

Mr. SCOTT of Virginia. Mr. Speaker, I yield such time as he may consume to the sponsor of this important resolution, the gentleman from California (Mr. McNERNEY).

Mr. McNERNEY. I rise in proud support of H. Res. 426. I thank the gentleman from Texas for his words and support. We're basically here to honor police officers and law enforcement professionals.

I introduced this resolution last Tuesday in recognition of National Police Week. H. Res. 426 commends police officers and law enforcement professionals for the hard and often dangerous work they perform to keep us safe.

Almost 47 years ago, in October of 1962, President John F. Kennedy signed a resolution designating May 15 as Peace Officers Memorial Day and the week in which it occurs as Police Week. Since then, police officers have held events during Police Week honoring their fallen brethren and officers who worked tirelessly to keep us safe.

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May 15 just passed, but our law enforcement officials should be celebrated daily.

So far this year more than 40 officers from around the country have lost their lives in the line of duty. Four officers from California, including Sergeants Mark Dunakin of Tracy and Ervin Romans of Danville, both from my district, were killed earlier this year. My thoughts and prayers are with the families and loved ones of these dedicated officers.

In honor of their memory and in thanks for the hard work and selfless dedication of our Nation's police officers and law enforcement professionals, I urge my colleagues to support this resolution. These brave men and women deserve our respect and gratitude. I further encourage my colleagues to support our law enforcement professionals not just during Police Week but every day of the year.

Mr. POE of Texas. Mr. Speaker, I want to thank the gentleman from Virginia and the gentleman from California for proposing this legislation. Also, we need to constantly remember that we here in the United States Capitol are protected daily by the Capitol Police, two of whom just a few years ago gave their lives protecting Members of Congress.

I would also like to introduce into the RECORD the names of the 19 police officers from the State of Texas who have been killed in 2008 and 2009.

In 2008, 140 peace officers were killed. Of these fallen officers, 14 were from Texas:

Deputy Constable David Joubert, Harris County Constable's Office—Precinct 7, TX, EOW: Sunday, January 13, 2008.

Police Officer Matthew B. Thebeau, Corpus Christi Police Department, TX, EOW: Sunday, January 20, 2008.

Corporal Harry Thielepape, Harris County Constable's Office—Precinct 6, TX, EOW: Wednesday, February 20, 2008.

Senior Corporal Victor A. Lozada Sr., Dallas Police Department, TX, EOW: Friday, February 22, 2008.

Trooper James Scott Burns, Texas Department of Public Safety—Texas Highway Patrol, TX, EOW: Tuesday, April 29, 2008.

Police Officer Everett William Dennis, Carthage Police Department, TX, EOW: Tuesday, June 3, 2008.

Sergeant Barbara Jean Shumate, Texas Department of Criminal Justice, TX, EOW: Friday, June 13, 2008.

Police Officer Gary Gryder, Houston Police Department, TX, EOW: Sunday, June 29, 2008.

Detective Tommy Keen, Harris County Sheriff's Department, TX, EOW: Monday, September 15, 2008.

Game Warden George Harold Whatley Jr., Texas Parks and Wildlife Department—Law Enforcement Division, TX, EOW: Friday, October 10, 2008.

Sheriff Brent Lee, Trinity County Sheriff's Department, TX, EOW: Thursday, November 27, 2008.

Police Officer Robert Davis, San Antonio Police Department, TX, EOW: Monday, December 1, 2008.

Police Officer Timothy Abernethy, Houston Police Department, TX, EOW: Sunday, December 7, 2008.

Police Officer Mark Simmons, Amarillo Police Department, TX, EOW: Wednesday, December 17, 2008.

In 2009, 48 officers have died in the line of duty. 5 of these officers were from Texas:

Senior Corporal Norman Smith, Dallas Police Department, TX, EOW: Tuesday, January 6, 2009.

Detention Officer Cesar Arreola, El Paso County Sheriff's Office, TX, EOW: Sunday, January 18, 2009.

Lieutenant Stuart J. Alexander, Corpus Christi Police Department, TX, EOW: Wednesday, March 11, 2009.

Sergeant Randy White, Bridgeport Police Department, TX, EOW: Thursday, April 2, 2009.

Deputy Sheriff D. Robert Harvey, Lubbock County Sheriff's Department, TX, EOW: Sunday, April 26, 2009.

I yield back the balance of my time. Mr. SCOTT of Virginia. I yield myself as much time as I may consume.

Mr. Speaker, I would like to thank the gentleman from Texas, the gentleman from California and the gentleman from Michigan for their strong support of this resolution. I urge my colleagues to support it.

I yield back the balance of my time. The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. SCOTT) that the House suspend the rules and agree to the resolution, H. Res. 426.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

HELPING FAMILIES SAVE THEIR HOMES ACT OF 2009

Mr. FRANK of Massachusetts. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 896) to prevent mortgage foreclosures and enhance mortgage credit availability, as amended.

The Clerk read the title of the Senate bill.

The text of the Senate bill, as amended, is as follows:

S. 896

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

DIVISION A—PREVENTING MORTGAGE FORECLOSURES

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This division may be cited as the "Helping Families Save Their Homes Act of 2009".

(b) TABLE OF CONTENTS.—The table of contents of this division is the following:

Sec. 1. Short title; table of contents.

TITLE I—PREVENTION OF MORTGAGE FORECLOSURES

- Sec. 101. Guaranteed rural housing loans.
- Sec. 102. Modification of housing loans guaranteed by the Department of Veterans Affairs.
- Sec. 103. Additional funding for HUD programs to assist individuals to better withstand the current mortgage crisis.
- Sec. 104. Mortgage modification data collecting and reporting.
- Sec. 105. Neighborhood Stabilization Program Refinements.

TITLE II—FORECLOSURE MITIGATION AND CREDIT AVAILABILITY

- Sec. 201. Servicer safe harbor for mortgage loan modifications.
- Sec. 202. Changes to HOPE for Homeowners Program.
- Sec. 203. Requirements for FHA-approved mortgagees.
- Sec. 204. Enhancement of liquidity and stability of insured depository institutions to ensure availability of credit and reduction of foreclosures.
- Sec. 205. Application of GSE conforming loan limit to mortgages assisted with TARP funds.
- Sec. 206. Mortgages on certain homes on leased land.
- Sec. 207. Sense of Congress regarding mortgage revenue bond purchases.

TITLE III—MORTGAGE FRAUD TASK FORCE

- Sec. 301. Sense of the Congress on establishment of a Nationwide Mortgage Fraud Task Force.

TITLE IV—FORECLOSURE MORATORIUM PROVISIONS

- Sec. 401. Sense of the Congress on foreclosures.
- Sec. 402. Public-Private Investment Program; Additional Appropriations for the Special Inspector General for the Troubled Asset Relief Program.
- Sec. 403. Removal of requirement to liquidate warrants under the TARP.
- Sec. 404. Notification of sale or transfer of mortgage loans.

TITLE V—FARM LOAN RESTRUCTURING

- Sec. 501. Congressional Oversight Panel special report.

TITLE VI—ENHANCED OVERSIGHT OF THE TROUBLED ASSET RELIEF PROGRAM

- Sec. 601. Enhanced oversight of the Troubled Asset Relief Program.

TITLE VII—PROTECTING TENANTS AT FORECLOSURE ACT

- Sec. 701. Short title.
- Sec. 702. Effect of foreclosure on preexisting tenancy.
- Sec. 703. Effect of foreclosure on section 8 tenancies.
- Sec. 704. Sunset.

TITLE VIII—COMPTROLLER GENERAL ADDITIONAL AUDIT AUTHORITIES

- Sec. 801. Comptroller General additional audit authorities.

TITLE I—PREVENTION OF MORTGAGE FORECLOSURES

SEC. 101. GUARANTEED RURAL HOUSING LOANS.

(a) GUARANTEED RURAL HOUSING LOANS.—Section 502(h) of the Housing Act of 1949 (42 U.S.C. 1472(h)) is amended—

(1) by redesignating paragraphs (13) and (14) as paragraphs (16) and (17), respectively; and

(2) by inserting after paragraph (12) the following new paragraphs:

“(13) LOSS MITIGATION.—Upon default or imminent default of any mortgage guaranteed under this subsection, mortgagees shall engage in loss mitigation actions for the purpose of providing an alternative to foreclosure (including actions such as special forbearance, loan modification, pre-foreclosure sale, deed in lieu of foreclosure, as required, support for borrower housing counseling, subordinate lien resolution, and borrower relocation), as provided for by the Secretary.

“(14) PAYMENT OF PARTIAL CLAIMS AND MORTGAGE MODIFICATIONS.—The Secretary may authorize the modification of mortgages, and establish a program for payment of a partial claim to a mortgagee that agrees to apply the claim amount to payment of a mortgage on a 1- to 4-family residence, for mortgages that are in default or face imminent default, as defined by the Secretary. Any payment under such program directed to the mortgagee shall be made at the sole discretion of the Secretary and on terms and conditions acceptable to the Secretary, except that—

“(A) the amount of the partial claim payment shall be in an amount determined by the Secretary, and shall not exceed an amount equivalent to 30 percent of the unpaid principal balance of the mortgage and any costs that are approved by the Secretary;

“(B) the amount of the partial claim payment shall be applied first to any outstanding indebtedness on the mortgage, including any arrearage, but may also include principal reduction;

“(C) the mortgagor shall agree to repay the amount of the partial claim to the Secretary upon terms and conditions acceptable to the Secretary;

“(D) expenses related to a partial claim or modification are not to be charged to the borrower;

“(E) the Secretary may authorize compensation to the mortgagee for lost income on monthly mortgage payments due to interest rate reduction;

“(F) the Secretary may reimburse the mortgagee from the appropriate guaranty fund in connection with any activities that the mortgagee is required to undertake concerning repayment by the mortgagor of the amount owed to the Secretary;

“(G) the Secretary may authorize payments to the mortgagee on behalf of the borrower, under such terms and conditions as are defined by the Secretary, based on successful performance under the terms of the mortgage modification, which shall be used to reduce the principal obligation under the modified mortgage; and

“(H) the Secretary may authorize the modification of mortgages with terms extended up to 40 years from the date of modification.

“(15) ASSIGNMENT.—

“(A) PROGRAM AUTHORITY.—The Secretary may establish a program for assignment to the Secretary, upon request of the mortgagee, of a mortgage on a 1- to 4-family residence guaranteed under this chapter.

“(B) PROGRAM REQUIREMENTS.—

“(i) IN GENERAL.—The Secretary may encourage loan modifications for eligible delin-

quent mortgages or mortgages facing imminent default, as defined by the Secretary, through the payment of the guaranty and assignment of the mortgage to the Secretary and the subsequent modification of the terms of the mortgage according to a loan modification approved under this section.

“(ii) ACCEPTANCE OF ASSIGNMENT.—The Secretary may accept assignment of a mortgage under a program under this subsection only if—

“(I) the mortgage is in default or facing imminent default;

“(II) the mortgagee has modified the mortgage or qualified the mortgage for modification sufficient to cure the default and provide for mortgage payments the mortgagor is reasonably able to pay, at interest rates not exceeding current market interest rates; and

“(III) the Secretary arranges for servicing of the assigned mortgage by a mortgagee (which may include the assigning mortgagee) through procedures that the Secretary has determined to be in the best interests of the appropriate guaranty fund.

“(C) PAYMENT OF GUARANTY.—Under the program under this paragraph, the Secretary may pay the guaranty for a mortgage, in the amount determined in accordance with paragraph (2), without reduction for any amounts modified, but only upon the assignment, transfer, and delivery to the Secretary of all rights, interest, claims, evidence, and records with respect to the mortgage, as defined by the Secretary.

“(D) DISPOSITION.—After modification of a mortgage pursuant to this paragraph, and assignment of the mortgage, the Secretary may provide guarantees under this subsection for the mortgage. The Secretary may subsequently—

“(i) re-assign the mortgage to the mortgagee under terms and conditions as are agreed to by the mortgagee and the Secretary;

“(ii) act as a Government National Mortgage Association issuer, or contract with an entity for such purpose, in order to pool the mortgage into a Government National Mortgage Association security; or

“(iii) re-sell the mortgage in accordance with any program that has been established for purchase by the Federal Government of mortgages insured under this title, and the Secretary may coordinate standards for interest rate reductions available for loan modification with interest rates established for such purchase.

“(E) LOAN SERVICING.—In carrying out the program under this subsection, the Secretary may require the existing servicer of a mortgage assigned to the Secretary under the program to continue servicing the mortgage as an agent of the Secretary during the period that the Secretary acquires and holds the mortgage for the purpose of modifying the terms of the mortgage. If the mortgage is resold pursuant to subparagraph (D)(iii), the Secretary may provide for the existing servicer to continue to service the mortgage or may engage another entity to service the mortgage.”

(b) TECHNICAL AMENDMENTS.—Subsection (h) of section 502 of the Housing Act of 1949 (42 U.S.C. 1472(h)) is amended—

(1) in paragraph (5)(A), by striking “(as defined in paragraph (13))” and inserting “(as defined in paragraph (17))”; and

(2) in paragraph (18)(E)(as so redesignated by subsection (a)(2)), by—

(A) striking “paragraphs (3), (6), (7)(A), (8), and (10)” and inserting “paragraphs (3), (6), (7)(A), (8), (10), (13), and (14)”; and

(B) striking “paragraphs (2) through (13)” and inserting “paragraphs (2) through (15)”.

(c) PROCEDURE.—

(1) IN GENERAL.—The promulgation of regulations necessitated and the administration actions required by the amendments made by this section shall be made without regard to—

(A) the notice and comment provisions of section 553 of title 5, United States Code;

(B) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

(C) chapter 35 of title 44, United States Code (commonly known as the “Paperwork Reduction Act”).

(2) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out this section, and the amendments made by this section, the Secretary shall use the authority provided under section 808 of title 5, United States Code.

SEC. 102. MODIFICATION OF HOUSING LOANS GUARANTEED BY THE DEPARTMENT OF VETERANS AFFAIRS.

(a) MATURITY OF HOUSING LOANS.—Section 3703(d)(1) of title 38, United States Code, is amended by inserting “at the time of origination” after “loan”.

(b) IMPLEMENTATION.—The Secretary of Veterans Affairs may implement the amendments made by this section through notice, procedure notice, or administrative notice.

SEC. 103. ADDITIONAL FUNDING FOR HUD PROGRAMS TO ASSIST INDIVIDUALS TO BETTER WITHSTAND THE CURRENT MORTGAGE CRISIS.

(a) ADDITIONAL APPROPRIATIONS FOR ADVERTISING TO INCREASE PUBLIC AWARENESS OF MORTGAGE SCAMS AND COUNSELING ASSISTANCE.—In addition to any amounts that may be appropriated for each of the fiscal years 2010 and 2011 for such purpose, there is authorized to be appropriated to the Secretary of Housing and Urban Development, to remain available until expended, \$10,000,000 for each of the fiscal years 2010 and 2011 for purposes of providing additional resources to be used for advertising to raise awareness of mortgage fraud and to support HUD programs and approved counseling agencies, provided that such amounts are used to advertise in the 100 metropolitan statistical areas with the highest rate of home foreclosures, and provided, further that up to \$5,000,000 of such amounts are used for advertisements designed to reach and inform broad segments of the community.

(b) ADDITIONAL APPROPRIATIONS FOR THE HOUSING COUNSELING ASSISTANCE PROGRAM.—In addition to any amounts that may be appropriated for each of the fiscal years 2010 and 2011 for such purpose, there is authorized to be appropriated to the Secretary of Housing and Urban Development, to remain available until expended, \$50,000,000 for each of the fiscal years 2010 and 2011 to carry out the Housing Counseling Assistance Program established within the Department of Housing and Urban Development, provided that such amounts are used to fund HUD-certified housing-counseling agencies located in the 100 metropolitan statistical areas with the highest rate of home foreclosures for the purpose of assisting homeowners with inquiries regarding mortgage-modification assistance and mortgage scams.

(c) ADDITIONAL APPROPRIATIONS FOR PERSONNEL AT THE OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY.—In addition to any amounts that may be appropriated for each of the fiscal years 2010 and 2011 for such purpose, there is authorized to be appropriated to the Secretary of Housing and Urban Development, to remain available until expended, \$5,000,000 for each of the fiscal years 2010 and 2011 for purposes of hiring additional personnel at the Office of Fair Housing and Equal Opportunity within the Department of

Housing and Urban Development, provided that such amounts are used to hire personnel at the local branches of such Office located in the 100 metropolitan statistical areas with the highest rate of home foreclosures.

SEC. 104. MORTGAGE MODIFICATION DATA COLLECTING AND REPORTING.

(a) **REPORTING REQUIREMENTS.**—Not later than 120 days after the date of the enactment of this Act, and quarterly thereafter, the Comptroller of the Currency and the Director of the Office of Thrift Supervision, shall jointly submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate, the Committee on Financial Services of the House of Representatives on the volume of mortgage modifications reported to the Office of the Comptroller of the Currency and the Office of Thrift Supervision, under the mortgage metrics program of each such Office, during the previous quarter, including the following:

(1) A copy of the data collection instrument currently used by the Office of the Comptroller of the Currency and the Office of Thrift Supervision to collect data on loan modifications.

(2) The total number of mortgage modifications resulting in each of the following:

(A) Additions of delinquent payments and fees to loan balances.

(B) Interest rate reductions and freezes.

(C) Term extensions.

(D) Reductions of principal.

(E) Deferrals of principal.

(F) Combinations of modifications described in subparagraph (A), (B), (C), (D), or (E).

(3) The total number of mortgage modifications in which the total monthly principal and interest payment resulted in the following:

(A) An increase.

(B) Remained the same.

(C) Decreased less than 10 percent.

(D) Decreased between 10 percent and 20 percent.

(E) Decreased 20 percent or more.

(4) The total number of loans that have been modified and then entered into default, where the loan modification resulted in—

(A) higher monthly payments by the homeowner;

(B) equivalent monthly payments by the homeowner;

(C) lower monthly payments by the homeowner of up to 10 percent;

(D) lower monthly payments by the homeowner of between 10 percent to 20 percent; or

(E) lower monthly payments by the homeowner of more than 20 percent.

(b) **DATA COLLECTION.**—

(1) **REQUIRED.**—

(A) **IN GENERAL.**—Not later than 60 days after the date of the enactment of this Act, the Comptroller of the Currency and the Director of the Office of Thrift Supervision, shall issue mortgage modification data collection and reporting requirements to institutions covered under the reporting requirement of the mortgage metrics program of the Comptroller or the Director.

(B) **INCLUSIVENESS OF COLLECTIONS.**—The requirements under subparagraph (A) shall provide for the collection of all mortgage modification data needed by the Comptroller of the Currency and the Director of the Office of Thrift Supervision to fulfill the reporting requirements under subsection (a).

(2) **REPORT.**—The Comptroller of the Currency shall report all requirements established under paragraph (1) to each committee receiving the report required under subsection (a).

SEC. 105. NEIGHBORHOOD STABILIZATION PROGRAM REFINEMENTS.

(a) **IN GENERAL.**—Section 2301(c) of the Foreclosure Prevention Act of 2008 (42 U.S.C. 5301 note) is amended—

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

“(3) **EXCEPTION FOR CERTAIN STATES.**—Each State that has received the minimum allocation of amounts pursuant to the requirement under section 2302 may, to the extent such State has fulfilled the requirements of paragraph (2), distribute any remaining amounts to areas with homeowners at risk of foreclosure or in foreclosure without regard to the percentage of home foreclosures in such areas.”.

(b) **RETROACTIVE EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect as if enacted on the date of enactment of the Foreclosure Prevention Act of 2008 (Public Law 110-289).

TITLE II—FORECLOSURE MITIGATION AND CREDIT AVAILABILITY

SEC. 201. SERVICER SAFE HARBOR FOR MORTGAGE LOAN MODIFICATIONS.

(a) **CONGRESSIONAL FINDINGS.**—Congress finds the following:

(1) Increasing numbers of mortgage foreclosures are not only depriving many Americans of their homes, but are also destabilizing property values and negatively affecting State and local economies as well as the national economy.

(2) In order to reduce the number of foreclosures and to stabilize property values, local economies, and the national economy, servicers must be given—

(A) authorization to—

(i) modify mortgage loans and engage in other loss mitigation activities consistent with applicable guidelines issued by the Secretary of the Treasury or his designee under the Emergency Economic Stabilization Act of 2008; and

(ii) refinance mortgage loans under the Hope for Homeowners program; and

(B) a safe harbor to enable such servicers to exercise these authorities.

(b) **SAFE HARBOR.**—Section 129A of the Truth in Lending Act (15 U.S.C. 1639a) is amended to read as follows:

“SEC. 129. DUTY OF SERVICERS OF RESIDENTIAL MORTGAGES.

“(a) **IN GENERAL.**—Notwithstanding any other provision of law, whenever a servicer of residential mortgages agrees to enter into a qualified loss mitigation plan with respect to 1 or more residential mortgages originated before the date of enactment of the Helping Families Save Their Homes Act of 2009, including mortgages held in a securitization or other investment vehicle—

“(1) to the extent that the servicer owes a duty to investors or other parties to maximize the net present value of such mortgages, the duty shall be construed to apply to all such investors and parties, and not to any individual party or group of parties; and

“(2) the servicer shall be deemed to have satisfied the duty set forth in paragraph (1) if, before December 31, 2012, the servicer implements a qualified loss mitigation plan that meets the following criteria:

“(A) Default on the payment of such mortgage has occurred, is imminent, or is reasonably foreseeable, as such terms are defined by guidelines issued by the Secretary of the Treasury or his designee under the Emergency Economic Stabilization Act of 2008.

“(B) The mortgagor occupies the property securing the mortgage as his or her principal residence.

“(C) The servicer reasonably determined, consistent with the guidelines issued by the Secretary of the Treasury or his designee, that the application of such qualified loss

mitigation plan to a mortgage or class of mortgages will likely provide an anticipated recovery on the outstanding principal mortgage debt that will exceed the anticipated recovery through foreclosures.

“(b) **NO LIABILITY.**—A servicer that is deemed to be acting in the best interests of all investors or other parties under this section shall not be liable to any party who is owed a duty under subsection (a)(1), and shall not be subject to any injunction, stay, or other equitable relief to such party, based solely upon the implementation by the servicer of a qualified loss mitigation plan.

“(c) **STANDARD INDUSTRY PRACTICE.**—The qualified loss mitigation plan guidelines issued by the Secretary of the Treasury under the Emergency Economic Stabilization Act of 2008 shall constitute standard industry practice for purposes of all Federal and State laws.

“(d) **SCOPE OF SAFE HARBOR.**—Any person, including a trustee, issuer, and loan originator, shall not be liable for monetary damages or be subject to an injunction, stay, or other equitable relief, based solely upon the cooperation of such person with a servicer when such cooperation is necessary for the servicer to implement a qualified loss mitigation plan that meets the requirements of subsection (a).

“(e) **REPORTING.**—Each servicer that engages in qualified loss mitigation plans under this section shall regularly report to the Secretary of the Treasury the extent, scope, and results of the servicer’s modification activities. The Secretary of the Treasury shall prescribe regulations or guidance specifying the form, content, and timing of such reports.

“(f) **DEFINITIONS.**—As used in this section—

“(1) the term ‘qualified loss mitigation plan’ means—

“(A) a residential loan modification, workout, or other loss mitigation plan, including to the extent that the Secretary of the Treasury determines appropriate, a loan sale, real property disposition, trial modification, pre-foreclosure sale, and deed in lieu of foreclosure, that is described or authorized in guidelines issued by the Secretary of the Treasury or his designee under the Emergency Economic Stabilization Act of 2008; and

“(B) a refinancing of a mortgage under the Hope for Homeowners program;

“(2) the term ‘servicer’ means the person responsible for the servicing for others of residential mortgage loans (including of a pool of residential mortgage loans); and

“(3) the term ‘securitization vehicle’ means a trust, special purpose entity, or other legal structure that is used to facilitate the issuing of securities, participation certificates, or similar instruments backed by or referring to a pool of assets that includes residential mortgages (or instruments that are related to residential mortgages such as credit-linked notes).

“(g) **RULE OF CONSTRUCTION.**—No provision of subsection (b) or (d) shall be construed as affecting the liability of any servicer or person as described in subsection (d) for actual fraud in the origination or servicing of a loan or in the implementation of a qualified loss mitigation plan, or for the violation of a State or Federal law, including laws regulating the origination of mortgage loans, commonly referred to as predatory lending laws.”.

SEC. 202. CHANGES TO HOPE FOR HOMEOWNERS PROGRAM.

(a) **PROGRAM CHANGES.**—Section 257 of the National Housing Act (12 U.S.C. 1715z-23) is amended—

(1) in subsection (c)—

(A) in the heading for paragraph (1), by striking “THE BOARD” and inserting “SECRETARY”;

(B) in paragraph (1), by striking “Board” inserting “Secretary, after consultation with the Board.”;

(C) in paragraph (1)(A), by inserting “consistent with section 203(b) to the maximum extent possible” before the semicolon; and

(D) by adding after paragraph (2) the following:

“(3) DUTIES OF BOARD.—The Board shall advise the Secretary regarding the establishment and implementation of the HOPE for Homeowners Program.”;

(2) by striking “Board” each place such term appears in subsections (e), (h)(1), (h)(3), (j), (l), (n), (s)(3), and (v) and inserting “Secretary”;

(3) in subsection (e)—

(A) by striking paragraph (1) and inserting the following:

“(1) BORROWER CERTIFICATION.—

“(A) NO INTENTIONAL DEFAULT OR FALSE INFORMATION.—The mortgagor shall provide a certification to the Secretary that the mortgagor has not intentionally defaulted on the existing mortgage or mortgages or any other substantial debt within the last 5 years and has not knowingly, or willfully and with actual knowledge, furnished material information known to be false for the purpose of obtaining the eligible mortgage to be insured and has not been convicted under Federal or State law for fraud during the 10-year period ending upon the insurance of the mortgage under this section.

“(B) LIABILITY FOR REPAYMENT.—The mortgagor shall agree in writing that the mortgagor shall be liable to repay to the Secretary any direct financial benefit achieved from the reduction of indebtedness on the existing mortgage or mortgages on the residence refinanced under this section derived from misrepresentations made by the mortgagor in the certifications and documentation required under this paragraph, subject to the discretion of the Secretary.

“(C) CURRENT BORROWER DEBT-TO-INCOME RATIO.—As of the date of application for a commitment to insure or insurance under this section, the mortgagor shall have had, or thereafter is likely to have, due to the terms of the mortgage being reset, a ratio of mortgage debt to income, taking into consideration all existing mortgages of that mortgagor at such time, greater than 31 percent (or such higher amount as the Secretary determines appropriate).”;

(B) in paragraph (4)—

(i) in subparagraph (A), by striking “, subject to standards established by the Board under subparagraph (B).”;

(ii) in subparagraph (B)(i), by striking “shall” and inserting “may”;

(C) in paragraph (7), by striking “; and provided that” and all that follows through “new second lien”;

(D) in paragraph (9)—

(i) by striking “by procuring (A) an income tax return transcript of the income tax return of the mortgagor, or (B)” and inserting “in accordance with procedures and standards that the Secretary shall establish (provided that such procedures and standards are consistent with section 203(b) to the maximum extent possible) which may include requiring the mortgagee to procure”;

(ii) by striking “and by any other method, in accordance with procedures and standards that the Board shall establish”;

(E) in paragraph (10)—

(i) by striking “The mortgagor shall not” and inserting the following:

“(A) PROHIBITION.—The mortgagor shall not”;

(ii) by adding at the end the following:

“(B) DUTY OF MORTGAGEE.—The duty of the mortgagee to ensure that the mortgagor is in compliance with the prohibition under subparagraph (A) shall be satisfied if the

mortgagee makes a good faith effort to determine that the mortgagor has not been convicted under Federal or State law for fraud during the period described in subparagraph (A).”;

(F) in paragraph (11), by inserting before the period at the end the following: “, except that the Secretary may provide exceptions to such latter requirement (relating to present ownership interest) for any mortgagor who has inherited a property”;

(G) by adding at the end:

“(12) BAN ON MILLIONAIRES.—The mortgagor shall not have a net worth, as of the date the mortgagor first applies for a mortgage to be insured under the Program under this section, that exceeds \$1,000,000.”;

(4) in subsection (h)(2), by striking “The Board shall prohibit the Secretary from paying” and inserting “The Secretary shall not pay”;

(5) in subsection (i)—

(A) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and adjusting the margins accordingly;

(B) in the matter preceding subparagraph (A), as redesignated by this paragraph, by striking “For each” and inserting the following:

“(1) PREMIUMS.—For each”;

(C) in subparagraph (A), as redesignated by this paragraph, by striking “equal to 3 percent” and inserting “not more than 3 percent”;

(D) in subparagraph (B), as redesignated by this paragraph, by striking “equal to 1.5 percent” and inserting “not more than 1.5 percent”;

(E) by adding at the end the following:

“(2) CONSIDERATIONS.—In setting the premium under this subsection, the Secretary shall consider—

“(A) the financial integrity of the HOPE for Homeowners Program; and

“(B) the purposes of the HOPE for Homeowners Program described in subsection (b).”;

(6) in subsection (k)—

(A) by striking the subsection heading and inserting “EXIT FEE”;

(B) in paragraph (1), in the matter preceding subparagraph (A), by striking “such sale or refinancing” and inserting “the mortgage being insured under this section”;

(C) in paragraph (2), by striking “and the mortgagor” and all that follows through the end and inserting “may, upon any sale or disposition of the property to which the mortgage relates, be entitled to up to 50 percent of appreciation, up to the appraised value of the home at the time when the mortgage being refinanced under this section was originally made. The Secretary may share any amounts received under this paragraph with “or assign the rights of any amounts due to the Secretary to” the holder of the existing senior mortgage on the eligible mortgage, the holder of any existing subordinate mortgage on the eligible mortgage, or both.”;

(7) in the heading for subsection (n), by striking “THE BOARD” and inserting “SECRETARY”;

(8) in subsection (p), by striking “Under the direction of the Board, the” and inserting “The”;

(9) in subsection (s)—

(A) in the first sentence of paragraph (2), by striking “Board of Directors of” and inserting “Advisory Board for”;

(B) in paragraph (3)(A)(ii), by striking “subsection (e)(1)(B) and such other” and inserting “such”;

(10) in subsection (v), by inserting after the period at the end the following: “The Secretary shall conform documents, forms, and procedures for mortgages insured under this section to those in place for mortgages in-

sured under section 203(b) to the maximum extent possible consistent with the requirements of this section.”;

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

“(x) PAYMENTS TO SERVICERS AND ORIGINATORS.—The Secretary may establish a payment to the—

“(1) servicer of the existing senior mortgage “or existing subordinate mortgage” for every loan insured under the HOPE for Homeowners Program; and

“(2) originator of each new loan insured under the HOPE for Homeowners Program.

“(y) AUCTIONS.—The Secretary, with the concurrence of the Board, shall, if feasible, establish a structure and organize procedures for an auction to refinance eligible mortgages on a wholesale or bulk basis.”.

(b) REDUCING TARP FUNDS TO OFFSET COSTS OF PROGRAM CHANGES.—Paragraph (3) of section 115(a) of the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5225) is amended by inserting “, as such amount is reduced by \$1,244,000,000,” after “\$700,000,000,000”.

(c) TECHNICAL CORRECTION.—The second section 257 of the National Housing Act (Public Law 110-289; 122 Stat. 2839; 12 U.S.C. 1715z-24) is amended by striking the section heading and inserting the following:

“SEC. 258. PILOT PROGRAM FOR AUTOMATED PROCESS FOR BORROWERS WITHOUT SUFFICIENT CREDIT HISTORY.”
SEC. 203. REQUIREMENTS FOR FHA-APPROVED MORTGAGEES.

(a) MORTGAGEE REVIEW BOARD.—

(1) IN GENERAL.—Section 202(c)(2) of the National Housing Act (12 U.S.C. 1708(c)) is amended—

(A) in subparagraph (E), by inserting “and” after the semicolon;

(B) in subparagraph (F), by striking “; and” and inserting “or their designees.”;

(C) by striking subparagraph (G).

(2) PROHIBITION AGAINST LIMITATIONS ON MORTGAGEE REVIEW BOARD’S POWER TO TAKE ACTION AGAINST MORTGAGEES.—Section 202(c) of the National Housing Act (12 U.S.C. 1708(c)) is amended by adding at the end the following new paragraph:

“(9) PROHIBITION AGAINST LIMITATIONS ON MORTGAGEE REVIEW BOARD’S POWER TO TAKE ACTION AGAINST MORTGAGEES.—No State or local law, and no Federal law (except a Federal law enacted expressly in limitation of this subsection after the effective date of this sentence), shall preclude or limit the exercise by the Board of its power to take any action authorized under paragraphs (3) and (6) of this subsection against any mortgagee.”.

(b) LIMITATIONS ON PARTICIPATION AND MORTGAGEE APPROVAL AND USE OF NAME.—Section 202 of the National Housing Act (12 U.S.C. 1708) is amended—

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

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

“(d) LIMITATIONS ON PARTICIPATION IN ORIGINATION AND MORTGAGEE APPROVAL.—

“(1) REQUIREMENT.—Any person or entity that is not approved by the Secretary to serve as a mortgagee, as such term is defined in subsection (c)(7), shall not participate in the origination of an FHA-insured loan except as authorized by the Secretary.

“(2) ELIGIBILITY FOR APPROVAL.—In order to be eligible for approval by the Secretary, an applicant mortgagee shall not be, and shall not have any officer, partner, director, principal, manager, supervisor, loan processor, loan underwriter, or loan originator of the applicant mortgagee who is—

“(A) currently suspended, debarred, under a limited denial of participation (LDP), or

otherwise restricted under part 25 of title 24 of the Code of Federal Regulations, 2 Code of Federal Regulations, part 180 as implemented by part 2424, or any successor regulations to such parts, or under similar provisions of any other Federal agency;

“(B) under indictment for, or has been convicted of, an offense that reflects adversely upon the applicant’s integrity, competence or fitness to meet the responsibilities of an approved mortgagee;

“(C) subject to unresolved findings contained in a Department of Housing and Urban Development or other governmental audit, investigation, or review;

“(D) engaged in business practices that do not conform to generally accepted practices of prudent mortgagees or that demonstrate irresponsibility;

“(E) convicted of, or who has pled guilty or nolo contendere to, a felony related to participation in the real estate or mortgage loan industry—

“(i) during the 7-year period preceding the date of the application for licensing and registration; or

“(ii) at any time preceding such date of application, if such felony involved an act of fraud, dishonesty, or a breach of trust, or money laundering;

“(F) in violation of provisions of the S.A.F.E. Mortgage Licensing Act of 2008 (12 U.S.C. 5101 et seq.) or any applicable provision of State law; or

“(G) in violation of any other requirement as established by the Secretary.

“(3) RULEMAKING AND IMPLEMENTATION.—The Secretary shall conduct a rulemaking to carry out this subsection. The Secretary shall implement this subsection not later than the expiration of the 60-day period beginning upon the date of the enactment of this subsection by notice, mortgagee letter, or interim final regulations, which shall take effect upon issuance.”; and

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

“(h) USE OF NAME.—The Secretary shall, by regulation, require each mortgagee approved by the Secretary for participation in the FHA mortgage insurance programs of the Secretary—

“(1) to use the business name of the mortgagee that is registered with the Secretary in connection with such approval in all advertisements and promotional materials, as such terms are defined by the Secretary, relating to the business of such mortgagee in such mortgage insurance programs; and

“(2) to maintain copies of all such advertisements and promotional materials, in such form and for such period as the Secretary requires.”.

(c) PAYMENT FOR LOSS MITIGATION.—Section 204(a)(2) of the National Housing Act (12 U.S.C. 1710(a)(2)) is amended—

(1) by inserting “or faces imminent default, as defined by the Secretary” after “default”;

(2) by inserting “support for borrower housing counseling, partial claims, borrower incentives, preforeclosure sale,” after “loan modification,”; and

(3) by striking “204(a)(1)(A)” and inserting “subsection (a)(1)(A) or section 230(c)”.

(d) PAYMENT OF FHA MORTGAGE INSURANCE BENEFITS.—

(1) ADDITIONAL LOSS MITIGATION ACTIONS.—Section 230(a) of the National Housing Act (12 U.S.C. 1715u(a)) is amended—

(A) by inserting “or imminent default, as defined by the Secretary” after “default”;

(B) by striking “loss” and inserting “loan”;

(C) by inserting “preforeclosure sale, support for borrower housing counseling, subordinate lien resolution, borrower incentives,” after “loan modification,”;

(D) by inserting “as required,” after “deeds in lieu of foreclosure.”; and

(E) by inserting “or section 230(c),” before “as provided”.

(2) AMENDMENT TO PARTIAL CLAIM AUTHORITY.—Section 230(b) of the National Housing Act (12 U.S.C. 1715u(b)) is amended to read as follows:

“(b) PAYMENT OF PARTIAL CLAIM.—

“(1) ESTABLISHMENT OF PROGRAM.—The Secretary may establish a program for payment of a partial claim to a mortgagee that agrees to apply the claim amount to payment of a mortgage on a 1- to 4-family residence that is in default or faces imminent default, as defined by the Secretary.

“(2) PAYMENTS AND EXCEPTIONS.—Any payment of a partial claim under the program established in paragraph (1) to a mortgagee shall be made in the sole discretion of the Secretary and on terms and conditions acceptable to the Secretary, except that—

“(A) the amount of the payment shall be in an amount determined by the Secretary, not to exceed an amount equivalent to 30 percent of the unpaid principal balance of the mortgage and any costs that are approved by the Secretary;

“(B) the amount of the partial claim payment shall first be applied to any arrearage on the mortgage, and may also be applied to achieve principal reduction;

“(C) the mortgagor shall agree to repay the amount of the insurance claim to the Secretary upon terms and conditions acceptable to the Secretary;

“(D) the Secretary may permit compensation to the mortgagee for lost income on monthly payments, due to a reduction in the interest rate charged on the mortgage;

“(E) expenses related to the partial claim or modification may not be charged to the borrower;

“(F) loans may be modified to extend the term of the mortgage to a maximum of 40 years from the date of the modification; and

“(G) the Secretary may permit incentive payments to the mortgagee, on the borrower’s behalf, based on successful performance of a modified mortgage, which shall be used to reduce the amount of principal indebtedness.

“(3) PAYMENTS IN CONNECTION WITH CERTAIN ACTIVITIES.—The Secretary may pay the mortgagee, from the appropriate insurance fund, in connection with any activities that the mortgagee is required to undertake concerning repayment by the mortgagor of the amount owed to the Secretary.”.

(3) ASSIGNMENT.—Section 230(c) of the National Housing Act (12 U.S.C. 1715u(c)) is amended—

(A) by inserting “(1)” after “(c)”;

(B) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(C) in paragraph (1)(B) (as so redesignated)—

(i) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively;

(ii) in the matter preceding clause (i) (as so redesignated), by striking “under a program under this subsection” and inserting “under this paragraph”; and

(iii) in clause (i) (as so redesignated), by inserting “or facing imminent default, as defined by the Secretary” after “default”;

(D) in paragraph (1)(C) (as so redesignated), by striking “under a program under this subsection” and inserting “under this paragraph”; and

(E) by adding at the end the following:

“(2) ASSIGNMENT AND LOAN MODIFICATION.—

“(A) AUTHORITY.—The Secretary may encourage loan modifications for eligible delinquent mortgages or mortgages facing imminent default, as defined by the Secretary,

through the payment of insurance benefits and assignment of the mortgage to the Secretary and the subsequent modification of the terms of the mortgage according to a loan modification approved by the mortgagee.

“(B) PAYMENT OF BENEFITS AND ASSIGNMENT.—In carrying out this paragraph, the Secretary may pay insurance benefits for a mortgage, in the amount determined in accordance with section 204(a)(5), without reduction for any amounts modified, but only upon the assignment, transfer, and delivery to the Secretary of all rights, interest, claims, evidence, and records with respect to the mortgage specified in clauses (i) through (iv) of section 204(a)(1)(A).

“(C) DISPOSITION.—After modification of a mortgage pursuant to this paragraph, the Secretary may provide insurance under this title for the mortgage. The Secretary may subsequently—

“(i) re-assign the mortgage to the mortgagee under terms and conditions as are agreed to by the mortgagee and the Secretary;

“(ii) act as a Government National Mortgage Association issuer, or contract with an entity for such purpose, in order to pool the mortgage into a Government National Mortgage Association security; or

“(iii) re-sell the mortgage in accordance with any program that has been established for purchase by the Federal Government of mortgages insured under this title, and the Secretary may coordinate standards for interest rate reductions available for loan modification with interest rates established for such purchase.

“(D) LOAN SERVICING.—In carrying out this paragraph, the Secretary may require the existing servicer of a mortgage assigned to the Secretary to continue servicing the mortgage as an agent of the Secretary during the period that the Secretary acquires and holds the mortgage for the purpose of modifying the terms of the mortgage, provided that the Secretary compensates the existing servicer appropriately, as such compensation is determined by the Secretary consistent, to the maximum extent possible, with section 203(b). If the mortgage is resold pursuant to subparagraph (C)(iii), the Secretary may provide for the existing servicer to continue to service the mortgage or may engage another entity to service the mortgage.”.

(4) IMPLEMENTATION.—The Secretary of Housing and Urban Development may implement the amendments made by this subsection through notice or mortgagee letter.

(e) CHANGE OF STATUS.—The National Housing Act is amended by striking section 532 (12 U.S.C. 1735f-10) and inserting the following new section:

“SEC. 532. CHANGE OF MORTGAGEE STATUS.

“(a) NOTIFICATION.—Upon the occurrence of any action described in subsection (b), an approved mortgagee shall immediately submit to the Secretary, in writing, notification of such occurrence.

“(b) ACTIONS.—The actions described in this subsection are as follows:

“(1) The debarment, suspension or a Limited Denial of Participation (LDP), or application of other sanctions, other exclusions, fines, or penalties applied to the mortgagee or to any officer, partner, director, principal, manager, supervisor, loan processor, loan underwriter, or loan originator of the mortgagee pursuant to applicable provisions of State or Federal law.

“(2) The revocation of a State-issued mortgage loan originator license issued pursuant to the S.A.F.E. Mortgage Licensing Act of 2008 (12 U.S.C. 5101 et seq.) or any other similar declaration of ineligibility pursuant to State law.”.

(f) CIVIL MONEY PENALTIES.—Section 536 of the National Housing Act (12 U.S.C. 1735f-14) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) in the matter preceding subparagraph (A), by inserting “or any of its owners, officers, or directors” after “mortgagee or lender”;

(ii) in subparagraph (H), by striking “title I” and all that follows through “under this Act.” and inserting “title I or II of this Act, or any implementing regulation, handbook, or mortgagee letter that is issued under this Act.”; and

(iii) by inserting after subparagraph (J) the following:

“(K) Violation of section 202(d) of this Act (12 U.S.C. 1708(d)).

“(L) Use of ‘Federal Housing Administration’, ‘Department of Housing and Urban Development’, ‘Government National Mortgage Association’, ‘Ginnie Mae’, the acronyms ‘HUD’, ‘FHA’, or ‘GNMA’, or any official seal or logo of the Department of Housing and Urban Development, except as authorized by the Secretary.”;

(B) in paragraph (2)—

(i) in subparagraph (B), by striking “or” at the end;

(ii) in subparagraph (C), by striking the period at the end and inserting “; or”; and

(iii) by adding at the end the following new subparagraph:

“(D) causing or participating in any of the violations set forth in paragraph (1) of this subsection.”; and

(C) by amending paragraph (3) to read as follows:

“(3) PROHIBITION AGAINST MISLEADING USE OF FEDERAL ENTITY DESIGNATION.—The Secretary may impose a civil money penalty, as adjusted from time to time, under subsection (a) for any use of ‘Federal Housing Administration’, ‘Department of Housing and Urban Development’, ‘Government National Mortgage Association’, ‘Ginnie Mae’, the acronyms ‘HUD’, ‘FHA’, or ‘GNMA’, or any official seal or logo of the Department of Housing and Urban Development, by any person, party, company, firm, partnership, or business, including sellers of real estate, closing agents, title companies, real estate agents, mortgage brokers, appraisers, loan correspondents, and dealers, except as authorized by the Secretary.”; and

(2) in subsection (g), by striking “The term” and all that follows through the end of the sentence and inserting “For purposes of this section, a person acts knowingly when a person has actual knowledge of acts or should have known of the acts.”.

(g) EXPANDED REVIEW OF FHA MORTGAGEE APPLICANTS AND NEWLY APPROVED MORTGAGEES.—Not later than the expiration of the 3-month period beginning upon the date of the enactment of this Act, the Secretary of Housing and Urban Development shall—

(1) expand the existing process for reviewing new applicants for approval for participation in the mortgage insurance programs of the Secretary for mortgages on 1- to 4-family residences for the purpose of identifying applicants who represent a high risk to the Mutual Mortgage Insurance Fund; and

(2) implement procedures that, for mortgages approved during the 12-month period ending upon such date of enactment—

(A) expand the number of mortgages originated by such mortgagees that are reviewed for compliance with applicable laws, regulations, and policies; and

(B) include a process for random reviews of such mortgagees and a process for reviews that is based on volume of mortgages originated by such mortgagees.

SEC. 204. ENHANCEMENT OF LIQUIDITY AND STABILITY OF INSURED DEPOSITORY INSTITUTIONS TO ENSURE AVAILABILITY OF CREDIT AND REDUCTION OF FORECLOSURES.

(a) TEMPORARY INCREASE IN DEPOSIT INSURANCE EXTENDED.—Section 136 of the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5241) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking “December 31, 2009” and inserting “December 31, 2013”;

(B) by striking paragraph (2);

(C) by redesignating paragraph (3) as paragraph (2); and

(D) in paragraph (2), as so redesignated, by striking “December 31, 2009” and inserting “December 31, 2013”; and

(2) in subsection (b)—

(A) in paragraph (1), by striking “December 31, 2009” and inserting “December 31, 2013”;

(B) by striking paragraph (2);

(C) by redesignating paragraph (3) as paragraph (2); and

(D) in paragraph (2), as so redesignated, by striking “December 31, 2009” and inserting “December 31, 2013”; and

(b) EXTENSION OF RESTORATION PLAN PERIOD.—Section 7(b)(3)(E)(ii) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(3)(E)(ii)) is amended by striking “5-year period” and inserting “8-year period”.

(c) FDIC AND NCUA BORROWING AUTHORITY.—

(1) FDIC.—Section 14(a) of the Federal Deposit Insurance Act (12 U.S.C. 1824(a)) is amended—

(A) by striking “\$30,000,000,000” and inserting “\$100,000,000,000”;

(B) by striking “The Corporation is authorized” and inserting the following:

“(1) IN GENERAL.—The Corporation is authorized”;

(C) by striking “There are hereby” and inserting the following:

“(2) FUNDING.—There are hereby”; and

(D) by adding at the end the following:

“(3) TEMPORARY INCREASES AUTHORIZED.—

“(A) RECOMMENDATIONS FOR INCREASE.—During the period beginning on the date of enactment of this paragraph and ending on December 31, 2010, if, upon the written recommendation of the Board of Directors (upon a vote of not less than two-thirds of the members of the Board of Directors) and the Board of Governors of the Federal Reserve System (upon a vote of not less than two-thirds of the members of such Board), the Secretary of the Treasury (in consultation with the President) determines that additional amounts above the \$100,000,000,000 amount specified in paragraph (1) are necessary, such amount shall be increased to the amount so determined to be necessary, not to exceed \$500,000,000,000.

“(B) REPORT REQUIRED.—If the borrowing authority of the Corporation is increased above \$100,000,000,000 pursuant to subparagraph (A), the Corporation shall promptly submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives describing the reasons and need for the additional borrowing authority and its intended uses.

“(C) RESTRICTION ON USAGE.—The Corporation may not borrow pursuant to subparagraph (A) to fund obligations of the Corporation incurred as a part of a program established by the Secretary of the Treasury pursuant to the Emergency Economic Stabilization Act of 2008 to purchase or guarantee assets.”.

(2) NCUA.—Section 203(d)(1) of the Federal Credit Union Act (12 U.S.C. 1783(d)(1)) is amended to read as follows:

“(1) If, in the judgment of the Board, a loan to the insurance fund, or to the stabilization fund described in section 217 of this title, is required at any time for purposes of this subchapter, the Secretary of the Treasury shall make the loan, but loans under this paragraph shall not exceed in the aggregate \$6,000,000,000 outstanding at any one time. Except as otherwise provided in this subsection, section 217, and in subsection (e) of this section, each loan under this paragraph shall be made on such terms as may be fixed by agreement between the Board and the Secretary of the Treasury.”.

(3) TEMPORARY INCREASES OF BORROWING AUTHORITY FOR NCUA.—Section 203(d) of the Federal Credit Union Act (12 U.S.C. 1783(d)) is amended by adding at the end the following:

“(4) TEMPORARY INCREASES AUTHORIZED.—

“(A) RECOMMENDATIONS FOR INCREASE.—During the period beginning on the date of enactment of this paragraph and ending on December 31, 2010, if, upon the written recommendation of the Board (upon a vote of not less than two-thirds of the members of the Board) and the Board of Governors of the Federal Reserve System (upon a vote of not less than two-thirds of the members of such Board), the Secretary of the Treasury (in consultation with the President) determines that additional amounts above the \$6,000,000,000 amount specified in paragraph (1) are necessary, such amount shall be increased to the amount so determined to be necessary, not to exceed \$30,000,000,000.

“(B) REPORT REQUIRED.—If the borrowing authority of the Board is increased above \$6,000,000,000 pursuant to subparagraph (A), the Board shall promptly submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives describing the reasons and need for the additional borrowing authority and its intended uses.”.

(d) EXPANDING SYSTEMIC RISK SPECIAL ASSESSMENTS.—Section 13(c)(4)(G)(ii) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)(4)(G)(ii)) is amended to read as follows:

“(ii) REPAYMENT OF LOSS.—

“(I) IN GENERAL.—The Corporation shall recover the loss to the Deposit Insurance Fund arising from any action taken or assistance provided with respect to an insured depository institution under clause (i) from 1 or more special assessments on insured depository institutions, depository institution holding companies (with the concurrence of the Secretary of the Treasury with respect to holding companies), or both, as the Corporation determines to be appropriate.

“(II) TREATMENT OF DEPOSITORY INSTITUTION HOLDING COMPANIES.—For purposes of this clause, sections 7(c)(2) and 18(h) shall apply to depository institution holding companies as if they were insured depository institutions.

“(III) REGULATIONS.—The Corporation shall prescribe such regulations as it deems necessary to implement this clause. In prescribing such regulations, defining terms, and setting the appropriate assessment rate or rates, the Corporation shall establish rates sufficient to cover the losses incurred as a result of the actions of the Corporation under clause (i) and shall consider: the types of entities that benefit from any action taken or assistance provided under this subparagraph; economic conditions, the effects on the industry, and such other factors as the Corporation deems appropriate and relevant to the action taken or the assistance provided. Any funds so collected that exceed actual losses shall be placed in the Deposit Insurance Fund.”.

(e) ESTABLISHMENT OF A NATIONAL CREDIT UNION SHARE INSURANCE FUND RESTORATION PLAN PERIOD.—Section 202(c)(2) of the Federal Credit Union Act (12 U.S.C. 1782(c)(2)) is amended by adding at the end the following new subparagraph:

“(D) FUND RESTORATION PLANS.—

“(i) IN GENERAL.—Whenever—

“(I) the Board projects that the equity ratio of the Fund will, within 6 months of such determination, fall below the minimum amount specified in subparagraph (C); or

“(II) the equity ratio of the Fund actually falls below the minimum amount specified in subparagraph (C) without any determination under sub-clause (I) having been made,

the Board shall establish and implement a restoration plan within 90 days that meets the requirements of clause (ii) and such other conditions as the Board determines to be appropriate.

“(ii) REQUIREMENTS OF RESTORATION PLAN.—A restoration plan meets the requirements of this clause if the plan provides that the equity ratio of the Fund will meet or exceed the minimum amount specified in subparagraph (C) before the end of the 8-year period beginning upon the implementation of the plan (or such longer period as the Board may determine to be necessary due to extraordinary circumstances).

“(iii) TRANSPARENCY.—Not more than 30 days after the Board establishes and implements a restoration plan under clause (i), the Board shall publish in the Federal Register a detailed analysis of the factors considered and the basis for the actions taken with regard to the plan.”

(f) TEMPORARY CORPORATE CREDIT UNION STABILIZATION FUND.—

(1) ESTABLISHMENT OF STABILIZATION FUND.—Title II of the Federal Credit Union Act (12 U.S.C. 1781 et seq.) is amended by adding at the end the following new section: “SEC. 217. TEMPORARY CORPORATE CREDIT UNION STABILIZATION FUND.

“(a) ESTABLISHMENT OF STABILIZATION FUND.—There is hereby created in the Treasury of the United States a fund to be known as the ‘Temporary Corporate Credit Union Stabilization Fund.’ The Board will administer the Stabilization Fund as prescribed by section 209.

“(b) EXPENDITURES FROM STABILIZATION FUND.—Money in the Stabilization Fund shall be available upon requisition by the Board, without fiscal year limitation, for making payments for the purposes described in section 203(a), subject to the following additional limitations:

“(1) All payments other than administrative payments shall be connected to the conservatorship, liquidation, or threatened conservatorship or liquidation, of a corporate credit union.

“(2) Prior to authorizing each payment the Board shall—

“(A) certify that, absent the existence of the Stabilization Fund, the Board would have made the identical payment out of the National Credit Union Share Insurance Fund (Insurance Fund); and

“(B) report each such certification to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives.

“(c) AUTHORITY TO BORROW.—

(1) IN GENERAL.—The Stabilization Fund is authorized to borrow from the Secretary of the Treasury from time-to-time as deemed necessary by the Board. The maximum outstanding amount of all borrowings from the Treasury by the Stabilization Fund and the National Credit Union Share Insurance Fund, combined, is limited to the amount provided for in section 203(d)(1), including any authorized increases in that amount.

“(2) REPAYMENT OF ADVANCES.—

“(A) IN GENERAL.—The advances made under this section shall be repaid by the Stabilization Fund, and interest on such advance shall be paid, to the General fund of the Treasury.

“(B) VARIABLE RATE OF INTEREST.—The Secretary of the Treasury shall make the first rate determination at the time of the first advance under this section and shall reset the rate again for all advances on each anniversary of the first advance. The interest rate shall be equal to the average market yield on outstanding marketable obligations of the United States with remaining periods to maturity equal to 12 months.

“(3) REPAYMENT SCHEDULE.—The Stabilization Fund shall repay the advances on a first-in, first-out basis, with interest on the amount repaid, at times and dates determined by the Board at its discretion. All advances shall be repaid not later than the date of the seventh anniversary of the first advance to the Stabilization Fund, unless the Board extends this final repayment date. The Board shall obtain the concurrence of the Secretary of the Treasury on any proposed extension, including the terms and conditions of the extended repayment.

“(d) ASSESSMENT TO REPAY ADVANCES.—At least 90 days prior to each repayment described in subsection (c)(3), the Board shall set the amount of the upcoming repayment and determine if the Stabilization Fund will have sufficient funds to make the repayment. If the Stabilization Fund might not have sufficient funds to make the repayment, the Board shall assess each federally insured credit union a special premium due and payable within 60 days in an aggregate amount calculated to ensure the Stabilization Fund is able to make the repayment. The premium charge for each credit union shall be stated as a percentage of its insured shares as represented on the credit union’s previous call report. The percentage shall be identical for each credit union. Any credit union that fails to make timely payment of the special premium is subject to the procedures and penalties described under subsections (d), (e), and (f) of section 202.

“(e) DISTRIBUTIONS FROM INSURANCE FUND.—At the end of any calendar year in which the Stabilization Fund has an outstanding advance from the Treasury, the Insurance Fund is prohibited from making the distribution to insured credit unions described in section 202(c)(3). In lieu of the distribution described in that section, the Insurance Fund shall make a distribution to the Stabilization Fund of the maximum amount possible that does not reduce the Insurance Fund’s equity ratio below the normal operating level and does not reduce the Insurance Fund’s available assets ratio below 1.0 percent.

“(f) INVESTMENT OF STABILIZATION FUND ASSETS.—The Board may request the Secretary of the Treasury to invest such portion of the Stabilization Fund as is not, in the Board’s judgment, required to meet the current needs of the Stabilization Fund. Such investments shall be made by the Secretary of the Treasury in public debt securities, with maturities suitable to the needs of the Stabilization Fund, as determined by the Board, and bearing interest at a rate determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturity.

“(g) REPORTS.—The Board shall submit an annual report to Congress on the financial condition and the results of the operation of the Stabilization Fund. The report is due to Congress within 30 days after each anniversary of the first advance made under subsection (c)(1). Because the Fund will use ad-

vances from the Treasury to meet corporate stabilization costs with full repayment of borrowings to Treasury at the Board’s discretion not due until 7 years from the initial advance, to the extent operating expenses of the Fund exceed income, the financial condition of the Fund may reflect a deficit. With planned and required future repayments, the Board shall resolve all deficits prior to termination of the Fund.

“(h) CLOSING OF STABILIZATION FUND.—Within 90 days following the seventh anniversary of the initial Stabilization Fund advance, or earlier at the Board’s discretion, the Board shall distribute any funds, property, or other assets remaining in the Stabilization Fund to the Insurance Fund and shall close the Stabilization Fund. If the Board extends the final repayment date as permitted under subsection (c)(3), the mandatory date for closing the Stabilization Fund shall be extended by the same number of days.”

(2) CONFORMING AMENDMENT.—Section 202(c)(3)(A) of the Federal Credit Union Act (12 U.S.C. 1782(c)(3)(A)) is amended by inserting “, subject to the requirements of section 217(e),” after “The Board shall”.

SEC. 205. APPLICATION OF GSE CONFORMING LOAN LIMIT TO MORTGAGES ASSISTED WITH TARP FUNDS.

In making any assistance available to prevent and mitigate foreclosures on residential properties, including any assistance for mortgage modifications, using any amounts made available to the Secretary of the Treasury under title I of the Emergency Economic Stabilization Act of 2008, the Secretary shall provide that the limitation on the maximum original principal obligation of a mortgage that may be modified, refinanced, made, guaranteed, insured, or otherwise assisted, using such amounts shall not be less than the dollar amount limitation on the maximum original principal obligation of a mortgage that may be purchased by the Federal Home Loan Mortgage Corporation that is in effect, at the time that the mortgage is modified, refinanced, made, guaranteed, insured, or otherwise assisted using such amounts, for the area in which the property involved in the transaction is located.

SEC. 206. MORTGAGES ON CERTAIN HOMES ON LEASED LAND.

Section 255(b)(4) of the National Housing Act (12 U.S.C. 1715z–20(b)(4)) is amended by striking subparagraph (B) and inserting:

“(B) under a lease that has a term that ends no earlier than the minimum number of years, as specified by the Secretary, beyond the actuarial life expectancy of the mortgagor or comortgagor, whichever is the later date.”

SEC. 207. SENSE OF CONGRESS REGARDING MORTGAGE REVENUE BOND PURCHASES.

It is the sense of the Congress that the Secretary of the Treasury should use amounts made available in this Act to purchase mortgage revenue bonds for single-family housing issued through State housing finance agencies and through units of local government and agencies thereof.

TITLE III—MORTGAGE FRAUD TASK FORCE

SEC. 301. SENSE OF CONGRESS ON ESTABLISHMENT OF A NATIONWIDE MORTGAGE FRAUD TASK FORCE.

(a) IN GENERAL.—It is the sense of the Congress that the Department of Justice establish a Nationwide Mortgage Fraud Task Force (hereinafter referred to in this section as the “Task Force”) to address mortgage fraud in the United States.

(b) SUPPORT.—If the Department of Justice establishes the Task Force referred to in

subsection (a), it is the sense of the Congress that the Attorney General should provide the Task Force with the appropriate staff, administrative support, and other resources necessary to carry out the duties of the Task Force.

(c) **MANDATORY FUNCTIONS.**—If the Department of Justice establishes the Task Force referred to in subsection (a), it is the sense of the Congress that the Attorney General should—

(1) establish coordinating entities, and solicit the voluntary participation of Federal, State, and local law enforcement and prosecutorial agencies in such entities, to organize initiatives to address mortgage fraud, including initiatives to enforce State mortgage fraud laws and other related Federal and State laws;

(2) provide training to Federal, State, and local law enforcement and prosecutorial agencies with respect to mortgage fraud, including related Federal and State laws;

(3) collect and disseminate data with respect to mortgage fraud, including Federal, State, and local data relating to mortgage fraud investigations and prosecutions; and

(4) perform other functions determined by the Attorney General to enhance the detection of, prevention of, and response to mortgage fraud in the United States.

(d) **OPTIONAL FUNCTIONS.**—If the Department of Justice establishes the Task Force referred to in subsection (a), it is the sense of the Congress that the Task Force should—

(1) initiate and coordinate Federal mortgage fraud investigations and, through the coordinating entities described under subsection (c), State and local mortgage fraud investigations;

(2) establish a toll-free hotline for—

(A) reporting mortgage fraud;

(B) providing the public with access to information and resources with respect to mortgage fraud; and

(C) directing reports of mortgage fraud to the appropriate Federal, State, and local law enforcement and prosecutorial agency, including to the appropriate branch of the Task Force established under subsection (d);

(3) create a database with respect to suspensions and revocations of mortgage industry licenses and certifications to facilitate the sharing of such information by States;

(4) make recommendations with respect to the need for and resources available to provide the equipment and training necessary for the Task Force to combat mortgage fraud; and

(5) propose legislation to Federal, State, and local legislative bodies with respect to the elimination and prevention of mortgage fraud, including measures to address mortgage loan procedures and property appraiser practices that provide opportunities for mortgage fraud.

TITLE IV—FORECLOSURE MORATORIUM PROVISIONS

SEC. 401. SENSE OF THE CONGRESS ON FORECLOSURES.

(a) **IN GENERAL.**—It is the sense of the Congress that mortgage holders, institutions, and mortgage servicers should not initiate a foreclosure proceeding or a foreclosure sale on any homeowner until the foreclosure mitigation provisions, like the Hope for Homeowners program, as required under title II, and the President's "Homeowner Affordability and Stability Plan" have been implemented and determined to be operational by the Secretary of Housing and Urban Development and the Secretary of the Treasury.

(b) **SCOPE OF MORATORIUM.**—The foreclosure moratorium referred to in subsection (a) should apply only for first mortgages secured by the owner's principal dwelling.

(c) **FHA-REGULATED LOAN MODIFICATION AGREEMENTS.**—If a mortgage holder, institution, or mortgage servicer to which subsection (a) applies reaches a loan modification agreement with a homeowner under the auspices of the Federal Housing Administration before any plan referred to in such subsection takes effect, subsection (a) shall cease to apply to such institution as of the effective date of the loan modification agreement.

(d) **DUTY OF CONSUMER TO MAINTAIN PROPERTY.**—Any homeowner for whose benefit any foreclosure proceeding or sale is barred under subsection (a) from being instituted, continued, or consummated with respect to any homeowner mortgage should not, with respect to any property securing such mortgage, destroy, damage, or impair such property, allow the property to deteriorate, or commit waste on the property.

(e) **DUTY OF CONSUMER TO RESPOND TO REASONABLE INQUIRIES.**—Any homeowner for whose benefit any foreclosure proceeding or sale is barred under subsection (a) from being instituted, continued, or consummated with respect to any homeowner mortgage should respond to reasonable inquiries from a creditor or servicer during the period during which such foreclosure proceeding or sale is barred.

SEC. 402. PUBLIC-PRIVATE INVESTMENT PROGRAM; ADDITIONAL APPROPRIATIONS FOR THE SPECIAL INSPECTOR GENERAL FOR THE TROUBLED ASSET RELIEF PROGRAM.

(a) **SHORT TITLE.**—This section may be cited as the "Public-Private Investment Program Improvement and Oversight Act of 2009".

(b) **PUBLIC-PRIVATE INVESTMENT PROGRAM.**—

(1) **IN GENERAL.**—Any program established by the Federal Government to create a public-private investment fund shall—

(A) in consultation with the Special Inspector General of the Troubled Asset Relief Program (in this section referred to as the "Special Inspector General"), impose strict conflict of interest rules on managers of public-private investment funds to ensure that securities bought by the funds are purchased in arms-length transactions, that fiduciary duties to public and private investors in the fund are not violated, and that there is full disclosure of relevant facts and financial interests (which conflict of interest rules shall be implemented by the manager of a public-private investment fund prior to such fund receiving Federal Government financing);

(B) require each public-private investment fund to make a quarterly report to the Secretary of the Treasury (in this section referred to as the "Secretary") that discloses the 10 largest positions of such fund (which reports shall be publicly disclosed at such time as the Secretary of the Treasury determines that such disclosure will not harm the ongoing business operations of the fund);

(C) allow the Special Inspector General access to all books and records of a public-private investment fund, including all records of financial transactions in machine readable form, and the confidentiality of all such information shall be maintained by the Special Inspector General;

(D) require each manager of a public-private investment fund to retain all books, documents, and records relating to such public-private investment fund, including electronic messages;

(E) require each manager of a public-private investment fund to acknowledge, in writing, a fiduciary duty to both the public and private investors in such fund;

(F) require each manager of a public-private investment fund to develop a robust ethics policy that includes methods to ensure compliance with such policy;

(G) require strict investor screening procedures for public-private investment funds; and

(H) require each manager of a public-private fund to identify for the Secretary, on a periodic basis, each investor that, individually or together with affiliates, directly or indirectly, holds equity interests equal to at least 10 percent of the equity interest of the fund including if such interests are held in a vehicle formed for the purpose of directly or indirectly investing in the fund.

(2) **INTERACTION BETWEEN PUBLIC-PRIVATE INVESTMENT FUNDS AND THE TERM-ASSET BACKED SECURITIES LOAN FACILITY.**—The Secretary shall consult with the Special Inspector General and shall issue regulations governing the interaction of the Public-Private Investment Program, the Term-Asset Backed Securities Loan Facility, and other similar public-private investment programs. Such regulations shall address concerns regarding the potential for excessive leverage that could result from interactions between such programs.

(3) **REPORT.**—Not later than 60 days after the date of the establishment of a program described in paragraph (1), the Special Inspector General shall submit a report to Congress on the implementation of this section.

(c) **ADDITIONAL APPROPRIATIONS FOR THE SPECIAL INSPECTOR GENERAL.**—

(1) **IN GENERAL.**—Of amounts made available under section 115(a) of the Emergency Economic Stabilization Act of 2008 (Public Law 110-343), \$15,000,000 shall be made available to the Special Inspector General, which shall be in addition to amounts otherwise made available to the Special Inspector General.

(2) **PRIORITIES.**—In utilizing funds made available under this section, the Special Inspector General shall prioritize the performance of audits or investigations of recipients of non-recourse Federal loans made under "any program that is funded in whole or in part by funds appropriated under the Emergency Economic Stabilization Act of 2008," to the extent that such priority is consistent with other aspects of the mission of the Special Inspector General. Such audits or investigations shall determine the existence of any collusion between the loan recipient and the seller or originator of the asset used as loan collateral, or any other conflict of interest that may have led the loan recipient to deliberately overstate the value of the asset used as loan collateral.

(d) **RULE OF CONSTRUCTION.**—Notwithstanding any other provision of law, nothing in this section shall be construed to apply to any activity of the Federal Deposit Insurance Corporation in connection with insured depository institutions, as described in section 13(c)(2)(B) of the Federal Deposit Insurance Act.

(e) **DEFINITION.**—In this section, the term "public-private investment fund" means a financial vehicle that is—

(1) established by the Federal Government to purchase pools of loans, securities, or assets from a financial institution described in section 101(a)(1) of the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5211(a)(1)); and

(2) funded by a combination of cash or equity from private investors and funds provided by the Secretary of the Treasury or funds appropriated under the Emergency Economic Stabilization Act of 2008.

(f) **OFFSET OF COSTS OF PROGRAM CHANGES.**—Notwithstanding the amendment made by section 202(b) of this Act, paragraph (3) of section 115(a) of the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5225) is amended by inserting " , as such amount is reduced by \$1,259,000,000," after "\$700,000,000.000".

(g) REGULATIONS.—The Secretary of the Treasury may prescribe such regulations or other guidance as may be necessary or appropriate to define terms or carry out the authorities or purposes of this section.

SEC. 403. REMOVAL OF REQUIREMENT TO LIQUIDATE WARRANTS UNDER THE TARP.

Section 111(g) of the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5221(g)) is amended by striking “shall liquidate warrants associated with such assistance at the current market price” and inserting “, at the market price, may liquidate warrants associated with such assistance”.

SEC. 404. NOTIFICATION OF SALE OR TRANSFER OF MORTGAGE LOANS.

(a) IN GENERAL.—Section 131 of the Truth in Lending Act (15 U.S.C. 1641) is amended by adding at the end the following:

“(g) NOTICE OF NEW CREDITOR.—

“(1) IN GENERAL.—In addition to other disclosures required by this title, not later than 30 days after the date on which a mortgage loan is sold or otherwise transferred or assigned to a third party, the creditor that is the new owner or assignee of the debt shall notify the borrower in writing of such transfer, including—

“(A) the identity, address, telephone number of the new creditor;

“(B) the date of transfer;

“(C) how to reach an agent or party having authority to act on behalf of the new creditor;

“(D) the location of the place where transfer of ownership of the debt is recorded; and

“(E) any other relevant information regarding the new creditor.

“(2) DEFINITION.—As used in this subsection, the term ‘mortgage loan’ means any consumer credit transaction that is secured by the principal dwelling of a consumer.”.

(b) PRIVATE RIGHT OF ACTION.—Section 130(a) of the Truth in Lending Act (15 U.S.C. 1640(a)) is amended by inserting “subsection (f) or (g) of section 131,” after “section 125.”.

TITLE V—FARM LOAN RESTRUCTURING

SEC. 501. CONGRESSIONAL OVERSIGHT PANEL SPECIAL REPORT.

Section 125(b) of the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5233(b)) is amended by adding at the end the following:

“(3) SPECIAL REPORT ON FARM LOAN RESTRUCTURING.—Not later than 60 days after the date of enactment of this paragraph, the Oversight Panel shall submit a special report on farm loan restructuring that—

“(A) analyzes the state of the commercial farm credit markets and the use of loan restructuring as an alternative to foreclosure by recipients of financial assistance under the Troubled Asset Relief Program; and

“(B) includes an examination of and recommendation on the different methods for farm loan restructuring that could be used as part of a foreclosure mitigation program for farm loans made by recipients of financial assistance under the Troubled Asset Relief Program, including any programs for direct loan restructuring or modification carried out by the Farm Service Agency of the Department of Agriculture, the farm credit system, and the Making Home Affordable Program of the Department of the Treasury.”.

TITLE VI—ENHANCED OVERSIGHT OF THE TROUBLED ASSET RELIEF PROGRAM

SEC. 601. ENHANCED OVERSIGHT OF THE TROUBLED ASSET RELIEF PROGRAM.

Section 116 of the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5226) is amended—

(1) in subsection (a)(1)(A)—

(A) in clause (iii), by striking “and” at the end;

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

(C) by adding at the end the following:

“(v) public accountability for the exercise of such authority, including with respect to actions taken by those entities participating in programs established under this Act.”; and

(2) in subsection (a)(2)—

(A) by redesignating subparagraph (C) as subparagraph (F); and

(B) by striking subparagraphs (A) and (B) and inserting the following:

“(A) DEFINITION.—In this paragraph, the term ‘governmental unit’ has the meaning given under section 101(27) of title 11, United States Code, and does not include any insured depository institution as defined under section 3 of the Federal Deposit Insurance Act (12 U.S.C. 813).

“(B) GAO PRESENCE.—The Secretary shall provide the Comptroller General with appropriate space and facilities in the Department of the Treasury as necessary to facilitate oversight of the TARP until the termination date established in section 5230 of this title.

“(C) ACCESS TO RECORDS.—

“(i) IN GENERAL.—Notwithstanding any other provision of law, and for purposes of reviewing the performance of the TARP, the Comptroller General shall have access, upon request, to any information, data, schedules, books, accounts, financial records, reports, files, electronic communications, or other papers, things, or property belonging to or in use by the TARP, any entity established by the Secretary under this Act, any entity that is established by a Federal reserve bank and receives funding from the TARP, or any entity (other than a governmental unit) participating in a program established under the authority of this Act, and to the officers, employees, directors, independent public accountants, financial advisors and any and all other agents and representatives thereof, at such time as the Comptroller General may request.

“(ii) VERIFICATION.—The Comptroller General shall be afforded full facilities for verifying transactions with the balances or securities held by, among others, depositories, fiscal agents, and custodians.

“(iii) COPIES.—The Comptroller General may make and retain copies of such books, accounts, and other records as the Comptroller General determines appropriate.

“(D) AGREEMENT BY ENTITIES.—Each contract, term sheet, or other agreement between the Secretary or the TARP (or any TARP vehicle, officer, director, employee, independent public accountant, financial advisor, or other TARP agent or representative) and an entity (other than a governmental unit) participating in a program established under this Act shall provide for access by the Comptroller General in accordance with this section.

“(E) RESTRICTION ON PUBLIC DISCLOSURE.—

“(i) IN GENERAL.—The Comptroller General may not publicly disclose proprietary or trade secret information obtained under this section.

“(ii) EXCEPTION FOR CONGRESSIONAL COMMITTEES.—This subparagraph does not limit disclosures to congressional committees or members thereof having jurisdiction over a private or public entity referred to under subparagraph (C).

“(iii) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to alter or amend the prohibitions against the disclosure of trade secrets or other information prohibited by section 1905 of title 18, United States Code, section 714(c) of title 31, United States Code, or other applicable provisions of law.”.

TITLE VII—PROTECTING TENANTS AT FORECLOSURE ACT

SEC. 701. SHORT TITLE.

This title may be cited as the “Protecting Tenants at Foreclosure Act of 2009”.

SEC. 702. EFFECT OF FORECLOSURE ON PRE-EXISTING TENANCY.

(a) IN GENERAL.—In the case of any foreclosure on a federally-related mortgage loan or on any dwelling or residential real property after the date of enactment of this title, any immediate successor in interest in such property pursuant to the foreclosure shall assume such interest subject to—

(1) the provision, by such successor in interest of a notice to vacate to any bona fide tenant at least 90 days before the effective date of such notice; and

(2) the rights of any bona fide tenant, as of the date of such notice of foreclosure—

(A) under any bona fide lease entered into before the notice of foreclosure to occupy the premises until the end of the remaining term of the lease, except that a successor in interest may terminate a lease effective on the date of sale of the unit to a purchaser who will occupy the unit as a primary residence, subject to the receipt by the tenant of the 90 day notice under paragraph (1); or

(B) without a lease or with a lease terminable at will under State law, subject to the receipt by the tenant of the 90 day notice under subsection (1),

except that nothing under this section shall affect the requirements for termination of any Federal- or State-subsidized tenancy or of any State or local law that provides longer time periods or other additional protections for tenants.

(b) BONA FIDE LEASE OR TENANCY.—For purposes of this section, a lease or tenancy shall be considered bona fide only if—

(1) the mortgagor “or the child, spouse, or parent of the mortgagor” under the contract is not the tenant;

(2) the lease or tenancy was the result of an arms-length transaction; and

(3) the lease or tenancy requires the receipt of rent that is not substantially less than fair market rent for the property “or the unit’s rent is reduced or subsidized due to a Federal, State, or local subsidy”.

(c) DEFINITION.—For purposes of this section, the term “federally-related mortgage loan” has the same meaning as in section 3 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2602).

SEC. 703. EFFECT OF FORECLOSURE ON SECTION 8 TENANCIES.

Section 8(o)(7) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(7)) is amended—

(1) by inserting before the semicolon in subparagraph (C) the following: “and in the case of an owner who is an immediate successor in interest pursuant to foreclosure during the term of the lease vacating the property prior to sale shall not constitute other good cause, except that the owner may terminate the tenancy effective on the date of transfer of the unit to the owner if the owner—

“(i) will occupy the unit as a primary residence; and

“(ii) has provided the tenant a notice to vacate at least 90 days before the effective date of such notice.”; and

(2) by inserting at the end of subparagraph (F) the following: “In the case of any foreclosure on any federally-related mortgage loan (as that term is defined in section 3 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2602)) or on any residential

real property in which a recipient of assistance under this subsection resides, the immediate successor in interest in such property pursuant to the foreclosure shall assume such interest subject to the lease between the prior owner and the tenant and to the housing assistance payments contract between the prior owner and the public housing agency for the occupied unit, except that this provision and the provisions related to foreclosure in subparagraph (C) shall not shall not affect any State or local law that provides longer time periods or other additional protections for tenants.”.

SEC. 704. SUNSET.

This title, and any amendments made by this title are repealed, and the requirements under this title shall terminate, on December 31, 2012.

TITLE VIII—COMPTROLLER GENERAL ADDITIONAL AUDIT AUTHORITIES

SEC. 801. COMPTROLLER GENERAL ADDITIONAL AUDIT AUTHORITIES.

(a) BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.—Section 714 of title 31, United States Code, is amended—

(1) in subsection (a), by striking “Federal Reserve Board,” and inserting “Board of Governors of the Federal Reserve System (in this section referred to as the ‘Board’),”; and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking “Federal Reserve Board,” and inserting “Board”; and

(B) in paragraph (4), by striking “of Governors”.

(b) CONFIDENTIAL INFORMATION.—Section 714(c) of title 31, United States Code, is amended by striking paragraph (3) and inserting the following:

“(3) Except as provided under paragraph (4), an officer or employee of the Government Accountability Office may not disclose to any person outside the Government Accountability Office information obtained in audits or examinations conducted under subsection (e) and maintained as confidential by the Board or the Federal reserve banks.

“(4) This subsection shall not—

“(A) authorize an officer or employee of an agency to withhold information from any committee or subcommittee of jurisdiction of Congress, or any member of such committee or subcommittee; or

“(B) limit any disclosure by the Government Accountability Office to any committee or subcommittee of jurisdiction of Congress, or any member of such committee or subcommittee.”.

(c) ACCESS TO RECORDS.—Section 714(d) of title 31, United States Code, is amended—

(1) in paragraph (1), by inserting “The Comptroller General shall have access to the officers, employees, contractors, and other agents and representatives of an agency and any entity established by an agency at any reasonable time as the Comptroller General may request. The Comptroller General may make and retain copies of such books, accounts, and other records as the Comptroller General determines appropriate.” after the first sentence;

(2) in paragraph (2), by inserting “, copies of any record,” after “records”; and

(3) by adding at the end the following:

“(3)(A) For purposes of conducting audits and examinations under subsection (e), the Comptroller General shall have access, upon request, to any information, data, schedules, books, accounts, financial records, reports, files, electronic communications, or other papers, things or property belonging to or in use by—

“(i) any entity established by any action taken by the Board described under subsection (e);

“(ii) any entity receiving assistance from any action taken by the Board described

under subsection (e), to the extent that the access and request relates to that assistance; and

“(iii) the officers, directors, employees, independent public accountants, financial advisors and any and all representatives of any entity described under clause (i) or (ii); to the extent that the access and request relates to that assistance;

“(B) The Comptroller General shall have access as provided under subparagraph (A) at such time as the Comptroller General may request.

“(C) Each contract, term sheet, or other agreement between the Board or any Federal reserve bank (or any entity established by the Board or any Federal reserve bank) and an entity receiving assistance from any action taken by the Board described under subsection (e) shall provide for access by the Comptroller General in accordance with this paragraph.”.

(d) AUDITS OF CERTAIN ACTIONS OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.—Section 714 of title 31, United States Code, is amended by adding at the end the following:

“(e) Notwithstanding subsection (b), the Comptroller General may conduct audits, including onsite examinations when the Comptroller General determines such audits and examinations are appropriate, of any action taken by the Board under the third undesignated paragraph of section 13 of the Federal Reserve Act (12 U.S.C. 343); with respect to a single and specific partnership or corporation.”.

DIVISION B—HOMELESSNESS REFORM

SEC. 1001. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This division may be cited as the “Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009”.

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

DIVISION B—HOMELESSNESS REFORM

Sec. 1001. Short title; table of contents.

Sec. 1002. Findings and purposes.

Sec. 1003. Definition of homelessness.

Sec. 1004. United States Interagency Council on Homelessness.

TITLE I—HOUSING ASSISTANCE GENERAL PROVISIONS

Sec. 1101. Definitions.

Sec. 1102. Community homeless assistance planning boards.

Sec. 1103. General provisions.

Sec. 1104. Protection of personally identifying information by victim service providers.

Sec. 1105. Authorization of appropriations.

TITLE II—EMERGENCY SOLUTIONS GRANTS PROGRAM

Sec. 1201. Grant assistance.

Sec. 1202. Eligible activities.

Sec. 1203. Participation in Homeless Management Information System.

Sec. 1204. Administrative provision.

Sec. 1205. GAO study of administrative fees.

TITLE III—CONTINUUM OF CARE PROGRAM

Sec. 1301. Continuum of care.

Sec. 1302. Eligible activities.

Sec. 1303. High performing communities.

Sec. 1304. Program requirements.

Sec. 1305. Selection criteria, allocation amounts, and funding.

Sec. 1306. Research.

TITLE IV—RURAL HOUSING STABILITY ASSISTANCE PROGRAM

Sec. 1401. Rural housing stability assistance.

Sec. 1402. GAO study of homelessness and homeless assistance in rural areas.

TITLE V—REPEALS AND CONFORMING AMENDMENTS

Sec. 1501. Repeals.

Sec. 1502. Conforming amendments.

Sec. 1503. Effective date.

Sec. 1504. Regulations.

Sec. 1505. Amendment to table of contents.

SEC. 1002. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) a lack of affordable housing and limited scale of housing assistance programs are the primary causes of homelessness; and

(2) homelessness affects all types of communities in the United States, including rural, urban, and suburban areas.

(b) PURPOSES.—The purposes of this division are—

(1) to consolidate the separate homeless assistance programs carried out under title IV of the McKinney-Vento Homeless Assistance Act (consisting of the supportive housing program and related innovative programs, the safe havens program, the section 8 assistance program for single-room occupancy dwellings, and the shelter plus care program) into a single program with specific eligible activities;

(2) to codify in Federal law the continuum of care planning process as a required and integral local function necessary to generate the local strategies for ending homelessness; and

(3) to establish a Federal goal of ensuring that individuals and families who become homeless return to permanent housing within 30 days.

SEC. 1003. DEFINITION OF HOMELESSNESS.

(a) IN GENERAL.—Section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302) is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d); and

(2) by striking subsection (a) and inserting the following:

“(a) IN GENERAL.—For purposes of this Act, the terms ‘homeless’, ‘homeless individual’, and ‘homeless person’ means—

“(1) an individual or family who lacks a fixed, regular, and adequate nighttime residence;

“(2) an individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;

“(3) an individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including hotels and motels paid for by Federal, State, or local government programs for low-income individuals or by charitable organizations, congregate shelters, and transitional housing);

“(4) an individual who resided in a shelter or place not meant for human habitation and who is exiting an institution where he or she temporarily resided;

“(5) an individual or family who—

“(A) will imminently lose their housing, including housing they own, rent, or live in without paying rent, are sharing with others, and rooms in hotels or motels not paid for by Federal, State, or local government programs for low-income individuals or by charitable organizations, as evidenced by—

“(i) a court order resulting from an eviction action that notifies the individual or family that they must leave within 14 days;

“(ii) the individual or family having a primary nighttime residence that is a room in a hotel or motel and where they lack the resources necessary to reside there for more than 14 days; or

“(iii) credible evidence indicating that the owner or renter of the housing will not allow the individual or family to stay for more than 14 days, and any oral statement from an

individual or family seeking homeless assistance that is found to be credible shall be considered credible evidence for purposes of this clause;

“(B) has no subsequent residence identified; and

“(C) lacks the resources or support networks needed to obtain other permanent housing; and

“(6) unaccompanied youth and homeless families with children and youth defined as homeless under other Federal statutes who—

“(A) have experienced a long term period without living independently in permanent housing,

“(B) have experienced persistent instability as measured by frequent moves over such period, and

“(C) can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse, the presence of a child or youth with a disability, or multiple barriers to employment.

“(b) DOMESTIC VIOLENCE AND OTHER DANGEROUS OR LIFE-THREATENING CONDITIONS.—Notwithstanding any other provision of this section, the Secretary shall consider to be homeless any individual or family who is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions in the individual's or family's current housing situation, including where the health and safety of children are jeopardized, and who have no other residence and lack the resources or support networks to obtain other permanent housing.”

(b) REGULATIONS.—Not later than the expiration of the 6-month period beginning upon the date of the enactment of this division, the Secretary of Housing and Urban Development shall issue regulations that provide sufficient guidance to recipients of funds under title IV of the McKinney-Vento Homeless Assistance Act to allow uniform and consistent implementation of the requirements of section 103 of such Act, as amended by subsection (a) of this section. This subsection shall take effect on the date of the enactment of this division.

(c) CLARIFICATION OF EFFECT ON OTHER LAWS.—This section and the amendments made by this section to section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302) may not be construed to affect, alter, limit, annul, or supersede any other provision of Federal law providing a definition of “homeless”, “homeless individual”, or “homeless person” for purposes other than such Act, except to the extent that such provision refers to such section 103 or the definition provided in such section 103.

SEC. 1004. UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS.

(a) IN GENERAL.—Title II of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11311 et seq.) is amended—

(1) in section 201 (42 U.S.C. 11311), by inserting before the period at the end the following “whose mission shall be to coordinate the Federal response to homelessness and to create a national partnership at every level of government and with the private sector to reduce and end homelessness in the nation while maximizing the effectiveness of the Federal Government in contributing to the end of homelessness”;

(2) in section 202 (42 U.S.C. 11312)—

(A) in subsection (a)—

(i) by redesignating paragraph (16) as paragraph (22); and

(ii) by inserting after paragraph (15) the following:

“(16) The Commissioner of Social Security, or the designee of the Commissioner.

“(17) The Attorney General of the United States, or the designee of the Attorney General.

“(18) The Director of the Office of Management and Budget, or the designee of the Director.

“(19) The Director of the Office of Faith-Based and Community Initiatives, or the designee of the Director.

“(20) The Director of USA Freedom Corps, or the designee of the Director.”;

(B) in subsection (c), by striking “annually” and inserting “four times each year, and the rotation of the positions of Chairperson and Vice Chairperson required under subsection (b) shall occur at the first meeting of each year”; and

(C) by adding at the end the following:

“(e) ADMINISTRATION.—The Executive Director of the Council shall report to the Chairman of the Council.”;

(3) in section 203(a) (42 U.S.C. 11313(a))—

(A) by redesignating paragraphs (1), (2), (3), (4), (5), (6), and (7) as paragraphs (2), (3), (4), (5), (9), (10), and (11), respectively;

(B) by inserting before paragraph (2), as so redesignated by subparagraph (A), the following:

“(1) not later than 12 months after the date of the enactment of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009, develop, make available for public comment, and submit to the President and to Congress a National Strategic Plan to End Homelessness, and shall update such plan annually.”;

(C) in paragraph (5), as redesignated by subparagraph (A), by striking “at least 2, but in no case more than 5” and inserting “not less than 5, but in no case more than 10”;

(D) by inserting after paragraph (5), as so redesignated by subparagraph (A), the following:

“(6) encourage the creation of State Interagency Councils on Homelessness and the formulation of jurisdictional 10-year plans to end homelessness at State, city, and county levels;

“(7) annually obtain from Federal agencies their identification of consumer-oriented entitlement and other resources for which persons experiencing homelessness may be eligible and the agencies' identification of improvements to ensure access; develop mechanisms to ensure access by persons experiencing homelessness to all Federal, State, and local programs for which the persons are eligible, and to verify collaboration among entities within a community that receive Federal funding under programs targeted for persons experiencing homelessness, and other programs for which persons experiencing homelessness are eligible, including mainstream programs identified by the Government Accountability Office in the reports entitled ‘Homelessness: Coordination and Evaluation of Programs Are Essential’, issued February 26, 1999, and ‘Homelessness: Barriers to Using Mainstream Programs’, issued July 6, 2000;

“(8) conduct research and evaluation related to its functions as defined in this section;

“(9) develop joint Federal agency and other initiatives to fulfill the goals of the agency.”;

(E) in paragraph (10), as so redesignated by subparagraph (A), by striking “and” at the end;

(F) in paragraph (11), as so redesignated by subparagraph (A), by striking the period at the end and inserting a semicolon;

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

“(12) develop constructive alternatives to criminalizing homelessness and laws and policies that prohibit sleeping, feeding, sitting, resting, or lying in public spaces when

there are no suitable alternatives, result in the destruction of a homeless person's property without due process, or are selectively enforced against homeless persons; and

“(13) not later than the expiration of the 6-month period beginning upon completion of the study requested in a letter to the Acting Comptroller General from the Chair and Ranking Member of the House Financial Services Committee and several other members regarding various definitions of homelessness in Federal statutes, convene a meeting of representatives of all Federal agencies and committees of the House of Representatives and the Senate having jurisdiction over any Federal program to assist homeless individuals or families, local and State governments, academic researchers who specialize in homelessness, nonprofit housing and service providers that receive funding under any Federal program to assist homeless individuals or families, organizations advocating on behalf of such nonprofit providers and homeless persons receiving housing or services under any such Federal program, and homeless persons receiving housing or services under any such Federal program, at which meeting such representatives shall discuss all issues relevant to whether the definitions of ‘homeless’ under paragraphs (1) through (4) of section 103(a) of the McKinney-Vento Homeless Assistance Act, as amended by section 1003 of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009, should be modified by the Congress, including whether there is a compelling need for a uniform definition of homelessness under Federal law, the extent to which the differences in such definitions create barriers for individuals to accessing services and to collaboration between agencies, and the relative availability, and barriers to access by persons defined as homeless, of mainstream programs identified by the Government Accountability Office in the two reports identified in paragraph (7) of this subsection; and shall submit transcripts of such meeting, and any majority and dissenting recommendations from such meetings, to each committee of the House of Representatives and the Senate having jurisdiction over any Federal program to assist homeless individuals or families not later than the expiration of the 60-day period beginning upon conclusion of such meeting.”.

(4) in section 203(b)(1) (42 U.S.C. 11313(b))—

(A) by striking “Federal” and inserting “national”;

(B) by striking “; and” and inserting “and pay for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made.”;

(5) in section 205(d) (42 U.S.C. 11315(d)), by striking “property.” and inserting “property, both real and personal, public and private, without fiscal year limitation, for the purpose of aiding or facilitating the work of the Council.”; and

(6) by striking section 208 (42 U.S.C. 11318) and inserting the following:

“SEC. 208. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated to carry out this title \$3,000,000 for fiscal year 2010 and such sums as may be necessary for fiscal years 2011. Any amounts appropriated to carry out this title shall remain available until expended.”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on, and shall apply beginning on, the date of the enactment of this division.

TITLE I—HOUSING ASSISTANCE GENERAL PROVISIONS

SEC. 1101. DEFINITIONS.

Subtitle A of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11361 et seq.) is amended—

(1) by striking the subtitle heading and inserting the following:

“Subtitle A—General Provisions”;

(2) by redesignating sections 401 and 402 (42 U.S.C. 11361, 11362) as sections 403 and 406, respectively; and

(3) by inserting before section 403 (as so redesignated by paragraph (2) of this section) the following new section:

“SEC. 401. DEFINITIONS.

“For purposes of this title:

“(1) **AT RISK OF HOMELESSNESS.**—The term ‘at risk of homelessness’ means, with respect to an individual or family, that the individual or family—

“(A) has income below 30 percent of median income for the geographic area;

“(B) has insufficient resources immediately available to attain housing stability; and

“(C)(i) has moved frequently because of economic reasons;

“(ii) is living in the home of another because of economic hardship;

“(iii) has been notified that their right to occupy their current housing or living situation will be terminated;

“(iv) lives in a hotel or motel;

“(v) lives in severely overcrowded housing;

“(vi) is exiting an institution; or

“(vii) otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness.

Such term includes all families with children and youth defined as homeless under other Federal statutes.

“(2) **CHRONICALLY HOMELESS.**—

“(A) **IN GENERAL.**—The term ‘chronically homeless’ means, with respect to an individual or family, that the individual or family—

“(i) is homeless and lives or resides in a place not meant for human habitation, a safe haven, or in an emergency shelter;

“(ii) has been homeless and living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter continuously for at least 1 year or on at least 4 separate occasions in the last 3 years; and

“(iii) has an adult head of household (or a minor head of household if no adult is present in the household) with a diagnosable substance use disorder, serious mental illness, developmental disability (as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15002)), post traumatic stress disorder, cognitive impairments resulting from a brain injury, or chronic physical illness or disability, including the co-occurrence of 2 or more of those conditions.

“(B) **RULE OF CONSTRUCTION.**—A person who currently lives or resides in an institutional care facility, including a jail, substance abuse or mental health treatment facility, hospital or other similar facility, and has resided there for fewer than 90 days shall be considered chronically homeless if such person met all of the requirements described in subparagraph (A) prior to entering that facility.

“(3) **COLLABORATIVE APPLICANT.**—The term ‘collaborative applicant’ means an entity that—

“(A) carries out the duties specified in section 402;

“(B) serves as the applicant for project sponsors who jointly submit a single application for a grant under subtitle C in accordance with a collaborative process; and

“(C) if the entity is a legal entity and is awarded such grant, receives such grant directly from the Secretary.

“(4) **COLLABORATIVE APPLICATION.**—The term ‘collaborative application’ means an

application for a grant under subtitle C that—

“(A) satisfies section 422; and

“(B) is submitted to the Secretary by a collaborative applicant.

“(5) **CONSOLIDATED PLAN.**—The term ‘Consolidated Plan’ means a comprehensive housing affordability strategy and community development plan required in part 91 of title 24, Code of Federal Regulations.

“(6) **ELIGIBLE ENTITY.**—The term ‘eligible entity’ means, with respect to a subtitle, a public entity, a private entity, or an entity that is a combination of public and private entities, that is eligible to directly receive grant amounts under such subtitle.

“(7) **FAMILIES WITH CHILDREN AND YOUTH DEFINED AS HOMELESS UNDER OTHER FEDERAL STATUTES.**—The term ‘families with children and youth defined as homeless under other Federal statutes’ means any children or youth that are defined as ‘homeless’ under any Federal statute other than this subtitle, but are not defined as homeless under section 103, and shall also include the parent, parents, or guardian of such children or youth under subtitle B of title VII this Act (42 U.S.C. 11431 et seq.).

“(8) **GEOGRAPHIC AREA.**—The term ‘geographic area’ means a State, metropolitan city, urban county, town, village, or other nonentitlement area, or a combination or consortia of such, in the United States, as described in section 106 of the Housing and Community Development Act of 1974 (42 U.S.C. 5306).

“(9) **HOMELESS INDIVIDUAL WITH A DISABILITY.**—

“(A) **IN GENERAL.**—The term ‘homeless individual with a disability’ means an individual who is homeless, as defined in section 103, and has a disability that—

“(i)(I) is expected to be long-continuing or of indefinite duration;

“(II) substantially impedes the individual’s ability to live independently;

“(III) could be improved by the provision of more suitable housing conditions; and

“(IV) is a physical, mental, or emotional impairment, including an impairment caused by alcohol or drug abuse, post traumatic stress disorder, or brain injury;

“(ii) is a developmental disability, as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15002); or

“(iii) is the disease of acquired immunodeficiency syndrome or any condition arising from the etiologic agency for acquired immunodeficiency syndrome.

“(B) **RULE.**—Nothing in clause (iii) of subparagraph (A) shall be construed to limit eligibility under clause (i) or (ii) of subparagraph (A).

“(10) **LEGAL ENTITY.**—The term ‘legal entity’ means—

“(A) an entity described in section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 501(c)(3)) and exempt from tax under section 501(a) of such Code;

“(B) an instrumentality of State or local government; or

“(C) a consortium of instrumentalities of State or local governments that has constituted itself as an entity.

“(11) **METROPOLITAN CITY; URBAN COUNTY; NONENTITLEMENT AREA.**—The terms ‘metropolitan city’, ‘urban county’, and ‘nonentitlement area’ have the meanings given such terms in section 102(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)).

“(12) **NEW.**—The term ‘new’ means, with respect to housing, that no assistance has been provided under this title for the housing.

“(13) **OPERATING COSTS.**—The term ‘operating costs’ means expenses incurred by a project sponsor operating transitional hous-

ing or permanent housing under this title with respect to—

“(A) the administration, maintenance, repair, and security of such housing;

“(B) utilities, fuel, furnishings, and equipment for such housing; or

“(C) coordination of services as needed to ensure long-term housing stability.

“(14) **OUTPATIENT HEALTH SERVICES.**—The term ‘outpatient health services’ means outpatient health care services, mental health services, and outpatient substance abuse services.

“(15) **PERMANENT HOUSING.**—The term ‘permanent housing’ means community-based housing without a designated length of stay, and includes both permanent supportive housing and permanent housing without supportive services.

“(16) **PERSONALLY IDENTIFYING INFORMATION.**—The term ‘personally identifying information’ means individually identifying information for or about an individual, including information likely to disclose the location of a victim of domestic violence, dating violence, sexual assault, or stalking, including—

“(A) a first and last name;

“(B) a home or other physical address;

“(C) contact information (including a postal, e-mail or Internet protocol address, or telephone or facsimile number);

“(D) a social security number; and

“(E) any other information, including date of birth, racial or ethnic background, or religious affiliation, that, in combination with any other non-personally identifying information, would serve to identify any individual.

“(17) **PRIVATE NONPROFIT ORGANIZATION.**—The term ‘private nonprofit organization’ means an organization—

“(A) no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual;

“(B) that has a voluntary board;

“(C) that has an accounting system, or has designated a fiscal agent in accordance with requirements established by the Secretary; and

“(D) that practices nondiscrimination in the provision of assistance.

“(18) **PROJECT.**—The term ‘project’ means, with respect to activities carried out under subtitle C, eligible activities described in section 423(a), undertaken pursuant to a specific endeavor, such as serving a particular population or providing a particular resource.

“(19) **PROJECT-BASED.**—The term ‘project-based’ means, with respect to rental assistance, that the assistance is provided pursuant to a contract that—

“(A) is between—

“(i) the recipient or a project sponsor; and

“(ii) an owner of a structure that exists as of the date the contract is entered into; and

“(B) provides that rental assistance payments shall be made to the owner and that the units in the structure shall be occupied by eligible persons for not less than the term of the contract.

“(20) **PROJECT SPONSOR.**—The term ‘project sponsor’ means, with respect to proposed eligible activities, the organization directly responsible for carrying out the proposed eligible activities.

“(21) **RECIPIENT.**—Except as used in subtitle B, the term ‘recipient’ means an eligible entity who—

“(A) submits an application for a grant under section 422 that is approved by the Secretary;

“(B) receives the grant directly from the Secretary to support approved projects described in the application; and

“(C)(i) serves as a project sponsor for the projects; or

“(ii) awards the funds to project sponsors to carry out the projects.

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

“(23) SERIOUS MENTAL ILLNESS.—The term ‘serious mental illness’ means a severe and persistent mental illness or emotional impairment that seriously limits a person’s ability to live independently.

“(24) SOLO APPLICANT.—The term ‘solo applicant’ means an entity that is an eligible entity, directly submits an application for a grant under subtitle C to the Secretary, and, if awarded such grant, receives such grant directly from the Secretary.

“(25) SPONSOR-BASED.—The term ‘sponsor-based’ means, with respect to rental assistance, that the assistance is provided pursuant to a contract that—

“(A) is between—

“(i) the recipient or a project sponsor; and

“(ii) an independent entity that—

“(I) is a private organization; and

“(II) owns or leases dwelling units; and

“(B) provides that rental assistance payments shall be made to the independent entity and that eligible persons shall occupy such assisted units.

“(26) STATE.—Except as used in subtitle B, the term ‘State’ means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

“(27) SUPPORTIVE SERVICES.—The term ‘supportive services’ means services that address the special needs of people served by a project, including—

“(A) the establishment and operation of a child care services program for families experiencing homelessness;

“(B) the establishment and operation of an employment assistance program, including providing job training;

“(C) the provision of outpatient health services, food, and case management;

“(D) the provision of assistance in obtaining permanent housing, employment counseling, and nutritional counseling;

“(E) the provision of outreach services, advocacy, life skills training, and housing search and counseling services;

“(F) the provision of mental health services, trauma counseling, and victim services;

“(G) the provision of assistance in obtaining other Federal, State, and local assistance available for residents of supportive housing (including mental health benefits, employment counseling, and medical assistance, but not including major medical equipment);

“(H) the provision of legal services for purposes including requesting reconsiderations and appeals of veterans and public benefit claim denials and resolving outstanding warrants that interfere with an individual’s ability to obtain and retain housing;

“(I) the provision of—

“(i) transportation services that facilitate an individual’s ability to obtain and maintain employment; and

“(ii) health care; and

“(J) other supportive services necessary to obtain and maintain housing.

“(28) TENANT-BASED.—The term ‘tenant-based’ means, with respect to rental assistance, assistance that—

“(A) allows an eligible person to select a housing unit in which such person will live using rental assistance provided under subtitle C, except that if necessary to assure that the provision of supportive services to a person participating in a program is feasible, a recipient or project sponsor may require that the person live—

“(i) in a particular structure or unit for not more than the first year of the participation;

“(ii) within a particular geographic area for the full period of the participation, or the period remaining after the period referred to in subparagraph (A); and

“(B) provides that a person may receive such assistance and move to another structure, unit, or geographic area if the person has complied with all other obligations of the program and has moved out of the assisted dwelling unit in order to protect the health or safety of an individual who is or has been the victim of domestic violence, dating violence, sexual assault, or stalking, and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the assisted dwelling unit.

“(29) TRANSITIONAL HOUSING.—The term ‘transitional housing’ means housing the purpose of which is to facilitate the movement of individuals and families experiencing homelessness to permanent housing within 24 months or such longer period as the Secretary determines necessary.

“(30) UNIFIED FUNDING AGENCY.—The term ‘unified funding agency’ means a collaborative applicant that performs the duties described in section 402(g).

“(31) UNDERSERVED POPULATIONS.—The term ‘underserved populations’ includes populations underserved because of geographic location, underserved racial and ethnic populations, populations underserved because of special needs (such as language barriers, disabilities, alienage status, or age), and any other population determined to be underserved by the Secretary, as appropriate.

“(32) VICTIM SERVICE PROVIDER.—The term ‘victim service provider’ means a private nonprofit organization whose primary mission is to provide services to victims of domestic violence, dating violence, sexual assault, or stalking. Such term includes rape crisis centers, battered women’s shelters, domestic violence transitional housing programs, and other programs.

“(33) VICTIM SERVICES.—The term ‘victim services’ means services that assist domestic violence, dating violence, sexual assault, or stalking victims, including services offered by rape crisis centers and domestic violence shelters, and other organizations, with a documented history of effective work concerning domestic violence, dating violence, sexual assault, or stalking.”.

SEC. 1102. COMMUNITY HOMELESS ASSISTANCE PLANNING BOARDS.

Subtitle A of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11361 et seq.) is amended by inserting after section 401 (as added by section 1101(3) of this division) the following new section:

“SEC. 402. COLLABORATIVE APPLICANTS.

“(a) ESTABLISHMENT AND DESIGNATION.—A collaborative applicant shall be established for a geographic area by the relevant parties in that geographic area to—

“(1) submit an application for amounts under this subtitle; and

“(2) perform the duties specified in subsection (f) and, if applicable, subsection (g).

“(b) NO REQUIREMENT TO BE A LEGAL ENTITY.—An entity may be established to serve as a collaborative applicant under this section without being a legal entity.

“(c) REMEDIAL ACTION.—If the Secretary finds that a collaborative applicant for a geographic area does not meet the requirements of this section, or if there is no collaborative applicant for a geographic area, the Secretary may take remedial action to ensure fair distribution of grant amounts under subtitle C to eligible entities within that area. Such measures may include designating another body as a collaborative applicant, or permitting other eligible entities to apply directly for grants.

“(d) CONSTRUCTION.—Nothing in this section shall be construed to displace conflict of interest or government fair practices laws, or their equivalent, that govern applicants for grant amounts under subtitles B and C.

“(e) APPOINTMENT OF AGENT.—

“(1) IN GENERAL.—Subject to paragraph (2), a collaborative applicant may designate an agent to—

“(A) apply for a grant under section 422(c);

“(B) receive and distribute grant funds awarded under subtitle C; and

“(C) perform other administrative duties.

“(2) RETENTION OF DUTIES.—Any collaborative applicant that designates an agent pursuant to paragraph (1) shall regardless of such designation retain all of its duties and responsibilities under this title.

“(f) DUTIES.—A collaborative applicant shall—

“(1) design a collaborative process for the development of an application under subtitle C, and for evaluating the outcomes of projects for which funds are awarded under subtitle B, in such a manner as to provide information necessary for the Secretary—

“(A) to determine compliance with—

“(i) the program requirements under section 426; and

“(ii) the selection criteria described under section 427; and

“(B) to establish priorities for funding projects in the geographic area involved;

“(2) participate in the Consolidated Plan for the geographic area served by the collaborative applicant; and

“(3) ensure operation of, and consistent participation by, project sponsors in a community-wide homeless management information system (in this subsection referred to as ‘HMIS’) that—

“(A) collects unduplicated counts of individuals and families experiencing homelessness;

“(B) analyzes patterns of use of assistance provided under subtitles B and C for the geographic area involved;

“(C) provides information to project sponsors and applicants for needs analyses and funding priorities; and

“(D) is developed in accordance with standards established by the Secretary, including standards that provide for—

“(i) encryption of data collected for purposes of HMIS;

“(ii) documentation, including keeping an accurate accounting, proper usage, and disclosure, of HMIS data;

“(iii) access to HMIS data by staff, contractors, law enforcement, and academic researchers;

“(iv) rights of persons receiving services under this title;

“(v) criminal and civil penalties for unlawful disclosure of data; and

“(vi) such other standards as may be determined necessary by the Secretary.

“(g) UNIFIED FUNDING.—

“(1) IN GENERAL.—In addition to the duties described in subsection (f), a collaborative applicant shall receive from the Secretary and distribute to other project sponsors in the applicable geographic area funds for projects to be carried out by such other project sponsors, if—

“(A) the collaborative applicant—

“(i) applies to undertake such collection and distribution responsibilities in an application submitted under this subtitle; and

“(ii) is selected to perform such responsibilities by the Secretary; or

“(B) the Secretary designates the collaborative applicant as the unified funding agency in the geographic area, after—

“(i) a finding by the Secretary that the applicant—

“(I) has the capacity to perform such responsibilities; and

“(II) would serve the purposes of this Act as they apply to the geographic area; and

“(ii) the Secretary provides the collaborative applicant with the technical assistance necessary to perform such responsibilities as such assistance is agreed to by the collaborative applicant.

“(2) REQUIRED ACTIONS BY A UNIFIED FUNDING AGENCY.—A collaborative applicant that is either selected or designated as a unified funding agency for a geographic area under paragraph (1) shall—

“(A) require each project sponsor who is funded by a grant received under subtitle C to establish such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursement of, and accounting for, Federal funds awarded to the project sponsor under subtitle C in order to ensure that all financial transactions carried out under subtitle C are conducted, and records maintained, in accordance with generally accepted accounting principles; and

“(B) arrange for an annual survey, audit, or evaluation of the financial records of each project carried out by a project sponsor funded by a grant received under subtitle C.

“(h) CONFLICT OF INTEREST.—No board member of a collaborative applicant may participate in decisions of the collaborative applicant concerning the award of a grant, or provision of other financial benefits, to such member or the organization that such member represents.”.

SEC. 1103. GENERAL PROVISIONS.

Subtitle A of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11361 et seq.) is amended by inserting after section 403 (as so redesignated by section 1101(2) of this division) the following new sections:

“SEC. 404. PREVENTING INVOLUNTARY FAMILY SEPARATION.

“(a) IN GENERAL.—After the expiration of the 2-year period that begins upon the date of the enactment of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009, and except as provided in subsection (b), any project sponsor receiving funds under this title to provide emergency shelter, transitional housing, or permanent housing to families with children under age 18 shall not deny admission to any family based on the age of any child under age 18.

“(b) EXCEPTION.—Notwithstanding the requirement under subsection (a), project sponsors of transitional housing receiving funds under this title may target transitional housing resources to families with children of a specific age only if the project sponsor—

“(1) operates a transitional housing program that has a primary purpose of implementing an evidence-based practice that requires that housing units be targeted to families with children in a specific age group; and

“(2) provides such assurances, as the Secretary shall require, that an equivalent appropriate alternative living arrangement for the whole family or household unit has been secured.

“SEC. 405. TECHNICAL ASSISTANCE.

“(a) IN GENERAL.—The Secretary shall make available technical assistance to private nonprofit organizations and other non-governmental entities, States, metropolitan cities, urban counties, and counties that are not urban counties, to implement effective planning processes for preventing and ending homelessness, to improve their capacity to prepare collaborative applications, to prevent the separation of families in emergency shelter or other housing programs, and to

adopt and provide best practices in housing and services for persons experiencing homelessness.

“(b) RESERVATION.—The Secretary shall reserve not more than 1 percent of the funds made available for any fiscal year for carrying out subtitles B and C, to provide technical assistance under subsection (a).”.

SEC. 1104. PROTECTION OF PERSONALLY IDENTIFYING INFORMATION BY VICTIM SERVICE PROVIDERS.

Subtitle A of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11361 et seq.), as amended by the preceding provisions of this title, is further amended by adding at the end the following new section:

“SEC. 407. PROTECTION OF PERSONALLY IDENTIFYING INFORMATION BY VICTIM SERVICE PROVIDERS.

“In the course of awarding grants or implementing programs under this title, the Secretary shall instruct any victim service provider that is a recipient or subgrantee not to disclose for purposes of the Homeless Management Information System any personally identifying information about any client. The Secretary may, after public notice and comment, require or ask such recipients and subgrantees to disclose for purposes of the Homeless Management Information System non-personally identifying information that has been de-identified, encrypted, or otherwise encoded. Nothing in this section shall be construed to supersede any provision of any Federal, State, or local law that provides greater protection than this subsection for victims of domestic violence, dating violence, sexual assault, or stalking.”.

SEC. 1105. AUTHORIZATION OF APPROPRIATIONS.

Subtitle A of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11361 et seq.), as amended by the preceding provisions of this title, is further amended by adding at the end the following new section:

“SEC. 408. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated to carry out this title \$2,200,000,000 for fiscal year 2010 and such sums as may be necessary for fiscal year 2011.”.

TITLE II—EMERGENCY SOLUTIONS GRANTS PROGRAM

SEC. 1201. GRANT ASSISTANCE.

Subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371 et seq.) is amended—

(1) by striking the subtitle heading and inserting the following:

“Subtitle B—Emergency Solutions Grants Program”;

(2) by striking section 417 (42 U.S.C. 11377);

(3) by redesignating sections 413 through 416 (42 U.S.C. 11373-6) as sections 414 through 417, respectively; and

(4) by striking section 412 (42 U.S.C. 11372) and inserting the following:

“SEC. 412. GRANT ASSISTANCE.

“The Secretary shall make grants to States and local governments (and to private nonprofit organizations providing assistance to persons experiencing homelessness or at risk of homelessness, in the case of grants made with reallocated amounts) for the purpose of carrying out activities described in section 415.

“SEC. 413. AMOUNT AND ALLOCATION OF ASSISTANCE.

“(a) IN GENERAL.—Of the amount made available to carry out this subtitle and subtitle C for a fiscal year, the Secretary shall allocate nationally 20 percent of such amount for activities described in section 415. The Secretary shall be required to certify that such allocation will not adversely affect the renewal of existing projects under this subtitle and subtitle C for those individuals or families who are homeless.

“(b) ALLOCATION.—An entity that receives a grant under section 412, and serves an area that includes 1 or more geographic areas (or portions of such areas) served by collaborative applicants that submit applications under subtitle C, shall allocate the funds made available through the grant to carry out activities described in section 415, in consultation with the collaborative applicants.”; and

(5) in section 414(b) (42 U.S.C. 11373(b)), as so redesignated by paragraph (3) of this section, by striking “amounts appropriated” and all that follows through “for any” and inserting “amounts appropriated under section 408 and made available to carry out this subtitle for any”.

SEC. 1202. ELIGIBLE ACTIVITIES.

The McKinney-Vento Homeless Assistance Act is amended by striking section 415 (42 U.S.C. 11374), as so redesignated by section 1201(3) of this division, and inserting the following new section:

“SEC. 415. ELIGIBLE ACTIVITIES.

“(a) IN GENERAL.—Assistance provided under section 412 may be used for the following activities:

“(1) The renovation, major rehabilitation, or conversion of buildings to be used as emergency shelters.

“(2) The provision of essential services related to emergency shelter or street outreach, including services concerned with employment, health, education, family support services for homeless youth, substance abuse services, victim services, or mental health services, if—

“(A) such essential services have not been provided by the local government during any part of the immediately preceding 12-month period or the Secretary determines that the local government is in a severe financial deficit; or

“(B) the use of assistance under this subtitle would complement the provision of those essential services.

“(3) Maintenance, operation, insurance, provision of utilities, and provision of furnishings related to emergency shelter.

“(4) Provision of rental assistance to provide short-term or medium-term housing to homeless individuals or families or individuals or families at risk of homelessness. Such rental assistance may include tenant-based or project-based rental assistance.

“(5) Housing relocation or stabilization services for homeless individuals or families or individuals or families at risk of homelessness, including housing search, mediation or outreach to property owners, legal services, credit repair, providing security or utility deposits, utility payments, rental assistance for a final month at a location, assistance with moving costs, or other activities that are effective at—

“(A) stabilizing individuals and families in their current housing; or

“(B) quickly moving such individuals and families to other permanent housing.

“(b) MAXIMUM ALLOCATION FOR EMERGENCY SHELTER ACTIVITIES.—A grantee of assistance provided under section 412 for any fiscal year may not use an amount of such assistance for activities described in paragraphs (1) through (3) of subsection (a) that exceeds the greater of—

“(1) 60 percent of the aggregate amount of such assistance provided for the grantee for such fiscal year; or

“(2) the amount expended by such grantee for such activities during fiscal year most recently completed before the effective date under section 1503 of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009.”.

SEC. 1203. PARTICIPATION IN HOMELESS MANAGEMENT INFORMATION SYSTEM.

Section 416 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11375), as so redesignated by section 1201(3) of this division, is amended by adding at the end the following new subsection:

“(f) PARTICIPATION IN HMIS.—The Secretary shall ensure that recipients of funds under this subtitle ensure the consistent participation by emergency shelters and homelessness prevention and rehousing programs in any applicable community-wide homeless management information system.”.

SEC. 1204. ADMINISTRATIVE PROVISION.

Section 418 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11378) is amended by striking “5 percent” and inserting “7.5 percent”.

SEC. 1205. GAO STUDY OF ADMINISTRATIVE FEES.

Not later than the expiration of the 12-month period beginning on the date of the enactment of this division, the Comptroller General of the United States shall—

(1) conduct a study to examine the appropriate administrative costs for administering the program authorized under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371 et seq.); and

(2) submit to Congress a report on the findings of the study required under paragraph (1).

TITLE III—CONTINUUM OF CARE PROGRAM**SEC. 1301. CONTINUUM OF CARE.**

The McKinney-Vento Homeless Assistance Act is amended—

(1) by striking the subtitle heading for subtitle C of title IV (42 U.S.C. 11381 et seq.) and inserting the following:

“**Subtitle C—Continuum of Care Program;**
and

(2) by striking sections 421 and 422 (42 U.S.C. 11381 and 11382) and inserting the following new sections:

“SEC. 421. PURPOSES.

“The purposes of this subtitle are—

“(1) to promote community-wide commitment to the goal of ending homelessness;

“(2) to provide funding for efforts by nonprofit providers and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to individuals, families, and communities by homelessness;

“(3) to promote access to, and effective utilization of, mainstream programs described in section 203(a)(7) and programs funded with State or local resources; and

“(4) to optimize self-sufficiency among individuals and families experiencing homelessness.

“SEC. 422. CONTINUUM OF CARE APPLICATIONS AND GRANTS.

“(a) PROJECTS.—The Secretary shall award grants, on a competitive basis, and using the selection criteria described in section 427, to carry out eligible activities under this subtitle for projects that meet the program requirements under section 426, either by directly awarding funds to project sponsors or by awarding funds to unified funding agencies.

“(b) NOTIFICATION OF FUNDING AVAILABILITY.—The Secretary shall release a notification of funding availability for grants awarded under this subtitle for a fiscal year not later than 3 months after the date of the enactment of the appropriate Act making appropriations for the Department of Housing and Urban Development for such fiscal year.

“(c) APPLICATIONS.—

“(1) SUBMISSION TO THE SECRETARY.—To be eligible to receive a grant under subsection

(a), a project sponsor or unified funding agency in a geographic area shall submit an application to the Secretary at such time and in such manner as the Secretary may require, and containing such information as the Secretary determines necessary—

“(A) to determine compliance with the program requirements and selection criteria under this subtitle; and

“(B) to establish priorities for funding projects in the geographic area.

“(2) ANNOUNCEMENT OF AWARDS.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall announce, within 5 months after the last date for the submission of applications described in this subsection for a fiscal year, the grants conditionally awarded under subsection (a) for that fiscal year.

“(B) TRANSITION.—For a period of up to 2 years beginning after the effective date under section 1503 of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009, the Secretary shall announce, within 6 months after the last date for the submission of applications described in this subsection for a fiscal year, the grants conditionally awarded under subsection (a) for that fiscal year.

“(d) OBLIGATION, DISTRIBUTION, AND UTILIZATION OF FUNDS.—

“(1) REQUIREMENTS FOR OBLIGATION.—

“(A) IN GENERAL.—Not later than 9 months after the announcement referred to in subsection (c)(2), each recipient or project sponsor shall meet all requirements for the obligation of those funds, including site control, matching funds, and environmental review requirements, except as provided in subparagraphs (B) and (C).

“(B) ACQUISITION, REHABILITATION, OR CONSTRUCTION.—Not later than 24 months after the announcement referred to in subsection (c)(2), each recipient or project sponsor seeking the obligation of funds for acquisition of housing, rehabilitation of housing, or construction of new housing for a grant announced under subsection (c)(2) shall meet all requirements for the obligation of those funds, including site control, matching funds, and environmental review requirements.

“(C) EXTENSIONS.—At the discretion of the Secretary, and in compelling circumstances, the Secretary may extend the date by which a recipient or project sponsor shall meet the requirements described in subparagraphs (A) and (B) if the Secretary determines that compliance with the requirements was delayed due to factors beyond the reasonable control of the recipient or project sponsor. Such factors may include difficulties in obtaining site control for a proposed project, completing the process of obtaining secure financing for the project, obtaining approvals from State or local governments, or completing the technical submission requirements for the project.

“(2) OBLIGATION.—Not later than 45 days after a recipient or project sponsor meets the requirements described in paragraph (1), the Secretary shall obligate the funds for the grant involved.

“(3) DISTRIBUTION.—A recipient that receives funds through such a grant—

“(A) shall distribute the funds to project sponsors (in advance of expenditures by the project sponsors); and

“(B) shall distribute the appropriate portion of the funds to a project sponsor not later than 45 days after receiving a request for such distribution from the project sponsor.

“(4) EXPENDITURE OF FUNDS.—The Secretary may establish a date by which funds made available through a grant announced under subsection (c)(2) for a homeless assistance project shall be entirely expended by

the recipient or project sponsors involved. The date established under this paragraph shall not occur before the expiration of the 24-month period beginning on the date that funds are obligated for activities described under paragraphs (1) or (2) of section 423(a). The Secretary shall recapture the funds not expended by such date. The Secretary shall reallocate the funds for another homeless assistance and prevention project that meets the requirements of this subtitle to be carried out, if possible and appropriate, in the same geographic area as the area served through the original grant.

“(e) RENEWAL FUNDING FOR UNSUCCESSFUL APPLICANTS.—The Secretary may renew funding for a specific project previously funded under this subtitle that the Secretary determines meets the purposes of this subtitle, and was included as part of a total application that met the criteria of subsection (c), even if the application was not selected to receive grant assistance. The Secretary may renew the funding for a period of not more than 1 year, and under such conditions as the Secretary determines to be appropriate.

“(f) CONSIDERATIONS IN DETERMINING RENEWAL FUNDING.—When providing renewal funding for leasing, operating costs, or rental assistance for permanent housing, the Secretary shall make adjustments proportional to increases in the fair market rents in the geographic area.

“(g) MORE THAN 1 APPLICATION FOR A GEOGRAPHIC AREA.—If more than 1 collaborative applicant applies for funds for a geographic area, the Secretary shall award funds to the collaborative applicant with the highest score based on the selection criteria set forth in section 427.

“(h) APPEALS.—

“(1) IN GENERAL.—The Secretary shall establish a timely appeal procedure for grant amounts awarded or denied under this subtitle pursuant to a collaborative application or solo application for funding.

“(2) PROCESS.—The Secretary shall ensure that the procedure permits appeals submitted by entities carrying out homeless housing and services projects (including emergency shelters and homelessness prevention programs), and all other applicants under this subtitle.

“(i) SOLO APPLICANTS.—A solo applicant may submit an application to the Secretary for a grant under subsection (a) and be awarded such grant on the same basis as such grants are awarded to other applicants based on the criteria described in section 427, but only if the Secretary determines that the solo applicant has attempted to participate in the continuum of care process but was not permitted to participate in a reasonable manner. The Secretary may award such grants directly to such applicants in a manner determined to be appropriate by the Secretary.

“(j) FLEXIBILITY TO SERVE PERSONS DEFINED AS HOMELESS UNDER OTHER FEDERAL LAWS.—

“(1) IN GENERAL.—A collaborative applicant may use not more than 10 percent of funds awarded under this subtitle (continuum of care funding) for any of the types of eligible activities specified in paragraphs (1) through (7) of section 423(a) to serve families with children and youth defined as homeless under other Federal statutes, or homeless families with children and youth defined as homeless under section 103(a)(6), but only if the applicant demonstrates that the use of such funds is of an equal or greater priority or is equally or more cost effective in meeting the overall goals and objectives of the plan submitted under section 427(b)(1)(B), especially with respect to children and unaccompanied youth.

“(2) LIMITATIONS.—The 10 percent limitation under paragraph (1) shall not apply to collaborative applicants in which the rate of homelessness, as calculated in the most recent point in time count, is less than one-tenth of 1 percent of total population.

“(3) TREATMENT OF CERTAIN POPULATIONS.—

“(A) IN GENERAL.—Notwithstanding section 103(a) and subject to subparagraph (B), funds awarded under this subtitle may be used for eligible activities to serve unaccompanied youth and homeless families and children defined as homeless under section 103(a)(6) only pursuant to paragraph (1) of this subsection and such families and children shall not otherwise be considered as homeless for purposes of this subtitle.

“(B) AT RISK OF HOMELESSNESS.—Subparagraph (A) may not be construed to prevent any unaccompanied youth and homeless families and children defined as homeless under section 103(a)(6) from qualifying for, and being treated for purposes of this subtitle as, at risk of homelessness or from eligibility for any projects, activities, or services carried out using amounts provided under this subtitle for which individuals or families that are at risk of homelessness are eligible.”

SEC. 1302. ELIGIBLE ACTIVITIES.

The McKinney-Vento Homeless Assistance Act is amended by striking section 423 (42 U.S.C. 11383) and inserting the following new section:

“SEC. 423. ELIGIBLE ACTIVITIES.

“(a) IN GENERAL.—Grants awarded under section 422 to qualified applicants shall be used to carry out projects that serve homeless individuals or families that consist of one or more of the following eligible activities:

“(1) Construction of new housing units to provide transitional or permanent housing.

“(2) Acquisition or rehabilitation of a structure to provide transitional or permanent housing, other than emergency shelter, or to provide supportive services.

“(3) Leasing of property, or portions of property, not owned by the recipient or project sponsor involved, for use in providing transitional or permanent housing, or providing supportive services.

“(4) Provision of rental assistance to provide transitional or permanent housing to eligible persons. The rental assistance may include tenant-based, project-based, or sponsor-based rental assistance. Project-based rental assistance, sponsor-based rental assistance, and operating cost assistance contracts carried out by project sponsors receiving grants under this section may, at the discretion of the applicant and the project sponsor, have an initial term of 15 years, with assistance for the first 5 years paid with funds authorized for appropriation under this Act, and assistance for the remainder of the term treated as a renewal of an expiring contract as provided in section 429. Project-based rental assistance may include rental assistance to preserve existing permanent supportive housing for homeless individuals and families.

“(5) Payment of operating costs for housing units assisted under this subtitle or for the preservation of housing that will serve homeless individuals and families and for which another form of assistance is expiring or otherwise no longer available.

“(6) Supportive services for individuals and families who are currently homeless, who have been homeless in the prior six months but are currently residing in permanent housing, or who were previously homeless and are currently residing in permanent supportive housing.

“(7) Provision of rehousing services, including housing search, mediation or out-

reach to property owners, credit repair, providing security or utility deposits, rental assistance for a final month at a location, assistance with moving costs, or other activities that—

“(A) are effective at moving homeless individuals and families immediately into housing; or

“(B) may benefit individuals and families who in the prior 6 months have been homeless, but are currently residing in permanent housing.

“(8) In the case of a collaborative applicant that is a legal entity, performance of the duties described under section 402(f)(3).

“(9) Operation of, participation in, and ensuring consistent participation by project sponsors in, a community-wide homeless management information system.

“(10) In the case of a collaborative applicant that is a legal entity, payment of administrative costs related to meeting the requirements described in paragraphs (1) and (2) of section 402(f), for which the collaborative applicant may use not more than 3 percent of the total funds made available in the geographic area under this subtitle for such costs.

“(11) In the case of a collaborative applicant that is a unified funding agency under section 402(g), payment of administrative costs related to meeting the requirements of that section, for which the unified funding agency may use not more than 3 percent of the total funds made available in the geographic area under this subtitle for such costs, in addition to funds used under paragraph (10).

“(12) Payment of administrative costs to project sponsors, for which each project sponsor may use not more than 10 percent of the total funds made available to that project sponsor through this subtitle for such costs.

“(b) MINIMUM GRANT TERMS.—The Secretary may impose minimum grant terms of up to 5 years for new projects providing permanent housing.

“(c) USE RESTRICTIONS.—

“(1) ACQUISITION, REHABILITATION, AND NEW CONSTRUCTION.—A project that consists of activities described in paragraph (1) or (2) of subsection (a) shall be operated for the purpose specified in the application submitted for the project under section 422 for not less than 15 years.

“(2) OTHER ACTIVITIES.—A project that consists of activities described in any of paragraphs (3) through (12) of subsection (a) shall be operated for the purpose specified in the application submitted for the project under section 422 for the duration of the grant period involved.

“(3) CONVERSION.—If the recipient or project sponsor carrying out a project that provides transitional or permanent housing submits a request to the Secretary to carry out instead a project for the direct benefit of low-income persons, and the Secretary determines that the initial project is no longer needed to provide transitional or permanent housing, the Secretary may approve the project described in the request and authorize the recipient or project sponsor to carry out that project.

“(d) REPAYMENT OF ASSISTANCE AND PREVENTION OF UNDUE BENEFITS.—

“(1) REPAYMENT.—If a recipient or project sponsor receives assistance under section 422 to carry out a project that consists of activities described in paragraph (1) or (2) of subsection (a) and the project ceases to provide transitional or permanent housing—

“(A) earlier than 10 years after operation of the project begins, the Secretary shall require the recipient or project sponsor to repay 100 percent of the assistance; or

“(B) not earlier than 10 years, but earlier than 15 years, after operation of the project begins, the Secretary shall require the recipient or project sponsor to repay 20 percent of the assistance for each of the years in the 15-year period for which the project fails to provide that housing.

“(2) PREVENTION OF UNDUE BENEFITS.—Except as provided in paragraph (3), if any property is used for a project that receives assistance under subsection (a) and consists of activities described in paragraph (1) or (2) of subsection (a), and the sale or other disposition of the property occurs before the expiration of the 15-year period beginning on the date that operation of the project begins, the recipient or project sponsor who received the assistance shall comply with such terms and conditions as the Secretary may prescribe to prevent the recipient or project sponsor from unduly benefitting from such sale or disposition.

“(3) EXCEPTION.—A recipient or project sponsor shall not be required to make the repayments, and comply with the terms and conditions, required under paragraph (1) or (2) if—

“(A) the sale or disposition of the property used for the project results in the use of the property for the direct benefit of very low-income persons;

“(B) all of the proceeds of the sale or disposition are used to provide transitional or permanent housing meeting the requirements of this subtitle;

“(C) project-based rental assistance or operating cost assistance from any Federal program or an equivalent State or local program is no longer made available and the project is meeting applicable performance standards, provided that the portion of the project that had benefited from such assistance continues to meet the tenant income and rent restrictions for low-income units under section 42(g) of the Internal Revenue Code of 1986; or

“(D) there are no individuals and families in the geographic area who are homeless, in which case the project may serve individuals and families at risk of homelessness.

“(e) STAFF TRAINING.—The Secretary may allow reasonable costs associated with staff training to be included as part of the activities described in subsection (a).

“(f) ELIGIBILITY FOR PERMANENT HOUSING.—Any project that receives assistance under subsection (a) and that provides project-based or sponsor-based permanent housing for homeless individuals or families with a disability, including projects that meet the requirements of subsection (a) and subsection (d)(2)(A) of section 428 may also serve individuals who had previously met the requirements for such project prior to moving into a different permanent housing project.

“(g) ADMINISTRATION OF RENTAL ASSISTANCE.—Provision of permanent housing rental assistance shall be administered by a State, unit of general local government, or public housing agency.”

SEC. 1303. HIGH PERFORMING COMMUNITIES.

The McKinney-Vento Homeless Assistance Act is amended by striking section 424 (42 U.S.C. 11384) and inserting the following:

“SEC. 424. INCENTIVES FOR HIGH-PERFORMING COMMUNITIES.

“(a) DESIGNATION AS A HIGH-PERFORMING COMMUNITY.—

“(1) IN GENERAL.—The Secretary shall designate, on an annual basis, which collaborative applicants represent high-performing communities.

“(2) CONSIDERATION.—In determining whether to designate a collaborative applicant as a high-performing community under paragraph (1), the Secretary shall establish criteria to ensure that the requirements described under paragraphs (1)(B) and (2)(B) of

subsection (d) are measured by comparing homeless individuals and families under similar circumstances, in order to encourage projects in the geographic area to serve homeless individuals and families with more severe barriers to housing stability.

“(3) 2-YEAR PHASE IN.—In each of the first 2 years after the effective date under section 1503 of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009, the Secretary shall designate not more than 10 collaborative applicants as high-performing communities.

“(4) EXCESS OF QUALIFIED APPLICANTS.—If, during the 2-year period described under paragraph (2), more than 10 collaborative applicants could qualify to be designated as high-performing communities, the Secretary shall designate the 10 that have, in the discretion of the Secretary, the best performance based on the criteria described under subsection (d).

“(5) TIME LIMIT ON DESIGNATION.—The designation of any collaborative applicant as a high-performing community under this subsection shall be effective only for the year in which such designation is made. The Secretary, on an annual basis, may renew any such designation.

“(b) APPLICATION.—

“(1) IN GENERAL.—A collaborative applicant seeking designation as a high-performing community under subsection (a) shall submit an application to the Secretary at such time, and in such manner as the Secretary may require.

“(2) CONTENT OF APPLICATION.—In any application submitted under paragraph (1), a collaborative applicant shall include in such application—

“(A) a report showing how any money received under this subtitle in the preceding year was expended; and

“(B) information that such applicant can meet the requirements described under subsection (d).

“(3) PUBLICATION OF APPLICATION.—The Secretary shall—

“(A) publish any report or information submitted in an application under this section in the geographic area represented by the collaborative applicant; and

“(B) seek comments from the public as to whether the collaborative applicant seeking designation as a high-performing community meets the requirements described under subsection (d).

“(c) USE OF FUNDS.—Funds awarded under section 422(a) to a project sponsor who is located in a high-performing community may be used—

“(1) for any of the eligible activities described in section 423; or

“(2) for any of the eligible activities described in paragraphs (4) and (5) of section 415(a).

“(d) DEFINITION OF HIGH-PERFORMING COMMUNITY.—For purposes of this section, the term ‘high-performing community’ means a geographic area that demonstrates through reliable data that all five of the following requirements are met for that geographic area:

“(1) TERM OF HOMELESSNESS.—The mean length of episodes of homelessness for that geographic area—

“(A) is less than 20 days; or

“(B) for individuals and families in similar circumstances in the preceding year was at least 10 percent less than in the year before.

“(2) FAMILIES LEAVING HOMELESSNESS.—Of individuals and families—

“(A) who leave homelessness, fewer than 5 percent of such individuals and families become homeless again at any time within the next 2 years; or

“(B) in similar circumstances who leave homelessness, the percentage of such individuals and families who become homeless

again within the next 2 years has decreased by at least 20 percent from the preceding year.

“(3) COMMUNITY ACTION.—The communities that compose the geographic area have—

“(A) actively encouraged homeless individuals and families to participate in homeless assistance services available in that geographic area; and

“(B) included each homeless individual or family who sought homeless assistance services in the data system used by that community for determining compliance with this subsection.

“(4) EFFECTIVENESS OF PREVIOUS ACTIVITIES.—If recipients in the geographic area have used funding awarded under section 422(a) for eligible activities described under section 415(a) in previous years based on the authority granted under subsection (c), that such activities were effective at reducing the number of individuals and families who became homeless in that community.

“(5) FLEXIBILITY TO SERVE PERSONS DEFINED AS HOMELESS UNDER OTHER FEDERAL LAWS.—With respect to collaborative applicants exercising the authority under section 422(j) to serve homeless families with children and youth defined as homeless under other Federal statutes, effectiveness in achieving the goals and outcomes identified in subsection 427(b)(1)(F) according to such standards as the Secretary shall promulgate.

“(e) COOPERATION AMONG ENTITIES.—A collaborative applicant designated as a high-performing community under this section shall cooperate with the Secretary in distributing information about successful efforts within the geographic area represented by the collaborative applicant to reduce homelessness.”

SEC. 1304. PROGRAM REQUIREMENTS.

Section 426 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11386) is amended—

(1) by striking subsections (a), (b), and (c) and inserting the following:

“(a) SITE CONTROL.—The Secretary shall require that each application include reasonable assurances that the applicant will own or have control of a site for the proposed project not later than the expiration of the 12-month period beginning upon notification of an award for grant assistance, unless the application proposes providing supportive housing assistance under section 423(a)(3) or housing that will eventually be owned or controlled by the families and individuals served. An applicant may obtain ownership or control of a suitable site different from the site specified in the application. If any recipient or project sponsor fails to obtain ownership or control of the site within 12 months after notification of an award for grant assistance, the grant shall be recaptured and reallocated under this subtitle.

“(b) REQUIRED AGREEMENTS.—The Secretary may not provide assistance for a proposed project under this subtitle unless the collaborative applicant involved agrees—

“(1) to ensure the operation of the project in accordance with the provisions of this subtitle;

“(2) to monitor and report to the Secretary the progress of the project;

“(3) to ensure, to the maximum extent practicable, that individuals and families experiencing homelessness are involved, through employment, provision of volunteer services, or otherwise, in constructing, rehabilitating, maintaining, and operating facilities for the project and in providing supportive services for the project;

“(4) to require certification from all project sponsors that—

“(A) they will maintain the confidentiality of records pertaining to any individual or

family provided family violence prevention or treatment services through the project;

“(B) that the address or location of any family violence shelter project assisted under this subtitle will not be made public, except with written authorization of the person responsible for the operation of such project;

“(C) they will establish policies and practices that are consistent with, and do not restrict the exercise of rights provided by, subtitle B of title VII, and other laws relating to the provision of educational and related services to individuals and families experiencing homelessness;

“(D) in the case of programs that provide housing or services to families, they will designate a staff person to be responsible for ensuring that children being served in the program are enrolled in school and connected to appropriate services in the community, including early childhood programs such as Head Start, part C of the Individuals with Disabilities Education Act, and programs authorized under subtitle B of title VII of this Act(42 U.S.C. 11431 et seq.); and

“(E) they will provide data and reports as required by the Secretary pursuant to the Act;

“(5) if a collaborative applicant is a unified funding agency under section 402(g) and receives funds under subtitle C to carry out the payment of administrative costs described in section 423(a)(11), to establish such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursement, and accounting for, such funds in order to ensure that all financial transactions carried out with such funds are conducted, and records maintained, in accordance with generally accepted accounting principles;

“(6) to monitor and report to the Secretary the provision of matching funds as required by section 430;

“(7) to take the educational needs of children into account when families are placed in emergency or transitional shelter and will, to the maximum extent practicable, place families with children as close as possible to their school of origin so as not to disrupt such children’s education; and

“(8) to comply with such other terms and conditions as the Secretary may establish to carry out this subtitle in an effective and efficient manner.”

(2) by redesignating subsection (d) as subsection (c);

(3) in the first sentence of subsection (c) (as so redesignated by paragraph (2) of this subsection), by striking “recipient” and inserting “recipient or project sponsor”;

(4) by striking subsection (e);

(5) by redesignating subsections (f), (g), and (h), as subsections (d), (e), and (f), respectively;

(6) in the first sentence of subsection (e) (as so redesignated by paragraph (5) of this section), by striking “recipient” each place it appears and inserting “recipient or project sponsor”;

(7) by striking subsection (i); and

(8) by redesignating subsection (j) as subsection (g).

SEC. 1305. SELECTION CRITERIA, ALLOCATION AMOUNTS, AND FUNDING.

The McKinney-Vento Homeless Assistance Act is amended—

(1) by repealing section 429 (42 U.S.C. 11389); and

(2) by redesignating sections 427 and 428 (42 U.S.C. 11387, 11388) as sections 432 and 433, respectively; and

(3) by inserting after section 426 the following new sections:

“SEC. 427. SELECTION CRITERIA.

“(a) IN GENERAL.—The Secretary shall award funds to recipients through a national

competition between geographic areas based on criteria established by the Secretary.

“(b) REQUIRED CRITERIA.—

“(1) IN GENERAL.—The criteria established under subsection (a) shall include—

“(A) the previous performance of the recipient regarding homelessness, including performance related to funds provided under section 412 (except that recipients applying from geographic areas where no funds have been awarded under this subtitle, or under subtitles C, D, E, or F of title IV of this Act, as in effect prior to the date of the enactment of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009, shall receive full credit for performance under this subparagraph), measured by criteria that shall be announced by the Secretary, that shall take into account barriers faced by individual homeless people, and that shall include—

“(i) the length of time individuals and families remain homeless;

“(ii) the extent to which individuals and families who leave homelessness experience additional spells of homelessness;

“(iii) the thoroughness of grantees in the geographic area in reaching homeless individuals and families;

“(iv) overall reduction in the number of homeless individuals and families;

“(v) jobs and income growth for homeless individuals and families;

“(vi) success at reducing the number of individuals and families who become homeless;

“(vii) other accomplishments by the recipient related to reducing homelessness; and

“(viii) for collaborative applicants that have exercised the authority under section 422(j) to serve families with children and youth defined as homeless under other Federal statutes, success in achieving the goals and outcomes identified in section 427(b)(1)(F);

“(B) the plan of the recipient, which shall describe—

“(i) how the number of individuals and families who become homeless will be reduced in the community;

“(ii) how the length of time that individuals and families remain homeless will be reduced;

“(iii) how the recipient will collaborate with local education authorities to assist in the identification of individuals and families who become or remain homeless and are informed of their eligibility for services under subtitle B of title VII of this Act (42 U.S.C. 11431 et seq.);

“(iv) the extent to which the recipient will—

“(I) address the needs of all relevant subpopulations;

“(II) incorporate comprehensive strategies for reducing homelessness, including the interventions referred to in section 428(d);

“(III) set quantifiable performance measures;

“(IV) set timelines for completion of specific tasks;

“(V) identify specific funding sources for planned activities; and

“(VI) identify an individual or body responsible for overseeing implementation of specific strategies; and

“(v) whether the recipient proposes to exercise authority to use funds under section 422(j), and if so, how the recipient will achieve the goals and outcomes identified in section 427(b)(1)(F);

“(C) the methodology of the recipient used to determine the priority for funding local projects under section 422(c)(1), including the extent to which the priority-setting process—

“(i) uses periodically collected information and analysis to determine the extent to which each project has resulted in rapid re-

turn to permanent housing for those served by the project, taking into account the severity of barriers faced by the people the project serves;

“(ii) considers the full range of opinions from individuals or entities with knowledge of homelessness in the geographic area or an interest in preventing or ending homelessness in the geographic area;

“(iii) is based on objective criteria that have been publicly announced by the recipient; and

“(iv) is open to proposals from entities that have not previously received funds under this subtitle;

“(D) the extent to which the amount of assistance to be provided under this subtitle to the recipient will be supplemented with resources from other public and private sources, including mainstream programs identified by the Government Accountability Office in the two reports described in section 203(a)(7);

“(E) demonstrated coordination by the recipient with the other Federal, State, local, private, and other entities serving individuals and families experiencing homelessness and at risk of homelessness in the planning and operation of projects;

“(F) for collaborative applicants exercising the authority under section 422(j) to serve homeless families with children and youth defined as homeless under other Federal statutes, program goals and outcomes, which shall include—

“(i) preventing homelessness among the subset of such families with children and youth who are at highest risk of becoming homeless, as such term is defined for purposes of this title; or

“(ii) achieving independent living in permanent housing among such families with children and youth, especially those who have a history of doubled-up and other temporary housing situations or are living in a temporary housing situation due to lack of available and appropriate emergency shelter, through the provision of eligible assistance that directly contributes to achieving such results including assistance to address chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse, or multiple barriers to employment; and

“(G) such other factors as the Secretary determines to be appropriate to carry out this subtitle in an effective and efficient manner.

“(2) ADDITIONAL CRITERIA.—In addition to the criteria required under paragraph (1), the criteria established under paragraph (1) shall also include the need within the geographic area for homeless services, determined as follows and under the following conditions:

“(A) NOTICE.—The Secretary shall inform each collaborative applicant, at a time concurrent with the release of the notice of funding availability for the grants, of the pro rata estimated grant amount under this subtitle for the geographic area represented by the collaborative applicant.

“(B) AMOUNT.—

“(i) FORMULA.—Such estimated grant amounts shall be determined by a formula, which shall be developed by the Secretary, by regulation, not later than the expiration of the 2-year period beginning upon the date of the enactment of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009, that is based upon factors that are appropriate to allocate funds to meet the goals and objectives of this subtitle.

“(ii) COMBINATIONS OR CONSORTIA.—For a collaborative applicant that represents a combination or consortium of cities or counties, the estimated need amount shall be the sum of the estimated need amounts for the

cities or counties represented by the collaborative applicant.

“(iii) AUTHORITY OF SECRETARY.—Subject to the availability of appropriations, the Secretary shall increase the estimated need amount for a geographic area if necessary to provide 1 year of renewal funding for all expiring contracts entered into under this subtitle for the geographic area.

“(3) HOMELESSNESS COUNTS.—The Secretary shall not require that communities conduct an actual count of homeless people other than those described in paragraphs (1) through (4) of section 103(a) of this Act (42 U.S.C. 11302(a)).

“(c) ADJUSTMENTS.—The Secretary may adjust the formula described in subsection (b)(2) as necessary—

“(1) to ensure that each collaborative applicant has sufficient funding to renew all qualified projects for at least one year; and

“(2) to ensure that collaborative applicants are not discouraged from replacing renewal projects with new projects that the collaborative applicant determines will better be able to meet the purposes of this Act.

“SEC. 428. ALLOCATION OF AMOUNTS AND INCENTIVES FOR SPECIFIC ELIGIBLE ACTIVITIES.

“(a) MINIMUM ALLOCATION FOR PERMANENT HOUSING FOR HOMELESS INDIVIDUALS AND FAMILIES WITH DISABILITIES.—

“(1) IN GENERAL.—From the amounts made available to carry out this subtitle for a fiscal year, a portion equal to not less than 30 percent of the sums made available to carry out subtitle B and this subtitle, shall be used for permanent housing for homeless individuals with disabilities and homeless families that include such an individual who is an adult or a minor head of household if no adult is present in the household.

“(2) CALCULATION.—In calculating the portion of the amount described in paragraph (1) that is used for activities that are described in paragraph (1), the Secretary shall not count funds made available to renew contracts for existing projects under section 429.

“(3) ADJUSTMENT.—The 30 percent figure in paragraph (1) shall be reduced proportionately based on need under section 427(b)(2) in geographic areas for which subsection (e) applies in regard to subsection (d)(2)(A).

“(4) SUSPENSION.—The requirement established in paragraph (1) shall be suspended for any year in which funding available for grants under this subtitle after making the allocation established in paragraph (1) would not be sufficient to renew for 1 year all existing grants that would otherwise be fully funded under this subtitle.

“(5) TERMINATION.—The requirement established in paragraph (1) shall terminate upon a finding by the Secretary that since the beginning of 2001 at least 150,000 new units of permanent housing for homeless individuals and families with disabilities have been funded under this subtitle.

“(b) SET-ASIDE FOR PERMANENT HOUSING FOR HOMELESS FAMILIES WITH CHILDREN.—From the amounts made available to carry out this subtitle for a fiscal year, a portion equal to not less than 10 percent of the sums made available to carry out subtitle B and this subtitle for that fiscal year shall be used to provide or secure permanent housing for homeless families with children.

“(c) TREATMENT OF AMOUNTS FOR PERMANENT OR TRANSITIONAL HOUSING.—Nothing in this Act may be construed to establish a limit on the amount of funding that an applicant may request under this subtitle for acquisition, construction, or rehabilitation activities for the development of permanent housing or transitional housing.

“(d) INCENTIVES FOR PROVEN STRATEGIES.—

“(1) IN GENERAL.—The Secretary shall provide bonuses or other incentives to geographic areas for using funding under this

subtitle for activities that have been proven to be effective at reducing homelessness generally, reducing homelessness for a specific subpopulation, or achieving homeless prevention and independent living goals as set forth in section 427(b)(1)(F).

“(2) **RULE OF CONSTRUCTION.**—For purposes of this subsection, activities that have been proven to be effective at reducing homelessness generally or reducing homelessness for a specific subpopulation includes—

“(A) permanent supportive housing for chronically homeless individuals and families;

“(B) for homeless families, rapid rehousing services, short-term flexible subsidies to overcome barriers to rehousing, support services concentrating on improving incomes to pay rent, coupled with performance measures emphasizing rapid and permanent rehousing and with leveraging funding from mainstream family service systems such as Temporary Assistance for Needy Families and Child Welfare services; and

“(C) any other activity determined by the Secretary, based on research and after notice and comment to the public, to have been proven effective at reducing homelessness generally, reducing homelessness for a specific subpopulation, or achieving homeless prevention and independent living goals as set forth in section 427(b)(1)(F).

“(3) **BALANCE OF INCENTIVES FOR PROVEN STRATEGIES.**—To the extent practicable, in providing bonuses or incentives for proven strategies, the Secretary shall seek to maintain a balance among strategies targeting homeless individuals, families, and other subpopulations. The Secretary shall not implement bonuses or incentives that specifically discourage collaborative applicants from exercising their flexibility to serve families with children and youth defined as homeless under other Federal statutes.

“(e) **INCENTIVES FOR SUCCESSFUL IMPLEMENTATION OF PROVEN STRATEGIES.**—If any geographic area demonstrates that it has fully implemented any of the activities described in subsection (d) for all homeless individuals and families or for all members of subpopulations for whom such activities are targeted, that geographic area shall receive the bonus or incentive provided under subsection (d), but may use such bonus or incentive for any eligible activity under either section 423 or paragraphs (4) and (5) of section 415(a) for homeless people generally or for the relevant subpopulation.

“SEC. 429. RENEWAL FUNDING AND TERMS OF ASSISTANCE FOR PERMANENT HOUSING.

“(a) **IN GENERAL.**—Renewal of expiring contracts for leasing, rental assistance, or operating costs for permanent housing contracts may be funded either—

“(1) under the appropriations account for this title; or

“(2) the section 8 project-based rental assistance account.

“(b) **RENEWALS.**—The sums made available under subsection (a) shall be available for the renewal of contracts in the case of tenant-based assistance, successive 1-year terms, and in the case of project-based assistance, successive terms of up to 15 years at the discretion of the applicant or project sponsor and subject to the availability of annual appropriations, for rental assistance and housing operation costs associated with permanent housing projects funded under this subtitle, or under subtitle C or F (as in effect on the day before the effective date of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009). The Secretary shall determine whether to renew a contract for such a permanent housing project on the basis of certification by the collaborative applicant for the geographic area that—

“(1) there is a demonstrated need for the project; and

“(2) the project complies with program requirements and appropriate standards of housing quality and habitability, as determined by the Secretary.

“(c) **CONSTRUCTION.**—Nothing in this section shall be construed as prohibiting the Secretary from renewing contracts under this subtitle in accordance with criteria set forth in a provision of this subtitle other than this section.

“SEC. 430. MATCHING FUNDING.

“(a) **IN GENERAL.**—A collaborative applicant in a geographic area in which funds are awarded under this subtitle shall specify contributions from any source other than a grant awarded under this subtitle, including renewal funding of projects assisted under subtitles C, D, and F of this title as in effect before the effective date under section 1503 of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009, that shall be made available in the geographic area in an amount equal to not less than 25 percent of the funds provided to recipients in the geographic area, except that grants for leasing shall not be subject to any match requirement.

“(b) **LIMITATIONS ON IN-KIND MATCH.**—The cash value of services provided to the residents or clients of a project sponsor by an entity other than the project sponsor may count toward the contributions in subsection (a) only when documented by a memorandum of understanding between the project sponsor and the other entity that such services will be provided.

“(c) **COUNTABLE ACTIVITIES.**—The contributions required under subsection (a) may consist of—

“(1) funding for any eligible activity described under section 423; and

“(2) subject to subsection (b), in-kind provision of services of any eligible activity described under section 423.

“SEC. 431. APPEAL PROCEDURE.

“(a) **IN GENERAL.**—With respect to funding under this subtitle, if certification of consistency with the consolidated plan pursuant to section 403 is withheld from an applicant who has submitted an application for that certification, such applicant may appeal such decision to the Secretary.

“(b) **PROCEDURE.**—The Secretary shall establish a procedure to process the appeals described in subsection (a).

“(c) **DETERMINATION.**—Not later than 45 days after the date of receipt of an appeal described in subsection (a), the Secretary shall determine if certification was unreasonably withheld. If such certification was unreasonably withheld, the Secretary shall review such application and determine if such applicant shall receive funding under this subtitle.”

SEC. 1306. RESEARCH.

There is authorized to be appropriated \$8,000,000, for each of fiscal years 2010 and 2011, for research into the efficacy of interventions for homeless families, to be expended by the Secretary of Housing and Urban Development over the 2 years at 3 different sites to provide services for homeless families and evaluate the effectiveness of such services.

TITLE IV—RURAL HOUSING STABILITY ASSISTANCE PROGRAM

SEC. 1401. RURAL HOUSING STABILITY ASSISTANCE.

Subtitle G of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11408 et seq.) is amended—

(1) by striking the subtitle heading and inserting the following:

“Subtitle G—Rural Housing Stability Assistance Program”; and

(2) in section 491—

(A) by striking the section heading and inserting **“RURAL HOUSING STABILITY GRANT PROGRAM.”;**

(B) in subsection (a)—

(i) by striking “rural homelessness grant program” and inserting “rural housing stability grant program”;

(ii) by inserting “in lieu of grants under subtitle C” after “eligible organizations”; and

(iii) by striking paragraphs (1), (2), and (3), and inserting the following:

“(1) rehousing or improving the housing situations of individuals and families who are homeless or in the worst housing situations in the geographic area;

“(2) stabilizing the housing of individuals and families who are in imminent danger of losing housing; and

“(3) improving the ability of the lowest-income residents of the community to afford stable housing.”;

(C) in subsection (b)(1)—

(i) by redesignating subparagraphs (E), (F), and (G) as subparagraphs (I), (J), and (K), respectively; and

(ii) by striking subparagraph (D) and inserting the following:

“(D) construction of new housing units to provide transitional or permanent housing to homeless individuals and families at risk of homelessness;

“(E) acquisition or rehabilitation of a structure to provide supportive services or to provide transitional or permanent housing, other than emergency shelter, to homeless individuals and families at risk of homelessness; and

“(F) leasing of property, or portions of property, not owned by the recipient or project sponsor involved, for use in providing transitional or permanent housing to homeless individuals and families at risk of homelessness, or providing supportive services to such homeless and at-risk individuals and families;

“(G) provision of rental assistance to provide transitional or permanent housing to homeless individuals and families at risk of homelessness, such rental assistance may include tenant-based or project-based rental assistance;

“(H) payment of operating costs for housing units assisted under this title.”;

(D) in subsection (b)(2), by striking “appropriated” and inserting “transferred”;

(E) in subsection (c)—

(i) in paragraph (1)(A), by striking “appropriated” and inserting “transferred”; and

(ii) in paragraph (3), by striking “appropriated” and inserting “transferred”;

(F) in subsection (d)—

(i) in paragraph (5), by striking “; and” and inserting a semicolon;

(ii) in paragraph (6)—

(I) by striking “an agreement” and all that follows through “families” and inserting the following: “a description of how individuals and families who are homeless or who have the lowest incomes in the community will be involved by the organization”; and

(II) by striking the period at the end, and inserting a semicolon; and

(iii) by adding at the end the following:

“(7) a description of consultations that took place within the community to ascertain the most important uses for funding under this section, including the involvement of potential beneficiaries of the project; and

“(8) a description of the extent and nature of homelessness and of the worst housing situations in the community.”;

(G) by striking subsections (f) and (g) and inserting the following:

“(f) **MATCHING FUNDING.**—

“(1) **IN GENERAL.**—An organization eligible to receive a grant under subsection (a) shall

specify matching contributions from any source other than a grant awarded under this subtitle, that shall be made available in the geographic area in an amount equal to not less than 25 percent of the funds provided for the project or activity, except that grants for leasing shall not be subject to any match requirement.

“(2) LIMITATIONS ON IN-KIND MATCH.—The cash value of services provided to the beneficiaries or clients of an eligible organization by an entity other than the organization may count toward the contributions in paragraph (1) only when documented by a memorandum of understanding between the organization and the other entity that such services will be provided.

“(3) COUNTABLE ACTIVITIES.—The contributions required under paragraph (1) may consist of—

“(A) funding for any eligible activity described under subsection (b); and

“(B) subject to paragraph (2), in-kind provision of services of any eligible activity described under subsection (b).

“(g) SELECTION CRITERIA.—The Secretary shall establish criteria for selecting recipients of grants under subsection (a), including—

“(1) the participation of potential beneficiaries of the project in assessing the need for, and importance of, the project in the community;

“(2) the degree to which the project addresses the most harmful housing situations present in the community;

“(3) the degree of collaboration with others in the community to meet the goals described in subsection (a);

“(4) the performance of the organization in improving housing situations, taking account of the severity of barriers of individuals and families served by the organization;

“(5) for organizations that have previously received funding under this section, the extent of improvement in homelessness and the worst housing situations in the community since such funding began;

“(6) the need for such funds, as determined by the formula established under section 427(b)(2); and

“(7) any other relevant criteria as determined by the Secretary.”;

(H) in subsection (h)—

(i) in paragraph (1), in the matter preceding subparagraph (A), by striking “The” and inserting “Not later than 18 months after funding is first made available pursuant to the amendments made by title IV of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009, the”;

(ii) in paragraph (1)(A), by striking “providing housing and other assistance to homeless persons” and inserting “meeting the goals described in subsection (a)”;

(iii) in paragraph (1)(B), by striking “address homelessness in rural areas” and inserting “meet the goals described in subsection (a) in rural areas”; and

(iv) in paragraph (2)—

(I) by striking “The” and inserting “Not later than 24 months after funding is first made available pursuant to the amendment made by title IV of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009, the”;

(II) by striking “, not later than 18 months after the date on which the Secretary first makes grants under the program,”; and

(III) by striking “prevent and respond to homelessness” and inserting “meet the goals described in subsection (a)”;

(I) in subsection (k)—

(i) in paragraph (1), by striking “rural homelessness grant program” and inserting “rural housing stability grant program”; and

(ii) in paragraph (2)—

(I) in subparagraph (A), by striking “; or” and inserting a semicolon;

(II) in subparagraph (B)(ii), by striking “rural census tract.” and inserting “county where at least 75 percent of the population is rural; or”; and

(III) by adding at the end the following:

“(C) any area or community, respectively, located in a State that has population density of less than 30 persons per square mile (as reported in the most recent decennial census), and of which at least 1.25 percent of the total acreage of such State is under Federal jurisdiction, provided that no metropolitan city (as such term is defined in section 102 of the Housing and Community Development Act of 1974) in such State is the sole beneficiary of the grant amounts awarded under this section.”;

(J) in subsection (1)—

(i) by striking the subsection heading and inserting “PROGRAM FUNDING.—”; and

(ii) by striking paragraph (1) and inserting the following:

“(1) IN GENERAL.—The Secretary shall determine the total amount of funding attributable under section 427(b)(2) to meet the needs of any geographic area in the Nation that applies for funding under this section. The Secretary shall transfer any amounts determined under this subsection from the Community Homeless Assistance Program and consolidate such transferred amounts for grants under this section, except that the Secretary shall transfer an amount not less than 5 percent of the amount available under subtitle C for grants under this section. Any amounts so transferred and not used for grants under this section due to an insufficient number of applications shall be transferred to be used for grants under subtitle C.”; and

(K) by adding at the end the following:

“(m) DETERMINATION OF FUNDING SOURCE.—For any fiscal year, in addition to funds awarded under subtitle B, funds under this title to be used in a city or county shall only be awarded under either subtitle C or subtitle D.”.

SEC. 1402. GAO STUDY OF HOMELESSNESS AND HOMELESS ASSISTANCE IN RURAL AREAS.

(a) STUDY AND REPORT.—Not later than the expiration of the 12-month period beginning on the date of the enactment of this division, the Comptroller General of the United States shall conduct a study to examine homelessness and homeless assistance in rural areas and rural communities and submit a report to the Congress on the findings and conclusion of the study. The report shall contain the following matters:

(1) A general description of homelessness, including the range of living situations among homeless individuals and homeless families, in rural areas and rural communities of the United States, including tribal lands and colonias.

(2) An estimate of the incidence and prevalence of homelessness among individuals and families in rural areas and rural communities of the United States.

(3) An estimate of the number of individuals and families from rural areas and rural communities who migrate annually to non-rural areas and non-rural communities for homeless assistance.

(4) A description of barriers that individuals and families in and from rural areas and rural communities encounter when seeking to access homeless assistance programs, and recommendations for removing such barriers.

(5) A comparison of the rate of homelessness among individuals and families in and from rural areas and rural communities compared to the rate of homelessness among in-

dividuals and families in and from non-rural areas and non-rural communities.

(6) A general description of homeless assistance for individuals and families in rural areas and rural communities of the United States.

(7) A description of barriers that homeless assistance providers serving rural areas and rural communities encounter when seeking to access Federal homeless assistance programs, and recommendations for removing such barriers.

(8) An assessment of the type and amount of Federal homeless assistance funds awarded to organizations serving rural areas and rural communities and a determination as to whether such amount is proportional to the distribution of homeless individuals and families in and from rural areas and rural communities compared to homeless individuals and families in non-rural areas and non-rural communities.

(9) An assessment of the current roles of the Department of Housing and Urban Development, the Department of Agriculture, and other Federal departments and agencies in administering homeless assistance programs in rural areas and rural communities and recommendations for distributing Federal responsibilities, including homeless assistance program administration and grantmaking, among the departments and agencies so that service organizations in rural areas and rural communities are most effectively reached and supported.

(b) ACQUISITION OF SUPPORTING INFORMATION.—In carrying out the study under this section, the Comptroller General shall seek to obtain views from the following persons:

(1) The Secretary of Agriculture.

(2) The Secretary of Housing and Urban Development.

(3) The Secretary of Health and Human Services.

(4) The Secretary of Education.

(5) The Secretary of Labor.

(6) The Secretary of Veterans Affairs.

(7) The Executive Director of the United States Interagency Council on Homelessness.

(8) Project sponsors and recipients of homeless assistance grants serving rural areas and rural communities.

(9) Individuals and families in or from rural areas and rural communities who have sought or are seeking Federal homeless assistance services.

(10) National advocacy organizations concerned with homelessness, rural housing, and rural community development.

(c) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this division

TITLE V—REPEALS AND CONFORMING AMENDMENTS

SEC. 1501. REPEALS.

Subtitles D, E, and F of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11391 et seq., 11401 et seq., and 11403 et seq.) are hereby repealed.

SEC. 1502. CONFORMING AMENDMENTS.

(a) CONSOLIDATED PLAN.—Section 403(1) of the McKinney-Vento Homeless Assistance Act (as so redesignated by section 1101(2) of this division), is amended—

(1) by striking “current housing affordability strategy” and inserting “consolidated plan”; and

(2) by inserting before the comma the following: “(referred to in such section as a ‘comprehensive housing affordability strategy’)”.

(b) PERSONS EXPERIENCING HOMELESSNESS.—Section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302), as amended by the preceding provisions of this division, is further amended by adding at the end the following new subsection:

“(e) PERSONS EXPERIENCING HOMELESSNESS.—Any references in this Act to homeless individuals (including homeless persons) or homeless groups (including homeless persons) shall be considered to include, and to refer to, individuals experiencing homelessness or groups experiencing homelessness, respectively.”.

(c) RURAL HOUSING STABILITY ASSISTANCE.—Title IV of the McKinney-Vento Homeless Assistance Act is amended by redesignating subtitle G (42 U.S.C. 11408 et seq.), as amended by the preceding provisions of this division, as subtitle D.

SEC. 1503. EFFECTIVE DATE.

Except as specifically provided otherwise in this division, this division and the amendments made by this division shall take effect on, and shall apply beginning on—

(1) the expiration of the 18-month period beginning on the date of the enactment of this division, or

(2) the expiration of the 3-month period beginning upon publication by the Secretary of Housing and Urban Development of final regulations pursuant to section 1504, whichever occurs first.

SEC. 1504. REGULATIONS.

(a) IN GENERAL.—Not later than 12 months after the date of the enactment of this division, the Secretary of Housing and Urban Development shall promulgate regulations governing the operation of the programs that are created or modified by this division.

(b) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this division.

SEC. 1505. AMENDMENT TO TABLE OF CONTENTS.

The table of contents in section 101(b) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11301 note) is amended by striking the item relating to the heading for title IV and all that follows through the item relating to section 492 and inserting the following new items:

“TITLE IV—HOUSING ASSISTANCE

“Subtitle A—General Provisions

- “Sec. 401. Definitions.
- “Sec. 402. Collaborative applicants.
- “Sec. 403. Housing affordability strategy.
- “Sec. 404. Preventing involuntary family separation
- “Sec. 405. Technical assistance.
- “Sec. 406. Discharge coordination policy.
- “Sec. 407. Protection of personally identifying information by victim service providers.
- “Sec. 408. Authorization of appropriations.

“Subtitle B—Emergency Solutions Grants Program

- “Sec. 411. Definitions.
- “Sec. 412. Grant assistance.
- “Sec. 413. Amount and allocation of assistance.
- “Sec. 414. Allocation and distribution of assistance.
- “Sec. 415. Eligible activities.
- “Sec. 416. Responsibilities of recipients.
- “Sec. 417. Administrative provisions.
- “Sec. 418. Administrative costs.

“Subtitle C—Continuum of Care Program

- “Sec. 421. Purposes.
- “Sec. 422. Continuum of care applications and grants.
- “Sec. 423. Eligible activities.
- “Sec. 424. Incentives for high-performing communities.
- “Sec. 425. Supportive services.
- “Sec. 426. Program requirements.
- “Sec. 427. Selection criteria.
- “Sec. 428. Allocation of amounts and incentives for specific eligible activities.
- “Sec. 429. Renewal funding and terms of assistance for permanent housing.

“Sec. 430. Matching funding.

“Sec. 431. Appeal procedure.

“Sec. 432. Regulations.

“Sec. 433. Reports to Congress.

“Subtitle D—Rural Housing Stability Assistance Program

“Sec. 491. Rural housing stability assistance.

“Sec. 492. Use of FHMA inventory for transitional housing for homeless persons and for turnkey housing.”.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Massachusetts (Mr. FRANK) and the gentlewoman from West Virginia (Mrs. CAPITO) each will control 20 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Speaker, this is our sending back to the Senate a version of a bill which we passed earlier this year. They then passed the bill in a form very close to ours, but in a couple of areas where we felt it important to insist on our original position and also to include some things that came up in the interim from the administration.

It has several purposes. One, it enhances the ability of the executive branch to reduce the number of foreclosures. Last year Congress passed the HOPE for Homeowners program, which we hoped was going to reduce foreclosures. We didn't get it right. We had a good general idea, but it was passed in a form that was not very usable.

We have learned from the experience, and we have a version here that we think is going to work much better. It includes, for instance, at the request of HUD, a provision that will allow them to deal with the problem of second mortgages, which has been an interference in our ability to get foreclosures. It also includes, as it did originally, a very good version of the safe harbor for services. That was a bipartisan idea of the gentleman from Pennsylvania (Mr. KANJORSKI) and the gentleman from Delaware (Mr. CASTLE) to encourage those who are in charge of the mortgage process to act when it makes more sense to write down the mortgage and avoid foreclosure. It gives them the legal ability to do that and withstand frivolous lawsuits.

It also has some provisions in here that are very important to those smaller financial institutions that are the lifeblood of our communities and which have been unfairly tarnished in this most recent debate over financial institutions.

Community banks and the Independent Community Bankers of America have a letter here, which I will put into the RECORD, which supports this bill.

Community banks were facing a significant increase in the assessment they get for deposit insurance. That was true. And this bill will extend the deposit insurance, which was temporarily at \$250,000, and makes it permanent. That's very important for the smaller banks. It has to be paid for. But also there were problems with the larger banks who got in trouble.

Absent this bill, community banks would have been facing a very significant increase in their assessment. Because this bill gives the FDIC borrowing authority, standby authority in case it's needed, they will not have to raise the assessment. The FDIC has to be ready to act. And if there was not the borrowing authority, they would have to raise the assessment to have a pool of money available. They have been, under Sheila Bair's leadership, a very thoughtful and responsible organization. Borrowing authority we will do. It's in here.

Similarly, there was a problem that threatened a significant increase in the assessment that our local credit unions would have to pay because of the failure of some large credit unions. There's a pattern here of the larger institutions' failure imposing costs on the smaller. It's our job to prevent that from happening.

What we have here is a provision that the gentleman from Pennsylvania (Mr. KANJORSKI) has worked on. We worked with the National Credit Union Administration. It provides a mechanism by which the significant increased assessment on the credit union can be avoided. That's why the National Credit Union Association has sent in a letter in support of this.

We will, as I said, be reducing foreclosures and helping the mortgage market. So the National Association of REALTORS has sent in a letter in support of this. And because it is good for the banking industry in general, the American Bankers Association has supported this.

Our major financial institution representatives support this bill. As I said, it enhances our ability to reduce foreclosures. It averts significant increases in assessments that would go to the credit unions and the community banks. It also includes language which we have been working on and this House had passed, and it was bipartisan in our committee, improving the programs for the homeless.

We made several important compromises on that. The gentlewoman from West Virginia who is here as the ranking member of the Housing Subcommittee on our committee worked on this. We incorporated that in this bill. So it is widely supported by people who are in the field of the homeless. It is, in general, an important piece of legislation that responds as well as we can to this foreclosure crisis.

Myself and a majority of the House clearly would have preferred if it had included the authority of bankruptcy courts to reduce mortgages on primary residences. We passed that in the House. It failed in the Senate. Our colleague from California (Ms. LOFGREN) and the chairman of the Judiciary Committee, Mr. CONYERS, and others made a very valiant effort to resuscitate it. It was not possible. I regret that. I hope we won't give up on that. I think it's a glaringly illogical and unfair part of the law, but it would be a

mistake, in my judgment, to allow that failure to get the votes that we tried to get in the Senate to stop the very many other important parts of the bill.

So, as I said, I move to suspend the rules. I hope we can send this soon to the President. If we pass this bill, it will go to the Senate; and I believe that the Senate will adopt it and send it on to the President.

INDEPENDENT COMMUNITY
BANKERS OF AMERICA,
May 18, 2009.

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

Hon. JOHN A. BOEHNER,
Minority Leader, House of Representatives,
Washington, DC.

RE S. 896, the Helping Families Save their Homes Act of 2009

DEAR SPEAKER PELOSI AND MINORITY LEADER BOEHNER: The Independent Community Bankers of America (ICBA), on behalf of its 5,000 community bank members nationwide, are writing to express our strong support for S. 896, the Helping Families Save their Homes Act of 2009, which the House will consider on the suspension calendar tomorrow. Several provisions in S. 896 are important to community bankers: the deposit insurance provisions—including extending the increase in deposit insurance coverage to \$250,000, increasing the FDIC's borrowing authority, making the assessments for the Temporary Liquidity Guarantee Program more equitable—plus improvements to the Hope for Homeowners Program (H4H).

DEPOSIT INSURANCE

The Emergency Economic Stabilization Act temporarily increased deposit insurance coverage from \$100,000 to \$250,000. The additional coverage has enhanced community bank liquidity and stability at this critical time. We are pleased S. 896 would extend this increase. Community banks also support provisions increasing the FDIC's authority to borrow from the Treasury, if needed. The increased authority will allow the FDIC to reduce its planned second quarter special assessment on all banks, keeping vital capital within community banks to support lending, while still ensuring an adequately funded Deposit Insurance Fund. ICBA also supports a provision to allow the FDIC to assess all financial institutions, including holding companies, benefiting from its Temporary Liquidity Guarantee Program, in the case of a deficit in the program. Current law only permits assessments against banks and thrifts.

HOPE FOR HOMEOWNERS AND SERVICER SAFE HARBOR PROVISION

Community banks support improvements to the Hope for Homeowners Program and the servicer safe harbor provisions found in S. 896. ICBA agrees minimizing foreclosures is essential to the effort to stabilize the U.S. economy. Foreclosure is often a very lengthy, costly and destructive process that puts downward pressure on the price of nearby homes and has a devastating impact on families and communities. The changes to the Hope for Homeowners Program and the servicer safe harbor provision will foster more voluntary loan modifications and are a positive step in bringing stability to the mortgage and housing markets.

We strongly urge a yes vote for S. 896. Thank you for considering our views.

Sincerely,

CAMDEN R. FINE,
President and CEO.

AMERICAN BANKERS ASSOCIATION,
Washington, DC, May 19, 2009.

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

Hon. JOHN BOEHNER,
Republican Leader, House of Representatives,
Washington, DC.

DEAR SPEAKER PELOSI AND REPRESENTATIVE BOEHNER: I am writing on behalf of the members of the American Bankers Association in strong support of S. 896, the Helping Families Save Their Homes Act of 2009, which will be considered by the House today on the suspension calendar.

The legislation provides the Federal Deposit Insurance Corporation (FDIC) with a much needed increase in its borrowing authority, extends the period for the restoration of the FDIC's deposit insurance fund from five to eight years, and provides a temporary extension (through 2013) of the FDIC's \$250,000 deposit insurance limit.

The legislation also will make it easier for servicers to modify loan agreements. It improves the Hope for Homeowners Program to make it more accessible for lenders and better able to help homeowners avoid foreclosures.

ABA urges the House to pass this very important legislation. The increase in borrowing authority will enable the FDIC to reduce the proposed special assessment on all banks, thereby increasing funds available for lending in local communities.

We look forward to working with you to have S. 896 enacted into law as quickly as possible.

Sincerely,

FLOYD E. STONER.

CREDIT UNION NATIONAL ASSOCIATION,
Washington, DC, May 19, 2009.

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

Hon. JOHN BOEHNER,
Minority Leader, House of Representatives,
Washington, DC.

DEAR SPEAKER PELOSI AND RANKING MEMBER BOEHNER: On behalf of the Credit Union National Association (CUNA), I am writing in support of S. 896, the Helping Families Save Their Homes Act. CUNA is the largest credit union trade association, representing nearly 90% of America's 8,000 state and federally chartered credit unions and their 92 million members.

CUNA strongly supports S. 896, a bill that includes a number of provisions aimed at helping credit unions continue to help their members weather the financial crisis and maintain member confidence in credit unions. Credit unions consider this a critical vote.

S. 896 would extend the increase in deposit insurance coverage (\$250,000) for the National Credit Union Share Insurance Fund (NCUSIF) that Congress enacted on as part of the Emergency Economic Stabilization Act of 2008, until December 31, 2013. This provision is an important step that will help maintain member confidence in credit unions.

S. 896 also includes a number of provisions aimed at helping credit unions manage the impact of the financial crisis on the credit union system. Even though credit unions use strong underwriting standards to make loans to their members and keep most of their mortgages in portfolio, no financial institution is immune from the current economic situation. Corporate credit unions, which provide payment, settlement, investment and other services for natural person credit unions, have been particularly hard hit by the economic maelstrom.

On March 20, the National Credit Union Administration (NCUA) placed two corporate

credit unions—U.S. Central and Western Corporate Federal Credit Union (Wescorp)—into conservatorship. The losses at the two corporate credit unions were created by declines in the value of mortgage-backed securities in which they invested. Although these securities were originally AAA-rated and appeared prudent when the investments were made, market developments proved to the contrary. Despite these investment losses, the payment and settlement services provided by these corporate credit unions continue to be offered on a very sound basis.

The credit union system itself is covering the losses on these corporate credit union investments by way of a significant NCUSIF insurance assessment on all federally insured natural person credit unions. Under current law, credit unions must replenish their NCUSIF deposits equal to 1% of their insured shares on an annual basis and are also subject to premium charges when the fund drops below a 1.2% equity ratio. While credit unions expect to pay for the corporate credit union problem themselves, they would like to spread the losses over time, as banks are permitted to do for their insurance costs under current law.

S. 896 would increase NCUA's borrowing authority from Treasury from \$100 million to \$6 billion, with the ability to borrow as much as \$30 billion in exigent circumstances through December 2010. The amendment also establishes a Temporary Corporate Stabilization Fund that would also help NCUA to spread out credit unions' insurance costs over seven years. Spreading these costs over multiple years means that credit unions can use the funds that otherwise would have been used to pay the assessment immediately to make credit available to their members. CUNA strongly supports both the additional borrowing authority for NCUA as well as the establishment of the Temporary Corporate Stabilization fund.

Time is of the essence. We appreciate the timely consideration of the S. 896 and hope the legislation can be enacted expeditiously.

On behalf of America's credit unions, thank you very much for your consideration. Please support the S. 896, the Helping Families Save Their Homes Act.

Sincerely,

DANIEL A. MICA,
President & CEO.

NATIONAL ASSOCIATION OF
FEDERAL CREDIT UNIONS,
Arlington, Virginia, May 19, 2009.

Hon. NANCY PELOSI,
Speaker of the House, House of Representatives,
Washington, D.C.

Hon. JOHN BOEHNER,
Minority Leader, House of Representatives,
Washington, DC.

DEAR SPEAKER PELOSI AND MINORITY LEADER BOEHNER: On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association exclusively representing the interests of our nation's federal credit unions, I am writing to express our support for S. 896, the "Helping Families Save Their Homes Act of 2009" and to urge the House to support this legislation when it is considered on the suspension calendar today.

S. 896 would adopt the corporate credit union stabilization fund proposal recently released by the National Credit Union Administration (NCUA). NCUA's decision to place two corporate credit unions into conservatorship earlier this year has led to losses of approximately \$5.9 billion to the National Credit Union Share Insurance Fund (NCUSIF). Under present regulations, natural-person credit unions will be assessed a heavy charge in 2009 to recapitalize the NCUSIF. Swift implementation of the NCUA

proposal is necessary to prevent more than two-thirds of our nation's credit unions from having negative earnings for 2009, as well as to ensure that they are adequately capitalized. The creation of the temporary corporate credit union stabilization fund and the seven year timeframe for repayment of loans to the fund will provide immediate relief to large insurance fund premiums facing natural-person credit unions otherwise.

We also applaud the adoption of a longer time frame for the repayment of NCUSIF premiums contained in S. 896. By lengthening the repayment term to eight years, Congress ensures credit unions will be able to focus more of their resources on making loans that will strengthen the economy, rather than having to divert them to rebuild the NCUSIF.

Finally, as part of the Emergency Economic Stabilization Act of 2008, Congress increased the coverage on FDIC and NCUSIF insured accounts to \$250,000 through December 31, 2009. This change serves to maintain public confidence in insured depository institutions in the current economic environment. S. 896 would extend the higher insurance level for four more years, to 2013. This extension would ease confusion many credit unions and their members already have about the pending sunset on December 31st.

NAFCU thanks you for your time and consideration regarding these matters. We urge the House to vote "yes" and support S. 896 when it is considered on the suspension calendar today. Should you have any questions or require any additional information please do not hesitate to contact me or Brad Thaler, NAFCU's Director of Legislative Affairs, at 703-522-4775, ext 204.

Sincerely,

B. DAN BERGER,

Senior Vice President of Government Affairs.

NATIONAL ASSOCIATION
OF REALTORS®

Washington, DC, May 19, 2009.

Hon. BARNEY FRANK,
House of Representatives, Rayburn House Office
Building, Washington, DC.

DEAR CHAIRMAN FRANK: The 1.2 million members of the National Association of REALTORS® urge support of S. 896, the "Helping Families Save Their Homes Act", which passed the Senate on May 6, 2009 by a vote of 91-5.

S. 896 includes a number of much-needed provisions to limit foreclosures and keep families in their homes. The bill will expand loan modifications by providing a safe harbor for mortgage servicers who conduct loan modifications in good faith. The bill reforms the Hope for Homeowners program, preserving benefits to homeowners while limiting risks to the FHA fund and the taxpayer. The bill also strengthens oversight of FHA-approved lenders to protect the FHA fund and taxpayers from fraud and abuse. Finally, the bill establishes a task-force to investigate mortgage foreclosure fraud.

NAR asks for your support of S. 896, which will allow more American families to avoid foreclosure and will help in our housing recovery.

Sincerely,

CHARLES McMILLAN, CIPS, GRI,

2009 President, National Association of
REALTORS®.

I reserve the balance of my time.

Mrs. CAPITO. Mr. Speaker, I rise today in support of S. 896, the Helping Families Save Their Homes Act of 2009. As the chairman mentioned, it has broad-based support from a lot of groups that have been working with this bill.

Before I begin to discuss the specific provisions contained in this bill, I would like to talk about one of the provisions that is not in this bill. Thanks in large part to unified Republican opposition in the House and Senate, the bill does not include bankruptcy cramdown provisions. I joined with many of my colleagues in speaking against this provision, which previously passed the House and, in my opinion, would have caused untold damage to the mortgage market and substantially increased costs for consumers.

Allowing bankruptcy judges to unilaterally rewrite mortgage contracts is not the solution to the problems in our housing markets. The other body should, therefore, be commended for rejecting attempts to add cramdown provisions to this legislation.

Unfortunately, not all of the problematic provisions have been removed from the bill. The majority continues to insist upon salvaging the failed HOPE for Homeowners program. Last year HOPE for Homeowners was promoted as a way to assist hundreds of thousands of homeowners to modify their mortgages. To date, the program has helped only a handful of distressed borrowers. S. 896 attempts to fix HOPE for Homeowners by increasing the taxpayer subsidy for lenders seeking to offload their worst mortgages on the government.

Because mortgages modified under HOPE for Homeowners received an FHA guarantee, the inevitable losses that will result from defaults on many of these mortgages will further undermine, I believe, the solvency of that critical program.

It is important to note that the FHA is already under stress and that the Department of Housing and Urban Development has made an unprecedented budget request of almost \$800 million to keep the FHA afloat. Perhaps a better approach than trying to improve the HOPE for Homeowners program would have been to end it altogether.

I've authored legislation that would provide the Department of Housing and Urban Development with the ability to set up a program to assist struggling borrowers that gives the department much-needed flexibility to adjust to market changes. Yet there are many useful reforms in this legislation that are worthy of Republican support.

First, the Senate included provisions based on legislation by Dr. PAUL of this House that will greatly increase the transparency and accountability of various Federal Reserve liquidity facilities and specific initiatives to rescue individual firms that the government has deemed too big to fail by giving the GAO the statutory authority to audit these programs.

Second, the bill includes provisions to ease the crippling deposit insurance premiums that community banks, banks and credit unions will otherwise face in the coming months.

And third, the Senate bill includes a comprehensive reauthorization of the

McKinney-Vento homelessness program which, as the chairman noted, was passed in a strong bipartisan manner here in the last Congress.

We had significant contributions from many of my colleagues on both sides of the aisle. I'd like to thank Mrs. BIGGERT and Mr. GEOFF DAVIS of Kentucky from our side.

Mr. Chairman, S. 896 is far from a perfect bill, but S. 896 no longer contains what I believe were harmful bankruptcy provisions which could have further paralyzed the mortgage finance market. S. 896 will also make crucial changes in the deposit area which should help advance the economic recovery. For these reasons, I urge Members to support S. 896.

I would like to reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Speaker, I did want to respond, and I appreciate the support from the gentlewoman for the bill.

With regard to the FHA, I just want to read from the National Association of REALTORS letter because they, as much as any entity in this country, have an interest in a strong FHA.

Contrary to the wishes expressed by the gentlewoman from West Virginia, the REALTORS approve of the fact that we are improving the HOPE for Homeowners program. It says, "The bill reforms the HOPE for Homeowners program, preserving benefits to homeowners while limiting risks to the FHA fund and the taxpayer. The bill also strengthens oversight of FHA-approved lenders to protect the FHA Fund and taxpayers from fraud and abuse."

At the hearing that we had earlier this year—and that was when the Bush administration was still in power—career employees of the FHA noted that they do not have, and will not have until this bill becomes law, the power to prevent applicants for FHA funding who have a record of abuse from applying again.

So at the initiative of the Committee on Financial Services, the gentlewoman from California (Ms. SPEIER) and the gentlewoman from California (Ms. WATERS), we added that to this language.

So what this bill includes is a very important power for the FHA to debar, to use the appropriate legal term, people who have had a record of fraud. That's one of the reasons why we think that the FHA is strengthened by this bill.

I reserve the balance of my time.

Mrs. CAPITO. In response to the chairman, we argued this in committee over whether it was wise to throw a lifeline to HOPE for Homeowners or to re-create the program or a program, and that's why this legislation is important because it does improve that. It does improve HOPE for Homeowners. But I would just like to note, to this date from October 1, 2008, to May 16, 2009, we've only had 954 applications and only 55 closings. And this is for a program that was sold to us basically

under the guise that it was going to help 25,000, at least, homeowners. So far we're looking at 55.

□ 1400

At this point I would like to yield 2 minutes to the gentlewoman from Kansas, a great member of our committee.

Ms. JENKINS. I rise today in support of one provision in particular of the underlying bill which allows for increased borrowing authority for the FDIC and the NCUA.

Community financial institutions in Kansas are facing a sizable special assessment due to the deposit insurance funds being drawn down with the failure of numerous institutions across the Nation. Just last week I had a great opportunity to visit with several bankers from across the State who were in town with the Independent Community Bankers Association.

Growing up in rural Kansas, I know full well the close-knit communities in which these and other financial institutions operate across eastern Kansas, faithfully investing the hard-earned dollars of their neighbors to the betterment of the community and the depositors.

These bankers impressed upon me the need for this borrowing authority. With the special assessment as it is today, banks and credit unions face further hardship meeting regulatory capital requirements and lending demands. However, the FDIC has indicated that passage of increased borrowing authority may result in a reduction of this special assessment by as much as half. This potential has my constituents asking this body and me to pass this provision.

It is clear that recent institutional failures have significantly increased losses of the insurance funds. However, by and large, the financial institutions in my district did not cause this economic trauma. We must be careful that these community institutions which serve so many folks are not unfairly saddled with higher premiums to compensate for the mistakes of others.

Mr. FRANK of Massachusetts. I yield 3 minutes to the gentlewoman from California (Ms. WATERS), the chairwoman of the Housing Subcommittee which played a major role in our efforts to deal with this crisis.

Ms. WATERS. Thank you very much, Mr. Chairman.

Mr. Speaker and Members, I would first like to thank Chairman BARNEY FRANK for the leadership that he has provided on all of these issues related to this economic crisis that we have been confronted with. Some of these issues, not expected, were thrown into his lap in an unusual way. And he has been able to guide our caucus in our House in ways that help to bring us to the point of passing this kind of legislation, the Helping Families Save Their Homes Act of 2009.

So I rise in support of S. 896, the Helping Families Save Their Homes Act of 2009. As chairwoman of the Fi-

ancial Services Subcommittee on Housing and Community Opportunity, I believe that the housing components of this bill will be essential in helping families and communities.

I am especially pleased that the bill includes a provision I authored to ensure that the FHA loan programs are out of bounds for the very worst subprime lenders who created this mortgage mess in the first place.

S. 896 also includes legislation drafted by my subcommittee to reauthorize and expand the McKinney-Vento Homelessness Assistance Program. Given the increase in homelessness due to the foreclosure crisis, inclusion of the McKinney-Vento legislation is both timely and appropriate. In addition the bill includes vital protections for renters facing evictions as a result of their landlord's foreclosure.

Finally, I am pleased that I was able to work with Senator LEAHY on making improvements to the Neighborhood Stabilization Program in order to allow States that receive the minimum allocation of funding to provide that funding to areas with homes at risk or in foreclosure.

While I believe S. 896 is an important piece of legislation, I am disappointed that it does not include a House-passed provision to allow judges to modify mortgages through bankruptcy. I am concerned that without this provision, we may continue to see an increase in the number of foreclosures.

I support S. 896, the Helping Families Save Their Homes Act of 2009.

And I would urge my colleagues to vote "yes."

Mrs. CAPITO. At this point, I have no further speakers. I would just like to reiterate my support for the bill, and I yield back the balance of my time.

GENERAL LEAVE

Mr. FRANK of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on this legislation.

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

There was no objection.

Mrs. BIGGERT. Mr. Speaker, I would like to submit my entire statement for the RECORD. Mr. Speaker, I'm disappointed that, at the last minute, the Rules Committee cancelled its scheduled hearing on this bill, S. 896, preventing Members from filing amendments to improve it.

Let me start by saying that this bill has important provisions that I support. It significantly reforms homeless housing programs, increases funds for housing counseling and to warn consumers about foreclosure rescue scams, provides a safe harbor for servicers and enhances other programs to help qualified homeowners save their homes. The bill creates a database on the root causes of foreclosures and authorizes a mortgage fraud task force. Provisions to increase the FDIC and NCUA's borrowing authority and extend the time needed to restore their insurance funds,

for financial institutions, aim to stabilize insurance fees and free up capital so they can lend to consumers and small businesses. In addition, the bill increases Federal Reserve transparency and TARP oversight—two very important items for taxpayers.

Despite these good provisions in the bill, it still falls short. To address these shortcomings, I intended to offer a few bi-partisan amendments but was denied the opportunity. Mr. Speaker, I would like to insert the text of these amendments for the RECORD and say a few words.

First, the bill is too light on housing counseling. Counselors are on the front lines of the foreclosure crisis and often the first place homeowners turn to for help. Three hundred Members voted for this language, as part of H.R. 1728, to bolster HUD's housing counseling programs, enhance program coordination, increase grants and streamline the process, as well as launch a national outreach campaign.

My second amendment, cosponsored by Mr. NEUGEBAUER, would have required HUD and the Fed to coordinate efforts to produce compatible and improved residential mortgage disclosures. Consumers deserve nothing less. Again, earlier this month, 300 Members voted for H.R. 1728, which contained the exact language of this amendment.

Third, recent reports indicated that one in fifty U.S. children is homeless, and during the 2007–2008 school year, there was an 18 percent increase in the number of homeless students. Why? The rise in foreclosures and decline in jobs, but also—something fairly unknown—some agencies can help all homeless kids, but HUD cannot. Does that make sense?

To help address this mismatch in programs, Ms. MCCARTHY, Mr. DAVIS, and I have an amendment to allow HUD to provide homeless housing and services to all homeless children who are already served by programs run by the Departments of Education, Health and Human Services, and Justice. Homeless kids should be our top priority.

Thanks to concessions made by some of my colleagues here and in the Senate, the underlying bill, S. 896, moves an inch to help these kids, but it should move miles.

Speaking of miles, I would like to take a moment to recognize a courageous, young man who is fighting with us on this issue. On Sunday, USA Today reported that an 11-year old boy from Florida, Zach Bonner, is hiking from Florida to Washington, DC, and collecting letters from homeless kids on the way to deliver to President Obama. Thank you, Zach. Keep hiking. We're with you. I hope that other Members of Congress and this Administration can be so brave and fix the law to help homeless kids.

I hope my colleagues, in particular, Chairman FRANK, will commit our Committee to continue work on these very important matters.

AMENDMENT TO S. 896. OFFERED BY MRS. BIGGERT OF ILLINOIS

Page 86, after line 14, insert the following new title:

TITLE IX—OFFICE OF HOUSING COUNSELING

SEC. 901. EXPANSION AND PRESERVATION OF HOME OWNERSHIP THROUGH COUNSELING.

Title IV of H.R. 1728, An Act to amend the Truth in Lending Act to reform consumer mortgage practices and

provide accountability for such practices, to provide certain minimum standards for such consumer loans, and for other purposes, as passed the House of Representatives on May 7, 2009, is hereby enacted into law with the following amendments:

(1) In the paragraph added to section 106(a) of the Housing and Urban Development Act of 1968 by the amendment made by section 404 of such title, strike subparagraph (D).

(2) Strike section 409 of such title.

AMENDMENT TO S. 896. OFFERED BY MRS. BIGGERT OF ILLINOIS AND MR. NEUGEBAUER OF TEXAS

Page 18, after line 2, insert the following new section:

SEC. 106. RESPA AND TILA DISCLOSURE IMPROVEMENT.

(a) COMPATIBLE DISCLOSURES.—The Secretary of Housing and Urban Development and the Board of Governors of the Federal Reserve shall, not later than the expiration of the 6-month period beginning upon the date of the enactment of this Act, jointly issue for public comment proposed regulations providing for compatible disclosures for borrowers to receive at the time of mortgage application and at the time of closing.

(b) REQUIREMENTS.—Such disclosures shall—

(1) provide clear and concise information to borrowers on the terms and costs of residential mortgage transactions and mortgage transactions covered by the Truth in Lending Act (12 U.S.C. 1601 et seq.) and the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2601 et seq.);

(2) satisfy the requirements of section 128 of the Truth in Lending Act (12 U.S.C. 1638) and section 4 and 5 of the Real Estate Settlement Procedures Act of 1974; and

(3) comprise early disclosures under the Truth in Lending Act and the good faith estimate disclosures under the Real Estate Settlement Procedures Act of 1974 and final Truth in Lending Act disclosures and the uniform settlement statement disclosures under Real Estate Settlement Procedures Act of 1974 and provide for standardization to the greatest extent possible among such disclosures from mortgage origination through the mortgage settlement.

(4) shall include, with respect to a residential home mortgage loan, a written statement of—

(A) the principal amount of the loan;

(B) the term of the loan;

(C) whether the loan has a fixed rate of interest or an adjustable rate of interest;

(D) the annual percentage rate of interest under the loan as of the time of the disclosure;

(E) if the rate of interest under the loan can adjust after the disclosure, for each such possible adjustment—

(i) when such adjustment will or may occur; and

(ii) the maximum annual percentage rate of interest to which it can be adjusted;

(F) the total monthly payment under the loan (including loan principal and interest, property taxes, and insurance) at the time of the disclosure;

(G) the maximum total estimated monthly maximum payment pursuant to each such possible adjustment;

(H) the total settlement charges in connection with the loan and the amount of any downpayment and cash required at settlement; and

(I) whether or not the loan has a prepayment penalty or balloon payment and the terms, timing, and amount of any such penalty or payment.

(c) SUSPENSION OF 2008 RESPA RULE.—

(1) REQUIREMENT.—The Secretary of Housing and Urban Development shall, during the

period beginning on the date of the enactment of this Act and ending upon issuance of proposed regulations pursuant to subsection (a), suspend implementation of any provisions of the final rule referred to in paragraph (2) that would establish and implement a new standardized good faith estimate and a new standardized uniform settlement statement. Any such provisions shall be replaced by the regulations issued pursuant to subsections (a) and (b).

(2) 2008 rule.—The final rule referred to in this paragraph is the rule of the Department of Housing and Urban Development published on November 17, 2008, on pages 68204–68288 of Volume 73 of the Federal Register (Docket No. FR–5180–F–03; relating to ‘Real Estate Settlement Procedures Act (RESPA): Rule to Simplify and Improve the Process of Obtaining Mortgages and Reduce Consumer Settlement Costs’).

(d) IMPLEMENTATION.—The regulations required under subsection (a) shall take effect, and shall provide an implementation date for the new disclosures required under such regulations, not later than the expiration of the 12-month period beginning upon the date of the enactment of this Act.

(e) FAILURE TO ISSUE COMPATIBLE DISCLOSURES.—If the Secretary of Housing and Urban Development and the Board of Governors of the Federal Reserve System cannot agree on compatible disclosures pursuant to subsections (a) and (b), the Secretary and the Board shall submit a report to the Congress, after the 6-month period referred to in subsection (a), explaining the reasons for such disagreement. After the 15-day period beginning upon submission of such report, the Secretary and the Board may separately issue for public comment regulations providing for disclosures under the Real Estate Settlement Procedures Act of 1974 and the Truth in Lending Act, respectively. Any final disclosures as a result of such regulations issued by the Secretary and the Board shall take effect on the same date, and not later than the expiration of the 12-month period beginning on the date of the enactment of this Act. If either the Secretary or the Board fails to act during such 12-month period, either such agency may act independently and implement final regulations.

(f) STANDARDIZED DISCLOSURE FORMS.—

(1) IN GENERAL.—Any regulations proposed or issued pursuant to the requirements of this section shall include model disclosure forms.

(2) OPTION FOR MANDATORY USE.—In issuing proposed regulations under subsection (a), the Secretary of Housing and Urban Development and the Board of Governors of the Federal Reserve System shall include regulations for the mandatory use of standardized disclosure forms if they jointly determine that it would substantially benefit the consumer.

AMENDMENT TO S. 896. OFFERED BY MRS. BIGGERT OF ILLINOIS, MRS. MCCARTHY OF NEW YORK, AND MR. DAVIS OF KENTUCKY

Page 91, line 3, strike “and”.

Page 91, line 19, strike the period and insert “; and”.

Page 91, after line 19, insert the following:

“(7) a child or youth who has been verified as homeless—

“(A) as such term is defined in section 725(2)(B)(i) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)(B)(i)), by a local educational agency homeless liaison, designated pursuant to section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11432(g)(1)(J)(ii)), and the family of such child or youth;

“(B) by the director of a program funded under the Runaway and Homeless Youth Act

(42 U.S.C. 5701 et seq.), or a designee of the director;

“(C) under section 602 of the Individuals with Disabilities Education Act (20 U.S.C. 1401) by the director or the designee of such program, and the family of such child; or

“(D) under section 637 of the Head Start Act (42 U.S.C. 9832) by the director or designee of such program, and the family of such child.”

Mr. BLUMENAUER. Mr. Speaker, in communities across the Nation, the scourge of foreclosure is a deepening problem. In Oregon, 3,388 homes went into foreclosure in March, a 107% increase over the number of foreclosures in March 2008. Nationally, lenders filed foreclosure actions against more than 340,000 properties in March alone. These figures helped make the first quarter of 2009 the worst on record for foreclosure activity.

I support this bill because it will equip homeowners and lenders with new and improved tools to combat foreclosures. It will help banks to increase their lending to small businesses and American consumers. While this bill is not a cure-all for our Nation's economic troubles, it makes important contributions towards the protection of American homeownership.

In particular, I support the bill's modifications to the HOPE for Homeowners program, which will ease restrictions on eligibility and enable refinancing of underwater mortgages for a greater number of borrowers.

One major difference between this bill and the one that the House passed in early March is the judicial modification provision, missing from this bill. Allowing bankruptcy judges to modify principal balances of residential mortgage loans is an important policy, and one which I continue to support.

It is only fair that Congress offer average families the same alternative to foreclosure that has been available under the law for many years to owners of vacation homes, investment properties, private jets, and luxury yachts. Under such a provision, while some mortgage lenders would not get every penny owed to them, on balance they would get more than if these families had no better choice than to fall into foreclosure.

Mr. SKELTON. Mr. Speaker, throughout this tough recession, Congress has been working to reduce the length and severity of the economic downturn and its impact on the American people. While we have approved a number of important bills in this area, let me share my support today for S. 896, a bipartisan bill known as the Helping Families Save Their Homes Act.

S. 896 is a balanced bill that will provide tools and incentives to help reduce foreclosures, will strengthen Federal protections against predatory lending, will establish the right of homeowners to know who owns their mortgage, and will give the Federal Housing Administration and USDA's Rural Housing Service legal flexibility to undertake loan modifications. Reducing foreclosures and stabilizing the housing market are key to turning around America's economy, which is why I am pleased that S. 896 has been written with the support of both congressional Democrats and Republicans.

While S. 896 will help to mend the ailing housing market, the bill is also good for small town banks and for all Americans who keep their savings in a bank or credit union.

As some banks gambled and made risky loans to subprime borrowers, most small town financial institutions played by the rules and did not get caught up in the hazardous lending behavior that is at the heart of our recession. But, as larger banks have faltered, community banks have been replenishing the deposit insurance fund that protects investments throughout the financial system. To strengthen the financial stability of community banks and credit unions, S. 896 increases the borrowing authority for FDIC and for the federal credit union regulator. These increases will help level the playing field so community financial institutions are not stuck picking up the tab for their larger competitors.

And, to better protect deposits, S. 896 increases FDIC insurance protection for accounts holding up to \$250,000. This action is not only beneficial to depositors but also to small town financial institutions that derive their funding and lending ability from deposits.

I urge my colleagues to support S. 896 and hope the legislation, if passed, can be swiftly signed into law by the President.

Mr. AL GREEN of Texas. Mr. Speaker, I am proud to support S. 896, the Helping Families Save Their Homes Act of 2009. I supported H.R. 1106 when it left the House, and while lacking the provision to allow for judicial "cramdown," I am pleased with many of the improvements that S. 896 brings.

This bill reflects an affirmation of this legislative body's dedication to ensure that the American dream of homeownership is not lost for millions of American families. The foreclosure crisis has devastated our economy and this bill is another step towards stabilizing our housing market and restoring confidence in the American people.

S. 896 improves the HOPE for Homeowners program, making it a more viable option for helping families sustain homeownership; it provides a safe harbor for those who would engage in legitimate loan modifications or utilize the HOPE for Homeowners Program. The bill strengthens the FDIC and credit unions to ensure the availability of credit for consumers, which is crucial in this time of economic downturn.

S. 896 reauthorizes the McKinney-Vento Homelessness Assistance Grants for the first time in 20 years, and authorizes \$2.2 billion for the programs for FY 2010 and 2011. It also provides funding to HUD to increase public awareness regarding foreclosure scams.

Finally, the tenant protections included in the bill ensure that bona fide tenants are not unfairly removed from their residences when foreclosures occur that they could not control.

Overcoming the foreclosure crisis and the damage that it has wrought will take time and dedication. However, by passing the Helping Families Save Their Homes Act, we are taking a critical step forward in protecting the American homeowner.

Mr. VAN HOLLEN. Mr. Speaker, today, I rise in support of the Helping Families Save Their Homes Act, a bipartisan bill that will help millions of American families avoid the nightmare of foreclosure. Foreclosures cost an American family its home every 13 seconds, and negatively impact entire neighborhoods. Each foreclosed home reduces nearby property values by as much as 9 percent, and the lack of property tax revenues can affect community services and the quality of our schools. We all stand to lose if we do not stop the

steep decline in home prices, which is why Congress and President Obama are taking action.

This legislation builds on the President's comprehensive Homeowner Affordability and Stability Plan, and provides key tools and incentives for lenders, servicers and homeowners to modify loans and to avoid foreclosures. It bolsters important consumer rights to housing information and strengthens community banks, which are crucial to small businesses and families across this nation. It also makes important improvements to the Hope for Homeowners program, which was created by Congress to help those at risk of default and foreclosure refinance into more affordable, sustainable loans.

Stabilizing the housing market is central to restoring the American economy. By passing the Helping Families Save Their Homes Act of 2009, we are not just helping millions of families keep their homes—we are getting the economy back on track and moving America in a new direction.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts (Mr. FRANK) that the House suspend the rules and pass the Senate bill, S. 896, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. FRANK of Massachusetts. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

CONGRATULATING ANTHONY KEVIN "TONY" DUNGY FOR HIS ACCOMPLISHMENTS AS A COACH, FATHER, AND EXEMPLARY MEMBER OF HIS COMMUNITY

Mr. FRANK of Massachusetts. Mr. Speaker, I ask unanimous consent that the Committee on Oversight and Government Reform be discharged from further consideration of House Resolution 70 and ask for its immediate consideration in the House.

The Clerk read the title of the resolution.

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

There was no objection.

The text of the resolution is as follows:

H. RES. 70

Whereas Tony Dungy attended the University of Minnesota and became the school's leader in completions, touchdown passes and passing yards;

Whereas Tony Dungy received two "Most Valuable Player" awards from the University of Minnesota;

Whereas Tony Dungy continued his football career in the NFL and became a Super

Bowl Champion with the Pittsburgh Steelers in 1978;

Whereas Tony Dungy, at the age of 25, became the youngest assistant coach, and at the age of 28, became the youngest defensive coordinator in NFL history;

Whereas Tony Dungy, in 1997, helped lead the Tampa Bay Buccaneers to their first winning season since 1982;

Whereas Tony Dungy was the first African-American head coach to win the Super Bowl by leading the Indianapolis Colts over the Chicago Bears in 2007;

Whereas Tony Dungy is the first NFL head coach to defeat all 32 NFL teams;

Whereas Tony Dungy has been a remarkable and upstanding member of the communities of which he has been a part;

Whereas Tony Dungy has been an advocate for the Christian faith and a mentor for American youth;

Whereas Tony Dungy has acted as a public speaker for the Fellowship of Christian Athletes and Athletes in Action;

Whereas Tony Dungy started Mentors for Life, a mentoring program for young people and provided participants with tickets to Buccaneers' games;

Whereas Tony Dungy has supported numerous charitable programs and community service organizations and remains actively involved in his communities in Tampa and Indianapolis;

Whereas Tony Dungy was appointed by President George W. Bush to the President's Council on Service and Civil Participation in August of 2007; and

Whereas Tony Dungy wrote a memoir which reached No. 1 on the hardcover nonfiction section of the New York Times Best Seller list on August 5, 2007, and again on September 9, 2007: Now, therefore, be it

Resolved, That the House of Representatives—

(1) congratulates Tony Dungy on his successful playing and coaching career and historic coaching accomplishments; and

(2) commends Tony Dungy for his compassion, integrity, and commitment to his faith, family, and community.

The resolution was agreed to.

A motion to reconsider was laid on the table.

HONORING KAREN BASS FOR BECOMING THE FIRST AFRICAN-AMERICAN WOMAN ELECTED SPEAKER OF THE CALIFORNIA STATE ASSEMBLY

Mr. FRANK of Massachusetts. Mr. Speaker, I ask unanimous consent that the Committee on Oversight and Government Reform be discharged from further consideration of House Resolution 49 and ask for its immediate consideration in the House.

The Clerk read the title of the resolution.

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

There was no objection.

The text of the resolution is as follows:

H. RES. 49

Whereas Karen Bass made history as the first African-American woman to serve as Speaker in a State legislative body in the United States;

Whereas Karen Bass was sworn in as the 67th Speaker of the California State Assembly on May 13, 2008;