

General may recover double the value of the assets and income of the property that the court determines to have been used in violation of the regulatory agreement, or such other form of regulatory control as may be imposed by the Secretary, or any applicable regulation, plus all costs relating to the action, including but not limited to reasonable attorney and auditing fees. Notwithstanding any other provision of law, the Secretary may apply the recovery, or any portion of the recovery, to the property or to the applicable insurance fund under the National Housing Act [12 U.S.C. 1701 et seq.] or, in the case of any project for which the mortgage is held by the Secretary under section 1701q of this title (including property subject to section 1701q of this title as it existed before November 28, 1990), to the project or to the Department for use by the appropriate office within the Department for administrative costs related to enforcement of the requirements of the various programs administered by the Secretary, as appropriate.

**(d) Time limitation**

Notwithstanding any other statute of limitations, the Secretary may request the Attorney General to bring an action under this section at any time up to and including 6 years after the latest date that the Secretary discovers any use of a property's assets and income in violation of the regulatory agreement, or such other form of regulatory control as may be imposed by the Secretary, or any applicable regulation.

**(e) Continued availability of other remedies**

The remedy provided by this section is in addition to any other remedies available to the Secretary or the United States.

(Pub. L. 100-242, title IV, § 421, Feb. 5, 1988, 101 Stat. 1913; Pub. L. 105-65, title V, § 563, Oct. 27, 1997, 111 Stat. 1419; Pub. L. 108-447, div. I, title II, § 220, Dec. 8, 2004, 118 Stat. 3319; Pub. L. 109-115, div. A, title III, § 324, Nov. 30, 2005, 119 Stat. 2466.)

**Editorial Notes**

REFERENCES IN TEXT

The National Housing Act, referred to in subsecs. (a) and (c), is act June 27, 1934, ch. 847, 48 Stat. 1246, which is classified principally to this chapter (§1701 et seq.). Title II of the National Housing Act is classified generally to this subchapter (§1707 et seq.). For complete classification of this Act to the Code, see section 1701 of this title and Tables.

CODIFICATION

Section was enacted as part of the Housing and Community Development Act of 1987, and not as part of the National Housing Act which comprises this chapter.

AMENDMENTS

2005—Subsec. (a)(1)(A). Pub. L. 109-115, §324(1), inserted “or, at the time of the violations, was” after “is”.

Subsec. (a)(1)(C). Pub. L. 109-115, §324(2), inserted “or, at the time of the violations, was insured or held” after “held”.

2004—Subsec. (a)(1). Pub. L. 108-447, §220(3), substituted “property” for “project” in second sentence.

Subsec. (a)(1)(A). Pub. L. 108-447, §220(1), inserted “, nursing home, intermediate care facility, board and care home, assisted living facility, or hospital” after “project”.

Subsec. (a)(1)(B). Pub. L. 108-447, §220(2), inserted “or, at the time of the violations, was” after “whose mortgage is”.

Subsec. (a)(2). Pub. L. 108-447, §220(4), substituted “that owns or operates a property, as identified in the regulatory agreement, including but not limited to—” and subpars. (A) to (G) for “which owns a project, as identified in the regulatory agreement, including but not limited to any stockholder holding 25 percent or more interest of a corporation that owns the project; any beneficial owner under any business or trust; any officer, director, or partner of an entity owning the project; and any heir, assignee, successor in interest, or agent of any owner.”

Subsec. (c). Pub. L. 108-447, §220(5), substituted “property that the court determines” for “project that the court determines” and “property or to the applicable insurance fund” for “project or to the applicable insurance fund”.

Subsec. (d). Pub. L. 108-447, §220(6), substituted “a property’s” for “project”.

1997—Subsec. (a)(1). Pub. L. 105-65, §563(1), substituted “(B) a regulatory agreement that applies to a multifamily project whose mortgage is insured or held by the Secretary under section 1701q of this title (including property subject to section 1701q of this title as it existed before November 28, 1990); (C) a regulatory agreement or such other form of regulatory control as may be imposed by the Secretary that applies to mortgages insured or held by the Secretary under section 542 of the Housing and Community Development Act of 1992, but not reinsured under section 542 of the Housing and Community Development Act of 1992; or (D)” for “or (B)” in first sentence and inserted “, or such other form of regulatory control as may be imposed by the Secretary,” after “regulatory agreement” in second sentence.

Subsec. (a)(2). Pub. L. 105-65, §563(2), inserted “under section 1701q of this title (including section 1701q of this title as it existed before November 28, 1990) and under section 542 of the Housing and Community Development Act of 1992,” after “title II of National Housing Act,”.

Subsec. (b). Pub. L. 105-65, §563(3), inserted “, or such other form of regulatory control as may be imposed by the Secretary,” after “regulatory agreement”.

Subsec. (c). Pub. L. 105-65, §563(4), in first sentence, inserted “, or such other form of regulatory control as may be imposed by the Secretary,” after “regulatory agreement” and inserted before period at end of second sentence “or, in the case of any project for which the mortgage is held by the Secretary under section 1701q of this title (including property subject to section 1701q of this title as it existed before November 28, 1990), to the project or to the Department for use by the appropriate office within the Department for administrative costs related to enforcement of the requirements of the various programs administered by the Secretary, as appropriate”.

Subsec. (d). Pub. L. 105-65, §563(5), inserted “, or such other form of regulatory control as may be imposed by the Secretary,” after “regulatory agreement”.

**§ 1715z-5. Purchase of fee simple title from lessors**

**(a) Authorization to insure loans for purpose of financing purchases**

The Secretary is authorized, upon such terms and conditions as he may prescribe, to make commitments to insure and to insure loans made by financial institutions for the purpose of financing purchases by homeowners of the fee simple title to property on which their homes are located.

**(b) Definitions**

As used in this section—

(1) the term “financial institution” means a lender approved by the Secretary as eligible

for insurance under section 1703 of this title or a mortgagee approved under section 1709(b)(1) of this title; and

(2) the term “homeowner” means a lessee under a long-term ground lease.

**(c) Eligibility for insurance**

To be eligible for insurance under this section, a loan shall—

(1) relate to property on which there is located a dwelling designed principally for a one-, two-, three-, or four-family residence;

(2) not exceed the cost of purchasing the fee simple title, or \$10,000 (\$30,000, if the property is located in Hawaii) per family unit, whichever is the lesser;

(3) be limited to an amount which when added to any outstanding indebtedness related to the property (as determined by the Secretary) creates a total outstanding indebtedness which does not exceed the applicable mortgage limit prescribed in section 1709(b) of this title;

(4) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee;

(5) have a maturity satisfactory to the Secretary, but not to exceed twenty years from the beginning of amortization of the loan; and

(6) comply with such other terms, conditions, and restrictions as the Secretary may prescribe.

**(d) Applicability of other provisions of law**

The provisions of paragraphs (3), (5), (6), (7), (8), and (10) of section 1715k(h) of this title shall be applicable to loans insured under this section and, as applied to loans insured under this section, references in those paragraphs to “home improvement loans” and “this subsection” shall be construed to refer to loans under this section.

(June 27, 1934, ch. 847, title II, §240, as added Pub. L. 90-448, title III, §304(a), Aug. 1, 1968, 82 Stat. 507; amended Pub. L. 95-557, title III, §314, Oct. 31, 1978, 92 Stat. 2099; Pub. L. 96-399, title III, §333(f), Oct. 8, 1980, 94 Stat. 1653; Pub. L. 98-181, title I [title IV, §404(b)(13)], Nov. 30, 1983, 97 Stat. 1210; Pub. L. 98-479, title II, §204(a)(10), Oct. 17, 1984, 98 Stat. 2232.)

**Editorial Notes**

AMENDMENTS

1984—Subsec. (a). Pub. L. 98-479 substituted “purchases” for “purchasers”.

1983—Subsec. (c)(4). Pub. L. 98-181 substituted provision that the interest rate be such rate as agreed upon by the mortgagor and the mortgagee for provision that the interest rate not exceed such per centum per annum, not in excess of 6 per centum, on the amount of the principal obligation outstanding at any time, as the Secretary finds necessary to meet market conditions, and such other charges as approved by the Secretary.

1980—Subsec. (c)(5). Pub. L. 96-399 struck out “or three-quarters of the remaining economic life of the home, whichever is the lesser” after “loan”.

1978—Subsec. (c)(2). Pub. L. 95-557 inserted “(\$30,000, if the property is located in Hawaii)” after “\$10,000”.

**§ 1715z-6. Supplemental loans for multifamily projects**

**(a) Authorization to insure; “supplemental loan” defined**

With respect to a multifamily project, hospital, or group practice facility covered by a mortgage insured under any section or subchapter of this chapter or covered by a mortgage held by the Secretary, the Secretary is authorized, upon such terms and conditions as he may prescribe, to make commitments to insure, and to insure, supplemental loans (including advances during construction or improvement) made by financial institutions approved by the Secretary. As used in this section, “supplemental loan” means a loan, advance of credit, or purchase of an obligation representing a loan or advance of credit made for the purpose of financing improvements or additions to such project, hospital, or facility: *Provided*, That a loan involving a nursing home, hospital, or a group practice facility may also be made for the purpose of financing equipment to be used in the operation of such nursing home, hospital, or facility.

**(b) Eligibility for insurance**

To be eligible for insurance under this section, a supplemental loan shall—

(1) be limited to 90 per centum of the amount which the Secretary estimates will be the value of such improvements, additions, and equipment, except that such amount when added to the outstanding balance of the mortgage covering the project or facility, shall not exceed the maximum mortgage amount insurable under the section or subchapter pursuant to which the mortgage covering such project or facility is insured or an amount acceptable to the Secretary;

(2) have a maturity satisfactory to the Secretary;

(3) bear interest at such rate as may be agreed upon by the borrower and the financial institution;

(4) be secured in such manner as the Secretary may require;

(5) be governed by the labor standards provisions of section 1715c of this title that are applicable to the section or subchapter pursuant to which the mortgage covering the project or facility is insured or pursuant to which the original mortgage covering the project or facility was insured; and

(6) contain such other terms, conditions, and restrictions as the Secretary may prescribe.

**(c) Applicability of other provisions of law**

The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), and (n) of section 1713 of this title shall be applicable to loans insured under this section, except that (1) all references to the term “mortgage” shall be construed to refer to the term “loan” as used in this section, (2) loans involving projects covered by a mortgage insured under section 1715e of this title that is the obligation of the Cooperative Management Housing Insurance Fund shall be insured under and shall be the obligation of such fund, and (3) loans involving projects covered by a mortgage insured under section 1715z-1 of this title shall