

118TH CONGRESS
2D SESSION

H. R. 7075

To reauthorize the HOME Investment Partnerships Program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 25, 2024

Mrs. BEATTY (for herself, Mr. GARAMENDI, Ms. BONAMICI, Ms. BROWN, Mr. CARSON, Mr. CLEAVER, Mr. EVANS, Ms. GARCIA of Texas, Mr. IVEY, Mr. KILDEE, Ms. KUSTER, Ms. LEE of California, Ms. NORTON, Ms. OMAR, Ms. SALINAS, Mr. SHERMAN, Mrs. SYKES, Ms. TITUS, Ms. TLAIB, Mr. VARGAS, Mrs. WATSON COLEMAN, and Ms. WILLIAMS of Georgia) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To reauthorize the HOME Investment Partnerships Program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “HOME Investment Partnerships Reauthorization and
6 Improvement Act of 2024”.

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

Sec. 1. Short title; table of contents.

TITLE I—REAUTHORIZATION OF AND REFORMS TO HOME
INVESTMENT PARTNERSHIPS PROGRAM

Sec. 101. Reauthorization of Program.

Sec. 102. Increase in Program administration resources.

Sec. 103. Modifications of participating jurisdiction qualification threshold and
process for reallocations.

Sec. 104. Modification of jurisdictions eligible for reallocations.

TITLE II—REFORMS RELATING TO HOME INVESTMENT
PARTNERSHIPS PROGRAM ADMINISTRATION AND RULES

Sec. 201. Amendments to qualification as affordable housing.

Sec. 202. Elimination of commitment deadline.

Sec. 203. Reform of homeownership resale restrictions.

Sec. 204. Home property inspections.

Sec. 205. Revisions to strengthen enforcement and penalties for noncompliance.

Sec. 206. Tenant and participant protections for small-scale affordable housing.

Sec. 207. Establishment of home loan guarantee program.

TITLE III—REFORMS RELATING TO COMMUNITY HOUSING
DEVELOPMENT ORGANIZATION AND NONPROFIT PARTICIPATION

Sec. 301. Modification of rules related to community housing development orga-
nizations.

TITLE IV—TECHNICAL CORRECTIONS

Sec. 401. Technical corrections.

1 TITLE I—REAUTHORIZATION OF
2 AND REFORMS TO HOME IN-
3 VESTMENT PARTNERSHIPS
4 PROGRAM

5 SEC. 101. REAUTHORIZATION OF PROGRAM.

6 Section 205 of the Cranston-Gonzalez National Af-
7 fordable Housing Act (42 U.S.C. 12724) is amended to
8 read as follows:

9 “SEC. 205. AUTHORIZATION OF APPROPRIATIONS.

10 “There are authorized to be appropriated to carry out
11 this title—

12 “(1) \$5,000,000,000 for fiscal year 2024;

1 “(2) \$5,250,000,000 for fiscal year 2025;
 2 “(3) \$5,512,500,000 for fiscal year 2026;
 3 “(4) \$5,788,125,000 for fiscal year 2027; and
 4 “(5) \$6,077,531,250 for fiscal year 2028.”.

5 **SEC. 102. INCREASE IN PROGRAM ADMINISTRATION RE-**
 6 **SOURCES.**

7 Subtitle A of title II of the Cranston-Gonzalez Na-
 8 tional Affordable Housing Act (42 U.S.C. 12741 et seq.)
 9 is amended—

10 (1) in section 212(c) (42 U.S.C. 12742(c)), by
 11 striking “10 percent” and inserting “15 percent”;
 12 and

13 (2) in section 220(b) (42 U.S.C. 12750(b))—

14 (A) by striking “RECOGNITION.—” and all
 15 that follows through “A contribution” and in-
 16 serting the following: “RECOGNITION.—A con-
 17 tribution”; and

18 (B) by striking paragraph (2).

19 **SEC. 103. MODIFICATIONS OF PARTICIPATING JURISDIC-**
 20 **TION QUALIFICATION THRESHOLD AND**
 21 **PROCESS FOR REALLOCATIONS.**

22 Section 216 of the Cranston-Gonzalez National Af-
 23 fordable Housing Act (42 U.S.C. 12746) is amended—

24 (1) in paragraph (3)(A)—

1 (A) by striking “(A) Except as provided in
2 paragraph (10), a jurisdiction” and inserting
3 the following:

4 “(A) ELIGIBILITY THRESHOLD.—

5 “(i) IN GENERAL.—Except as pro-
6 vided in subparagraph (B), a jurisdiction”;
7 and

8 (B) by striking “or if the Secretary finds
9 that” and all that follows through the end of
10 clause (ii) and inserting the following: “subject
11 to clause (ii).

12 “(ii) INFLATION ADJUSTMENT TO ELI-
13 GIBILITY THRESHOLD.—For each fiscal
14 year after fiscal year 2024, the Secretary
15 shall adjust the threshold amount in clause
16 (i) for inflation.”;

17 (2) in paragraph (6)—

18 (A) in the matter preceding subparagraph
19 (A), by inserting “this title, including the re-
20 quirements in” after “the requirements of”;
21 and

22 (B) by striking “meet the requirements”
23 each place that term appears and inserting
24 “meet or comply with the requirements”; and
25 (3) by striking paragraph (10).

1 **SEC. 104. MODIFICATION OF JURISDICTIONS ELIGIBLE FOR**
2 **REALLOCATIONS.**

3 Section 217(d) of the Cranston-Gonzalez National
4 Affordable Housing Act (42 U.S.C. 12747(d)) is amend-
5 ed—

6 (1) in paragraph (1), by striking the second
7 sentence and inserting the following: “Subject to
8 paragraph (3)(A), jurisdictions eligible for such re-
9 allocations shall include participating jurisdictions
10 and jurisdictions meeting the requirements of this
11 title, including the requirements in paragraphs (3),
12 (4), and (5) of section 216.”; and

13 (2) in paragraph (3), by striking “LIMITA-
14 TION.—Unless otherwise specified” and inserting the
15 following: “LIMITATIONS.—

16 “(A) REMOVAL OF PARTICIPATING JURIS-
17 DICTIONS FROM REALLOCATION.—The Sec-
18 retary may remove a participating jurisdiction
19 that fails to meet or comply with the require-
20 ments of this title from participation in re-
21 allocations of funds made available under this
22 title.

23 “(B) REALLOCATION TO SAME TYPE OF
24 ENTITY.—Unless otherwise specified”.

1 **TITLE II—REFORMS RELATING**
 2 **TO HOME INVESTMENT PART-**
 3 **NERSHIPS PROGRAM ADMIN-**
 4 **ISTRATION AND RULES**

5 **SEC. 201. AMENDMENTS TO QUALIFICATION AS AFFORD-**
 6 **ABLE HOUSING.**

7 Section 215 of the Cranston-Gonzalez National Af-
 8 fordable Housing Act (42 U.S.C. 12745) is amended—

9 (1) in subsection (a)—

10 (A) in paragraph (1)(E), by striking all
 11 that follows “purposes of this Act,” and insert-
 12 ing the following: “except—

13 “(i) upon a foreclosure by a lender (or
 14 upon other transfer in lieu of foreclosure)
 15 if such action—

16 “(I) recognizes any contractual
 17 or legal rights of public agencies, non-
 18 profit sponsors, or others to take ac-
 19 tions that would avoid termination of
 20 low-income affordability in the case of
 21 foreclosure or transfer in lieu of fore-
 22 closure; and

23 “(II) is not for the purpose of
 24 avoiding low-income affordability re-

1 strictions, as determined by the Sec-
2 retary; or

3 “(ii) where existing affordable housing
4 is no longer financially viable due to un-
5 foreseen acts or occurrences beyond the
6 reasonable contemplation or control of the
7 participating jurisdiction or owner that sig-
8 nificantly impact the financial or physical
9 condition of the housing, as determined by
10 the Secretary; and”; and

11 (B) by adding at the end the following:

12 “(7) SMALL-SCALE HOUSING.—

13 “(A) DEFINITION.—In this paragraph, the
14 term ‘small-scale housing’ means housing with
15 not more than 4 rental units.

16 “(B) ALTERNATIVE REQUIREMENTS.—
17 Small-scale housing shall qualify as affordable
18 housing under this title if—

19 “(i) the housing bears rents that com-
20 ply with paragraph (1)(A);

21 “(ii) each unit is occupied by a house-
22 hold that qualifies as a low-income family;

23 “(iii) the housing is not refused for
24 leasing to a holder of a voucher under sec-
25 tion 8 of the United States Housing Act of

1 1937 (42 U.S.C. 1437f) because of the
 2 status of the prospective tenant as a holder
 3 of such voucher;

4 “(iv) the housing meets the require-
 5 ments under paragraph (1)(E); and

6 “(v) the participating jurisdiction
 7 monitors ongoing compliance of the hous-
 8 ing with requirements of this title in a
 9 manner consistent with the purposes of
 10 section 226(b), as determined by the Sec-
 11 retary.”; and

12 (2) in subsection (b)(1), by striking “95 per-
 13 cent” and inserting “110 percent or a percentage es-
 14 tablished by the Secretary through notice, whichever
 15 is greater,”.

16 **SEC. 202. ELIMINATION OF COMMITMENT DEADLINE.**

17 (a) IN GENERAL.—Section 218 of the Cranston-Gon-
 18 zalez National Affordable Housing Act (42 U.S.C. 12748)
 19 is amended—

20 (1) by striking subsection (g); and

21 (2) by redesignating subsection (h) as sub-
 22 section (g).

23 (b) CONFORMING AMENDMENT.—Section 218(c) of
 24 the Cranston-Gonzalez National Affordable Housing Act
 25 (42 U.S.C. 12748(c)) is amended—

1 (1) in paragraph (1), by adding “and” at the
2 end;

3 (2) by striking paragraph (2);

4 (3) by redesignating paragraph (3) as para-
5 graph (2); and

6 (4) in paragraph (2), as so redesignated, by
7 striking “section 224” and inserting “section 223”.

8 **SEC. 203. REFORM OF HOMEOWNERSHIP RESALE RESTRIC-**
9 **TIONS.**

10 Section 215 of the Cranston-Gonzalez National Af-
11 fordable Housing Act (42 U.S.C. 12745), as amended by
12 section 201, is amended—

13 (1) in subsection (b)—

14 (A) in paragraph (2), by redesignating
15 subparagraphs (A), (B), and (C) as clauses (i),
16 (ii), and (iii), respectively, and adjusting the
17 margins accordingly;

18 (B) by striking paragraph (3);

19 (C) by redesignating paragraphs (1), (2),
20 and (4) as subparagraphs (A), (B), and (D), re-
21 spectively, and adjusting the margins accord-
22 ingly;

23 (D) by inserting after subparagraph (B),
24 as so redesignated, the following:

1 “(C) is subject to restrictions that are es-
2 tablished by the participating jurisdiction and
3 determined by the Secretary to be appropriate,
4 including with respect to the affordability pe-
5 riod, to—

6 “(i) require that any subsequent pur-
7 chase of the property be—

8 “(I) only by a person who meets
9 the qualifications specified under sub-
10 paragraph (B); and

11 “(II) at a price that is deter-
12 mined by a formula or method estab-
13 lished by the participating jurisdiction
14 that provides the owner with a reason-
15 able return on investment, which may
16 include a percentage of the cost of
17 any improvements; or

18 “(ii) in the case of resale, recapture
19 the investment provided under this title in
20 order to assist other persons in accordance
21 with the requirements of this title, except
22 where there are no net proceeds or where
23 the net proceeds are insufficient to repay
24 the full amount of the assistance; and”;

1 (E) by striking “Housing that is for home-
2 ownership” and inserting the following:

3 “(1) QUALIFICATION.—Housing that is for
4 homeownership”; and

5 (F) by adding at the end the following:

6 “(2) PURCHASE BY COMMUNITY LAND
7 TRUST.—Notwithstanding subparagraph (C)(i) of
8 paragraph (1) and under terms determined by the
9 Secretary, a participating jurisdiction may permit a
10 community land trust to purchase housing that
11 meets the criteria under that paragraph—

12 “(A) in accordance with the terms of the
13 preemptive purchase option, lease, covenant, or
14 other legal instrument of the community land
15 trust when the terms and rights in the preemp-
16 tive purchase option, lease, covenant, or legal
17 instrument are and remain subject to the re-
18 quirements of this title;

19 “(B) when the purchase is for—

20 “(i) the purpose of—

21 “(I) entering into the chain of
22 title;

23 “(II) enabling qualified home-
24 buyers on a waitlist to purchase;

1 “(III) performing necessary reha-
2 bilitation, repairs, or improvements;
3 or

4 “(IV) adding a subsidy; or

5 “(ii) another purpose determined ap-
6 propriate by the Secretary; and

7 “(C) if, within a reasonable period of time
8 after the applicable purpose under subpara-
9 graph (B) of this paragraph is fulfilled, as de-
10 termined by the Secretary, the housing is then
11 sold to a person who meets the qualifications
12 specified under paragraph (1)(B).

13 “(3) SUSPENSION OR WAIVER OF REQUIRE-
14 MENTS FOR MILITARY MEMBERS.—A participating
15 jurisdiction, in accordance with terms established by
16 the Secretary, may suspend or waive a requirement
17 under paragraph (1)(B) with respect to housing if
18 the owner of the housing—

19 “(A) is a member of a regular component
20 of the armed forces or a member of the Na-
21 tional Guard on full-time National Guard duty,
22 active Guard and Reserve duty, or inactive-duty
23 training (as those terms are defined in section
24 101(d) of title 10, United States Code); and

25 “(B) has received—

1 “(i) temporary duty orders to deploy
2 with a military unit or military orders to
3 deploy as an individual acting in support of
4 a military operation, to a location that is
5 not within a reasonable distance from the
6 housing, as determined by the Secretary,
7 for a period of not less than 90 days; or
8 “(ii) orders for a permanent change of
9 station.

10 “(4) SUSPENSION OR WAIVER OF REQUIRE-
11 MENTS FOR HEIR OR BENEFICIARY OF DECEASED
12 OWNER.—Notwithstanding subparagraph (C) of
13 paragraph (1), housing that meets the criteria under
14 that paragraph prior to the death of an owner may
15 continue to qualify as affordable housing if—

16 “(A) the housing is the principal residence
17 of an heir or beneficiary of the deceased owner,
18 as defined by the Secretary; and

19 “(B) the heir or beneficiary, in accordance
20 with terms established by the Secretary, as-
21 sumes the duties and obligations of the de-
22 ceased owner with respect to funds provided
23 under this title.”.

1 **SEC. 204. HOME PROPERTY INSPECTIONS.**

2 Section 226(b) of the Cranston-Gonzalez National
3 Affordable Housing Act (42 U.S.C. 12756(b)) is amend-
4 ed—

5 (1) by striking “Each participating jurisdic-
6 tion” and inserting the following:

7 “(1) IN GENERAL.—Each participating jurisdic-
8 tion”; and

9 (2) by striking “Such review shall include” and
10 all that follows and inserting the following:

11 “(2) ON-SITE INSPECTIONS.—

12 “(A) INSPECTIONS BY UNITS OF GENERAL
13 LOCAL GOVERNMENT.—A review conducted
14 under paragraph (1) by a participating jurisdic-
15 tion that is a unit of general local government
16 shall include an on-site inspection to determine
17 compliance with housing codes and other appli-
18 cable regulations.

19 “(B) INSPECTIONS BY STATES.—A review
20 conducted under paragraph (1) by a partici-
21 pating jurisdiction that is a State shall include
22 an on-site inspection to determine compliance
23 with a national standard as determined by the
24 Secretary.

25 “(3) INCLUSION IN PERFORMANCE REPORT AND
26 PUBLICATION.—A participating jurisdiction shall in-

1 clude in the performance report of the participating
 2 jurisdiction submitted to the Secretary under section
 3 108(a), and make available to the public, the results
 4 of each review conducted under paragraph (1).”.

5 **SEC. 205. REVISIONS TO STRENGTHEN ENFORCEMENT AND**
 6 **PENALTIES FOR NONCOMPLIANCE.**

7 Section 223 of the Cranston-Gonzalez National Af-
 8 fordable Housing Act (42 U.S.C. 12753) is amended—

9 (1) in the heading, by striking “**PENALTIES**
 10 **FOR MISUSE OF FUNDS**” and inserting “**PRO-**
 11 **GRAM ENFORCEMENT AND PENALTIES FOR**
 12 **NONCOMPLIANCE**”;

13 (2) in the matter preceding paragraph (1), by
 14 inserting after “any provision of this subtitle” the
 15 following: “, including any provision applicable
 16 throughout the period required by section
 17 215(a)(1)(E) and applicable regulations,”;

18 (3) in paragraph (2), by striking “or” at the
 19 end;

20 (4) in paragraph (3), by striking the period at
 21 the end and inserting “; or”; and

22 (5) by adding at the end the following:

23 “(4) reduce payments to the participating juris-
 24 diction under this subtitle by an amount equal to the

1 amount of such payments which were not expended
 2 in accordance with this title.”.

3 **SEC. 206. TENANT AND PARTICIPANT PROTECTIONS FOR**
 4 **SMALL-SCALE AFFORDABLE HOUSING.**

5 Section 225 of the Cranston-Gonzalez National Af-
 6 fordable Housing Act (42 U.S.C. 12755) is amended by
 7 adding at the end the following:

8 “(e) TENANT SELECTION FOR SMALL-SCALE HOUS-
 9 ING.—Paragraphs (2) through (4) of subsection (d) shall
 10 not apply to the owner of small-scale housing (as defined
 11 in section 215(a)).”.

12 **SEC. 207. ESTABLISHMENT OF HOME LOAN GUARANTEE**
 13 **PROGRAM.**

14 Subtitle A of title II of the Cranston-Gonzalez Na-
 15 tional Affordable Housing Act (42 U.S.C. 12741 et seq.)
 16 is amended by adding at the end the following:

17 **“SEC. 227. GUARANTEE AND COMMITMENT TO GUARANTEE**
 18 **LOANS FOR ACQUISITION OF PROPERTY.**

19 “(a) AUTHORITY.—

20 “(1) IN GENERAL.—The Secretary may, under
 21 such terms and conditions as the Secretary may pre-
 22 scribe, guarantee and make commitments to guar-
 23 antee, only to such extent or in such amounts as
 24 provided in appropriation Acts, the notes or obliga-
 25 tions issued by participating jurisdictions for the

1 purposes of financing the development or preserva-
2 tion of affordable rental and homeownership housing
3 through the acquisition, new construction, recon-
4 struction, or moderate or substantial rehabilitation
5 of affordable housing.

6 “(2) ELIGIBLE EXPENSES.—When in support
7 of the activities described in paragraph (1), the ex-
8 penses for which the Secretary may guarantee and
9 make commitments to guarantee notes or obligations
10 under that paragraph include real property acquisi-
11 tion, site improvement, conversion, demolition, and
12 other expenses, including financing costs and reloca-
13 tion expenses of any displaced person, family, or
14 business.

15 “(b) LIMITATIONS AND REQUIREMENTS.—

16 “(1) ELIGIBILITY.—A guarantee under this sec-
17 tion may be used to assist a participating jurisdic-
18 tion in obtaining financing only if the participating
19 jurisdiction—

20 “(A) has made efforts to obtain such fi-
21 nancing without the use of the guarantee, as
22 determined by the Secretary; and

23 “(B) cannot complete such financing con-
24 sistent with the timely execution of the project

1 plans without the guarantee, as determined by
2 the Secretary.

3 “(2) FORM, DENOMINATIONS, MATURITIES, AND
4 CONDITIONS.—Notes or other obligations guaranteed
5 under this section shall be in such form and denomi-
6 nations, have such maturities, and be subject to such
7 conditions as may be prescribed by regulations
8 issued by the Secretary.

9 “(3) REPAYMENT PERIOD.—The Secretary may
10 not deny a guarantee under this section on the basis
11 of the proposed repayment period for the note or
12 other obligation unless—

13 “(A) the period is more than 20 years; or

14 “(B) the Secretary determines that the pe-
15 riod causes the guarantee to constitute an unac-
16 ceptable financial risk.

17 “(4) AGGREGATE PRINCIPAL AMOUNT.—Not-
18 withstanding any other provision of law and subject
19 only to the absence of qualified applicants or pro-
20 posed activities and to the authority provided in this
21 section, to the extent approved or provided in appro-
22 priation Acts, the Secretary shall enter into commit-
23 ments to guarantee notes and obligations under this
24 section with an aggregate principal amount of not
25 more than—

1 “(A) \$2,000,000,000 for fiscal year 2023;

2 and

3 “(B) for each subsequent fiscal year, an

4 amount that is increased for inflation as deter-

5 mined by the Secretary.

6 “(c) PREREQUISITES.—The Secretary may not make

7 a guarantee or commitment to guarantee with respect to

8 any note or other obligation if—

9 “(1) the total outstanding notes or obligations

10 of the issuer guaranteed under this section would

11 thereby exceed an amount equal to 5 times the most

12 recent allocation for the issuer under this title; or

13 “(2) the Secretary determines that the guar-

14 antee constitutes an unacceptable risk.

15 “(d) PAYMENT OF PRINCIPAL, INTEREST, AND

16 COSTS.—Notwithstanding any other provision of this Act,

17 a participating jurisdiction allocated funds under this Act

18 may use the funds (including program income derived

19 therefrom) for the payment of principal and interest due

20 (including such servicing, underwriting, or other costs as

21 may be specified in regulations of the Secretary), and any

22 associated fee to be paid in accordance with subsection (k),

23 on a note or other obligation guaranteed under this sec-

24 tion.

1 “(e) REPAYMENT CONTRACT; SECURITY; PLEDGE BY
2 PARTICIPATING JURISDICTION.—To assure the repayment
3 of a note or other obligation guaranteed under this section
4 and related charges incurred under this section, and as
5 a condition of receiving such a guarantee, the Secretary
6 shall require the issuer of the note or other obligation to—

7 “(1) enter into a contract, in a form acceptable
8 to the Secretary, for repayment of the note or other
9 obligation;

10 “(2) pledge as security the proceeds of any
11 grant for which the issuer may become eligible under
12 this Act; and

13 “(3) furnish, at the discretion of the Secretary,
14 such other security as may be determined appro-
15 priate by the Secretary in making the guarantee, in-
16 cluding increments in local tax receipts generated by
17 the activities assisted under this Act or proceeds
18 from the sale of land or rehabilitated property.

19 “(f) PLEDGED GRANTS FOR REPAYMENTS.—The
20 Secretary may, notwithstanding any other provision of this
21 Act, apply the proceeds of a grant pledged by a partici-
22 pating jurisdiction under subsection (e)(2) to any repay-
23 ment due the United States as a result of the guarantee
24 under this section of a note or other obligation issued by
25 the participating jurisdiction.

1 “(g) FULL FAITH AND CREDIT OF UNITED STATES;
2 CONCLUSIVENESS AND VALIDITY OF GUARANTEE.—

3 “(1) FULL FAITH AND CREDIT OF UNITED
4 STATES PLEDGED FOR PAYMENT.—The full faith
5 and credit of the United States is pledged to the
6 payment of a note or other obligation guaranteed
7 under this section.

8 “(2) CONCLUSIVENESS AND VALIDITY OF GUAR-
9 ANTEE.—

10 “(A) CONCLUSIVENESS.—A guarantee
11 made by the Secretary under this section shall
12 be conclusive evidence of the eligibility of the
13 obligation for the guarantee with respect to
14 principal and interest.

15 “(B) VALIDITY.—The validity of a guar-
16 antee made by the Secretary under this section
17 shall be incontestable in the hands of a holder
18 of the guaranteed obligation.

19 “(3) LIMITATION ON PERCENTAGE.—A guar-
20 antee made under this section shall guarantee repay-
21 ment of 100 percent of the unpaid principal and in-
22 terest due on the notes or other obligations guaran-
23 teed.

24 “(h) LIMIT ON OUTSTANDING OBLIGATIONS; MONI-
25 TORING USE OF GUARANTEES.—

1 “(1) LIMIT ON OUTSTANDING OBLIGATIONS.—

2 The total amount of outstanding obligations guaran-
3 teed on a cumulative basis by the Secretary under
4 this section may not at any time exceed the greater
5 of—

6 “(A) \$4,500,000,000; or

7 “(B) such higher amount as may be au-
8 thorized to be appropriated to carry out this
9 section for a fiscal year.

10 “(2) MONITORING USE OF GUARANTEES.—

11 “(A) IN GENERAL.—The Secretary shall
12 monitor the use of guarantees under this sec-
13 tion by participating jurisdictions.

14 “(B) ACTIONS TO ENSURE SUFFICIENT
15 AUTHORITY.—If the Secretary finds under sub-
16 paragraph (A) that 50 percent of the aggregate
17 guarantee authority under paragraph (1) has
18 been committed, the Secretary may—

19 “(i) provide that a unit of general
20 local government that receives a grant
21 under section 211 may not receive more
22 than \$35,000,000 in guarantees under this
23 section; or

24 “(ii) submit to Congress a request for
25 the enactment of legislation increasing the

1 amount of the aggregate guarantee author-
 2 ity.

3 “(i) PURCHASE OF GUARANTEED OBLIGATIONS BY
 4 FEDERAL FINANCING BANK.—The Federal Financing
 5 Bank may not purchase a note or other obligation guaran-
 6 teed under this section.

7 “(j) IMPOSITION OF FEE OR CHARGE.—The Sec-
 8 retary shall collect fees from borrowers to result in a credit
 9 subsidy cost of zero for guaranteeing notes or other obliga-
 10 tions under this section.

11 “(k) GUARANTEE OF OBLIGATIONS BACKED BY
 12 LOANS.—

13 “(1) AUTHORITY.—The Secretary may, upon
 14 such terms and conditions as the Secretary considers
 15 appropriate, guarantee the timely payment of the
 16 principal of and interest on such trust certificates or
 17 other obligations as may be—

18 “(A) offered by the Secretary or by any
 19 other offeror approved for purposes of this sub-
 20 section by the Secretary; and

21 “(B) based on and backed by a trust or
 22 pool composed of notes or other obligations
 23 guaranteed or eligible for guarantee by the Sec-
 24 retary under this section.

1 “(2) FULL FAITH AND CREDIT.—To the same
2 extent as provided in subsection (g), the full faith
3 and credit of the United States is pledged to the
4 payment of all amounts that may be required to be
5 paid under any guarantee made by the Secretary
6 under this subsection.

7 “(3) SUBROGATION.—If the Secretary pays a
8 claim under a guarantee made under this section,
9 the Secretary shall be subrogated for all the rights
10 of the holder of the guaranteed certificate or obliga-
11 tion with respect to the certificate or obligation.

12 “(4) EFFECT OF OTHER LAWS.—No State or
13 local law, and no Federal law, shall preclude or limit
14 the exercise by the Secretary of—

15 “(A) the power to contract with respect to
16 public offerings and other sales of notes, trust
17 certificates, and other obligations guaranteed
18 under this section upon such terms and condi-
19 tions as the Secretary determines appropriate;

20 “(B) the right to enforce any contract de-
21 scribed in subparagraph (A) by any means de-
22 termined appropriate by the Secretary; or

23 “(C) any ownership rights of the Sec-
24 retary, as applicable, in notes, certificates, or
25 other obligations guaranteed under this section,

1 or constituting the trust or pool against which
 2 trust certificates, or other obligations guaran-
 3 teed under this section, are offered.”.

4 **TITLE III—REFORMS RELATING**
 5 **TO COMMUNITY HOUSING DE-**
 6 **VELOPMENT ORGANIZATION**
 7 **AND NONPROFIT PARTICIPA-**
 8 **TION**

9 **SEC. 301. MODIFICATION OF RULES RELATED TO COMMU-**
 10 **NITY HOUSING DEVELOPMENT ORGANIZA-**
 11 **TIONS.**

12 (a) DEFINITIONS OF COMMUNITY HOUSING DEVEL-
 13 OPMENT ORGANIZATION AND COMMUNITY LAND
 14 TRUST.—

15 (1) IN GENERAL.—Section 104 of the Cran-
 16 ston-Gonzalez National Affordable Housing Act (42
 17 U.S.C. 12704) is amended—

18 (A) in paragraph (6)(B)—

19 (i) by striking “significant”; and

20 (ii) by striking “and otherwise” and
 21 inserting “or as otherwise determined ac-
 22 ceptable by the Secretary”; and

23 (B) by adding at the end the following:

1 “(26) The term ‘community land trust’ means
2 a nonprofit entity or a State or local government or
3 instrumentality thereof that—

4 “(A) is not sponsored by a for-profit orga-
5 nization;

6 “(B) has as a primary purpose the provi-
7 sion and maintenance of housing that provides
8 long-term affordability for low- and moderate-
9 income persons;

10 “(C) provides housing described in sub-
11 paragraph (B) using a ground lease, deed cov-
12 enant, or other similar legally enforceable meas-
13 ure, as determined by the Secretary, that—

14 “(i) keeps the housing affordable to
15 low- and moderate-income persons for not
16 less than 30 years; and

17 “(ii) enables low- and moderate-in-
18 come persons to purchase the housing for
19 homeownership; and

20 “(D) maintains preemptive purchase op-
21 tions to purchase the property so the housing
22 remains affordable to low-and moderate-income
23 persons.”.

24 (2) ELIMINATION OF EXISTING DEFINITION OF
25 COMMUNITY LAND TRUST.—Section 233 of the

1 Cranston-Gonzalez National Affordable Housing Act
2 (42 U.S.C. 12773) is amended by striking sub-
3 section (f).

4 (b) SET-ASIDE FOR COMMUNITY HOUSING DEVEL-
5 OPMENT ORGANIZATIONS.—Section 231 of the Cranston-
6 Gonzalez national Affordable Housing Act (42 U.S.C.
7 12771) is amended—

8 (1) in subsection (a), by striking “to be devel-
9 oped, sponsored, or owned by community housing
10 development organizations” and inserting “when a
11 community housing development organization mate-
12 rially participates in the ownership or development
13 of such housing, as determined by the Secretary”;

14 (2) by striking subsection (b) and inserting the
15 following:

16 “(b) RECAPTURE AND REUSE.—If any funds re-
17 served under subsection (a) remain uninvested for a period
18 of 24 months, then the Secretary shall make such funds
19 available to the participating jurisdiction for any eligible
20 activities under this title without regard to whether a com-
21 munity housing development organization materially par-
22 ticipates in the use of the funds.”; and

23 (3) by striking subsection (c).

TITLE IV—TECHNICAL CORRECTIONS

SEC. 401. TECHNICAL CORRECTIONS.

The Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12701 et seq.) is amended—

(1) in section 104 (42 U.S.C. 12704)—

(A) by redesignating paragraph (23) (relating to the definition of the term “to demonstrate to the Secretary”) as paragraph (22); and

(B) by redesignating paragraph (24) (relating to the definition of the term “insular area”, as added by section 2(2) of Public Law 102–230) as paragraph (23);

(2) in section 105(b) (42 U.S.C. 12705(b))—

(A) in paragraph (7), by striking “Stewart B. McKinney Homeless Assistance Act” and inserting “McKinney-Vento Homeless Assistance Act”; and

(B) in paragraph (8), by striking “subparagraphs” and inserting “paragraphs”;

(3) in section 106 (42 U.S.C. 12706), by striking “Stewart B. McKinney Homeless Assistance Act” and inserting “McKinney-Vento Homeless Assistance Act”;

1 (4) in section 108(a)(1) (42 U.S.C.
2 12708(a)(1)), by striking “section 105(b)(15)” and
3 inserting “section 105(b)(18)”;

4 (5) in section 212 (42 U.S.C. 12742)—

5 (A) in subsection (a)—

6 (i) in paragraph (3)(A)(ii), by insert-
7 ing “United States” before “Housing Act”;
8 and

9 (ii) by redesignating paragraph (5) as
10 paragraph (4);

11 (B) in subsection (d)(5), by inserting
12 “United States” before “Housing Act”; and

13 (C) in subsection (e)(1)—

14 (i) by striking “section 221(d)(3)(ii)”
15 and inserting “section 221(d)(4)”; and

16 (ii) by striking “not to exceed 140
17 percent” and inserting “as determined by
18 the Secretary”;

19 (6) in section 215(a)(6)(B) (42 U.S.C. 20
20 12745(a)(6)(B)), by striking “grand children” and
21 inserting “grandchildren”;

22 (7) in section 217 (42 U.S.C. 12747)—

23 (A) in subsection (a)—

24 (i) in paragraph (1), by striking “(3)”
25 and inserting “(2)”;

1 (ii) by striking paragraph (3), as
2 added by section 211(a)(2)(D) of the
3 Housing and Community Development Act
4 of 1992 (Public Law 102–550; 106 Stat.
5 3756); and

6 (iii) by redesignating the remaining
7 paragraph (3), as added by the matter
8 under the heading “HOME INVESTMENT
9 PARTNERSHIPS PROGRAM” under the head-
10 ing “HOUSING PROGRAMS” in title II of
11 the Departments of Veterans Affairs and
12 Housing and Urban Development, and
13 Independent Agencies Appropriations Act,
14 1993 (Public Law 102–389; 106 Stat.
15 1581), as paragraph (2); and

16 (B) in subsection (b)—

17 (i) in paragraph (1)—

18 (I) in the first sentence of sub-
19 paragraph (A)—

20 (aa) by striking “in regula-
21 tion” and inserting “, by regula-
22 tion,”; and

23 (bb) by striking “eligible ju-
24 risdiction” and inserting “eligible
25 jurisdictions”; and

(II) in subparagraph (F)—

(aa) in the first sentence—

(AA) in clause (i), by striking “Subcommittee on Housing and Urban Affairs” and inserting “Subcommittee on Housing, Transportation, and Community Development”; and

(BB) in clause (ii), by striking “Subcommittee on Housing and Community Development of the Committee on Banking, Finance and Urban Affairs” and inserting “Subcommittee on Housing and Insurance of the Committee on Financial Services”; and

(bb) in the second sentence, by striking “the Committee on Banking, Finance and Urban Affairs of the House of Representatives” and inserting “the Com-

1 mittee on Financial Services of
2 the House of Representatives”;

3 (ii) in paragraph (2)(B), by striking
4 “\$500,000” each place that term appears
5 and inserting “\$750,000”;

6 (iii) in paragraph (3)—

7 (I) by striking “\$500,000” each
8 place that term appears and inserting
9 “\$750,000”; and

10 (II) by striking “, except as pro-
11 vided in paragraph (4)”;

12 (iv) by striking paragraph (4);

13 (8) in section 220(c) (42 U.S.C. 12750(c))—

14 (A) in paragraph (3), by striking “Sec-
15 retary” and all that follows and inserting “Sec-
16 retary;”;

17 (B) in paragraph (4), by striking “under
18 this title” and all that follows and inserting
19 “under this title;”;

20 (C) by redesignating paragraphs (6), (7),
21 and (8) as paragraphs (5), (6), and (7), respec-
22 tively;

23 (9) in section 225(d)(4)(B) (42 U.S.C.
24 12755(d)(4)(B)), by striking “for” the first place
25 that term appears; and

1 (10) in section 283 (42 U.S.C. 12833)—

2 (A) in subsection (a), by striking “Bank-
3 ing, Finance and Urban Affairs” and inserting
4 “Financial Services”; and

5 (B) in subsection (b), by striking “General
6 Accounting Office” each place that term ap-
7 pears and inserting “Government Account-
8 ability Office”.

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