

budget, fighting wildfires. I believe that better and increased management will help to reduce the regularity and severity of these all-too-frequent disasters. In short, the timber industry is an important component in forest management and health.

As a cosponsor of the legislation, House Resolution 81, I ask my colleagues to join me in voting "yes" on that piece of legislation and honor an industry which benefits our economy and our forest health.

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

Mr. LUCAS. Mr. Speaker, having no additional speakers, I yield back the balance of my time.

Mr. HOLDEN. Mr. Speaker, I urge adoption, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. HOLDEN) that the House suspend the rules and pass the bill, H.R. 1002.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

21ST CENTURY FHA HOUSING ACT OF 2009

Mr. ADLER of New Jersey. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3146) to make improvements to the FHA mortgage insurance programs of the Department of Housing and Urban Development, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3146

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "21st Century FHA Housing Act of 2009".

SEC. 2. MORTGAGE INSURANCE FOR CONDOMINIUMS.

Section 203 of the National Housing Act (12 U.S.C. 1709) is amended by adding at the end the following new subsection:

"(y) INAPPLICABILITY OF ENVIRONMENTAL REVIEW PROVISIONS.—In insuring, under this section, any mortgage described in section 201(a)(C), the Secretary shall not be subject to the conditions of, or review under, the National Environmental Policy Act of 1969 or any other provision of law that furthers the purposes of such Act."

SEC. 3. ENERGY EFFICIENT MORTGAGES.

Section 106(a)(2)(C) of the Energy Policy Act of 1992 (42 U.S.C. 12712 note) is amended—

(1) in clause (i), by inserting "(i)" after "(A)" each place such term appears; and

(2) in clause (ii), by striking "203(b)(2)(B)" and inserting "203(b)(2)(A)(ii)".

SEC. 4. MODERNIZATION OF WORKFORCE AND RESOURCES.

Section 202 of the National Housing Act (12 U.S.C. 1708) is amended by adding at the end the following new subsections:

"(g) PERSONNEL.—

"(1) IN GENERAL.—Notwithstanding section 502(a) of the Housing Act of 1948 (12 U.S.C. 1701c(a)), the Secretary may appoint and fix

the compensation of such officers and employees of the Department as the Secretary considers necessary to carry out the functions of the Secretary under this Act and any other functions of the Federal Housing Administration. Such officers and employees may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates.

"(2) COMPARABILITY OF COMPENSATION WITH FEDERAL FINANCIAL REGULATORY AGENCIES.—In fixing and directing compensation under paragraph (1), the Secretary shall consult with, and maintain comparability with compensation of officers and employees of the Federal Housing Finance Agency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation.

"(3) PERSONNEL OF OTHER FEDERAL AGENCIES.—In carrying out the functions referred to in paragraph (1), the Secretary may use information, services, staff, and facilities of any executive agency, independent agency, or department on a reimbursable basis, with the consent of such agency or department.

"(4) OUTSIDE EXPERTS AND CONSULTANTS.—The Secretary may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, to assist the work of the Department in carrying out the functions referred to in paragraph (1).

"(h) INFORMATION TECHNOLOGY.—

"(1) IN GENERAL.—In carrying out any program under this Act or any other program of the Federal Housing Administration, the Secretary may utilize any amounts as may be made available for such programs to ensure that an appropriate level of investment in information technology is maintained in order for the Secretary to upgrade the technology systems of the Department used in carrying out the functions referred to in subsection (g)(1).

"(2) USE OF PREMIUM-GENERATED INCOME.—To the extent that income derived in any fiscal year from premium fees charged under section 203(c) is in excess of the level of income estimated for that such year for such premium fees and assumed in the baseline projection prepared by the Director of the Office of Management and Budget for inclusion in the President's annual budget request and subject to approval in advance in an appropriation Act, not more than \$72,000,000 of such excess amounts may be used from such amounts for the purpose of carrying out this subsection.

"(i) TRAINING AND EDUCATION PROGRAM.—

"(1) ESTABLISHMENT.—The Secretary of Housing and Urban Development shall carry out a comprehensive training and education program to improve the service provided by personnel of the Department carrying out functions referred to in subsection (g)(1) to users of the mortgage insurance programs under this Act and any other FHA mortgage insurance programs.

"(2) TOPICS.—The training and education program under this subsection shall—

"(A) have as its primary goal improving the quality and consistency of responses provided by such personnel of the Department headquarters and other offices and centers of the Department regarding regulations, handbooks, mortgagee letters, and other guidance; and

"(B) be designed to—

"(i) ensure that lenders participating in the FHA programs may rely on information provided by one office or center of the Department when doing business with a different office or center; and

"(ii) prevent such lenders from soliciting answers to the same question from different offices or centers of the Department in an at-

tempt to obtain an answer that is satisfactory to the lender, by ensuring consistent responses from different offices and centers."

SEC. 5. RISK MANAGEMENT IMPROVEMENTS.

(a) REVIEW OF DELINQUENCIES AND LENDER MONITORING.—Section 202 of the National Housing Act (12 U.S.C. 1708), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(j) RISK MANAGEMENT IMPROVEMENT.—

"(1) REVIEW OF DELINQUENCIES AMONG RECENT ORIGINATIONS.—

"(A) IN GENERAL.—The Secretary shall conduct an ongoing review of mortgages on single family housing originated during the preceding 12 months and insured pursuant to this Act under which the mortgagor has become 60 or more days delinquent with respect to payment under the mortgage during the first 90 days of the term of the mortgage to determine which mortgages should not have been originated or insured and the characteristics of such mortgages, and which lenders have relatively high incidences of such delinquent mortgages;

"(B) REPORTING TO CONGRESS.—Not later than 90 days after the date of enactment of the 21st Century FHA Housing Act of 2009, the Secretary shall make available to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate any information and conclusions pursuant to the review required under subparagraph (A).

"(C) SUFFICIENT RESOURCES.—There is authorized to be appropriated to the Secretary for each of fiscal years 2010 through 2014 the amount necessary to provide 90 additional full-time equivalent positions for the Department, or for entering into such contracts as are necessary, to conduct reviews in accordance with the requirements of this section.

"(2) LENDER MONITORING.—In conducting monitoring and analysis of the performance of lenders for mortgages on single family housing insured under this Act, the Secretary shall utilize a one-year period for such monitoring and analysis, to promote earlier identification of problem lenders and allow earlier intervention and sanctions."

(b) ANALYSIS OF MORTGAGE PERFORMANCE.—Section 203(g)(2) of the Helping Families Save Their Homes Act of 2009 (12 U.S.C. 1708 note) is amended—

(1) in paragraph (1), by striking "and" at the end;

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

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

"(3) analyze the portion of mortgages randomly reviewed pursuant to subparagraph (B) on the basis of performance."

SEC. 6. SENSE OF CONGRESS REGARDING ADEQUATE CAPITAL FLOW FOR MORTGAGE LOANS.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) warehouse lending, which provides short-term lines of credit to non-depository lenders for mortgage loans that are eventually sold into the secondary market to Fannie Mae, Freddie Mac and Ginnie Mae, is a critical link in the housing finance chain;

(2) according to data obtained pursuant to the Home Mortgage Disclosure Act of 1975, nondepository lenders that utilize warehouse lines of credit account for as much as 40 percent of all residential mortgage loans in the United States, and nearly 55 percent of FHA loans, which are increasingly popular;

(3) it is estimated that since 2006 warehouse lending capacity available to the mortgage lending industry has declined by

nearly 90 percent to the current level of approximately \$20 billion to \$25 billion;

(4) based upon projected 2009 lending volume, there could be a shortfall of hundreds of billions of dollars in home mortgage availability caused by a lack of warehouse lending capacity; and

(5) unless Federal regulators promptly address the issue, borrowers seeking to take advantage of today's low interest rates will face rising costs and reduced credit access, which could undermine the housing market recovery.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) the Secretary of the Treasury, the Secretary of Housing and Urban Development, and the Director of the Federal Housing Finance Agency should use their existing authorities under the Emergency Economic Stabilization Act of 2008, the Housing and Economic Recovery Act of 2008, and other statutory and regulatory authorities to provide financial support and assistance to facilitate increased warehouse credit capacity by qualified warehouse lenders;

(2) such financial support and assistance should—

(A) be used only to expand the amount of credit or lending capacity made available to qualified mortgage lenders by qualified warehouse lenders for the purpose of funding residential mortgage loans;

(B) be provided in such form and manner as such Secretaries or the Director, as applicable, consider appropriate, which might include direct loans, guarantees, credit enhancement, and other incentives; and

(C) comply with other requirements established by such Secretaries or the Director, as applicable.

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

(1) QUALIFIED MORTGAGE LENDER.—The term “qualified mortgage lender” means an entity that—

(A) is engaged in the business of making mortgage loans for one- to four-family residences that are—

(i) insured under title II of the National Housing Act (12 U.S.C. 1707 et seq.);

(ii) guaranteed, insured, or made under chapter 37 of title 38, United States Code;

(iii) made, guaranteed, or insured under title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.); or

(iv) eligible for purchase by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation; and

(B) is not a depository institution.

(2) QUALIFIED WAREHOUSE LENDER.—The term “qualified warehouse lender” means an entity that extends credit to qualified mortgage lenders for the purpose of originating mortgage loans described in paragraph (1)(A), or that otherwise facilitates the origination of such loans by a qualified mortgage lender.

SEC. 7. FORECLOSURE AVOIDANCE INITIATIVES.

Section 230 of the National Housing Act (12 U.S.C. 1715u) is amended by inserting after subsection (d) the following new subsection:

“(e) FORECLOSURE AVOIDANCE DEMONSTRATION PROGRAMS.—The Secretary may carry out such demonstration programs as the Secretary from time to time determines are appropriate to demonstrate the effectiveness of alternative methods of avoiding foreclosure on mortgages insured under this title, including methods involving short sales and deeds in lieu of foreclosure, and such methods may involve partial or full payment of insurance benefits to the mortgagee.”

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. ADLER) and the gen-

tleman from New York (Mr. LEE) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey.

GENERAL LEAVE

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

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

There was no objection.

Mr. ADLER of New Jersey. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to start by thanking the Republican lead on this bill, the gentleman from New York (Mr. LEE) for his hard work on this important issue. This is the sort of example of bipartisanship that I think the American people expect from us, and I am happy that in this case Mr. LEE and I could work together to try to bring some good relief to the American people.

I introduced H.R. 3146, the 21 Century FHA Housing Act earlier this year with bipartisan support to provide the Federal Housing Administration with the necessary tools to serve taxpayers during these challenging economic times.

FHA is currently one of the primary sources for safe, affordable mortgage financing for American families. During recent years, as private lenders have fled the market, the demand for FHA markets have grown exponentially. Its market share has ballooned from less than 3 percent of the market in 2006 to 23 percent of all mortgages today. We need to ensure that the FHA is able to meet this need efficiently and honestly.

Like most Americans, I am tired of hearing about more waste, fraud, and abuse in Washington or around the country. That is why the 21 Century FHA Housing Act is so very important. The bill will take steps to fix these problems and protect American taxpayers. It gives the FHA the authority to attract personnel with the skills and experience necessary to manage the increase in business. In addition, the FHA must be given sufficient resources to maintain the ability to enforce high underwriting and oversight standards and operate safely and effectively.

Enforcing high underwriting standards will yield safer products and protect the American taxpayer. We need to ensure that government programs are efficient and working on behalf of hardworking middle class families. With this increase in market share, comes an increase in risk. That is why this bill directs the Housing and Urban Development secretary to conduct an ongoing review of at-risk mortgages and provide a report to Congress on ways to improve at-risk management. This report will also make it easier to identify rogue predatory lenders and eliminate waste, fraud, and abuse in the FHA system.

Mr. Speaker, the FHA is helping to provide credit to eligible homeowners within a marketplace where many credit lines are frozen. But it is imperative that these loans are good for families, our economy, and taxpayers. Failure to pass this bill may open the door for more of the mortgage fraud and abuse that helped cause the recent economic recession from which America is still suffering.

I reserve the balance of my time.

Mr. LEE of New York. Mr. Speaker, I yield myself such time as I may consume.

I rise today in support of H.R. 3146, the 21 Century FHA Housing Act of 2009. I want to thank my colleague from New Jersey (Mr. ADLER) for helping to drive this legislation. It will get the job done, and it is about time we start doing what the American people want. I think this is a wonderful piece of bipartisan legislation that will take important steps towards restoring the stability of our housing market and helping our overall economic recovery.

While western New Yorkers never had a housing boom to bust, I still often hear from my constituents who have been responsible homeowners and who are increasingly frustrated by the level of fraud and abuse in our mortgage system. Western New Yorkers understand you cannot take risks without accepting the consequences. We have all seen the aftereffects of irresponsible lenders, and Congress has rightfully looked at outdated mortgage structures to ensure responsible homeowners have access to safe and affordable mortgages without burdening them with the mistakes of others. That's why we have crafted legislation to address this pressing need in the current mortgage market.

In order to ensure a stable housing market and help first-time home buyers, we need to modernize the Federal Housing Administration, which is now one of the primary sources of mortgage financing. It is imperative that the FHA has the resources it needs to effectively oversee mortgages and ensure that no bad actors are allowed to function in this marketplace.

During recent years, as private lenders have fled the market, the demand for FHA mortgages grew exponentially. FHA mortgages tripled in 2008, and in 2009 the amounts are expected to exceed \$290 billion.

In order to effectively meet the new influx of work, several legislative changes are needed to modernize the system. H.R. 3146 will address concerns about proper review and oversight of FHA lenders and loans by improving target reviews of loan performances.

In addition, this legislation ensures that FHA has the staff, the technology, and risk management processes in place to protect American taxpayers from unacceptable losses.

Finally, the measure provides the HUD Secretary with the authority to implement new and innovative ideas to minimize foreclosures going forward.

We cannot keep this dream of homeownership alive and within reach of working families unless we have an FHA that works better.

Again, I want to express my appreciation to my friend and colleague from New Jersey for his cooperation in crafting this measure. It is important for the American people to see that both parties are working together on this vital issue. I urge immediate passage of H.R. 3146.

I reserve the balance of my time.

Mr. ADLER of New Jersey. Does the gentleman yield back?

Mr. LEE of New York. I have no more speakers, but I yield myself the balance of my time to close.

When I looked at this piece of legislation going back several months ago, it was very important that we found a solution for this. I talked to constituents in my district, and they are so hard-pressed dealing with other forms of lending and getting FHA stable, it was incredibly important, as was the idea of making sure that we use taxpayer dollars wisely.

We were fortunate enough from the hearings to understand some of the challenges that FHA has had in terms of technology, and the fact that we really haven't funded this program to its fullest extent by not having enough staff in support of FHA, thereby the potential for fraud or waste or abuse has risen, and that's why, again, taking a piece of legislation like this and moving it forward is incredibly important.

As I look forward to trying to move this along, I know people in our district will be pleased, not only in my district but throughout the country, that we are pushing this type of bipartisan legislation.

Mr. ADLER has taken a very firsthand approach in trying to ensure that this happens.

At this time, I yield back the balance of my time.

Mr. ADLER of New Jersey. Mr. Speaker, I want to echo the comments of my friend, Mr. LEE from New York. We really did work in a bipartisan way to address a problem to save taxpayers from the waste, fraud, and abuse that I think frustrates so many Americans.

Many of America's economic problems are due to problems experienced within the housing market. The 21 Century FHA Housing Act of 2009 will make significant enhancements to FHA and will enable the administration to better manage the portfolio of loans and eliminate some of that waste, fraud, and abuse that frustrates us so very, very much.

As FHA steps into the void created by the predatory lenders, these improvements will be increasingly important. I urge all of my colleagues to support this important bill.

SEPTEMBER 14, 2009.

Hon. JOHN ADLER,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN ADLER: The undersigned organizations, representing the real estate industry, urge your support of H.R.

3146, the "21st Century FHA Housing Act of 2009." This bill will modernize the Federal Housing Administration (FHA), allowing it to continue to offer safe, affordable mortgages to American families, at no cost to taxpayers.

Despite FHA's growing role in the market, FHA's technology and infrastructure are far behind the times. To better serve American consumers and protect taxpayer interest, immediate changes need to be made. Computer systems must be upgraded, and sufficient staff be hired to handle all the responsibilities of an agency that is meeting the needs of so many American homebuyers.

Additionally, we support efforts to strengthen warehouse lending in ways that would allow the marketplace to continue to meet the demand for single-family and multifamily mortgage products. Consumers benefit the most when there is competition in the market and full access to credit.

H.R. 3146 will allow FHA to continue its modernization, utilize all of its mortgage programs, and assure that homeowners have affordable safe options for homeownership. We urge you to quickly pass this important legislation to update FHA's programs to address the pressing needs of the current mortgage market.

Sincerely,

Mortgage Bankers Association, National Association of Homebuilders, National Association of REALTORS®.

I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. ADLER) that the House suspend the rules and pass the bill, H.R. 3146, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

□ 1500

FHA MULTIFAMILY LOAN LIMIT ADJUSTMENT ACT OF 2009

Mr. ADLER of New Jersey. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3527) to increase the maximum mortgage amount limitations under the FHA mortgage insurance programs for multifamily housing projects with elevators and for extremely high-cost areas, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3527

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "FHA Multifamily Loan Limit Adjustment Act of 2009".

SEC. 2. FHA MORTGAGE AMOUNT LIMITS FOR ELEVATOR-TYPE STRUCTURES.

(a) AMENDMENTS.—The National Housing Act is amended in each of the provisions specified in subsection (b)—

(1) by inserting "with sound standards of construction and design" after "elevator-type structures" the first place such term appears; and

(2) by striking "to not to exceed" and all that follows through "sound standards of construction and design" each place such terms appear and inserting "by not more

than 50 percent of the amounts specified for each unit size".

(b) PROVISIONS AMENDED.—The provisions of the National Housing Act specified in this subsection are as follows:

(1) Subparagraph (A) of section 207(c)(3) (12 U.S.C. 1713(c)(3)(A)).

(2) Subparagraph (A) of section 213(b)(2) (12 U.S.C. 1715k(d)(3)(B)(iii)(D)).

(3) Subclause (I) of section 220(d)(3)(B)(iii) (12 U.S.C. 1715k(d)(3)(B)(iii)(D)).

(4) In section 221(d) (12 U.S.C. 1715l(d))—

(A) subclause (I) of paragraph (3)(ii); and

(B) subclause (I) of paragraph (4)(ii).

(5) Subparagraph (A) of section 231(c)(2) (12 U.S.C. 1715v(c)(2)(A)).

(6) Subparagraph (A) of section 234(e)(3) (12 U.S.C. 1715y(e)(3)(A)).

SEC. 3. FHA MORTGAGE AMOUNT LIMITS FOR EXTREMELY HIGH-COST AREAS.

Section 214 of the National Housing Act (12 U.S.C. 1715d) is amended—

(1) in the first sentence—

(A) by inserting ", or with respect to projects consisting of more than four dwelling units located in an extremely high-cost area as determined by the Secretary" after "or the Virgin Islands" the first place such term appears;

(B) by inserting ", or to construct projects consisting of more than four dwelling units on property located in an extremely high-cost area as determined by the Secretary" after "or the Virgin Islands" the second place such term appears; and

(C) by inserting ", or with respect to projects consisting of more than four dwelling units located in an extremely high-cost area as determined by the Secretary" after "or the Virgin Islands" the third place such term appears;

(2) in the second sentence—

(A) by inserting ", or with respect to a project consisting of more than four dwelling units located in an extremely high-cost area as determined by the Secretary," after "or the Virgin Islands" the first place such term appears; and

(B) by inserting ", or in the case of a project consisting of more than four dwelling units in an extremely high-cost area as determined by the Secretary, in such extremely high-cost area," after "or the Virgin Islands" the second place such term appears; and

(3) in the section heading, by striking "AND THE VIRGIN ISLANDS" and inserting "THE VIRGIN ISLANDS, AND EXTREMELY HIGH-COST AREAS".

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall apply to mortgages insured under title II of the National Housing Act after September 30, 2009.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. ADLER) and the gentleman from California (Mr. GARY G. MILLER) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey.

GENERAL LEAVE

Mr. ADLER of New Jersey. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this legislation.

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

There was no objection.

Mr. ADLER of New Jersey. Mr. Speaker, I urge the House to pass H.R. 3527, the FHA Multifamily Loan Limit