

terest which the debentures would have earned, computed to a date to be established pursuant to regulations issued by the Commissioner", deleted former provisions of subsec. (f) which related to entitlement to insurance benefits provided in section 1713(g) of this title, now covered by subsec. (e) of this section, and redesignated former subsec. (g) as (f), substituting in first sentence "subsection (e)" for "subsections (e) and (f)", respectively.

Subsecs. (g), (h). Pub. L. 88-560, §118(d), redesignated subsec. (h) as (g). Former subsec. (g) redesignated (f).

### § 1715y. Mortgage insurance for condominiums

#### (a) Purpose

The purpose of this section is to provide an additional means of increasing the supply of privately owned dwelling units where, under the laws of the State in which the property is located, real property title and ownership are established with respect to a one-family unit which is part of a multifamily project.

#### (b) Definitions

The terms "mortgage", "mortgagee", "mortgagor", "maturity date", and "State" shall have the meanings respectively set forth in section 1707 of this title, except that the term "mortgage" for the purposes of subsection (c) may include a first mortgage given to secure the unpaid purchase price of a fee interest in, or a long-term leasehold interest in, a one-family unit in a multifamily project, including a project in which the dwelling units are attached, semi-attached, or detached, and an undivided interest in the common areas and facilities which serve the project where the mortgage is determined by the Secretary to be eligible for insurance under this section. The term "common areas and facilities" as used in this section shall be deemed to include the land and such commercial, community, and other facilities as are approved by the Secretary.

#### (c) Authorization; eligibility for insurance; conditions; limits

The Secretary is authorized, in his discretion and under such terms and conditions as he may prescribe (including the minimum number of family units in the project which shall be offered for sale and provisions for the protection of the consumer and the public interest), to insure any mortgage covering a one-family unit in a multifamily project and an undivided interest in the common areas and facilities which serve the project, if (1) the mortgage meets the requirements of this subsection and of section 1709(b) of this title, except as that section is modified by this subsection, (2) at least 80 percent of the units in the project covered by mortgages insured under this subchapter are occupied by the mortgagors or co-mortgagors, and (3) the project has a blanket mortgage insured by the Secretary under subsection (d). Any project proposed to be constructed or rehabilitated after June 30, 1961, with the assistance of mortgage insurance under this chapter, where the sale of family units is to be assisted with mortgage insurance under this subsection, shall be subject to such requirements as the Secretary may prescribe. To be eligible for insurance pursuant to this subsection, a mortgage shall (A) involve a principal obligation in an amount not to exceed

the maximum principal obligation of a mortgage which may be insured in the area pursuant to section 1709(b)(2) of this title or pursuant to section 1709(h) of this title under the conditions described in section 1709(h) of this title, and (B) have a maturity satisfactory to the Secretary, but not to exceed, in any event, thirty-five years from the date of the beginning of amortization of the mortgage. The mortgage shall contain such provisions as the Secretary determines to be necessary for the maintenance of common areas and facilities and the multifamily project. The mortgagor shall have exclusive right to the use of the one-family unit covered by the mortgage and, together with the owners of other units in the multifamily project, shall have the right to the use of the common areas and facilities serving the project and the obligation of maintaining all such common areas and facilities. The Secretary may require that the rights and obligations of the mortgagor and the owners of other dwelling units in the project shall be subject to such controls as he determines to be necessary and feasible to promote and protect individual owners, the multifamily project, and its occupants. For the purposes of this subsection, the Secretary is authorized in his discretion and under such terms and conditions as he may prescribe to permit one-family units and interests in common areas and facilities in multifamily projects covered by mortgages insured under any section of this chapter (other than section 1715e(a)(1) and (2) of this title) to be released from the liens of those mortgages.

#### (d) Blanket mortgages of multifamily projects; plan of family unit ownership; regulations; stock purchase and redemption

In addition to individual mortgages insured under subsection (c), the Secretary is authorized, in his discretion and under such terms and conditions as he may prescribe, to insure blanket mortgages (including advances on such mortgages during construction) which cover multifamily projects to be constructed or rehabilitated in cases where the mortgage is held by a mortgagor, approved by the Secretary, which—

(1) has certified to the Secretary, as a condition of obtaining the insurance of a blanket mortgage under this subsection, that upon completion of the multifamily project covered by such mortgage it intends to commit the ownership of the multifamily project to a plan of family unit ownership under which each family unit would be eligible for individual mortgage insurance under subsection (c) and will faithfully and diligently make and carry out all reasonable efforts to establish such plan of family unit ownership and to sell such family units to purchasers approved by the Secretary; and

(2) may, in the Secretary's discretion, be regulated or restricted as to rents, charges, capital structure, rate of return, and methods of operation until the termination of all obligations of the Secretary under the insurance and during such further period of time as the Secretary shall be the owner, holder or reinsurer of the mortgage. The Secretary may make such contracts with and acquire for not

to exceed \$100 such stock or interest in such mortgagor as he may deem necessary to render effective any such regulation or restriction of such mortgagor. The stock or interest acquired by the Secretary shall be paid for out of the General Insurance Fund, and shall be redeemed by the mortgagor at par at any time upon the request of the Secretary after the termination of all obligations of the Secretary under the insurance.

**(e) Eligibility for insurance of blanket mortgages of multifamily projects**

To be eligible for insurance, a blanket mortgage on any multifamily project of a mortgagor of the character described in subsection (d) shall involve a principal obligation in an amount—

(1) Repealed. Pub. L. 93-383, title III, § 304(h), Aug. 22, 1974, 88 Stat. 678;

(2) not to exceed 90 per centum of the amount which the Secretary estimates will be the replacement cost of the project when the proposed physical improvements are completed;

(3)(A) not to exceed, for such part of the project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Secretary), \$42,048 per family unit without a bedroom, \$48,481 per family unit with one bedroom, \$58,469 per family unit with two bedrooms, \$74,840 per family unit with three bedrooms, and \$83,375 per family unit with four or more bedrooms; except that as to projects to consist of elevator-type structures the Secretary may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$44,250 per family unit without a bedroom, \$50,724 per family unit with one bedroom, \$61,680 per family unit with two bedrooms, \$79,793 per family unit with three bedrooms, and \$87,588 per family unit with four or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; (B) the Secretary may, by regulation, increase any of the dollar limitations in subparagraph (A) (as such limitations may have been adjusted in accordance with section 1712a of this title) by not to exceed 170 percent in any geographical area where the Secretary finds that cost levels so require and by not to exceed 170 percent, or 215 percent in high cost areas, where the Secretary determines it necessary on a project-by-project basis, but in no case may any such increase exceed 90 percent where the Secretary determines that a mortgage purchased or to be purchased by the Government National Mortgage Association in implementing its special assistance functions under section 1720<sup>1</sup> of this title (as such section existed immediately before November 30, 1983) is involved; and

(4) not to exceed an amount equal to the sum of the unit mortgage amounts determined under the provisions of subsection (c) assuming the mortgagor to be the owner and occupant of each family unit.

**(f) Amortization of blanket mortgages of multifamily projects; interest; releases; extent of project**

Any blanket mortgage insured under subsection (d) shall provide for complete amortization by periodic payments within such terms as the Secretary may prescribe but not to exceed 40 years from the beginning of amortization of the mortgage, and shall bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee. The Secretary may consent to the release of a part or parts of the mortgaged property from the lien of the blanket mortgage upon such terms and conditions as he may prescribe and the blanket mortgage may provide for such release. The project covered by the blanket mortgage may include four or more family units and such commercial and community facilities as the Secretary deems adequate to serve the occupants.

**(g) Entitlement to insurance benefits as provided in section 1710(a) of this title**

Any mortgagee under a mortgage insured under subsection (c) of this section is entitled to receive the benefits of the insurance as provided in section 1710(a) of this title with respect to mortgages insured under section 1709 of this title, and the provisions of subsections (b), (c), (d), (e), (f), (g), (h),<sup>1</sup> (j), and (k)<sup>1</sup> of section 1710 of this title shall be applicable to the mortgages insured under subsection (c) of this section.

**(h) Applicability of other provisions**

The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), and (n) of section 1713 of this title shall be applicable to mortgages insured under subsection (d) of this section.

**(i) Applicability of other provisions**

The provisions of sections 1715p and 1715u of this title shall be applicable to the mortgages insured under subsection (c) of this section.

**(j) Increase in maximum insurance amounts for costs incurred from solar energy systems and energy conservation measures**

The Secretary may further increase the dollar amount limitations which would otherwise apply under subsection (e) by not to exceed 20 per centum if such increase is necessary to account for the increased cost of a project due to the installation therein of a solar energy system (as defined in subparagraph (3) of the last paragraph of section 1703(a) of this title) or residential energy conservation measures (as defined in section 8211(11)(A) through (G) and (I) of title 42)<sup>1</sup> in cases where the Secretary determines that such measures are in addition to those required under the minimum property standards and will be cost-effective over the life of the measure.

**(k) Rental housing conversion**

With respect to a unit in any project which was converted from rental housing, no insurance may be provided under this section unless (1) the conversion occurred more than one year prior to the application for insurance, (2) the mortgagor or comortgagor was a tenant of that rental housing, (3) the conversion of the property is sponsored by a bona fide tenants organization

<sup>1</sup> See References in Text note below.

representing a majority of the households in the project, or (4) before April 20, 1984 (A) application was made to the Secretary for a commitment to insure a mortgage covering any unit in the project, (B) in the case of direct endorsement, the mortgagee received the case number assigned by the Secretary for any unit in the project, or (C) application was made for approval of the project for guarantee, insurance, or direct loan under chapter 37 of title 38.

(June 27, 1934, ch. 847, title II, § 234, as added Pub. L. 87-70, title I, § 104, June 30, 1961, 75 Stat. 160; amended Pub. L. 88-560, title I, § 119(a), Sept. 2, 1964, 78 Stat. 780; Pub. L. 89-117, title II, § 207(f), title XI, § 1108(o), Aug. 10, 1965, 79 Stat. 468, 506; Pub. L. 90-19, § 1(a)(3), (4), May 25, 1967, 81 Stat. 17; Pub. L. 90-301, § 3(e), May 7, 1968, 82 Stat. 114; Pub. L. 90-448, title III, § 303, Aug. 1, 1968, 82 Stat. 507; Pub. L. 91-152, title I, §§ 102(d), 113(h), Dec. 24, 1969, 83 Stat. 380, 384; Pub. L. 93-383, title III, §§ 302(e), 303(g), 304(h), 310(d), Aug. 22, 1974, 88 Stat. 676-678, 683; Pub. L. 94-173, § 3, Dec. 23, 1975, 89 Stat. 1027; Pub. L. 94-375, § 8(a), (b)(7), Aug. 3, 1976, 90 Stat. 1071, 1072; Pub. L. 95-128, title III, §§ 303(e), 304(d), Oct. 12, 1977, 91 Stat. 1132, 1133; Pub. L. 95-557, title III, § 313, Oct. 31, 1978, 92 Stat. 2099; Pub. L. 96-153, title III, §§ 312(c), 314, Dec. 21, 1979, 93 Stat. 1116, 1117; Pub. L. 96-399, title III, §§ 310(g), 318, 333(e), 336(d), Oct. 8, 1980, 94 Stat. 1643, 1646, 1653, 1654; Pub. L. 97-35, title III, §§ 339(a), 339B(a), (d), Aug. 13, 1981, 95 Stat. 416, 417; Pub. L. 97-253, title II, § 201(e), Sept. 8, 1982, 96 Stat. 789; Pub. L. 97-377, title I, § 101(g), Dec. 21, 1982, 96 Stat. 1908; Pub. L. 98-181, title I [title IV, §§ 404(b)(11), 420, 423(b)(4), 431(b)], Nov. 30, 1983, 97 Stat. 1209, 1213, 1217, 1220; Pub. L. 98-479, title I, § 104(a)(2), Oct. 17, 1984, 98 Stat. 2224; Pub. L. 100-242, title IV, §§ 406(b)(17), 422(a), 426(g), (h), Feb. 5, 1988, 101 Stat. 1901, 1914, 1916; Pub. L. 102-550, title V, § 509(g), Oct. 28, 1992, 106 Stat. 3783; Pub. L. 103-211, title I, Feb. 12, 1994, 108 Stat. 12; Pub. L. 103-233, title III, § 306, Apr. 11, 1994, 108 Stat. 373; Pub. L. 105-18, title II, § 10005, June 12, 1997, 111 Stat. 201; Pub. L. 107-73, title II, § 213(g), Nov. 26, 2001, 115 Stat. 677; Pub. L. 107-326, § 5(b)(7), Dec. 4, 2002, 116 Stat. 2796; Pub. L. 108-186, title III, § 302(b), Dec. 16, 2003, 117 Stat. 2692; Pub. L. 110-161, div. K, title II, § 221(1), Dec. 26, 2007, 121 Stat. 2436; Pub. L. 110-289, div. B, title I, § 2117(a), July 30, 2008, 122 Stat. 2832.)

#### Editorial Notes

##### REFERENCES IN TEXT

This chapter, referred to in subsec. (c), was in the original "this Act", meaning act June 27, 1934, ch. 847, 48 Stat. 1246, which is classified principally to this chapter (§1701 et seq.). For complete classification of this Act to the Code, see Tables.

The General Insurance Fund, referred to in subsec. (d)(2), was established by section 1735c of this title.

Section 1720 of this title, referred to in subsec. (e)(3)(B), was repealed by Pub. L. 98-181, title I [title IV, § 483(a)], Nov. 30, 1983, 97 Stat. 1240.

Subsection (h) of section 1710 of this title, referred to in subsec. (g), was redesignated subsec. (i) by Pub. L. 105-276, title VI, § 602(1), Oct. 21, 1998, 112 Stat. 2674.

Subsection (k) of section 1710 of this title, referred to in subsec. (g), was repealed by Pub. L. 105-276, title VI, § 601(c), Oct. 21, 1998, 112 Stat. 2673.

Section 8211 of title 42, referred to in subsec. (j), was omitted from the Code pursuant to section 8229 of Title 42, The Public Health and Welfare, which terminated authority under that section on June 30, 1989.

#### AMENDMENTS

2008—Subsec. (c). Pub. L. 110-289, § 2117(a)(1), in first sentence, struck out "and" before "(2)" and inserted ", and (3) the project has a blanket mortgage insured by the Secretary under subsection (d)" before period at end.

Subsec. (g). Pub. L. 110-289, § 2117(a)(2), struck out "., except that (1) all references in section 1710 of this title to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the General Insurance Fund, (2) all references therein to section 1709 of this title shall be construed to refer to subsection (c) of this section, and (3) the excess remaining, referred to in section 1710(f)(1) of this title, shall be retained by the Secretary and credited to the General Insurance Fund" before period at end.

2007—Subsec. (e)(3)(B). Pub. L. 110-161 substituted "170 percent" for "140 percent" after "not to exceed" in two places and "215 percent in high cost areas" for "170 percent in high cost areas".

2003—Subsec. (e)(3)(B). Pub. L. 108-186 substituted "140 percent in" for "110 percent in" and inserted "., or 170 percent in high cost areas," after "and by not to exceed 140 percent".

2002—Subsec. (e)(3). Pub. L. 107-326 inserted "(A)" after "(3)" and substituted "\$42,048" for "\$38,025", "\$48,481" for "\$42,120", "\$58,469" for "\$50,310", "\$74,840" for "\$62,010", "\$83,375" for "\$70,200", "\$44,250" for "\$43,875", "\$50,724" for "\$49,140", "\$61,680" for "\$60,255", "\$79,793" for "\$75,465", "\$87,588" for "\$85,328", and ".; (B) the Secretary may, by regulation, increase any of the dollar limitations in subparagraph (A) (as such limitations may have been adjusted in accordance with section 1712a of this title)" for ".; except that each of the foregoing dollar amounts is increased to the amount established for a comparable unit in section 1715(d)(3)(ii) of this title; and except that the Secretary may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph".

2001—Subsec. (e)(3). Pub. L. 107-73 substituted "\$38,025", "\$42,120", "\$50,310", "\$62,010", and "\$70,200" for "\$30,420", "\$33,696", "\$40,248", "\$49,608", and "\$56,160", respectively, and "\$43,875", "\$49,140", "\$60,255", "\$75,465", and "\$85,328" for "\$35,100", "\$39,312", "\$48,204", "\$60,372", and "\$68,262", respectively.

1997—Subsec. (c). Pub. L. 105-18 inserted "or pursuant to section 1709(h) of this title under the conditions described in section 1709(h) of this title" after "section 1709(b)(2) of this title".

1994—Subsec. (c). Pub. L. 103-211, effective for 18-month period following Feb. 12, 1994, for eligible persons, inserted "or pursuant to section 1709(h) of this title under the conditions described in section 1709(h) of this title" after "section 1709(b)(2) of this title". See Applicability of 1994 Amendment note below.

Subsec. (e)(3). Pub. L. 103-233 substituted "\$56,160" for "\$59,160".

1992—Subsec. (e)(3). Pub. L. 102-550 substituted "\$30,420", "\$33,696", "\$40,248", "\$49,608", and "\$59,160" for "\$25,350", "\$28,080", "\$33,540", "\$41,340", and "\$46,800", respectively, and "\$35,100", "\$39,312", "\$48,204", "\$60,372", and "\$68,262" for "\$29,250", "\$32,760", "\$40,170", "\$50,310", and "\$56,885", respectively.

1988—Subsec. (c). Pub. L. 100-242, § 406(b)(17), struck out fourth sentence which read as follows: "In determining the amount of a mortgage in the case of a non-occupant mortgagor the reference to paragraph (2) of section 1709(b) of this title in section 1709(b)(8) of this title shall be construed to refer to the preceding sentence in this subsection."

Subsec. (e)(3). Pub. L. 100-242, § 426(g), substituted "\$25,350", "\$28,080", "\$33,540", "\$41,340", and "\$46,800" for "\$19,500", "\$21,600", "\$25,800", "\$31,800", and "\$36,000", respectively, and "\$29,250", "\$32,760", "\$40,170", "\$50,310", and "\$56,885" for "\$22,500", "\$25,200", "\$30,900", "\$38,700", and "\$43,758", respectively.

Pub. L. 100-242, § 422(a), inserted “except that each of the foregoing dollar amounts is increased to the amount established for a comparable unit in section 1715(d)(3)(ii) of this title;” after “design.”

Pub. L. 100-242, § 426(h), substituted “not to exceed 110 percent in any geographical area where the Secretary finds that cost levels so require and by not to exceed 140 percent where the Secretary determines it necessary on a project-by-project basis, but in no case may any such increase exceed 90 percent where the Secretary determines that a mortgage purchased or to be purchased by the Government National Mortgage Association in implementing its special assistance functions under section 1720 of this title (as such section existed immediately before November 30, 1983) is involved” for “not to exceed 75 per centum in any geographical area where he finds that cost levels so require, except that, where the Secretary determines it necessary on a project by project basis, the foregoing dollar amount limitations contained in this paragraph may be exceeded by not to exceed 90 per centum (by not to exceed 140 per centum where the Secretary determines that a mortgage other than one purchased or to be purchased under section 1720 of this title by the Government National Mortgage Association in implementing its special assistance functions is involved) in such an area.”

1984—Subsec. (k)(4). Pub. L. 98-479 added cl. (4).

1983—Subsec. (c). Pub. L. 98-181, § 423(b)(4), purported to amend cl. (A) of third sentence of subsec. (c) by striking out “*Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured”, but this provision had been previously struck out by section 420(b) of Pub. L. 98-181. See second par. below and Effective Date of 1983 Amendment note below.

Pub. L. 98-181, § 420(a), in cl. (2) substituted provision that at least 80 percent of the units in the project covered by mortgages insured under this subchapter be occupied by mortgagors or co-mortgagors for provision that the project be covered by a mortgage insured under any section of this chapter, except section 1715e(a)(1) and (2) of this title, notwithstanding any requirements in such section that the project be constructed or rehabilitated for providing rental housing and providing that a one-family unit in a multifamily project involving eleven or less units, or twelve or more in the case of a multifamily project the construction of which was completed more than a year prior to application for mortgage insurance, be eligible for insurance without having been covered by a project mortgage, and struck out cl. (3), which provided that the mortgagor is acquiring, or has acquired, a family unit covered by a mortgage insured under this subsection for his own use and occupancy and will not own more than four one-family units covered by mortgages insured under this subsection.

Pub. L. 98-181, § 420(b), substituted in third sentence “(A) involve a principal obligation in an amount not to exceed the maximum principal obligation of a mortgage which may be insured in the area pursuant to section 1709(b)(2) of this title” for “(A) involve a principal obligation in an amount not to exceed \$67,500, except that the Secretary may increase such maximum dollar amount on an area-by-area basis to the extent the Secretary deems necessary, after taking into consideration the extent to which moderate and middle income persons have limited housing opportunities in the area due to high prevailing housing sales prices, but in no case may such limit, as so increased, exceed the lesser of 111 per centum of such amount or 95 per centum of the median one-family house price in the area, as determined by the Secretary: *Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured; and not to exceed the sum of (i) 97 per centum (100 per centum if the mortgagor is a veteran as defined under section 1709(b)(2) of this title) of \$25,000 of the appraised value of the prop-

erty as of the date the mortgage is accepted for insurance and (ii) 95 per centum of such value in excess of \$25,000”.

Subsec. (d)(2). Pub. L. 98-181, § 431(b), substituted “may, in the Secretary’s discretion, be regulated or restricted” for “shall be regulated or restricted by the Secretary”, and substituted “any such regulation or restriction” for “the regulation and restriction”.

Subsec. (f). Pub. L. 98-181, § 404(b)(11), substituted provision that the interest rate for the mortgage be such a rate as agreed upon by the mortgagor and mortgagee for provision that the rate of interest, exclusive of premium charges for insurance, not exceed 5 1/4 per centum per annum on the amount of the principal obligation outstanding at any time, or not exceed such per centum per annum not in excess of 6 per centum per annum as the Secretary finds necessary to meet the mortgage market.

Subsec. (k). Pub. L. 98-181, § 420(c), added subsec. (k).

1982—Subsec. (c)(A). Pub. L. 97-253 inserted provision that the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured.

Subsec. (e)(3). Pub. L. 97-377 inserted “(by not to exceed 140 per centum where the Secretary determines that a mortgage other than one purchased or to be purchased under section 1720 of this title by the Government National Mortgage Association in implementing its special assistance functions is involved)” after “90 per centum”.

1981—Subsec. (b). Pub. L. 97-35, § 339(a), inserted reference to projects in which the dwelling units are attached, semi-attached, or detached.

Subsec. (c)(2). Pub. L. 97-35, § 339B(d)(1), reenacted provisions relating to covered projects in material preceding proviso in cl. (2). Section 339B(d)(2) of Pub. L. 97-35 repealed section 318 of the Housing and Community Development Act of 1980, which previously enacted these provisions. See Repeals note set out below.

Subsec. (j). Pub. L. 97-35, § 339B(a), inserted “therein” after “installation” and struck out “therein” after “measure”.

1980—Subsec. (c). Pub. L. 96-399, §§ 318, 333(e), 336(d), inserted provisions relating to projects approved under chapter 37 of title 38, and provisions relating to increases in the maximum dollar amounts on an area-by-area basis, and struck out applicability to determinations of three-quarters of the Secretary’s estimate of the remaining economic life of the building improvements, if so determined as the lesser amount in the computations.

Subsec. (j). Pub. L. 96-399, § 310(g), added subsec. (j).

1979—Subsec. (c). Pub. L. 96-153, § 312(c), substituted “\$67,500” for “\$60,000”.

Subsec. (e)(3). Pub. L. 96-153, § 314, substituted “75 per centum” for “50 per centum” and inserted exception that the dollar amount limitations may be exceeded not to exceed 90 per centum where the Secretary determines it to be necessary.

1978—Subsec. (c). Pub. L. 95-557 inserted “or twelve or more units in the case of a multifamily project the construction of which was completed more than a year prior to the application for mortgage insurance” after “less units” in cl. (2) and “(100 per centum if the mortgagor is a veteran as defined under section 1709(b)(2) of this title)” after “97 per centum” in cl. (A)(i).

1977—Subsec. (c). Pub. L. 95-128 substituted in cl. (A) “\$60,000” for “\$45,000” and “and (ii) 95 per centum of such value in excess of \$25,000,” for “(ii) 90 per centum of such value in excess of \$25,000 but not in excess of \$35,000, (iii) 80 per centum of such value in excess of \$35,000”.

1976—Subsec. (e)(3). Pub. L. 94-375 substituted “50 per centum in any geographical area” for “75 per centum in any geographical area”, “\$19,500” for “\$13,000”, “\$21,600” for “\$18,000”, “\$25,800” for “\$21,500”, “\$31,800” for “\$26,500”, “\$36,000” for “\$30,000”, “\$22,500” for “\$15,000”, “\$25,200” for “\$21,000”, “\$30,900” for “\$25,750”, “\$38,700” for “\$32,250”, and “\$43,758” for “\$36,465”.

1975—Subsec. (e)(3). Pub. L. 94-173 raised from 45 per centum to 75 per centum the amount by which any dollar limitation may, by regulation, be increased.

1974—Subsec. (c). Pub. L. 93-383, §§302(e), 310(d), substituted “\$45,000” for “\$33,000” in cl. (A), “\$25,000” for “\$15,000” in cl. (A)(i), “\$25,000” for “\$15,000” and “\$35,000” for “\$25,000” in cl. (A)(ii), and “\$35,000” for “\$25,000” and “80” for “75” in cl. (A)(iii).

Subsec. (e)(1). Pub. L. 93-383, §304(h), struck out par. (1) which set forth limitations on principal obligations of mortgages.

Subsec. (e)(3). Pub. L. 93-383, §303(g), substituted “\$13,000” for “\$9,900”, “\$15,000” for “\$11,550”, “\$18,000” for “\$13,750”, “\$21,000” for “\$16,500”, “\$21,500” for “\$16,500”, “\$25,750” for “\$19,800”, “\$26,500” for “\$20,350”, “\$30,000” for “\$23,100”, “\$32,250” for “\$25,750”, and “\$36,465” for “\$28,050”.

1969—Subsec. (c). Pub. L. 91-152, §§102(d), 113(h)(1), substituted “\$25,000” for “\$20,000” wherever appearing, and “\$33,000” for “\$30,000”.

Subsec. (e)(3). Pub. L. 91-152, §113(h)(2), (3), substituted “\$9,900” for “\$9,000”, “\$11,550” for “\$10,500”, “\$13,750” for “\$12,500”, “\$16,500” for “\$15,000” wherever appearing, “\$19,800” for “\$18,000”, “\$20,350” for “\$18,500”, “\$23,100” for “\$21,000”, “\$24,750” for “\$22,500”, and “\$28,050” for “\$25,500”.

1968—Subsec. (c). Pub. L. 90-448, §303(a), (b), made one-family units in multifamily projects involving eleven or less units eligible for insurance without having been covered by a project mortgage, and increased the maximum mortgage limits from 75 to 80 per centum of the appraised value of the property in excess of \$20,000.

Subsec. (f). Pub. L. 90-448, §303(c), permitted blanket mortgages to cover four or more family units instead of five or more family units.

Pub. L. 90-301 limited the interest rate on mortgages to such per centum per annum not in excess of 6 per centum as the Secretary finds necessary to meet the mortgage market.

1967—Pub. L. 90-19, §1(a)(3), substituted “Secretary” for “Commissioner” wherever appearing in subsecs. (b) to (d), (d)(1), (2), (e)(2), (3), (f), and (g).

Subsec. (c). Pub. L. 90-19, §1(a)(4), substituted “Secretary” for “Commissioner”.

1965—Subsec. (d)(2). Pub. L. 89-117, §1108(o)(1), substituted “General Insurance Fund” for “Apartment Unit Insurance Fund”.

Subsec. (e)(3). Pub. L. 89-117, §207(f), substituted “\$18,500 per family unit with three bedrooms, and \$21,000 per family unit with four or more bedrooms” for “and \$18,500 per family unit with three or more bedrooms” and “\$22,500 per family unit with three bedrooms, and \$25,500 per family unit with four or more bedrooms” for “and \$22,500 per family unit with three or more bedrooms”.

Subsec. (g). Pub. L. 89-117, §1108(o)(1), (2), substituted “General Insurance Fund” for “Apartment Unit Insurance Fund”.

Subsec. (h). Pub. L. 89-117, §1108(o)(2), struck out reference to subsec. (m) and (p) of section 1713 of this title and provision that references therein to the Housing Insurance Fund or Housing Fund shall be construed to refer to the Apartment Unit Insurance Fund.

Subsecs. (i), (j). Pub. L. 89-117, §1108(o)(3), redesignated subsec. (j) as (i) and repealed former subsec. (i), which created the Apartment Unit Insurance Fund, authorized transfer of funds thereto, and provided for the charging of expenses thereto.

1964—Pub. L. 88-560, §119(a)(1), substituted “Mortgage insurance for condominiums” for “Mortgage insurance for individually owned units in multifamily structures” in section catchline.

Subsec. (a). Pub. L. 88-560, §119(a)(2), substituted “project” for “structure”.

Subsec. (b). Pub. L. 88-560, §119(a)(2), (3), substituted “project” for “structure” in two places and “the term ‘mortgage’ for the purposes of subsection (c)” for “the term ‘mortgage’ for the purposes of this section”, respectively.

Subsec. (c). Pub. L. 88-560, §119(a)(2), (4) to (6), amended provisions as follows.

Section 119(a)(2) substituted “project” for “structure”, wherever appearing, and “projects” for “structures” in last sentence;

Section 119(a)(4) substituted “this subsection” for “this section”, wherever appearing, and “under any section” for “under another section” in first sentence;

Section 119(a)(5) substituted “section 1715e(a)(1) and (2)” for “section 1715e”, in two places; and

Section 119(a)(6) substituted in third sentence: in cl. (A), “amount not to exceed \$30,000” for “amount not to exceed the limits per room and per family dwelling unit provided by section 1713(c)(3) of this title”; in cl. (A)(i), “\$15,000” for “\$13,500”; in cl. (A)(ii), “\$15,000” and “\$20,000” for “\$13,500” and “\$18,000”, respectively; in cl. (A)(iii), “75 per centum” and “\$20,000” for “70 per centum” and “\$18,000”, respectively; and in cl. (B), “thirty-five” for “thirty” years.

Subsecs. (d) to (f). Pub. L. 88-560, §119(a)(7), added subsecs. (d) to (f). Former subsecs. (d) to (f) renumbered subsecs. (g), (i), (j).

Subsec. (g). Pub. L. 88-560, §119(a)(7), (8), redesignated former subsec. (d) as (g) and substituted “subsection (c) of this section” for “this section” in three places, respectively.

Subsec. (h). Pub. L. 88-560, §119(a)(9), added subsec. (h).

Subsec. (i). Pub. L. 88-560, §119(a)(7), redesignated former subsec. (e) as (i).

Subsec. (j). Pub. L. 88-560, §119(a)(7), (10), redesignates former subsec. (f) as (j), struck out reference to section 1715t of this title, and substituted “subsection (c) of this section” for “this section”.

#### Statutory Notes and Related Subsidiaries

##### APPLICABILITY OF 1994 AMENDMENT

Eligibility for loans made under authority granted by amendment by Pub. L. 103-211 limited to persons whose principal residence was damaged or destroyed as a result of the January 1994 earthquake in Southern California, with such amendment effective only for 18-month period following Feb. 12, 1994, see provision of title I of Pub. L. 103-211, set out as a note under section 1709 of this title.

##### EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by section 406(b)(17) of Pub. L. 100-242 applicable only with respect to mortgages insured pursuant to conditional commitment issued on or after Feb. 5, 1988, or in accordance with direct endorsement program (24 CFR 200.163), if approved underwriter of mortgagor signs appraisal report for property on or after Feb. 5, 1988, see section 406(d) of Pub. L. 100-242, set out as a note under section 1709 of this title.

##### EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by section 431(b) of Pub. L. 98-181 not to apply with respect to mortgages insured by the Secretary of Housing and Urban Development before Nov. 30, 1983, see section 431(c) of Pub. L. 98-181, set out as a note under section 1713 of this title.

For effective date of amendment by section 423(b)(4) of Pub. L. 98-181, see section 423(c) of Pub. L. 98-181, set out as a note under section 1709 of this title.

##### EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-35 effective Oct. 1, 1981, see section 371 of Pub. L. 97-35, set out as an Effective Date note under section 3701 of this title.

##### REPEALS

The directory language of, but not the amendment made by, Pub. L. 90-301, §3(e), May 7, 1968, 82 Stat. 114, cited as a credit to this section, was repealed by Pub. L. 98-181, title I [title IV, §404(a)], Nov. 30, 1983, 97 Stat. 1208.

Section 318 of Pub. L. 96-399, cited as a credit to this section, was repealed by Pub. L. 97-35, title III, §339B(d)(2), Aug. 13, 1981, 95 Stat. 417. See 1981 Amendments note for subsec. (c)(2) set out above.

##### IMPLEMENTATION OF 1982 AMENDMENT

Amendment by Pub. L. 97-253 to be implemented only if Secretary determines that program of advance pay-

ment of insurance premiums, considering effect of said amendment, is actuarially sound, see section 201(g) of Pub. L. 97-253, set out as a note under section 1709 of this title.

**§ 1715z. Homeownership or membership in cooperative association for lower income families**

**(a) Authorization for periodic assistance payments to mortgagees; assistance to manufactured home buyers**

(1) For the purpose of assisting lower income families in acquiring homeownership or in acquiring membership in a cooperative association operating a housing project, the Secretary is authorized to make, and to contract to make, periodic assistance payments on behalf of such homeowners and cooperative members. The assistance shall be accomplished through payments to mortgagees holding mortgages meeting the special requirements specified in this section or which mortgages are assisted under a State or local program providing assistance through loans, loan insurance or tax abatement. In making such assistance available, the Secretary shall give preference to low-income families who, without such assistance, would be likely to be involuntarily displaced (including those who would be likely to be displaced from rental units which are to be converted into a condominium project or a cooperative project). Such assistance may include the acquisition of a condominium or a membership in a cooperative association.

(2)(A) Notwithstanding any other provision of this section, the Secretary is authorized to make periodic assistance payments under this section on behalf of families whose incomes do not exceed the maximum income limits prescribed pursuant to subsection (h)(2) of this section for the purpose of assisting such families in acquiring ownership of a manufactured home consisting of two or more modules and a lot on which such manufactured home is or will be situated, except that periodic assistance payments pursuant to this paragraph shall not be made with respect to more than 20 per centum of the total number of units with respect to which assistance is approved under this section after January 1, 1976. Assistance payments under this section pursuant to this paragraph shall be accomplished through payments on behalf of an owner of lower-income of a manufactured home as described in the preceding sentence to the financial institution which makes the loan, advance of credit, or purchase of an obligation representing the loan or advance of credit to finance the purchase of the manufactured home and the lot on which such manufactured home is or will be situated, but only if insurance under section 1703 of this title covering such loan, advance of credit, or obligation has been granted to such institution.

(B) Notwithstanding the provisions of subsection (c) of this section, assistance payments provided pursuant to this paragraph shall be in an amount not exceeding the lesser of—

(i) the balance of the monthly payment for principal, interest, real and personal property taxes, insurance, and insurance premium chargeable under section 1703 of this title due under the loan or advance of credit remaining

unpaid after applying 20 per centum of the manufactured homeowner's income; or

(ii) the difference between the amount of the monthly payment for principal, interest, and insurance premium chargeable under section 1703 of this title which the manufactured homeowner is obligated to pay under the loan or advance of credit and the monthly payment of principal and interest which the owner would be obligated to pay if the loan or advance of credit were to bear interest at a rate derived by subtracting from the interest rate applicable to such loan or advance of credit the interest rate differential between the maximum interest rate plus mortgage insurance premium applicable to mortgages insured under subsection (i) of this section at the time such loan or advance of credit is made and the interest rate which such mortgages are presumed, under regulations prescribed by the Secretary, to bear for purposes of subsection (c)(2) of this section.

**(b) Qualifications and eligibility requirements for assistance payments**

To qualify for assistance payments, the homeowner or the cooperative member shall be of lower income and satisfy eligibility requirements prescribed by the Secretary, and—

(1) the homeowner shall be a mortgagor under a mortgage which meets the requirements of and is insured under subsection (i) or (j)(4) of this section: *Provided*, That a mortgage meeting the requirements of subsection (i)(3)(A) of this section but insured under section 1715z-2 of this title may qualify for assistance payments if such mortgage was executed by a mortgagor who is determined not to be an acceptable credit risk for mortgage insurance purposes (but otherwise eligible) under subsection (j)(4) of this section or under section 1715(d)(2) or 1715y(c) of this title and accepted as a reasonably satisfactory credit risk under section 1715z-2<sup>1</sup> of this title; or

(2) the cooperative association of which the family is a member shall operate (A) a housing project the construction or substantial rehabilitation of which has been financed with a mortgage insured under section 1715e or section 1715l(d)(3) of this title and which has been completed within two years prior to the filing of the application for assistance payments and the dwelling unit has had no previous occupant other than the family: *Provided*, That if any cooperative member who has received assistance payments transfers his membership and occupancy rights to another person who satisfies the eligibility requirements prescribed by the Secretary and undertakes the obligation to pay occupancy charges, the new cooperative member may qualify for assistance payments upon the filing of an application with respect to the dwelling unit involved to be occupied by him: *Provided further*, That assistance payments may be made with respect to a dwelling unit in an existing cooperative project which meets such standards as the Secretary may prescribe, if the family qualifies as a displaced family as defined in

<sup>1</sup> See References in Text note below.