assistance provided under this subtitle.

SEC. 301. REGULATIONS AND REPORTS.

“(a) REGULATIONS.—Not later than 6 months after the date of enactment of the National Affordable Housing Grant Act of 2007, the Secretary of Housing and Urban Development shall promulgate regulations to carry out this subtitle, which shall include regulations establishing the affordable housing needs formula in accordance with section 294(a).

“(b) REPORTS ON HOME PROGRAM STREAMLINING.—Not later than the expiration of the 6-month period referred to in subsection (a), the Secretary of Housing and Urban Development and the Comptroller General of the United States shall each submit to the Congress a report making recommendations for

streamlining the various programs for assistance under this title, including the HOME Investment Partnerships program under subtitle A, the Community Housing Partnership program under subtitle B, the Downpayment Assistance Initiative under subtitle E, and the National Affordable Housing Grant Program under this subtitle.”

(b) PROGRAM YEAR FOR MATCHING CONTRIBUTIONS.—Section 220 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12750) is amended—

(1) in subsection (a)—

(A) by striking “a fiscal year” and inserting “a program year of the jurisdiction”; and

(B) by striking “such fiscal year” and inserting “such program year”; and

(2) in subsection (d)—

(A) in paragraph (1), by striking “fiscal year” and inserting “program year of the jurisdiction”; and

(B) in paragraph (3), by striking “fiscal year” each place such term appears and inserting “program year”; and

(C) in paragraph (5), by striking “fiscal year” and inserting “program year of the jurisdiction”.

The Acting CHAIRMAN. Pursuant to House Resolution 720, the gentleman from Texas (Mr. NEUGEBAUER) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from Texas.

Mr. NEUGEBAUER. Mr. Chairman, I yield myself such time as I may consume.

I was really tempted here to let the chairman be my designee on this, with the hopes that I would have the same success on my amendment as he had on those that he was acting as designee on, but since I’m here, I’ll act in my own behalf.

Mr. Chairman, one of the things we’ve heard a lot today about is that there is a need for making sure that we are taking care of our most neediest Americans when it comes to their housing needs. What we’ve also learned, though, is that there are a lot of programs out there, 70 something housing programs, 30 some odd that may be addressed as some form of housing for our low-income citizens.

One of the things that I think the American people are kind of concerned about is they keep hearing that government solution to all of the problems. If we’re not doing a good job with the programs we have, let’s add another program, and I think they’re getting kind of tired of that. So one of the things that my amendment does is it makes an existing program, it incorporates many of the good ideas, and may I say, Mr. Chairman, there are some good ideas that have come in this particular piece of legislation, updating it. And what I’m talking about is the HOME program. The HOME program currently does a lot of the functions. In fact, when you look at the HOME program in this bill, many of those overlap. And yet we’re now going to separate into two different funds an affordable housing fund and a HOME program. Instead of using the combined resources of those two programs to help further the housing situation, we’re going to have two different.

When we talk about the fact that we're already spending over \$28 billion for affordable housing, low-income housing, and then we're going to take money out of one pocket and put it over to an area separate from that, quite honestly, Congress will not have the opportunity to really sit down and assess, hey, where are the American people, where are the people that are the recipients of low-income money, the people who are benefiting from this housing, where are we getting the best bang for our buck? But instead, we are separating those programs. I don't think that is good policy.

The other issue here is that many communities, almost every State in the Union, and I think like 350 or 360, maybe it's a larger number, I don't have it in front of me, communities are already participating in the HOME program, they already have some familiarity with that program. And so now we're going to take the ramp-up time of having to learn a new program, to write the rules for it, to do all of the things that it takes to get a new program off the ground. We're going to have to form a new branch of government within the Department of Housing to be able to ramp up and have the employees that it needs to do this, another inefficiency of adding additional programs to something that maybe we're not satisfied with. And I would agree, there may be some things that need to happen in the HOME program that would make it more relevant today. But, quite honestly, adding a new program I don't think is in the best interest of the American people. It's not a good, wise use of their taxpayer dollars. And I believe we can create a more efficient delivery system using an existing program.

What my amendment also does is says, look, GAO, go in and analyze what's going on, work with the various housing partnerships, let's determine some of the things that we need to do to the HOME program. Let's make those changes, and then let's make the HOME program a better program incorporating many of the good ideas, even that we've seen in some of the amendments here.

Mr. Chairman, we had, I believe, seven amendments from the Democratic side, unfortunately, and I appreciate the Rules Committee making mine in order, but I think we had some other good ideas from some of my colleagues on my side of the aisle that we could have incorporated into this legislation.

So that's the reason I'm down on the floor today offering this amendment. I'm encouraging my colleagues on both sides of the aisle, if you're really serious about two or three things, and let's talk about those things; one, are you interested in making sure that we have the most efficient delivery system to our low-income families to make sure that they have housing? If you're interested in that. Secondly, if you want to do that in a way that's a good steward

of the American taxpayer's dollars, that's another reason to vote for this amendment. And thirdly, if you believe that we ought to be able to prioritize our spending and not separate into a different fund, separate and aside from what we're already doing for a lot of our low-income housing families, then the Neugebauer amendment is the amendment that you should vote on. It will actually move us more quickly in a direction of being able to implement a lot of the things that I think people on both sides of the aisle want to do, and that is, make sure that we get the money out to these families that need our assistance and help.

And with that, Mr. Chairman, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Chairman, I rise in opposition.

The Acting CHAIRMAN. The gentleman is recognized for 10 minutes.

Mr. FRANK of Massachusetts. Mr. Chairman, this is an unusual amendment. The actual author offered it, and the Member rising in opposition actually opposes it for the first time today. And I appreciate the cooperation we've had.

I want to say that I appreciate, not just that, but the gentleman from Texas, who has been a very constructive member of the committee. We have some differences. That's why we have different parties. But we have a great deal in agreement. And the gentleman's expertise in the homebuilding field has been very helpful as our committee has gone forward. And here is, perhaps, a philosophical difference between us.

The main difference here is that the gentleman's amendment, recognizing, as he does from his own experience, the value of additional housing construction, would do away with our two funding sources. Now, we chose to go in addition to the HOME program, which is the one program where there is a parallel, for a couple of reasons. First of all, the HOME program is, of course, subject to annual appropriations, and that's appropriate for most government work. But we did want to have in the government a program for housing construction that had a little bit more assurance for people than an annual appropriation.

Appropriations get caught up in omnibus issues, CR issues. The trust fund will be outside of the kind of deadlock that we have had in the past and may, we hope not, but may have in the future. If you're trying to build housing, the notion that your funding has been slowed down because there has been a fight over some unrelated issue, like the debate about the Iraq war funding, could slow you down, we want to avoid that, so we keep the HOME program. But we have an additional program, and again, it's for the construction of affordable housing, unlike any other program, except HOME, and we want to give it some assurance to operate in a trust fund. And this is, to some extent, modeled after the highway trust fund. It is a trust

fund that will still be subject to work by the Appropriations Committee, but it won't be bogged down as the rest of the government gets bogged down, and that's important when you are doing construction when you have an ongoing situation.

Secondly, we do have two additional funding sources. Now, there is some debate about that. I do want to stress, in the FHA bill, which was already voted on by the House, we say in the first place that if any question arises about the solvency of the fund, if the FHA fund should appear to be in trouble, not a penny can go into the affordable housing fund that year. Only after the HUD Secretary has certified that the money won't be needed to hold down premiums or prevent insolvency will this go forward.

We have said that by the creation of a new funding stream, namely, allowing an unlimited amount of home equity and mortgages, we get a lot of money that CBO made available. And I should note, by the way, that some of that money, as the gentleman from Texas, among others, have suggested, has gone to upgrade the computer system of the FHA. Some of it will go for a great increase in counseling to homeowners, which is, again, supported on both sides. A good chunk will be left over, we're not sure exactly how much, we hope it will be \$200 million a year. But it only goes to the housing trust fund if it would otherwise have gone to the Treasury. There is zero chance, the way this bill is written, for it to force that kind of an increase. That, by the way, is why CBO gives us a flat score on this. There is no budget deficit situation here at all.

Similarly, with Fannie Mae and Freddie Mac, and here I have to say some of my Republican colleagues have been a little inconsistent, the administration, some of them, they've been critical of Fannie Mae and Freddie Mac. They've said, you know, we give all these advantages to Fannie Mae and Freddie Mac, a line of credit, some people think they're government-run, there used to be government members on the board, although we will not have that if our bill passes, and here they are, they're making all these profits and they're not doing enough for public purposes. Well, in our Fannie and Freddie bill, we amend that to some extent by increasing the housing goals they have by dropping the credit they get from 100 percent to 80 percent immediately. But we also say, you know what? You've been doing pretty well, you're making a lot of money and your sales are doing well, so without in any way impinging on your mortgage functioning, we are going to take some of the profit you've made and put it in the affordable housing trust fund.

By the way, I find it a little odd that people who have said that we should basically reduce the portfolio of Fannie and Freddie and make them securitize more, which they believe will do more damage to their ability to function

than anything else, that now they become very concerned when we talk about a housing trust fund. I should be clear that that does not describe the gentleman from Texas, who understands very well how best to help Fannie and Freddie. And I think we put through a bill that will enhance their ability to function while better regulating them.

So, in other words, we have 800 or \$900 million, we hope, in the first year, and we hope it will go up. And this is the main difference between us, it doesn't come from appropriated funds. And I believe we have written it so it will not interfere with either Fannie and Freddie or FHA's ability to function. And we do not create a new bureaucracy. We distribute it to the State and local housing funds. Indeed, many of the amendments that we've adopted here in agreement by both sides, and some that we adopted in committee, I was looking it over, in committee we adopted a number of amendments, more from the Republican side than the Democratic side because I don't have to worry about other people telling me where we are on that. We have, in every one of these amendments, increased the flexibility for the local housing trust funds.

So with that, I hope that the substitute is defeated and that we will continue to improve this bill.

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

Mr. NEUGEBAUER. Mr. Chairman, may I inquire as to how much time is remaining on both sides?

The Acting CHAIRMAN. The gentleman from Texas has 5 minutes remaining; the gentleman from Massachusetts has 4½ minutes remaining.

Mr. NEUGEBAUER. At this time, I would like to yield 3 minutes to the gentlewoman from Illinois (Mrs. BIGGERT), who is the former ranking member of the Housing Subcommittee.

Mrs. BIGGERT. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the Neugebauer amendment. I think that we have to look at bureaucracy. And I must say that I think that the existing federally administered program designed to serve the housing needs of low-income Americans, the HOME Investment Partnership Program, is a program that's already in place. It has the personnel system, the regulatory oversight in place to accomplish the same objective as the National Housing Trust Fund. And instead of creating a new Federal bureaucracy to address low-income housing availability, I think we should focus our efforts on improving the HOME program. Mr. NEUGEBAUER's amendment creates a pilot program, and I think we could call it "HOME Lite," within the HOME program. And so instead of reinventing the wheel and establishing another Federal trust fund and a brand new program, I support improving and being creative with an existing program.

If we look at the HOME program, the staff is already participating, they understand the jurisdictions the HOME program will be looking at, and so there is no learning curve for implementation. Revitalizing the HOME program will be more efficient by having less start-up costs, administrative costs, and the funds will be distributed to the project sooner, and not later.

□ 1430

At the same time, I think the national trust fund would be administered by exactly the same people who will be administering the program in the States and at the local level, so it will be able to allow them to operate under one program instead of two separate programs with a little different objectives but not much. So they will be doing the same thing twice and having to work with two different bureaucracies to establish an affordable housing program. So I think there might be some changes to the HOME program to align it more closely to some of the things that have been spoken about in the trust fund program. But I think that this would be a good compromise and would still have the trust program that will provide the affordable funding but do it through HUD at a program that has already been established.

Mr. FRANK of Massachusetts. I yield back the balance of my time.

Mr. NEUGEBAUER. Mr. Chairman, I just want to close by saying that 50 States, 585 local communities, are already using the HOME program as a model for building and developing low-income housing in their communities. It just makes sense that we take an existing program, make the revisions that have really made, there are some good ideas that have come through this legislation, let's incorporate those ideas into the HOME program. Let's take an existing vehicle. Let's ask the United States Congress to prioritize where they think that we are getting the most bang for our bucks as we deliver low-income housing programs for the American people and for the people that need them so badly. Let's do it right. The right way to do it is to take this existing program and fold it into many of the good ideas that have come from that.

Mr. Chairman, I urge my colleagues to support this amendment.

I yield back the balance of my time.

The Acting CHAIRMAN (Mr. ROSS). The question is on the amendment offered by the gentleman from Texas (Mr. NEUGEBAUER).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. NEUGEBAUER. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Texas will be postponed.

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, proceedings will

now resume on those amendments printed in House Report 110-369 on which further proceedings were postponed, in the following order:

Amendment No. 1 by Mr. FRANK of Massachusetts;

Amendment No. 8 by Mr. NEUGEBAUER of Texas.

The first electronic vote will be conducted as a 15-minute vote. Remaining electronic votes will be conducted as 5-minute votes.

AMENDMENT NO. 1 OFFERED BY MR. FRANK OF MASSACHUSETTS

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Massachusetts (Mr. FRANK) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 418, noes 2, not voting 16, as follows:

[Roll No. 955]

AYES—418

Abercrombie	Calvert	Doolittle
Ackerman	Camp (MI)	Doyle
Aderholt	Campbell (CA)	Drake
Akin	Cannon	Dreier
Alexander	Cantor	Duncan
Allen	Capito	Edwards
Altman	Capps	Ehlers
Andrews	Capuano	Ellison
Arcuri	Cardoza	Ellsworth
Baca	Carnahan	Emanuel
Bachmann	Carney	Emerson
Bachus	Carter	Engel
Baird	Castle	English (PA)
Baker	Castor	Eshoo
Baldwin	Chabot	Etheridge
Barrett (SC)	Chandler	Everett
Barrow	Christensen	Fallin
Bartlett (MD)	Clarke	Farr
Barton (TX)	Clay	Fattah
Becerra	Cleaver	Feeney
Berkley	Clyburn	Ferguson
Berman	Coble	Filner
Berry	Cohen	Flake
Biggert	Cole (OK)	Forbes
Bilbray	Conaway	Fortenberry
Bilirakis	Conyers	Fortuno
Bishop (GA)	Cooper	Fossella
Bishop (NY)	Costa	Fox
Bishop (UT)	Costello	Frank (MA)
Blackburn	Courtney	Franks (AZ)
Blumenauer	Cramer	Frelinghuysen
Blunt	Crenshaw	Gallegly
Boehner	Crowley	Garrett (NJ)
Bonner	Cuellar	Gerlach
Bono	Culberson	Giffords
Boozman	Cummings	Gilchrest
Boswell	Davis (AL)	Gillibrand
Boucher	Davis (CA)	Gingrey
Boustany	Davis (IL)	Gohmert
Boyd (FL)	Davis (KY)	Gonzalez
Boyd (KS)	Davis, David	Goode
Brady (PA)	Davis, Lincoln	Goodlatte
Brady (TX)	Davis, Tom	Gordon
Braley (IA)	Deal (GA)	Granger
Brown (GA)	DeFazio	Graves
Brown (SC)	Delahunt	Green, Al
Brown, Corrine	DeLauro	Green, Gene
Brown-Waite,	Dent	Grijalva
Ginny	Diaz-Balart, L.	Gutierrez
Buchanan	Diaz-Balart, M.	Hall (NY)
Burgess	Dicks	Hall (TX)
Burton (IN)	Dingell	Hare
Butterfield	DeFazio	Harman
Buyer	Donnelly	Hastert

NOT VOTING—16

Bean	Jindal	Rangel
Boren	Johnson (IL)	Reichert
Carson	Johnson, E. B.	Rogers (KY)
Cole (OK)	Maloney (NY)	Wilson (OH)
Cubin	Miller, Gary	
Faleomavaega	Peterson (PA)	

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (during the vote). Members are advised there are 2 minutes remaining on this vote.

□ 1505

Ms. BORDALLO changed her vote from “aye” to “no.”

So the amendment was rejected.

The result of the vote was announced as above recorded.

The Acting CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The Acting CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mrs. TAUSCHER) having assumed the chair, Mr. ROSS, Acting Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 2895) to establish the National Affordable Housing Trust Fund in the Treasury of the United States to provide for the construction, rehabilitation, and preservation of decent, safe, and affordable housing for low-income families, pursuant to House Resolution 720, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the amendment reported from the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MRS. MUSGRAVE

Mrs. MUSGRAVE. Madam Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentlewoman opposed to the bill?

Mrs. MUSGRAVE. Yes, in its current form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mrs. Musgrave of Colorado moves to recommit the bill H.R. 2895 to the Committee on Financial Services with instructions to report the same back to the House promptly with the following amendments:

Page 47, after line 8, insert the following:

“(d) WORK REQUIREMENT FOR RESIDENTS.—

“(1) IN GENERAL.—Except as provided in this subsection and notwithstanding any other provision of this Act, as a condition of residency of a family in any dwelling unit in rental housing or owner-occupied housing for which assistance is or has been provided at any time with any Trust Fund grant amounts, each member of the family who is 18 years of age or older shall perform not fewer than 20 hours of approved work activities (as such term is defined in section 407(d) of the Social Security Act (42 U.S.C. 607(d))) per month.

“(2) EXEMPTION.—The Secretary of Housing and Urban Development shall provide an exemption from the applicability of paragraph (1) for any individual family member who—

“(A) is 62 years of age or older;

“(B) is a blind or disabled individual, as defined under section 216(i)(1) or 1614 of the Social Security Act (42 U.S.C. 416(i)(1); 1382c), and who is unable to comply with this section, or is a primary caretaker of such individual;

“(C) is engaged in a work activity (as such term is defined in section 407(d) of the Social Security Act (42 U.S.C. 607(d)), as in effect on and after July 1, 1997);

“(D) meets the requirements for being exempted from having to engage in a work activity under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or under any other welfare program of the State in which the public housing agency administering rental assistance described in subsection (a) is located, including a State-administered welfare-to-work program;

“(E) is in a family receiving assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or under any other welfare program of the State in which the public housing agency administering such rental assistance is located, including a State-administered welfare-to-work program, and has not been found by the State or other administering entity to be in noncompliance with such program; or

“(F) is a single custodial parent caring for a child who has not attained 6 years of age, and the individual proves that the individual has a demonstrated inability (as determined by the State) to obtain needed child care, for one or more of the following reasons:

“(i) Unavailability of appropriate child care within a reasonable distance from the individual’s home or work site.

“(ii) Unavailability or unsuitability of informal child care by a relative or under other arrangements.

“(iii) Unavailability of appropriate and affordable formal child care arrangements.

“(3) ADMINISTRATION.—A grantee providing assistance with Trust Fund grant amounts may administer the work activities requirement under this subsection directly, through a resident organization, or through a contractor having experience in administering work activities programs within the jurisdiction of the grantee. The Secretary may establish qualifications for such organizations and contractors.”.

Mrs. MUSGRAVE (during the reading). Madam Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

The SPEAKER pro tempore. The gentlewoman from Colorado is recognized for 5 minutes.

Mrs. MUSGRAVE. Madam Speaker, without question, as we have heard here today, there is need in this country for affordable housing, particularly for the elderly and the disabled. But when government-financed, low-income housing is occupied by able-bodied adults who have chosen not to work, they are displacing these very people who are the most needy; the elderly, the disabled.

In 1996, Congress and President Clinton agreed that able-bodied adults ought to be required to work if they are going to receive government welfare. Today the proposal that I am putting forward to amend this bill is to extend this same commonsense requirement to the new housing financed by this bill.

I just want to make it very clear, Madam Speaker, this proposal does not apply to the elderly or the disabled or single parents of children under 6 years of age who are unable to find appropriate and affordable child care, in addition to many others. But I think we can realize, if you are able-bodied, capable of working or even applying for a job, then American taxpayers expect that in exchange for this taxpayer-financed housing, you will commit to at least 20 hours of work activities per month. That is minimal part-time work. And work activities can include job training, community service programs, and even providing child care. The work activities requirement is taken from the current standard under the Federal welfare reform program.

I fully expect that the most able-bodied adults who occupy housing financed by this bill will already meet the standards laid out in my amendment. This amendment simply guarantees that taxpayer-financed housing isn’t going to turn into free housing for able-bodied adults who are unwilling to work or contribute to society.

I believe that we should be in the business of providing low-income Americans who are struggling for stability with a hand up, not a handout.

If you were part of the bipartisan coalition who supported including work requirements in welfare reform, then I strongly urge you to support this proposal as well.

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

Mr. FRANK of Massachusetts. Madam Speaker, I rise to try to save the bill from this effort to kill it.

The SPEAKER pro tempore. Is the gentleman opposed to the motion?

Mr. FRANK of Massachusetts. Yes.

The SPEAKER pro tempore. The gentleman from Massachusetts is recognized for 5 minutes.

Mr. FRANK of Massachusetts. First, if this were a serious effort to put on a work program, it might have been offered as an amendment to the bill. It wasn’t offered before the Rules Committee.

Secondly, it would have said “report back forthwith,” and it would have been voted on and it would have been

added. It says “promptly.” Now it is true that if we were to adopt a motion to recommit that says “promptly,” it would go back to the committee.

Our committee is a fairly busy one. We have the subprime issue before us. We have credit card reform issues. House floor time is fairly busy. I am told there are Members who don’t think working here on Friday is the best thing that has ever happened to them. We are getting towards the end of this session. We have the appropriations bills. So the choice of “promptly” rather than “forthwith” is clearly motivated by animus against the bill.

Having failed in several tries to kill the bill as a whole, they now say, let’s do it this way. And on its own merits, here is the problem. I have not been a supporter of the work requirement within the public housing area, but at least in public housing you have administered a framework where it can be applied, although I think inappropriately.

Here we are talking about a program whereby the Federal funds will be distributed. And by the way, they are not mostly taxpayer; they are shareholders of Fannie Mae and Freddie Mac dollars in the largest amount. But what we are going to do is distribute this money to hundreds of local housing funds. State and local funds. You talk about unfunded mandates. This says to all of the grantees, the Catholic Church in some places, or B’nai Brith housing or other local housing groups, Habitat for Humanity or any of the others, you must, in addition to building the housing, undertake to administer this kind of volunteer work program. Lest anyone think this is something that they can do easily, read the third page of the recommitment motion.

□ 1515

“Administration. A grantee providing assistance with Trust Fund grant amounts may administer the work activities requirement under this subsection directly, through a resident organization, or through a contractor having experience in administering work activities programs within the jurisdiction of the grantee.”

This takes some of the limited amount of money that would be available for housing and creates another new set of contractors. Maybe Blackwater will lay down their guns and come over here now when they get run out of Iraq and so a whole new set of contractors will be dealing with this. And the organizations that get this money, they are religious organizations, they are nonprofits, they are homebuilders. They will now have this new mandate to go and make people work, and it becomes a complicated one.

Here’s what it says. For example, if you are “a single custodial parent for a child who has not attained 6 years of age,” then you have to go out and do this volunteer work for 20 hours a week, unless you can show that you

couldn’t get child care. You’ve got to show that it’s unavailable. There are three different kinds of paragraphs. It’s a very complicated thing to administer.

So you say to people, you know what, thank you for helping build affordable housing, thank you to the archdiocese, thank you to the Methodists, thank you to Habitat for Humanity, thank you to these charitable groups. Oh, and by the way, you are now in charge of making the parents of small children go to work unless they have first shown to you the unavailability of child care, and you have to go out and hire somebody to administer this for you.

So, even if it were “forthwith,” I would be opposed to it, but “promptly” means that the people who are opposed to using funding to help build affordable housing want to at best delay the bill, and maybe if they’re lucky enough, because they can combine this with other filibusters, kill it.

This is a very difficult program to administer. It is not one for which there has been any demand. I guarantee you it will be strongly opposed by all of the organizations, the charitable and nonprofit organizations, that will be told to administer this housing. It is an unfair imposition on some of the best-motivated organizations and people. It doesn’t give them any money to do it. It gives them this very difficult task. It delays the bill at best, and I hope it is defeated for what it is meant to be, an effort to derail a bill that can’t be derailed in a more straightforward fashion.

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

PARLIAMENTARY INQUIRIES

Mr. WESTMORELAND. Madam Speaker, parliamentary inquiry.

The SPEAKER pro tempore. The gentleman from Georgia will state his parliamentary inquiry.

Mr. WESTMORELAND. Madam Speaker, is it not true that if, indeed, this motion passed that this bill could be reported back to the committee or committees to which it has been designated, and then it could be reported back to the whole House tomorrow?

The SPEAKER pro tempore. As the Chair affirmed on May 24, 2000, the adoption of a motion to recommit with instructions to report back promptly sends the bill to committee, whose eventual report, if any, would not be immediately before the House. Unlike the case of a motion to recommit with instructions to report back forthwith, a motion to recommit with “non-forthwith” instructions would not occasion an immediate report on the floor. As the Chair put it on the cited occasion, “at some subsequent time, the committee could meet and report the bill back to the House.” But the Chair cannot say what in the rules of the committee might constrain the timing of any action it might take. Neither can the Chair render an advisory opinion whether points of order available under

the rules of the House might preclude further proceedings on the floor.

Mr. FRANK of Massachusetts. Parliamentary inquiry.

The SPEAKER pro tempore. The gentleman from Massachusetts will state his parliamentary inquiry.

Mr. FRANK of Massachusetts. Madam Speaker, is there anything in this recommitment motion that would allow me, as chairman of the committee, to ignore the rule that requires a 3-day notice before there is a markup, which would seem to me to make it impossible for me to report it tomorrow, on the day of a funeral, very sensitive, but is there anything in this amendment that would waive the 3-day requirement for a markup before we could proceed?

The SPEAKER pro tempore. The Chair cannot interpret the text of the motion.

Mr. FRANK of Massachusetts. Well, then, let me ask in general. Does a recommitment motion waive the rules—

The SPEAKER pro tempore. The gentleman will suspend.

Does the gentleman have a further parliamentary inquiry?

Mr. FRANK of Massachusetts. Further parliamentary inquiry. Is there anything in this process that would allow the chairman of the committee to waive the requirement in the rules that there be at least 3 days before there can be a markup in committee?

The SPEAKER pro tempore. The Chair cannot interpret the rules of a standing committee.

Mr. FRANK of Massachusetts. So much for tomorrow, Madam Speaker.

Mr. WESTMORELAND. Further parliamentary inquiry.

The SPEAKER pro tempore. The gentleman from Georgia will state his parliamentary inquiry.

Mr. WESTMORELAND. Is the short version of your answer that it could be reported back tomorrow, the next legislative day?

The SPEAKER pro tempore. The Chair has responded.

Mr. FRANK of Massachusetts. Madam Speaker, can the standing rules of a committee be waived by actions on the floor?

The SPEAKER pro tempore. The gentleman’s question is hypothetical to this case.

Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mrs. MUSGRAVE. Madam Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of passage.

The vote was taken by electronic device, and there were—ayes 199, noes 218, not voting 14, as follows:

[Roll No. 957]

AYES—199

Aderholt	Franks (AZ)	Murphy, Tim	Frank (MA)	Lowy	Sánchez, Linda
Akin	Frelinghuysen	Musgrave	Gillibrand	Lynch	T.
Alexander	Gallegly	Myrick	Gonzalez	Markey	Sanchez, Loretta
Altmine	Garrett (NJ)	Neugebauer	Gordon	Matheson	Sarbanes
Bachmann	Gerlach	Nunes	Green, Al	Matsui	Schakowsky
Bachus	Giffords	Pearce	Green, Gene	McCarthy (NY)	Schiff
Barrett (SC)	Gilchrest	Pence	Grijalva	McCullum (MN)	Schwartz
Barrow	Gingrey	Petri	Gutierrez	McDermott	Scott (GA)
Bartlett (MD)	Gohmert	Pickering	Hall (NY)	McGovern	Scott (VA)
Barton (TX)	Goode	Pitts	Hare	McNerney	Serrano
Biggert	Goodlatte	Platts	Hastings (FL)	McNulty	Sestak
Bilbrey	Granger	Hodes	Herseth Sandlin	Meek (FL)	Shea-Porter
Bilirakis	Graves	Holden	Hicks	Meeks (NY)	Sherman
Bishop (UT)	Hall (TX)	Holt	Higgins	Melancon	Shuler
Blackburn	Hastert	Honda	Hinchey	Michaud	Sires
Blunt	Hastings (WA)	Hinojosa	Hinojosa	Miller (NC)	Skelton
Boehner	Hayes	Hirono	Hoyer	Miller, George	Slaughter
Bonner	Heller	Inslee	Holden	Mollohan	Smith (WA)
Bono	Hensarling	Israel	Jackson (IL)	Moore (KS)	Snyder
Boozman	Herger	Jackson-Lee	Jackson (TX)	Moore (WI)	Solis
Boustany	Hill	Renzl	Jefferson	Moran (VA)	Space
Brady (TX)	Hobson	Reynolds	Johnson (GA)	Hooley	Spratt
Broun (GA)	Hoekstra	Rogers (AL)	Jones (OH)	Hoyer	Stark
Brown (SC)	Hulshof	Rogers (MI)	Kagen	Inslee	Stupak
Brown-Waite, Ginny	Hunter	Rohrabacher	Kanjorski	Jackson (IL)	Sutton
Buchanan	Inglis (SC)	Ros-Lehtinen	Kaptur	Napolitano	Tanner
Burgess	Issa	Roskam	Kennedy	Neal (MA)	Tauscher
Burton (IN)	Johnson, Sam	Royce	Kilpatrick	Olver	Taylor
Buyer	Jones (NC)	Rogers (AL)	Jones (OH)	Ortiz	Thompson (CA)
Calvert	Jordan	Rogers (MI)	Kagen	Pallone	Thompson (MS)
Camp (MI)	King (IA)	Rohrabacher	Kanjorski	Pascarella	Tierney
Campbell (CA)	King (NY)	Ros-Lehtinen	Kaptur	Pastor	Udall (CO)
Cannon	Kingston	Roskam	Kennedy	Rahall	Udall (NM)
Cantor	Kirk	Royce	Kilpatrick	Rangel	Van Hollen
Capito	Kline (MN)	Smith (NE)	Langevin	Reyes	Velázquez
Carney	Knollenberg	Smith (NJ)	Lantos	Richardson	Velázquez
Carter	Kuhl (NY)	Shadegg	Larsen (WA)	Pomeroy	Walz (MN)
Castle	LaHood	Shays	Larson (CT)	Price (NC)	Wasserman
Chabot	Lamborn	Shuster	Lampson	Rahall	Schultz
Coble	Latham	Simpson	Langevin	Rothman	Waters
Cole (OK)	Lewis (CA)	Smith (NE)	Lantos	Levin	Watson
Conaway	Lewis (KY)	Smith (NJ)	Larsen (WA)	Rothman	Watt
Crenshaw	Linder	Smith (TX)	Larson (CT)	Rodriguez	Waxman
Culberson	LoBiondo	Souder	LaTourette	Price (NC)	Weiner
Davis (KY)	Lucas	Stearns	Lee	Rothman	Welch (VT)
Davis, David	Lungren, Daniel	Sullivan	Lewis (GA)	Royal-Allard	Wexler
Davis, Tom	E.	Tancredo	Lipinski	Ruppersberger	Woolsey
Deal (GA)	Mack	Terry	Loebback	Rush	Wu
Dent	Mahoney (FL)	Thornberry	Lofgren, Zoe	Ryan (OH)	Wynn
Diaz-Balart, L.	Manzullo	Tiaht	Loebback	Salazar	Yarmuth
Diaz-Balart, M.	Marchant	Tiberi	Lofgren, Zoe	NOT VOTING—14	
Doolittle	Marshall	Turner	Baker	Jindal	Peterson (PA)
Drake	McCarthy (CA)	Upton	Bean	Johnson (IL)	Reichert
Dreier	McCaull (TX)	Walberg	Boren	Johnson, E. B.	Rogers (KY)
Duncan	McCotter	Walden (OR)	Carson	Maloney (NY)	Wilson (OH)
Ehlers	McCrery	Walsh (NY)	Cubin	Miller, Gary	
Emerson	McHenry	Wamp			
English (PA)	McHugh	Weldon (FL)			
Everett	McIntyre	Weller			
Fallin	McKeon	Westmoreland			
Feeley	McMorris	Whitfield			
Ferguson	Rodgers	Wicker			
Flake	Mica	Wilson (NM)			
Forbes	Miller (FL)	Wilson (SC)			
Fortenberry	Miller (MI)	Wolf			
Fossella	Mitchell	Young (AK)			
Foxx	Moran (KS)	Young (FL)			
	NOES—218			□ 1540	

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

(By unanimous consent, Mr. COSTELLO was allowed to speak out of order.)

MOMENT OF SILENCE IN MEMORY OF THE LATE HONORABLE GEORGE EDWARD SANGMEISTER, FORMER MEMBER OF CONGRESS

Mr. COSTELLO. Madam Speaker, I regret to inform our Members that our former Member from Illinois, George Sangmeister, has died.

Congressman Sangmeister served the people of Illinois in the 11th and 4th Congressional Districts from 1989 to 1995, when he retired. George was a wonderful person and served with honor and distinction in this body.

Madam Speaker, I yield to my friend from Illinois (Mr. WELLER).

Mr. WELLER of Illinois. Madam Speaker, I want to thank my friend, JERRY COSTELLO, for yielding and join in honoring the life and service of someone who was a friend to many in this Chamber.

My friend and predecessor, George Sangmeister, served in this body for 6

years, representing the district I currently represent, the 11th Congressional District, which was previously numbered as the 4th District of Illinois.

George Sangmeister was born in Frankfurt, Illinois, 76 years ago. He attended Joliet Junior College before entering the military and serving in the Korean War. After returning to private life, he attended Elmhurst College and then earned a law degree from John Marshall Law School.

George Sangmeister had a distinguished service career of 34 years of public service. He began his practice in private law before becoming a magistrate and justice of the peace for Will County in 1961; in 1964, became Will County State's Attorney.

In 1972, George Sangmeister was elected as a Democrat to the Illinois House of Representatives; 1976, after two terms in the State house, he was elected to the State senate. George Sangmeister became a respected Democratic leader in the State legislature, and, in 1986, Democratic nominee for Governor, Adlai Stevenson, chose George Sangmeister as his running mate.

In 1988, George Sangmeister was elected to Congress, served on the Veterans' Affairs Committee where he helped to bring the veterans outpatient clinic to Joliet and worked tirelessly to expand health care benefits for veterans. After three terms in the House, he declined to seek reelection in 1994. He chose to return to private law practice.

George Sangmeister is survived by his wife, Doris; a son, Kurt; a daughter, Kimberly; and four grandchildren.

I join my friend JERRY COSTELLO and members of the Illinois delegation in asking this House to honor and remember the late Congressman George Sangmeister for his 34 years of public service to Illinois and our Nation.

Mr. COSTELLO. Madam Speaker, I ask our colleagues to join us in a moment of silence for our former colleague, George Sangmeister.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Without objection, 5-minute voting will continue.

There was no objection.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. FRANK of Massachusetts. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 264, nays 148, not voting 19, as follows:

[Roll No. 958]

YEAS—264

Abercrombie	Andrews	Baldwin
Ackerman	Arcuri	Barrow
Allen	Baca	Becerra
Andrews	Cardoza	Baldwin
Arcuri	Castor	Barrow
Baca	DeLauro	Becerra
Baird	DeLauro	Baldwin
Baldwin	Dicks	Barrow
Becerra	Dingell	Becerra
Berkley	Doggett	Baldwin
Berman	Edwards	Barrow
Bishop (GA)	Edwards	Becerra
Bishop (NY)	Ellison	Baldwin
Blumenauer	Ellsworth	Barrow
Boswell	Emanuel	Becerra
Boucher	Engel	Baldwin
Boyd (FL)	Eshoo	Barrow
Boyd (KS)	Etheridge	Becerra
Brady (PA)	Farr	Baldwin
Braley (IA)	Fattah	Barrow
Brown, Corrine	Filner	Becerra

Berman	Hinchey	Peterson (MN)	Conaway	Issa	Pitts
Berry	Hinojosa	Pickering	Crenshaw	Johnson, Sam	Poe
Bishop (GA)	Hirono	Platts	Culberson	Jones (NC)	Price (GA)
Bishop (NY)	Hodes	Pomeroy	Davis (KY)	Jordan	Pryce (OH)
Blumenauer	Holden	Porter	Davis, David	Keller	Putnam
Boswell	Holt	Price (NC)	Deal (GA)	Kingston	Radanovich
Boucher	Honda	Rahall	Doolittle	Kirk	Rehberg
Boyd (FL)	Hooley	Ramstad	Drake	Kline (MN)	Reynolds
Boysd (KS)	Hoyer	Rangel	Dreier	Knollenberg	Rogers (AL)
Brady (PA)	Inslee	Regula	Duncan	Lamborn	Rogers (MI)
Braley (IA)	Israel	Renzi	Ehlers	Latham	Rohrabacher
Brown, Corrine	Jackson (IL)	Reyes	Everett	Lewis (CA)	Roskam
Butterfield	Jackson-Lee	Richardson	Fallin	Lewis (KY)	Royce
Capito	(TX)	Rodriguez	Feehey	Linder	Ryan (WI)
Capps	Jefferson	Ros-Lehtinen	Flake	Lucas	Sali
Capuano	Johnson (GA)	Ross	Forbes	Lungren, Daniel	Schmidt
Cardoza	Jones (OH)	Rothman	Fortenberry	E.	Mack
Carnahan	Kagen	Royal-Allard	Fossella	Manzullo	Sensenbrenner
Carney	Kanjorski	Ruppertsberger	Foxx	Marchant	Sessions
Castle	Kaptur	Rush	Franks (AZ)	Gallagly	Shadegg
Castor	Kennedy	Ryan (OH)	Garrett (NJ)	McCarthy (CA)	Smith (NE)
Chandler	Kildee	Salazar	Gingrey	McCaull (TX)	Smith (TX)
Clarke	Kilpatrick	Sánchez, Linda	Gohmert	McCotter	Souder
Clay	Kind	T.	Goode	McCrery	Stearns
Cleaver	King (NY)	Sarbanes	Goodlatte	McKeon	Sullivan
Clyburn	Klein (FL)	Saxton	Granger	McMorris	Tancredo
Cohen	Kucinich	Schakowsky	Graves	Rodgers	Thornberry
Conyers	Kuhl (NY)	Schiff	Hall (TX)	Mica	Tiahrt
Costa	LaHood	Schwartz	Hastert	Miller (FL)	Tiberi
Costello	Lampson	Scott (GA)	Hastings (WA)	Moran (KS)	Walberg
Courtney	Langevin	Scott (VA)	Heller	Musgrave	Walsh (NY)
Cramer	Lantos	Serrano	Hensarling	Myrick	Wamp
Crowley	Larsen (WA)	Sestak	Herger	Neugebauer	Weldon (FL)
Cuellar	Larson (CT)	Shays	Hobson	Nunes	Westmoreland
Cummings	LaTourette	Shea-Porter	Hoekstra	Paul	Wicker
Davis (AL)	Lee	Sherman	Hulshof	Pearce	Wilson (SC)
Davis (CA)	Levin	Shimkus	Hunter	Pence	Wolf
Davis (IL)	Lewis (GA)	Simpson	Inglis (SC)	Petri	Young (FL)
Davis, Lincoln	Lipinski	Sires			
Davis, Tom	LoBiondo	Skelton			
DeFazio	Loebsack				
DeGette	Lofgren, Zoe	Slaughter	Baker	Jindal	Reichert
Delahunt	Lowe	Smith (NJ)	Bean	Johnson (IL)	Rogers (KY)
DeLauro	Lynch	Smith (WA)	Boren	Johnson, E. B.	Sanchez, Loretta
Dent	Mahoney (FL)	Snyder	Buyer	King (IA)	Shuster
Diaz-Balart, L.	Markey	Solis	Carson	Maloney (NY)	Miller, Gary
Diaz-Balart, M.	Marshall	Space	Cooper	Cubin	Peterson (PA)
Dicks	Matheson	Spratt			
Dingell	Matsui	Stark			
Doggett	McCarthy (NY)	Stupak			
Donnelly	McCullom (MN)	Sutton			
Doyle	McDermott	Tanner			
Edwards	McGovern	Tauscher			
Ellison	McHugh	Taylor			
Ellsworth	McIntyre	Terry			
Emanuel	McNerney	Thompson (CA)			
Emerson	McNulty	Thompson (MS)			
Engel	Meek (FL)	Tierney			
English (PA)	Meeks (NY)	Towns			
Eshoo	Melancon	Turner			
Etheridge	Michaud	Udall (CO)			
Farr	Miller (MI)	Udall (NM)			
Fattah	Miller (NC)	Upton			
Ferguson	Miller, George	Van Hollen			
Filner	Mitchell	Velázquez			
Frank (MA)	Mollohan	Visclosky			
Frelinghuysen	Moore (KS)	Walden (OR)			
Gerlach	Moore (WI)	Walz (MN)			
Giffords	Moran (VA)	Wasserman			
Gilcrest	Murphy (CT)	Schultz			
Gillibrand	Murphy, Patrick	Waters			
Gonzalez	Murphy, Tim	Watson			
Gordon	Murtha	Watt			
Green, Al	Nadler	Waxman			
Green, Gene	Napolitano	Weiner			
Grijalva	Neal (MA)	Welch (VT)			
Gutierrez	Oberstar	Weller			
Hall (NY)	Obey	Wexler			
Hare	Olver	Whitfield			
Harman	Ortiz	Wilson (NM)			
Hastings (FL)	Pallone	Woolsey			
Hayes	Pascrell	Wu			
Herseth Sandlin	Pastor	Wynn			
Higgins	Payne	Yarmuth			
Hill	Perlmuter	Young (AK)			

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Aderholt	Blackburn	Buchanan
Akin	Blunt	Burgess
Alexander	Boehner	Burton (IN)
Bachmann	Bonner	Calvert
Bachus	Bono	Camp (MI)
Barrett (SC)	Boozman	Campbell (CA)
Bartlett (MD)	Boustany	Cannon
Barton (TX)	Brady (TX)	Cantor
Biggert	Broun (GA)	Carter
Bilbray	Brown (SC)	Chabot
Bilirakis	Brown-Waite,	Coble
Bishop (UT)	Ginny	Cole (OK)

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN EN-GROSSMENT OF H.R. 2895, NA-TIONAL AFFORDABLE HOUSING TRUST FUND ACT OF 2007

Mr. SCOTT of Georgia. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to make technical

corrections in the engrossment of H.R. 2895, to include corrections in spelling, punctuation, section numbering and cross-referencing, and the insertion of appropriate headings.

The SPEAKER pro tempore (Mr. SERRANO). Is there objection to the request of the gentleman from Georgia?

There was no objection.

TAX COLLECTION RESPONSIBILITY ACT OF 2007

Mr. RANGEL. Mr. Speaker, pursuant to H. Res. 719, I call up the bill (H.R. 3056) to amend the Internal Revenue Code of 1986 to repeal the authority of the Internal Revenue Service to use private debt collection companies, to delay implementation of withholding taxes on government contractors, to revise the tax rules on expatriation, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3056

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

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Tax Collection Responsibility Act of 2007”.

(b) **AMENDMENT OF 1986 CODE.**—Except as otherwise expressly provided, whenever in this Act an amendment or repeal 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 a section or other provision of the Internal Revenue Code of 1986.

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

- Sec. 1. Short title; amendment of 1986 Code; table of contents.
- Sec. 2. Repeal of authority to enter into private debt collection contracts.
- Sec. 3. Delay of application of withholding requirement on certain governmental payments for goods and services.
- Sec. 4. Clarification of entitlement of Virgin Islands residents to protections of limitations on assessment and collection of tax.
- Sec. 5. Revision of tax rules on expatriation.
- Sec. 6. Repeal of suspension of certain penalties and interest.
- Sec. 7. Increase in information return penalties.
- Sec. 8. Time for payment of corporate estimated taxes.

SEC. 2. REPEAL OF AUTHORITY TO ENTER INTO PRIVATE DEBT COLLECTION CONTRACTS.

(a) **IN GENERAL.**—Subchapter A of chapter 64 is amended by striking section 6306.

(b) CONFORMING AMENDMENTS.—

(1) Subchapter B of chapter 76 is amended by striking section 7433A.

(2) Section 7811 is amended by striking subsection (g).

(3) Section 1203 of the Internal Revenue Service Restructuring Act of 1998 is amended by striking subsection (e).

(4) The table of sections for subchapter A of chapter 64 is amended by striking the item relating to section 6306.

(5) The table of sections for subchapter B of chapter 76 is amended by striking the item relating to section 7433A.