

PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 5072) TO IMPROVE  
THE FINANCIAL SAFETY AND SOUNDNESS OF THE FHA MORTGAGE IN-  
SURANCE PROGRAM, AND PROVIDING FOR CONSIDERATION OF MO-  
TIONS TO SUSPEND THE RULES

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JUNE 8, 2010.—Referred to the House Calendar and ordered to be printed

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Mr. PERLMUTTER, from the Committee on Rules,  
submitted the following

R E P O R T

[To accompany H. Res. 1424]

The Committee on Rules, having had under consideration House Resolution 1424, by a nonrecord vote, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for consideration of H.R. 5072, the “FHA Reform Act of 2010,” under a structured rule. The resolution waives all points of order against consideration of the bill except those arising under clause 9 or 10 of rule XXI. The resolution provides one hour of general debate equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services. The resolution provides that the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill shall be considered as an original bill for the purpose of amendment and shall be considered as read. The rule waives all points of order against the amendment in the nature of a substitute except for clause 10 of rule XXI. This waiver does not affect the point of order available under clause 9 of rule XXI (regarding earmark disclosure). The rule further makes in order only those amendments printed in this report. The amendments made in order may be offered only in the order printed in this report, may be offered only by a Member designated in this report, shall be considered as read, shall be debatable for the time specified in this report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question. All points of order against the amendments except for clauses 9 and 10 of rule XXI are waived. The rule provides one motion to recommit with or without instructions. The resolution provides that the

Chair may entertain a motion that the Committee rise only if offered by the chair of the Committee on Financial Services or a designee. The resolution provides that the Chair may not entertain a motion to strike out the enacting words of the bill. The resolution authorizes the Speaker to entertain motions that the House suspend the rules at any time through the legislative day of June 11, 2010. The Speaker or her designee shall consult with the Minority Leader or his designee on the designation of any matter for consideration pursuant to this resolution.

#### EXPLANATION OF WAIVERS

Although the resolution waives all points of order against consideration of the bill (except for clauses 9 and 10 of rule XXI) and all points of order against the amendment in the nature of a substitute (except for clause 10 of rule XXI), the Committee is not aware of any points of order. The waivers of all points of order are prophylactic.

#### COMMITTEE VOTES

The results of each record vote on an amendment or motion to report, together with the names of those voting for and against, are printed below:

##### *Rules Committee record vote No. 440*

Date: June 8, 2010.

Measure: H.R. 5072.

Motion by: Mr. Dreier.

Summary of motion: To report an open rule.

Results: Defeated 3–8.

Vote by Members: McGovern—Nay; Matsui—Nay; Cardoza—Nay; Arcuri—Nay; Perlmutter—Nay; Pingree—Nay; Polis—Nay; Dreier—Yea; Diaz-Balart, L.—Yea; Sessions—Yea; Slaughter—Nay.

##### *Rules Committee record vote No. 441*

Date: June 8, 2010.

Measure: H.R. 5072.

Motion by: Mr. Lincoln Diaz-Balart of Florida.

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Garrett (NJ), #4, which would require FHA-approved private lenders to retain 5% of the risk of the loans they write by allowing FHA to insure only 95% of each loan.

Results: Defeated 3–8.

Vote by Members: McGovern—Nay; Matsui—Nay; Cardoza—Nay; Arcuri—Nay; Perlmutter—Nay; Pingree—Nay; Polis—Nay; Dreier—Yea; Diaz-Balart, L.—Yea; Sessions—Yea; Slaughter—Nay.

##### *Rules Committee record vote No. 442*

Date: June 8, 2010.

Measure: H.R. 5072.

Motion by: Mr. Sessions.

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Roskam (IL), #14, which would

set a compensation limit at the level of the Chairman of the Joint Chiefs of Staff of the Armed Forces for executives at Fannie Mae and Freddie Mac while either is in conservatorship or receivership.

Results: Defeated 3–9.

Vote by Members: McGovern—Nay; Hastings (FL)—Nay; Matsui—Nay; Cardoza—Nay; Arcuri—Nay; Perlmutter—Nay; Pingree—Nay; Polis—Nay; Dreier—Yea; Diaz-Balart, L.—Yea; Sessions—Yea; Slaughter—Nay.

*Rules Committee record vote No. 443*

Date: June 8, 2010.

Measure: H.R. 5072.

Motion by: Mr. Sessions.

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Garrett (NJ), #2, which would prohibit the Up-Front Premium from being financed into the loan amount.

Results: Defeated 3–9.

Vote by Members: McGovern—Nay; Hastings (FL)—Nay; Matsui—Nay; Cardoza—Nay; Arcuri—Nay; Perlmutter—Nay; Pingree—Nay; Polis—Nay; Dreier—Yea; Diaz-Balart, L.—Yea; Sessions—Yea; Slaughter—Nay.

SUMMARY OF AMENDMENTS MADE IN ORDER

1. Waters (CA): Would (1) provide for various technical corrections, (2) make modifications to the GAO report in section 15 of the bill, (3) provide that the Secretary may increase loan limits for micropolitan counties surrounded by higher cost areas and experiencing significant growth, and (4) address documentation standards for FHA loans. (10 minutes)

2. Cardoza (CA): Would prioritize foreclosure counseling services to areas of the country that have been the hardest-hit by the housing crisis. (10 minutes)

3. Cao (LA): Would include information about credit risk and financial counseling services to mortgagors in addition to the housing and loan modification information currently included in the bill. (10 minutes)

4. Bean (IL): Would require HUD to submit an annual report to Congress discussing proposed or actual increases in the minimum cash investment requirements (downpayment requirements) in the FHA program. It would further give HUD the authority to establish higher minimum cash investment requirements for all or class(es) of borrowers and requires HUD to take into consideration the findings of the annual report. (10 minutes)

5. Garrett (NJ): Would raise the FHA down payment requirement from 3.5% to 5% and prohibit closing costs from being rolled in as well. (10 minutes)

6. Tierney (MA): Would (1) direct the Secretary of the Department of Housing and Urban Development to provide mortgage insurance premium refunds to eligible borrowers of FHA insured loans, which were closed prior to December 8, 2004, but which were not endorsed until December 8, 2004 or after that date, and; (2) authorize such sums as may be necessary for such refunds. (10 minutes)

7. Price, Tom (GA): Would cap the number of mortgages the FHA can issue to 10% of total loans originated in the U.S. each year. Within 90 days of enactment, FHA must submit a plan to Congress to roll back FHA market share to 10% of loans originated each year by 2012. (10 minutes)

8. Weiner (NY), Miller, Gary (CA): Would increase loan limits for the construction or rehabilitation of multifamily housing with elevators including rentals, cooperatives, condominiums to ensure that they represent today's construction costs. Would create an "extremely high cost area" category for FHA Multifamily Insurance for those areas, similar to those in Alaska, Guam, Hawaii, and the Virgin Islands. (10 minutes)

9. Turner (OH): Would repeal the emergency authority that allows the FHA to insure loans up to \$720,000 in certain high cost areas. The amendment would create a maximum loan limit of \$500,000 for a single family unit and a percentage of the same ratio for 2-, 3- or 4-family residences. (10 minutes)

10. Clarke (NY), Cuellar (TX): Would direct the GAO to include in its FHA report an analysis on the effectiveness of HUD's loss mitigation home retention options in assisting individuals, particularly low income borrowers, in avoiding home foreclosure for mortgages. (10 minutes)

11. Nye (VA): Would instruct the Federal Housing Administration to continue the Special Forbearance program, as it relates to Chinese Drywall, until the end of FY 2011. (10 minutes)

12. Edwards, Chet (TX): Would require individuals to certify that they have not been convicted of a sex offense against a minor in order to get an FHA mortgage. (10 minutes)

13. Adler (NJ): Would state that no funds authorized under the act may be used to pay the salary of an employee who has been officially disciplined for viewing, downloading, or exchanging pornography (including child pornography) on a Federal Government computer or while performing official Federal Government duties. (10 minutes)

#### TEXT OF AMENDMENTS TO BE MADE IN ORDER

##### 1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE WATERS OF CALIFORNIA, OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 9, line 19, after "single family" insert "residences".

Page 18, line 24, strike "12-month" and insert "18-month".

Page 14, after line 16, insert the following new section:

##### **SEC. 13. AUTHORIZATION TO PARTICIPATE IN THE ORIGINATION OF FHA-INSURED LOANS.**

(a) SINGLE FAMILY MORTGAGES.—Section 203(b) of the National Housing Act (12 U.S.C. 1709(b)) is amended by striking paragraph (1) and inserting the following new paragraph:

"(1) Have been made to a mortgagee approved by the Secretary or to a person or entity authorized by the Secretary under section 202(d)(1) to participate in the origination of the mortgage, and be held by a mortgagee approved by the Secretary as responsible and able to service the mortgage properly."

(b) HOME EQUITY CONVERSION MORTGAGES.—Section 255(d) of the National Housing Act (12 U.S.C. 1715z–20(d)) is amended by striking paragraph (1) and inserting the following new paragraph:

“(1) have been originated by a mortgagee approved by, or by a person or entity authorized under section 202(d)(1) to participate in the origination by, the Secretary;”.

Page 14, line 17, strike “13” and insert “14”.

Page 15, line 14, strike “14” and insert “15”.

Strike line 23 on page 18 and all that follows through page 22, line 20, and insert the following:

**SEC. 16. GAO REPORT ON FHA.**

Not later than the expiration of the 12-month period beginning on the date of the enactment of this Act, the Comptroller General of the United States shall submit to the Congress a report on the single family mortgage insurance programs of the Secretary of Housing and Urban Development and the Mutual Mortgage Insurance Fund established under section 202(a) of the National Housing Act (12 U.S.C. 1708(a)) that—

(1) analyzes such Fund, the economic net worth, capital ratio, and unamortized insurance-in-force (as such terms are defined in section 205(f)(4) of such Act (12 U.S.C. 1711(f)(4))) of such Fund, the risks to the Fund, how the capital ratio of the Fund affects the mortgage insurance programs under the Fund and the broader housing market, the extent to which the housing markets are more dependent on mortgage insurance provided through the Fund since the financial crisis began in 2008, and the exposure of the taxpayers for obligations of the Fund;

(2) analyzes the methodology for determining the Fund’s capital ratio under section 205(f) of such Act and examines alternative methods for assessing the Fund’s financial condition and their potential impacts on the Fund’s ability to meet the operational goals under section 202(a)(7) of such Act;

(3) analyzes the potential effects of the increases in the limits on the maximum principal obligation of mortgages made by the FHA Modernization Act of 2008 (title I of division B of Public Law 110–289), section 202 of the Economic Stimulus Act of 2008 (Public Law 110–185; 122 Stat. 620), section 1202 of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5; 123 Stat. 225), and section 166 of the Continuing Appropriations Resolution, 2010 (as added by section 104 of division B of Public Law 111–88; 123 Stat. 29723) on—

(A) the risks to and safety and soundness of the Fund;

(B) the impact on the affordability and availability of mortgage credit for borrowers for loans authorized under such higher loan limits;

(C) the private market for residential mortgage loans that are not insured by the Secretary of Housing and Urban Development; and

(D) the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation; and

(4) analyzes the impact on affordability to FHA borrowers, and the impact to the Fund, of seller concessions or contribu-

tions to a borrower purchasing a residence using a mortgage that is insured by the Secretary.

At the end of the bill, add the following new sections:

**SEC. 17. INCREASED LOAN LIMITS FOR DESIGNATED COUNTIES.**

(a) **AUTHORITY.**—Notwithstanding any other provision of law, the Secretary of Housing and Urban Development (in this section referred to as the “Secretary”) may increase the dollar amount limitations on the principal obligation of mortgages otherwise determined under section 203(b)(2) of the National Housing Act for any county that is designated under this section.

(b) **PROCEDURE.**—

(1) **FEDERAL REGISTER NOTICE.**—Any designation of a county under this section shall be made only pursuant to application by the county for such designation, in accordance with procedures that the Secretary may establish. The Secretary may establish such procedures only by publication in the Federal Register not later than 60 days after the date of the enactment of this Act.

(2) **FINAL DETERMINATION.**—If the Secretary establishes procedures for applications under paragraph (1) and receives a completed application for designation under this section of a county in accordance with such procedures, the Secretary shall issue a final determination regarding such application for designation, based on the criteria under subsection (c), not later than 60 days after such receipt.

(c) **DETERMINATION CRITERIA.**—The Secretary may designate an applicant county under this section only if the county is located within a micropolitan area (as such term is defined by the Director of the Office of Management and Budget) and meets the following criteria:

(1) More than 70 percent of the border of the applicant county abuts two or more metropolitan statistical areas (as such term is defined by the Director of the Office of Management and Budget) for which each dollar amount limitation on the principal obligation of a mortgage that may be insured under section 203 of the National Housing Act, in effect at the time of such determination, is at least 40 percent greater than the dollar amount limitation for the same size residence for the applicant county. For purposes of such calculation, the dollar amount limitations of such abutting counties shall not include any increase attributable to the authority under this section.

(2) The applicant county has experienced significant population growth, as evidenced by an increase of 15 percent or more during the 10 years preceding the application, according to statistics of the United States Census Bureau or such other appropriate criteria as the Secretary shall establish.

(3) The dollar amount limitation on the principal obligation of a mortgage on housing in the applicant county that may be insured under section 203 of the National Housing Act, in effect at the time of such application, is the minimum such dollar amount limitation allowable under the matter that follows clause (ii) in section 203(b)(2)(A) of the National Housing Act.

(d) **ESTABLISHMENT OF LOAN LIMITS.**—For a county designated under this section, the Secretary may increase the maximum dollar amount limitations on the principal obligation of mortgages other-

wise determined under section 203(b)(2) of the National Housing Act to such levels as are appropriate, taking into consideration the criteria established for such designation, but not to exceed the dollar amount limitations for the abutting metropolitan statistical area meeting the requirements of subsection (c)(1) that has the lowest such dollar amount limitations.

(e) **EFFECTIVE DATE AND TERM OF DESIGNATION OF NEW COUNTY-WIDE LOAN LIMITS.**—A designation of a county under this section, and the maximum dollar amount limitations for such county pursuant to subsection (d), shall—

(1) take effect upon the expiration of the 60-day period that begins upon the final determination for the county referred to in subsection (b)(2); and

(2) remain in effect until the end of the calendar year in which such designation takes effect.

(f) **LOAN LIMITS FOR SUCCEEDING YEARS.**—With respect to each calendar year immediately following the calendar year in which a county is designated under this subsection, the Secretary may, notwithstanding any other provision of law, continue or adjust the dollar amount limitations in effect pursuant to this section for such designated county for such preceding year, as appropriate, consistent with the criteria under this section.

**SEC. 18. IDENTIFICATION REQUIREMENTS FOR BORROWERS.**

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

“(z) **IDENTIFICATION REQUIREMENTS FOR BORROWERS.**—No mortgage on a 1- to 4-family dwelling may be insured under this title unless the mortgagor under such mortgage—

“(1) provides a valid Social Security Number; and

“(2) is (A) a United States citizen, (B) a lawful permanent resident alien, or (C) a non-permanent resident alien who legally resides in and is authorized to work in the United States.

The Secretary shall establish policies under which mortgagees verify compliance with the requirements under this subsection.”

2. **AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE CARDOZA OF CALIFORNIA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES**

Page 15, line 20, strike “(e)” and insert “(f)”.

Page 18, after line 16, insert the following new subsection:

(e) **PRIORITY.**—In providing reimbursements under this section, the Secretary of Housing and Urban Development shall provide priority to independent third parties serving mortgagors under covered mortgages in areas experiencing a mortgage foreclosure rate and unemployment rate higher than the national average for the most recent 12-month period for which satisfactory data are available.

Page 18, line 17, strike “(e)” and insert “(f)”.

3. **AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE CAO OF LOUISIANA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES**

Page 16, line 4, strike “and”.

Page 16, line 6, strike the period and insert “; and”.

Page 16, after line 6, insert the following:

- (3) available counseling regarding financial management and credit risk.

4. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE BEAN OF ILLINOIS, OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

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

**SEC. 16. AUTHORITY TO ESTABLISH HIGHER MINIMUM CASH INVESTMENT REQUIREMENT.**

(a) **AUTHORITY.**—Paragraph (9) of section 203(b) of the National Housing Act (12 U.S.C. 1709(b)(9)) is amended by adding at the end the following new subparagraph:

“(D) **AUTHORITY TO ESTABLISH HIGHER MINIMUM REQUIREMENT.**—The Secretary may establish a higher minimum cash investment requirement than the minimum requirement under subsection (a), for all mortgagors or a certain class or classes of mortgagors, which may be based on criteria related to borrowers’ credit scores or other industry standards related to borrowers’ financial soundness. In establishing such a higher minimum cash investment requirement, the Secretary shall take into consideration the findings of the most recent annual report to the Congress on minimum cash investments pursuant to section 16(b) of the FHA Reform Act of 2010.”

(b) **REPORT.**—Not later than the expiration of the 12-month period beginning on the date of the enactment of this Act and annually thereafter, the Secretary of Housing and Urban Development shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report detailing the implementation of the minimum cash investment requirements under section 203(b)(9) of the National Housing Act (12 U.S.C. 1709(b)(9)) and discussing and analyzing options for proposed changes to such requirements, including changes that would take into account borrowers’ credit scores or other industry standards related to borrowers’ financial soundness. Such report shall—

(1) analyze the impacts that any actual or proposed such changes are projected to have on—

(A) the financial soundness of the Mutual Mortgage Insurance Fund;

(B) the housing finance market of the United States; and

(C) the number of borrowers served by the Federal Housing Administration;

(2) explain the reasons for any actual or proposed such changes in the such requirements made since the last report under this subsection;

(3) evaluate the impact of any actual or proposed such changes in such requirements on the Mutual Mortgage Insurance Fund;

(4) evaluate the impacts of any actual or proposed such changes on potential mortgagors under mortgages on one- to four-family dwellings insured by the Secretary under the National Housing Act; and



(5) evaluate the impact of any actual or proposed such changes on the soundness of the housing market in the United States.

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5. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE GARRETT OF NEW JERSEY, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 3, after line 16, insert the following new section:

**SEC. 3. DOWNPAYMENT REQUIREMENT OF 5 PERCENT AND PROHIBITION OF FINANCING OF CLOSING COSTS.**

Section 203 of the National Housing Act (12 U.S.C. 1709) is amended—

(1) in subsection (b)(9)(A), by striking “3.5 percent” and inserting “5.0 percent”; and

(2) in subsections (b)(2) and (k)(3)(A), by striking “(including such initial service charges, appraisal, inspection, and other fees as the Secretary shall approve)” each place such term appears and inserting “(which may not include any initial service charges, appraisal, inspection, or other fees or closing costs as the Secretary shall prohibit)”.

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6. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE TIERNEY OF MASSACHUSETTS, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

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

**SEC. 16. MORTGAGE INSURANCE PREMIUM REFUNDS.**

(a) **AUTHORITY.**—The Secretary of Housing and Urban Development shall, to the extent that amounts are made available pursuant to subsection (c), provide refunds of unearned premium charges paid at the time of insurance for mortgage insurance under title II of the National Housing Act (12 U.S.C. 1707 et seq.) to or on behalf of mortgagors under mortgages described in subsection (b).

(b) **ELIGIBLE MORTGAGES.**—A mortgage described in this section is a mortgage on a one- to four-family dwelling that—

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

(2) is otherwise eligible, under the last sentence of subparagraph (A) of section 203(c)(2) of such Act (12 U.S.C. 1709(c)(2)(A)), for a refund of all unearned premium charges paid on the mortgage pursuant to such subparagraph, except that the mortgage—

(A) was closed before December 8, 2004; and

(B) was endorsed on or after such date.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated for each fiscal year such sums as may be necessary to provide refunds of unearned mortgage insurance premiums pursuant to this section.

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7. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE TOM PRICE OF GEORGIA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

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

**SEC. 16. LIMITATION ON FHA SHARE OF MORTGAGE MARKET.**

(a) 10 PERCENT LIMITATION.—Section 203 of the National Housing Act (12 U.S.C. 1709) is amended by inserting after subsection (h) the following new subsection:

“(i) LIMITATION ON FHA MARKET SHARE.—Notwithstanding any other provision of law, the aggregate number of mortgages secured by one- to four-family dwellings that are insured under this title in fiscal year 2012 or any fiscal year thereafter may not exceed 10 percent of the aggregate number of mortgages on such dwellings originated in the United States (but not including mortgages insured under this title), as determined by the Secretary after consultation with appropriate Federal financial regulatory agencies, during the preceding fiscal year.”

(b) PLAN.—Not later than the expiration of the 90-day period beginning upon the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit to the Congress a plan setting forth a strategy and actions to be taken to ensure compliance with section 203(i) of the National Housing Act, as added by the amendment made by subsection (a) of this section.

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8. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE WEINER OF NEW YORK, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

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

**SEC. 16. MAXIMUM MORTGAGE AMOUNT LIMITS FOR MULTIFAMILY HOUSING.****(a) ELEVATOR-TYPE STRUCTURES.—**

(1) AMENDMENTS.—The National Housing Act is amended in each of the provisions specified in paragraph (2)—

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

(B) 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”.

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

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

(B) Subparagraph (A) of section 213(b)(2) (12 U.S.C. 1715e(b)(2)(A)).

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

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

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

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

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

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

(b) 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”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to mortgages insured under title II of the National Housing Act after September 30, 2010.

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9. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE TURNER OF OHIO, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

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

**SEC. 16. FHA MAXIMUM LOAN LIMITS FOR 2010.**

Section 166 of the Continuing Appropriations Resolution, 2010 (as added by section 104 of Public Law 111–88; 123 Stat. 2972) is amended—

(1) in subsection (a), by striking “For” and inserting “Except as provided in subsection (c), for”;

(2) in subsection (b), by inserting “the lesser of the applicable amount under subsection (c) of this section or” after “but in no case to an amount that exceeds”; and

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

“(c) ABSOLUTE CEILING LIMITS.—Notwithstanding any other provision of this section, the maximum dollar amount limitation on the principal obligation of a mortgage determined under this section for any area or subarea may not exceed, in the case of a one-family residence, \$500,000, and in the case of a 2-, 3-, or 4-family residence, the percentage of such amount that bears the same ratio to such amount as the dollar amount limitation determined under the sixth sentence of section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act for a 2-, 3-, or 4-family residence, respec-

tively, bears to the dollar amount limitation determined under such section for a 1-family residence.”.

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10. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE CLARKE OF NEW YORK, OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 21, line 3, strike “and”.

Page 21, line 8, strike the period and insert “; and”.

Page 21, after line 8, insert the following:

(E) analyzes the effectiveness of the loss mitigation home retention options of the Department of Housing and Urban Development in assisting individuals in avoiding home foreclosure for mortgages on 1- to 4-family residences insured under subsection (b) or (k) of section 203, section 234(c), or section 251 of the National Housing Act, particularly for low-income individuals (as such term is defined in section 103 of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4702)).

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11. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE NYE OF VIRGINIA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

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

**SEC. 16. SPECIAL FORBEARANCE FOR MORTGAGORS WITH CHINESE DRYWALL.**

The provisions of Mortgagee Letter 2002–17 of the Secretary of Housing and Urban Development (regarding “Special Forbearance: Program Changes and Updates”) relating to Type I Special Forbearance shall apply, until the conclusion of fiscal year 2011 and may not be revoked, annulled, repealed, or rescinded during such period, with respect to mortgagees of mortgages insured under title II of the National Housing Act that are secured by one- to four-family dwellings that have problem or damaging drywall products.

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12. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE CHET EDWARDS OF TEXAS, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

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

**SEC. 16. REQUIRED CERTIFICATIONS.**

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

“(z) REQUIRED CERTIFICATIONS.—Notwithstanding any other provision of law, the Secretary may not insure any mortgage secured by a one- to four-family dwelling unless the mortgagor under such mortgage certifies, under penalty of perjury, that the mortgagor has not been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)).”.

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13. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE ADLER OF  
NEW JERSEY, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

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

**SEC. 16. PROHIBITION ON USE OF FUNDS FOR CERTAIN FEDERAL EM-  
PLOYEES.**

None of the funds authorized under this Act or any amendment made by this Act may be used to pay the salary of any individual engaged in activities related to title II of the National Housing Act who has been officially disciplined for violations of subpart G of the Standards of Ethical Conduct for Employees of the Executive Branch for viewing, downloading, or exchanging pornography, including child pornography, on a Federal Government computer or while performing official Federal Government duties.

