

for better school achievement? Most important are loving parents who teach their children that education is important. No government program can do that. That is something that money cannot buy.

□ 1015

#### WORLD HEALTH DAY

(Mr. CROWLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CROWLEY. Mr. Speaker, tomorrow we celebrate World Health Day. Unfortunately, though, too many of the world's women have no cause for celebration. Nearly 600,000 women die each year from pregnancy and child-birth-related complications. That is one woman every minute.

For every maternal death that occurs worldwide, an estimated 30 additional women suffer pregnancy-related health problems.

More than 150 million married women in developing nations still want to space or limit childbearing, but do not have access to modern contraceptives.

Yet, despite these startling statistics, the U.S. commitment to women's health remains woefully inadequate.

That is why I, along with 31 of my colleagues, support legislation to increase the U.S. commitment to women's health by \$300 million as part of our legislation, the Global Health Act 2000.

Mr. Speaker, H.R. 3826, the Global Health Act of 2000, authorizes \$1 billion in additional resources to improve children's and women's health and nutrition, provide access to voluntary family planning, and combat the spread of infectious diseases, particularly HIV/AIDS.

Mr. Speaker, by passing the Global Health Act, the United States would make a giant leap forward in promoting access to healthcare for millions of the world's women. I hope we all can keep this in mind as we observe World Health Day tomorrow.

#### AMERICAN HOMEOWNERSHIP AND ECONOMIC OPPORTUNITY ACT OF 2000

Ms. PRYCE of Ohio. Mr. Speaker, by the direction of the Committee on Rules, I call up House Resolution 460 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 460

*Resolved*, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1776) to expand homeownership in the United States. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate

shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Financial Services. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Banking and Financial Services now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. All points of order against the committee amendment in the nature of a substitute are waived. No amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the 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 in the House or in the Committee of the Whole. All points of order against the amendments printed in the report are waived. The Chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be 15 minutes. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. OSE). The Chair recognizes the gentlewoman from Ohio (Ms. PRYCE) for 1 hour.

Ms. PRYCE of Ohio. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the distinguished gentleman from Massachusetts (Mr. MOAKLEY), ranking member of the Committee on Rules; pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 460 is a structured rule providing for the consideration of H.R. 1776, the American Homeownership and Economic Opportunity Act of 2000.

The rule provides for 1 hour of general debate, after which the House will consider a bipartisan manager's amendment, as well as 11 other amendments that the Committee on Rules made in order. Of these amendments, five will be offered by Democrats, four will be offered by Republicans, and three are bipartisan. Additionally, the

rule allows the minority to offer the customary motion to recommit with or without instructions.

So I think it is fair to describe this rule as carefully balanced and fair. It gives Members on both sides of the aisle equal opportunity to alter the legislation, and the House will have the opportunity to fully debate the merits of the bill.

Mr. Speaker, the American Homeownership Act is the result of hard work and negotiation, and I commend the gentleman from New York (Mr. LAZIO) for his continued commitment to updating and improving our Nation's housing policies.

The goal of H.R. 1776 is simple. The bill seeks to help more Americans realize the dream of owning their own home. While today's economic prosperity has allowed our Nation's homeownership rate to peak at 67 percent and nearly 70 million households own their homes, we all know that not every American is enjoying today's economic boom. For too many hard-working families, homeownership seems an unattainable dream.

H.R. 1776 takes a number of steps to reduce the barriers to homeownership that low-income Americans face. For example, the bill reduces unnecessary, excessive regulation that adds thousands of dollars to the cost of a home.

Under this legislation, all proposed Federal regulations must include a housing impact analysis so that the Government can determine if policies will jeopardize the availability of affordable housing.

H.R. 1776 also empowers local communities to boost homeownership in their neighborhoods. People who own their homes have a greater stake in their neighborhoods; and by increasing homeownership, cities can look forward to cleaner, safer neighborhoods.

Under the bill, localities will be able to leverage public funds with private funds in order to increase homeownership opportunities. Through the creation of a mixed-income loan pool and a home loan guaranteed program, more Americans will have access to affordable housing.

Local flexibility is also enhanced by provisions that allow mayors and local government officials to use Federal funds to assist first-time home buyers who are municipal employees to purchase homes in the communities where they serve.

It makes sense for those who are largely responsible for the safety of our communities and who act as role models for our children, such as police officers, fire fighters, teachers, to actually live in the neighborhoods where they work.

This bill will grant localities the flexibility to establish smarter urban planning policies and strengthen their communities by allowing city workers to become our neighbors and keeping workers closer to their jobs.

The American Homeownership Opportunity Act also helps families who

rely on section 8 rent assistance, by giving public housing authorities the option of providing a single grant to a tenant as a down payment assistance in lieu of the monthly assistance for rent.

Special assistance is also provided to the disabled, to Native Americans, rural residents, and senior citizens through this bill.

Another housing policy that H.R. 1776 corrects is the existence of HUD-foreclosed, vacant, and substandard properties that scar neighborhoods and hamper economic vitality. This bill seeks to put these properties into the hands of local governments and community development corporations who can revitalize these neglected neighborhoods.

Finally, the bill updates the antiquated provisions of the Manufactured Housing Act to improve the quality, safety, and affordability of manufactured homes and the Federal management of the program. These changes are the result of cooperation and negotiation among Congress, the industry, and consumer groups.

In fact, Mr. Speaker, on the whole, H.R. 1776 is the product of cooperative efforts between Democrats and Republicans, and it enjoys the support of numerous organizations, including the National Education Association, the Homebuilders, the Mortgage Lenders, Community Bankers, the Fraternal Order of Police, the National Association of Realtors, to name just a few.

Still, for those who are not fully supportive of this bill, the rule provides the House with an opportunity to consider a number of amendments that may alter its provisions.

I hope that after today's full debate of this measure, its merits will be very clear and that the House will preserve the good policy of this long-awaited and carefully crafted bill.

I urge my colleagues to support the rule and the American Homeownership and Economic Opportunity Act. Let us take this opportunity to help more Americans know the pride and independence that owning a home offers.

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

Mr. MOAKLEY. Mr. Speaker, I thank the gentlewoman from Ohio (Ms. PRYCE), my dear friend, for yielding me the customary half hour; and I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this rule and in support of the bill to help more Americans own their homes. My Democratic and Republican colleagues on the Committee on Banking and Financial Services have worked together to fashion a housing bill designed to help working families to own homes, despite the rising home prices, as well as to address other inequities in our housing market. This is an excellent bipartisan bill, and I thank all Members on both sides of the aisle for their hard work.

Thanks to the 1993 Budget Act passed by the Democrats in Congress, the

United States is now experiencing the highest rate of homeownership in history. Sixty-seven percent of Americans own their own homes. The 1993 Budget Act lowered mortgage rates, created budget surpluses, and sparked 7 years of economic growth, all of which have made it easier for people to own their own homes.

But as people throughout Massachusetts can tell us, with this strong economy, home prices continue to soar, making it harder and harder for low-income and middle-income families to buy their own homes. So this bill, Mr. Speaker, really responds by helping make sure that working-class families are not priced out of the housing market by the strong economy.

It also contains a provision called the teacher-next-door program, which expands the cop-next-door program, to help teachers, to help fire fighters, and police officers to buy homes.

That way, Mr. Speaker, public servants can stay near their important jobs by coming up with just 1 percent of the down payment instead of the usual 5 or 10 percent. Cities will be revitalized, and children will really have positive role models living right next door.

The bill also will help families who receive section 8 housing assistance also to buy homes. It will enable senior citizens who are house rich, cash poor, to borrow against the value of their homes for essentials like medication, food, and home repairs.

Mr. Speaker, last year, the Federal Housing Authority paid claims on over 71,000 defaulted loans for houses that were discovered to have major structural defects. This bill will help home buyers become aware of these major structural defects in the homes they are considering buying before it is too late.

My Republican colleagues on the Committee on Banking and Financial Services included many Democratic suggestions to require companies that manufacture homes to update their safety and construction standards. For that, I thank them.

I am sorry the Committee on Rules did not make in order the amendment of the gentleman from Massachusetts (Mr. FRANK) to take the safety standards for manufactured homes even a step further. My Republican colleagues also agreed to other pro-consumer provisions to help families, to protect families who buy these manufactured homes.

This bill contains a proposal to fight discrimination and a proposal to virtually eliminate the capital gains tax on principal home sales.

The American Homeownership bill is a bipartisan collection of many good ideas designed to strengthen and empower cities, reduce discrimination, and make it easier for working-class families to own their own homes. I commend my colleagues on the Committee on Banking and Financial Services committee for their excellent work.

I urge my colleagues to support both the rule and support the bill.

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

Ms. PRYCE of Ohio. Mr. Speaker, we have no requests for time, so I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. BACA), who is the author of one of the amendments that was adopted in the committee.

(Mr. BACA asked and was given permission to revise and extend his remarks.)

Mr. BACA. Mr. Speaker, I support the rule, and I would like to commend members of the Committee on Rules for including the manager's amendment that I proposed. As amended, I support the legislation.

As previously discussed, this is an opportunity for homeownership that presents an opportunity for pride for many individuals to own a home.

□ 1030

I know what it was like. I came from a family of 15, being the 15th in the family and not owning a home, and I remember the very first time that my parents could afford to buy a home. This opens an opportunity for many other individuals who will have that same opportunity to take pride and have dignity in a home. It is positive for our communities throughout the Nation that individuals will be able to afford to buy their home.

My amendment expresses the sense of the Congress that the Secretary of Housing and Urban Development should consult with other agencies to make additional properties available for law enforcement officers, teachers, and fire fighters. As we expand HUD's existing programs to cover fire fighters in this bill, it is essential that we encourage HUD to work with other agencies to find additional properties. These individuals have made great sacrifices for our communities, and that is fire fighters, and that is the amendment that I propose. We should recognize them for their unselfishness and their heroic actions. They are a part of our community. They are role models in our communities.

My amendment is supported by 230,000 fire fighters of the International Association of fire fighters. It is also supported by the San Bernardino Community College District which trains fire fighters through ongoing programs. I urge adoption of this rule and support of the legislation.

Mr. MOAKLEY. Mr. Speaker, I yield back the balance of my time.

Ms. PRYCE of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Once again I would like to emphasize the fairness of this rule. Of the 12 amendments made in order by the rule, five are Democrats' amendments, four are Republicans' amendments and three are bipartisan. I would say this is not only fair but generous since the

bill itself is not particularly controversial. Like the rule, the underlying bill is a careful balance built on compromise which has earned the support of 155 bipartisan cosponsors. It is also supported by numerous organizations from the Fraternal Order of Police and the Consortium for Citizens With Disabilities to the Homebuilders and America's Community Bankers.

Mr. Speaker, as Congress grapples with budget surpluses and many Americans bask in our Nation's economic prosperity, we cannot turn a blind eye to those who have been left behind and who are still struggling to know what the American dream is all about. We can give these hardworking individuals a chance to experience the pride and independence that is the heart of the American society by giving them a chance to own their own home. The flexibility, local control and personal empowerment that this bill offers to our housing policies is the right way to lend a helping hand to those Americans who are honest, hardworking citizens and who need a small boost to get ahead and improve their lives for themselves and their families. I urge support for this fair rule and for the American Homeownership and Economic Opportunity Act.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. OSE). Pursuant to House Resolution 460 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1776.

The Chair designates the gentleman from Indiana (Mr. PEASE) as Chairman of the Committee of the Whole, and requests the gentleman from Colorado (Mr. HEFLEY) to assume the chair temporarily.

□ 1033

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1776) to expand Homeownership in the United States, with Mr. HEFLEY (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from New York (Mr. LAZIO) and the gentleman from New York (Mr. LAFALCE) each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. LAZIO).

Mr. LAZIO. Mr. Chairman, I yield myself such time as I may consume. I am going to begin, if I can, by noting the bipartisan nature of this bill and the fact that we have had both Republicans and Democrats bring this bill to-

gether. I want to thank the gentleman from New York (Mr. LAFALCE) and the gentleman from Massachusetts (Mr. FRANK) on the Democratic side and the gentleman from Iowa (Mr. LEACH) as well as many members of the committee for helping to contribute to this bill, particularly the gentleman from California (Mr. CAMPBELL). We would not be here picking up the last piece of the housing puzzle if it were not for the gentleman from Iowa (Mr. LEACH).

Over these last 5 years, we have taken up homeless legislation and passed it in the House, we have taken up section 8 and assisted housing reforms, passed it in the House, seen it signed into law, we have taken up Native American housing provisions in this House, had it passed and signed into law, did a 50-year rewrite of public housing reforms, took it up, passed it in this House, had it signed into law, and now we are on the threshold of completing the continuum of housing by addressing the American dream, homeownership. Again, we would not be here but for the fact of the leadership of the chairman of the committee, the gentleman from Iowa.

Mr. Chairman, I yield 3 minutes to the gentleman from Iowa (Mr. LEACH).

Mr. LEACH. Mr. Chairman, I thank the gentleman for yielding me this time. Let me just stress that the litany of bills that the gentleman from New York has just read off are testaments to the most extraordinary subcommittee chairmanship in the House of Representatives. They are all reflective of the work and the thoughtfulness of the gentleman from New York and the complementary bipartisan assistance of the minority, the gentleman from Massachusetts (Mr. FRANK) and the gentleman from New York (Mr. LAFALCE) in particular.

I would just like to mention two things about this bill. One is the big picture, macroeconomics. That is, that housing is getting more difficult for more Americans because of two phenomena.

One phenomenon is that the strong economy has made it more difficult for many people to purchase higher-priced houses. Pricing of housing is simply going up in some cases faster than income levels. Secondly, interest rates are at a credible rate compared to some periods in American history but an historically unprecedented differential has come into being between inflation and long-term interest rates, with inflation at 1½ percent, long-term interest at 8½ percent. That is a 7 point differential which is truly extraordinary when you think of mortgages being for 20- and 30-year time periods.

The second point I would like to make is that this bill has a number of elements, very carefully crafted elements. The most ingenious is that we are looking at particular professional classes of people, teachers and uniformed municipal employees as well as handicapped individuals, and giving them new rights and capacities that have never existed in law before.

The possibility of buying a House under FHA with a 1 percent down payment is an unprecedented new right that will give uniformed municipal employees greater incentive to live in the communities in which they save and serve the people and give teachers the greatest benefit that they have ever been given by the Federal Government.

I am very proud under the leadership of the gentleman from New York (Mr. LAZIO) that this Congress is bringing out one of the most extraordinary pro-education initiatives in the history of the House of Representatives. In the circumstance in which teacher shortages are mounting, there will be huge new incentives for young people to go into the teaching profession and huge new opportunities for teachers to live in the communities in which they actually teach.

And so I think this is something that this House can take great pride in at this time. Let me just conclude again by thanking the gentleman from New York, one of the most far sighted Members of this body and again point out that this bill has terrific collegial bipartisan support. I am particularly grateful to the gentleman from New York (Mr. LAFALCE) and the gentleman from Massachusetts (Mr. FRANK).

Mr. LAFALCE. Mr. Chairman, I yield myself such time as I may consume. I rise in support of this legislation.

I would first like to recognize the very hard work that has gone into this legislation on both sides of the aisle. In particular, I would like to thank the gentleman from Iowa (Mr. LEACH), the committee chairman; the gentleman from New York (Mr. LAZIO), Housing and Community Opportunity Subcommittee chairman; and the gentleman from Massachusetts (Mr. FRANK), the Housing and Community Opportunity Subcommittee ranking member. I also want to express my appreciation to the majority for the bipartisan manner in which this bill has been considered, especially with respect to their receptivity to a number of Democratic proposals and recommendations which have been incorporated into this bill.

As we begin the debate on this housing bill, we should recognize that when it comes to the areas of homeownership and economic opportunity, we are doing remarkably well. Our Nation is enjoying a record homeownership rate of 67 percent, and we are enjoying the 7th year of strong economic growth.

While reasonable people can disagree, a strong case can be made that it was the budget policies that we launched in 1993 that are largely responsible for this record. A Federal budget deficit of \$300 billion a year has given way to huge surpluses. We have experienced lower interest and mortgage rates, 7 years of robust economic growth and record levels of consumer confidence. This has translated into higher homeownership levels and obviously increased prosperity.

And so the question is, why even bring this bill up? The answer is that

our strong economy can have a downside for some. Rising home prices means that many young families still find themselves priced out of the housing market. Rising home prices mean that working families may find it hard to obtain housing anywhere near where they work or where good jobs are. And schools, police departments, fire departments, especially in high-cost areas find it increasingly difficult to recruit and retain public servants.

This bill addresses these challenges by using the FHA single family home loan program, CDBG, HOME and other Federal programs to increase opportunities for low- and middle-income families. I am pleased to report that many of the bill's provisions have come from our side of the aisle. For example, section 203 of the bill incorporates the provisions of legislation I introduced with a number of other Democrats, the Homeownership Opportunities for Educators and Municipal Employees Act.

This bill authorizes 1 percent cash down payment FHA loans for teachers, policemen, and firemen buying a home in the school district or jurisdiction that employs them. This provision has the strong support of the National Education Association, the American Federation of Teachers, the American Association of School Administrators and the Fraternal Order of Police.

Further, the Congressional Budget Office has concluded that if this provision is adopted, it would result in an additional 125,000 FHA loans to teachers, policemen, and firemen over the next 5 years, a significant increase in homeownership opportunities for our public servants.

The CBO has also concluded that the provision would increase our budget surplus by \$162 million over that same period. This is a win-win situation. Our bill, H.R. 1776, also includes important HUD proposals for hybrid, ARM loans and down payment simplification to make FHA more flexible and to make it work more like the private sector.

I am also very pleased that the bill includes the text of a bill I recently introduced, the Affordable Long-term Care Insurance Act. Long-term care insurance is growing in popularity, growing in need. It is growing in popularity as a way to provide seniors with financial security against the threat of staggering nursing home costs, to preserve assets and to potentially reduce Medicaid expenditures.

The bill I introduced that is incorporated in H.R. 1776 would make it easier for senior citizens to buy long-term care insurance by making it more affordable through the FHA reverse mortgage loan program. This is done by waiving the up-front fee that HUD charges for such loans by as much as \$4,400 when loan proceeds are used exclusively on an annual basis to purchase long-term care insurance.

The attractiveness of reverse mortgages then with an FHA guarantee which some 13 million Americans who own their home free and clear are eligi-

ble for is that reverse mortgages allow seniors to borrow against the equity in their own home without having to make monthly payments of principal or interest.

□ 1045

I would also like to acknowledge a number of provisions in the bill authored by my colleagues on the Democratic side of the aisle. These include the provision of the gentleman from Massachusetts (Mr. FRANK) to include financing opportunities for manufactured home lots, and to make CDBG and HOME more effective in high-cost jurisdictions; the provision of the gentleman from Massachusetts (Mr. CAPUANO) to create a pilot program to allow CDBG and HOME funds to be used for home down-payment assistance for two- and three-family residences and to allow use of HOME funds in conjunction with section 8 assistance for "grand-families"; the amendment of the gentleman from Rhode Island (Mr. WEYGAND) dealing with the problem of lead paint poisoning; the provision of the gentlewoman from Oregon (Ms. HOOLEY) for funding for consortia to use for planning money for housing affordability strategies; the amendment of the gentleman from Texas (Mr. BENTSEN) to provide that unincorporated communities can fully participate in homeownership zones; and the amendments of the gentleman from Vermont (Mr. SANDERS) to promote homeownership for low-income renters and for those buying duplexes.

Finally, I would like to mention briefly Title XI, the manufactured housing section. Everyone agrees that we need to jump start the process of updating our manufactured housing construction and safety standards. The bill seeks to do that through the establishment of a private sector consensus committee to develop recommendations to make to HUD for the revision of these standards. Democrats' problems with this approach have been that earlier versions of these bills were tilted against the consumer and in favor of industry. During hearings last year, AARP testified that they were very concerned about this tilt, and we concurred in this assessment. Therefore, over the last year, my Democratic colleagues on the Committee on Banking and Financial Services have offered a number of changes to the bill to restore HUD control over the process of establishing standards and regulations to provide more balance to the consensus committee deliberations and to ensure that all existing regulatory activities are fully protected. I have much appreciate the willingness of the majority to work together with us and to accept these recommendations.

So in closing, this is a good bill. It has been considered in a bipartisan fashion. I urge Members to support it in a bipartisan fashion and the many important provisions included within it.

Mr. Chairman, I reserve the balance of my time.

Mr. LAZIO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Ohio (Mr. NEY), who was a contributor to many aspects of this bill. He is a Member of the Committee on Banking and Financial Services, and I am happy to have him here in support of the bill.

Mr. NEY. Mr. Chairman, I want to thank the gentleman for yielding me this time.

Mr. Chairman, H.R. 1776, the American Homeownership and Economic Opportunity Act, opens the prospect of homeownership to many deserving American families. It is good, sound legislation; and I rise today to indicate my full support in its behalf and encourage my House colleagues to support its passage as well.

Homeownership continues to be a strong personal and social priority, occupying a preferred place in our Nation's system of values. Yet, significant numbers of households are still precluded from sharing in the benefits of homeownership, despite a strong economy and a record percentage of Americans who own their own home. This measure addresses those inequalities.

This bill contains several key provisions that expand homeownership opportunities and improve access to affordable housing for low- and moderate-income individuals. Additionally, the bill utilizes the strength of the FHA and expands homeownership opportunities for many deserving public employees and school personnel who can now find little or nothing affordable in the communities in which they work. Specifically, H.R. 1776 includes special provisions to help schoolteachers, police officers, firefighters, municipal employees, and corrections officers across America to purchase homes.

Mr. Chairman, this measure was approved by the House banking committee in the spirit of strong bipartisanship, largely through the perseverance and tireless efforts of my colleague, the gentleman from New York (Mr. LAZIO). I commend Members on both sides, especially the gentleman from New York, and I urge support for the bill.

Mr. LAFALCE. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Texas (Mr. BENTSEN), a member of the Committee on Banking and Financial Services.

(Mr. BENTSEN asked and was given permission to revise and extend his remarks.)

Mr. BENTSEN. Mr. Chairman, I thank the gentleman for yielding me this time.

I rise in strong support of this legislation. This is good bipartisan legislation that the Committee on Banking and Financial Services on which I have the honor of serving reported a couple of weeks ago. It is important that it removes barriers to housing affordability and encourages homeownership, particularly for low- and moderate-income Americans.

It also creates for the first time a new type of adjustable rate mortgage financing product for first-time homebuyers through the FHA Guarantee program, and it authorizes the Section 203 program in this bill for qualified teachers, police, firefighters and municipal employees to apply for a 1 percent down FHA mortgage loan, making it easier for them to buy homes in communities in which they work. It is a program that has been utilized in my district in earlier incarnations and one that I think will be quite successful.

It also enhances the FHA guarantee of reverse mortgages for senior citizens. This is something I have worked on with my legislature in Texas, in the State of Texas. The people of Texas recently adopted a constitutional amendment providing for this, and this bill will make it even easier.

I am particularly pleased that this legislation includes a section dealing with the prevention of fraud in the HUD 203 K Title I program. Over the last couple of years, I have worked with the chairman of the housing subcommittee on abuse in this program. And in my district and around my district in the greater Houston, Texas, area, we have seen tremendous abuse of this program by contractors, unscrupulous contractors who come and defraud primarily elderly folks on fixed incomes and leave the taxpayers footing the bill.

Quite frankly, HUD had not done a sufficient job in monitoring this program. The gentleman from New York (Mr. LAZIO) and I had asked the General Accounting Office for a study on this program; and we found that there was a great deal of abuse, and this bill takes some steps to try and correct that. I commend the gentleman from New York for his work on that.

This bill also includes language which will, for the first time, have HUD take a look at unincorporated areas in the ETJ, in some of their homeownership grant programs; whereas before, that has not always gotten, I think, a fair hearing. This affects a lot of areas in my district and a lot of districts in Texas where we are at the perimeter of city boundaries, but it is still an urban-like area. I appreciate both the chairman and the ranking member for agreeing to include my language in the manager's amendment.

The bottom line, Mr. Chairman and my colleagues, is that this is a very good bill that I think both sides should support unanimously. It enhances homeownership opportunities for all Americans and will help build stronger communities. I commend the chairman and the ranking member of the subcommittee and the full committee for their work on this bill.

Mr. LAZIO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New York (Mrs. KELLY), a member of the Committee on Banking and Financial Services.

Mrs. KELLY. Mr. Chairman, I thank my friend and fellow New Yorker for yielding me this time.

Mr. Chairman, I rise today in strong support for H.R. 1776, the American Homeownership and Economic Opportunity Act of 2000.

Today, we will consider this very important legislation which addresses a problem too many Americans face: the lack of available, affordable housing. The legislation enhances existing homeownership opportunities, but it creates new homeownership opportunities for low- and moderate-income Americans. It strengthens consumer protections for the single largest and most important purchase the majority of most Americans will make.

Homeownership is vital in any community and encourages homeowners to become more involved in their community. When a family owns a home in a community, they want that area to be clean and safe, and homeownership gives them a vested interest in making sure this happens. The pride and accomplishment of homeownership encourages owners to improve their property, to work together with neighbors, to improve the community as a whole. Homeownership and neighborhood improvements only enhance the lives of people living within the community.

While it is easy to see how homeownership can be a cornerstone of a community, it is unfortunately not available to all segments of the population. We must take the necessary steps to ensure that all Americans have an opportunity to achieve this part of the American dream.

Mr. Chairman, in H.R. 1776 we take steps to see that homes are available, strong, safe, and clean. Through flexibility granted by Federal agencies, these goals can be reached. We promote more available, affordable housing by establishing practical, uniform performance-based Federal construction standards for manufactured housing. We also reauthorize the Community Development Block Grant program and improve it by adding homeownership assistance for municipal employees and reauthorizing housing opportunities for people with the AIDS program. The reauthorization of the Home Investment Partnership programs makes affordable homes available to more people.

These are only a few of the many positive steps we take in H.R. 1776. I want to in particular make it very clear that by making homeownership assistance available to municipal employees, it makes it possible for many employees to live in the cities and municipalities in which they work.

I want to take a moment to thank my subcommittee chairman, the gentleman from New York (Mr. LAZIO), and our ranking member, the gentleman from Massachusetts (Mr. FRANK), for their strong cooperative effort in crafting and refining this vital legislation. Let me also note my appreciation for their openness to my efforts to help in this work.

Mr. Chairman, I encourage my colleagues on both sides of the aisle to join us in strong support for this necessary legislation.

Mr. LAFALCE. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Massachusetts (Mr. FRANK), the ranking member of the Subcommittee on Housing, who really has been responsible for such a great bulk of the provisions of this bill.

Mr. FRANK of Massachusetts. Mr. Chairman, I thank the ranking member of the full committee who has been very instrumental in our working this out. I want to begin with more than a normal acknowledgment of the staffs on both sides, Democratic and Republican, because this is a bill in which a great deal of work has been done.

For example, the manufactured housing sections, there was an article in the Washington Post recently raising some questions from the consumer's standpoint about manufactured housing, and some of the questions were legitimate questions. I was pleased on reading the article to be able to say to myself, since I was alone when I read it, but to say that we had, in fact, anticipated many of those questions and had resolved them in a way that was mutually acceptable and protected the consumer interest, while at the same time recognizing that manufacturing continues to be a valuable housing resource for people of limited incomes.

So I think Members will find that the manufactured housing section there satisfies legitimate concerns raised by the American Association of Retired Persons, by residents of the mobile homes, and also by those in the States that have regulatory authority, as well as manufactured housing. That is clearly the motif of this bill.

I have said this before; I said this last year when we debated legislation to preserve existing section 8 tenancies. There is both a partisan ideological and a nonpartisan, nonideological aspect to housing. The partisan ideological one is very legitimate, and we have a responsibility to deal with it. We deal with it when we debate the budget; we deal with it when we debate appropriations. That is, given the wealth of this country, many of us believe that we are dedicating insufficient resources to housing needs. Indeed, it is the very wealth and the increase in wealth that to many of us demands greater Federal funding to help with housing.

In many parts of the country, including the greater Boston area where much of my district is located, in the northern part of California, in other metropolitan areas, it is precisely the prosperity which we are enjoying as a Nation which helps drive up housing costs so that people who are not themselves direct participants in the new economy, people who are not prospering from stock options, who are not getting higher salaries because they bring skills that the global economy wants, these people now find themselves priced out of neighborhoods where they used to live.

□ 1100

It is, it seems to me, the responsibility of this society to take some small percentage of the wealth that is being generated and use it to help protect people who are the victims of the unequal distribution of that wealth. Those are efforts we will deal with.

We will get some aspects of that today. There will be legislation to increase, for instance, the authorization, an amendment to increase the authorization for housing with people with AIDS, bipartisan, and I strongly will support it.

But on the whole, this bill comes within the constraints that have been given to the Subcommittee on Housing and Community Opportunity and the full Committee on Banking and Financial Services by the budget process; that is, this is not an opportunity, and I wish it were, greatly to expand what we do. If it were, we would have legitimate ideological debates of the sort that a democracy ought to foster.

Today, however, we have the end product of negotiations within the framework that we were given. How do we then use those resources best? Those are less likely to be ideological. Once we have the resources, once we confront the existing realities, then we do have a situation where we have to figure out how best to make it work.

That is what this bill essentially does today. It makes some improvements, some adjustments. It is the best we can do with where we are.

There were a couple of pieces that I want to refer to involving Community Development Block Grants, because I believe strongly that the Community Development Block Grant should remain primarily a low-income program. I was pleased that the House last week, when we debated the supplemental appropriation bill, apparently to no purpose, since it never made it past the Rotunda, but we and the gentleman from New York, and the chairman of the subcommittee took a major role, the gentleman from Florida of the Committee on Appropriations did a major job on it, we said, yes, we want to make firefighting a CDBG-eligible activity, but we do not want to dilute the commitment to low-income people in that bill. That is what we did.

There are some amendments to this bill that some people say, are you not diluting it? I want to explain one in particular. I am a cosponsor of one that is in the manager's amendment that adds ten more areas which are high-cost areas which will get a change.

Here is the change. Right now under CDBG we use the national median. I represent some communities where, frankly, if you go by the national median, given the higher income in some of these communities, nobody would be eligible. So we are asking not that we ignore a low-income requirement, but that the low-income requirement be defined in terms of that particular metropolitan area.

There is another one that some people object to which says, we want to be able to let firefighters, police officers, teachers, live in the community. People have a paradox. In some cities we have passed laws saying to municipal employees, you must live in the city. What happens when we tell them they must live in the city because we think it is a value, but it becomes too expensive? So there is language that tries to deal with that.

On the whole, this is a bill which is inadequate in one sense, because it represents a national decision to devote too little of our wealth to this problem. But given that decision, which this subcommittee and committee could not affect within the context of this bill, I think we do an excellent job of adjusting within those restraints the programs so we get the maximum out of them. For that reason, I hope that the bill is passed.

On the amendments, I will myself be opposing any amendment which tries to dilute the CDBG income guidelines. But otherwise, I think we have a useful bill.

One other thing I would add. My colleague, the gentleman from Rhode Island, has an amendment to increase the FHA limits to reflect inflation and price increases. It is especially important, again, for those of us in the high-cost areas. That, it seems to me, is a good amendment. I will be strongly supporting it.

On the whole, this bill does the best we can with the limited resources this subcommittee was given to work with.

At the heart of Title XI of HR 1776, the Manufactured Housing Improvement Act is a consensus standards development process to update federal standards on manufactured housing.

It is important to note that this process of modernizing the safety standards has already begun. In June of 1998, the U.S. Department of Housing and Urban Development designated the Massachusetts-based National Fire Protection Association (NFPA) to make recommendations to HUD. NFPA is fully accredited by the American National Standards Institute (ANSI) to develop consensus American National Standards as specified by this bill.

In fact, the NFPA has submitted to HUD recommendations to completely revise and update the federal smoke detector requirements for manufactured homes. This was deemed to be a priority by consumers, fire safety experts, the manufactured housing industry and by HUD in that there has been an alarmingly high incident of non-working or disconnected smoke detectors when fires occur in these homes built to old HUD standards. These recommendations were submitted by NFPA to HUD over 14 months ago. We are still waiting for HUD to act on them. This bill will correct this deficiency by requiring that the consensus committee recommendations go into effect automatically within one year unless HUD objects.

The NFPA Consensus Committee is working on a number of other issues that concern consumers. One issue has to do with moisture and condensation problems of manufactured housing located in humid areas of our country.

In conclusion, the National Fire Protection Association has been carrying out the intent of this bill for the past two years and is ready to continue the process of updating the HUD standards, many of which are over 25 years old. This bill will require these modernized standards to go into effect on a much more expedited basis.

Mr. LAZIO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Wisconsin (Mr. GREEN), vice chairman of the Subcommittee on Housing and Community Opportunity. He has been particularly effective in his leadership in promoting affordable housing tools, and especially for persons with disabilities and law enforcement officers. He has been an integral component of the entire process.

Mr. GREEN of Wisconsin. Mr. Chairman, I thank my friend and colleague, the gentleman from New York, for yielding time to me.

Let me begin by congratulating the gentleman from New York (Mr. LAZIO) for all of his hard work in putting this together. To be honest, I feel as good about this bill as I feel about anything we have done in my brief tenure in Congress.

This legislation has something for everyone. It does not solve all the problems of the world, obviously, but I do think it touches upon some very important challenges that we are facing in modern society.

I am very proud of what it does in the area of removing regulatory barriers. I do not think we spend enough time in this Congress looking at regulatory areas for affordable housing.

As we all know, for every thousand dollars that the cost of a house increases by, we are pricing 1 percent of the population out of the market. This legislation creates a housing impact analysis. It also creates grants for removing regulatory barriers, and creates a regulatory barrier clearinghouse. That is important.

Secondly, empowerment. We often use that phrase to mean lots of things, but this bill really is about empowerment. Those who I think are most challenged in terms of getting affordable housing these days are those people among us with disabilities. This legislation creates a pilot project to help people with disabilities afford their own home.

Finally, in the area of crime, this even makes some important strides in meeting some of our crime challenges. It contains a pilot project which encourages law enforcement officers to live in those high crime areas as described by local officials. So this legislation in my view really makes some important strides in a number of important areas. I think it is something we can all be very proud of across the aisle.

I would strongly encourage my colleagues to support this legislation, vote for it today, and then, quite frankly, go home and talk about it, talk to our constituents about what we have done.

I thank my colleague for yielding time to me, and again congratulate him.

Mr. LAFALCE. Mr. Chairman, I ask unanimous consent to yield the balance of my time to the gentleman from Massachusetts (Mr. FRANK) to control the time.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 3 minutes to the gentleman from Vermont (Mr. SANDERS).

Mr. SANDERS. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in strong support of H.R. 1776, the American Homeownership and Economic Opportunity Act of 2000.

Mr. Chairman, the issue of affordable housing has rapidly reached the level of a national crisis. From one end of this country to the other, we have working people, elderly people, low-income people who are scrambling hard to find peaceful and safe housing which they can afford.

In this, the richest country in the history of the world, in my view we should not be giving tax breaks to billionaires or spending money on wasteful military projects while so many of our people are having a hard time finding affordable housing.

This legislation is a step forward. I strongly support it. I would like to thank the gentleman from New York (Mr. LAZIO), the gentleman from Iowa (Mr. LEACH), the gentleman from New York (Mr. LAFALCE), and the gentleman from Massachusetts (Mr. FRANK), for their leadership on this legislation.

I especially want to thank them for their help in working with me on three amendments which I offered as a member of the Committee on Banking and Financial Services.

Let me briefly describe those amendments. The First Amendment would create a \$5 million Federal investment to help low- and moderate-income homeowners buy duplexes. This funding would flow through the Neighborworks homeownership centers throughout the country. This amendment will make the dream of homeownership a reality for hundreds of first-time homebuyers.

Mr. Chairman, the number one barrier to homeownership is the up-front money needed to purchase a home, and this amendment helps address that problem. This amendment would allow neighborhood homeownership centers to provide some of that up-front money to hundreds of people throughout the country for the purpose of buying a duplex.

According to the Neighborhood Reinvestment Corporation, the \$5 million in that amendment would generate an additional investment of \$58 million, and create 285 units of duplex homeownership available to first-time homebuyers throughout the country.

The Second Amendment would authorize \$2 billion to make homeownership a reality for recipients of Section 8 rental assistance. This funding will allow HUD to provide downpayment grants of up to 20 percent of the purchase price of a home in order to leverage 80 percent of the remaining costs from other sources, including State housing finance agencies and the Neighborhood Housing Services of America. A 50 percent match requirement is needed for participation in the program.

Mr. Chairman, the final amendment that I have offered would allow more nonprofits the ability to purchase single-family homes from HUD in a 50 percent discount in areas of very low homeownership. These low homeownership areas have been designated by HUD as revitalization areas.

This amendment would require HUD to designate all areas in the United States that meet the criteria for a revitalization area within 60 days after a nonprofit has made such a request.

Mr. Chairman, the bottom line is that in this country we have a housing crisis. This bill moves us a little bit closer to addressing it.

Mr. LAZIO. Mr. Chairman, I yield such time as he may consume to the gentleman from Iowa (Mr. LEACH), the chairman of the Committee on Banking and Financial Services.

Mr. LEACH. Mr. Chairman, I thank the gentleman for yielding time to me.

I would like to enter in a brief colloquy with my distinguished friend, the gentleman from New York (Mr. LAZIO). As the gentleman knows, this bill has a very important element that allows uniformed municipal employees, police, fire, to have access to certain FHA privileges, including 1 percent downpayment on mortgages.

Am I not right in believing that also this provision applies to the volunteer fire departments that exist in so many parts of America?

Mr. LAZIO. Mr. Chairman, will the gentleman yield?

Mr. LEACH. I yield to the gentleman from New York.

Mr. LAZIO. The gentleman from Iowa is precisely correct. This provision and the provisions affecting flexibility for homeownership assistance are meant to incentivize homeownership for firefighters, whether they are paid or whether they are volunteer.

As the gentleman also correctly states, in many parts of America, including my communities, firefighting is done primarily by volunteer firefighters. These provisions would be incentives for them, as well.

Mr. LEACH. I appreciate that. I would just like to make one modest point. That is, there is probably no single professional element of America that has been more unpersonally rewarded than volunteer firemen. What this bill does is create the first substantive reward for people that have served their communities so bravely for so long.

I think this is a very appropriate endeavor. I want to thank the gentleman for insisting that this provision be designed in this fashion.

Mr. LAZIO. I thank the gentleman for his comments.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania (Mr. KANJORSKI), a member of the subcommittee.

Mr. KANJORSKI. Mr. Chairman, I rise today to support and speak for the American Homeownership and Economic Opportunity Act. This bill will increase homeownership opportunities for all Americans, enhance access to affordable housing for low- and moderate-income individuals, and expand economic opportunity for underserved communities.

As we know, Mr. Chairman, our economy continues its record expansion, and our Nation has achieved its highest ownership rate in its history. The 1993 Budget Act helped form the foundation on which these accomplishments have been built.

The budget policies outlined in that law have contributed to a record budget surplus, lower interest and mortgage rates, 7 years of robust economic growth, and record levels of consumer confidence.

Despite our successes, significant numbers of households are still precluded from sharing in the benefits of homeownership. H.R. 1776 addresses many of these inequities. Among its provisions, the legislation helps schoolteachers, police officers, firefighters, municipal employees, and correction officers to purchase homes in the jurisdiction that employs them with reduced down payments and deferred FHA loan insurance premiums, reauthorizes funding for Community Development Block Grants, allows elderly homeowners to refinance their reverse mortgages, while establishing consumer protections to shield them against fraud and abuse.

Although H.R. 1776 is a good beginning, more still need to be done to help encourage economic investments in underserved communities. That is why I hope the House will pass the administration's New Markets initiative.

We have in recent weeks been working and making progress and negotiating a bipartisan plan that merges Democratic and Republican ideas for helping underserved communities. Thus, I am hopeful that we can pass legislation in this area in the upcoming months, and deliver on an agreement reached between the Speaker and the President last November to cooperate on economic development issues.

In closing, Mr. Chairman, H.R. 1776 is a solid piece of legislation that helps more people become homeowners in very innovative ways. Because increased ownership rates strengthen communities, I strongly support H.R. 1776, and encourage my colleagues to support its passage.

Mr. LAZIO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida (Mr. MCCOLLUM), the vice chairman of the Committee on Banking and Financial Services, and thank him for his efforts to make sure consumers are protected, particularly with respect to with respect to low-income housing issues. That help has been invaluable.

(Mr. MCCOLLUM asked and was given permission to revise and extend his remarks.)

Mr. MCCOLLUM. Mr. Chairman, I thank the gentleman for yielding time to me.

I want to commend the gentleman from New York (Mr. LAZIO) for all the work on this bill, and everybody else who participated in it. This is one of the finest pieces of legislation dealing with housing that I have seen in the years that I have been here in this Congress.

It is simple in some respects compared to some of the complicated bills that have come to this floor, but it is something which does a good deal for a lot of people. It provides, as some have said, the opportunity for many more people to be able to get into a home and to actually own a home. I think that is the extraordinary part of this.

□ 1115

We need in America to have more homeownership. Those at the lower end of the spectrum of earnings should have the opportunity to feel a part of their community, to actually own their home. That is the beauty of this bill.

As has been said, there are several groups within the municipalities who may be employees, the firefighters, the police officers and others, who are given opportunities in this bill to be first-time homeowners that they might not otherwise have had, by the opening up of the provisions that allow the use of community development block grant monies and so forth for that purpose.

I think the central core of the bill is the portion of it that is really exciting that allows the Section 8 program of HUD to use the assistance that is provided now for rental assistance towards the purchase of a home by a down payment or a monthly mortgage payment. It is an extraordinary opportunity for many Americans under this particular section of the bill to gain their opportunities to actually own a home. A roof over one's head is a whole lot more than simply a roof. It is a part of being the community, and that is what we are all about.

Also in this bill, in H.R. 1776, there are provisions concerning manufactured housing that I think are important. It actually extends the amount of performance-based standards and enhances consumer protections that are so important to manufactured housing. It encourages the viability of that which is important to my home State and, as the gentleman from New York (Mr. LAZIO) knows, many of us have worked a long time to try to make

these provisions viable. I thank the gentleman for including them in this bill.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 3 minutes to the gentleman from Oregon (Ms. HOOLEY), another member of the subcommittee.

Ms. HOOLEY of Oregon. Mr. Chairman, I thank the gentleman from Massachusetts (Mr. FRANK) for yielding me this time.

Mr. Chairman, I would also like to thank the leadership, the gentleman from New York (Mr. LAZIO), the gentleman from Iowa (Mr. LEACH), the gentleman from New York (Mr. LAFALCE), and the gentleman from Massachusetts (Mr. FRANK) for the hard work they did on a bipartisan bill that helps increase affordability in housing for all Americans, and it hopefully will bring a lot of Americans hopefully closer to that dream of homeownership.

I just want to highlight a few provisions in the bill that I think will help people in my district. With the help of the gentleman from New York (Mr. LAZIO), I was able to insert a provision that sets aside money for a regional, affordable housing pilot project.

The Portland metropolitan area has provided the Nation with a model in successful regional planning, and despite the area's growing affluence and increase in overall housing production, poverty and the need for affordable housing has not declined. The local governments of the Portland metropolitan region have recognized that these problems cut across county lines. They believe that housing and services for low-income people are better addressed by regional cooperation and are now working together to address these issues.

The regional affordable housing pilot project would provide funds to encourage localities to reach across those boundaries, to work together to plan for and build affordable housing.

I also want to commend the ranking member, the gentleman from Massachusetts (Mr. FRANK), and others for the hard work they did on manufactured housing. Our current laws really do not protect our consumers, and so what this bill does is inserts a protection for consumer protection to dispute resolution, so if there is a problem between the housing manufacturer and the installers this can go to dispute resolution so that the consumer is not bounced back and forth.

I am also pleased with a provision that reflects H.R. 3884, the House Act, introduced by the gentleman from New York (Mr. LAFALCE), myself, and others. This bill would give teachers, police officers, and other municipal employees the opportunity to get a lower down payment FHA loan for a home in the town or county where they work. This will help address a tremendous problem in my district where city employees often have long commutes to work because they cannot afford to live in a home in the town that employs them.

Once again, I would like to congratulate the gentleman from New York (Mr. LAZIO) and the other ranking members on bringing a bill to the floor that will not only break down barriers in affordable housing but will create new housing opportunities for millions of Americans, and I urge support.

The CHAIRMAN. The Chair advises the Committee that the gentleman from Massachusetts (Mr. FRANK) has 2½ minutes remaining, the gentleman in New York (Mr. LAZIO) has 15 minutes remaining.

Mr. LAZIO. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Alabama (Mr. RILEY), a member of the committee.

Mr. RILEY. Mr. Chairman, I just want to commend the gentleman from New York (Mr. LAZIO) and the gentleman from New York (Mr. LAFALCE) for the hard work they have done on this.

Mr. Chairman, I want to proclaim my support of H.R. 1776. It seems to me that the least my colleagues and I can do is help those who serve our community and to help ease the financial burden they have in purchasing a home. I personally know how hard that can be and that is why, Mr. Chairman, it is high time that we here in Washington reach out to those people to whom we owe so much.

Who amongst us has not had a teacher that we remember or taken for granted the protection and security provided by police officers and firefighters. Heroism must be recognized and rewarded.

To my way of thinking, this is a means to say thank you to those who sacrifice so much for our protection and care. This bill would do just that, Mr. Chairman. It would reward America's heroes. I encourage my colleagues in the House to support this fine bipartisan legislation.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield our remaining 2½ minutes to the gentleman from North Carolina (Mr. PRICE).

Mr. PRICE of North Carolina. Mr. Chairman, I rise in support of H.R. 1776, a bipartisan bill reauthorizing and improving programs that build our communities and that make housing more accessible and affordable to our citizens.

Mr. Chairman, I represent a district in North Carolina that, in most respects, is an economic success story, with a lively market in rental housing and in home building and sales. But we are in danger of pricing people upon whom our community depends out of that housing market.

For example, to afford a two-bedroom apartment, a person making the minimum wage in my district would have to work 96 hours a week. Working a 40-hour week for that same two-bedroom apartment, that person would have to make \$12.40 an hour. And even with homeownership at historically high levels, the American dream is still out of reach for far too many people.



H.R. 1776 will help. It will make it easier for teachers and police officers and firefighters to buy homes in neighborhoods that need leaders as they rebuild. It will increase the ability of senior citizens to use reverse mortgages, a program I helped initiate a few years ago, to stay in their homes and to drawdown their equity for living expenses.

It will expand Section 8 assistance to permit families with disabled persons to purchase a home. It will establish workable construction, safety, installation, and dispute resolution standards for manufactured housing.

In these and many other respects, this bill will improve housing, will improve housing policy, and will improve the quality of life for thousands of Americans. I urge my colleagues to support this bill.

Mr. LAZIO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Nebraska (Mr. BEREUTER), who has been of incredible help on many parts of this homeownership bill and other housing initiatives, particularly as they affect rural America.

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

Mr. BEREUTER. Mr. Chairman, I want to thank the gentleman from New York (Mr. LAZIO) for his kind remarks and thank him and the chairman of the full committee for bringing and expediting this legislation and similarly express appreciation to their Democrat counterparts.

Of course, housing is one of the most important investments that Americans make. Homeownership gives an individual or family a sense of pride in themselves, their home, as well as in their community. It is one of the reasons why this bill, H.R. 1776, is so important and I rise in support of it.

I would like to focus on four general provisions of this legislation which promote homeownership. First of all, the legislation goes to great lengths to promote homeownership for Americans across the entire country. First, families can use their Federal rental vouchers for mortgage payments.

Two, mayors and local governing officials can be given increased flexibility to use the Community Development Block Grant program and HOME Federal housing block grant funds for homeownership assistance.

Three, a HOME loan guarantee program is created to allow communities to tap into future HOME grants for affordable housing developments.

Four, all Federal agencies are required to include a housing impact analysis to ensure that proposed regulations do not have a negative impact on affordable housing.

Furthermore, I would like to focus on four specific provisions with which this Member was involved. First, H.R. 1776 extends the grandfather status until the 2010 census for similarly situated cities nationwide like Norfolk, Nebraska, to continue to be able to use

the USDA Rural Housing Service programs.

Second, the American Homeownership and Economic Opportunity Act also includes a permanent authorization for Section 184, the Native American Home Loan Guarantee program, which this Member authored with the help of many of my colleagues. Under current law, the Section 184 program is authorized only through 2001.

Third, a provision is included in this legislation which would create the Indian Lands Title Report Commission, with a sunset, to improve the procedure by which the Bureau of Indian Affairs conducts title reviews in connection with the status of Indian lands. This provision is identical to a bill this Member introduced previously in this Congress. Moreover, the Commission should facilitate the use of Section 184 program to benefit additional Native Americans in purchasing homes on Indian reservations. This is the only program that effectively permits Indians who live on reservations to actually purchase a home or, more likely, to build a home.

Fourth and lastly, this Member is pleased that as a matter of equity the manager's amendment includes a provision which I support. It extends Native American housing assistance programs to native Hawaiians. In particular, the manager's amendment applies the Section 184 loan guarantee program to the unique legal status of Hawaiian homelands.

Mr. Chairman, for these and many other reasons, I urge support of the legislation and thank my colleagues, particularly the gentleman from New York (Mr. LAZIO), for his exceptional work.

Mr. LAZIO. Mr. Chairman, I yield 1 minute to the distinguished gentleman from California (Mr. ROYCE). Again I want to thank him for his helping in bringing about a compromise among consumers, the industry, and administration with regard to manufactured housing.

Mr. ROYCE. Mr. Chairman, I rise today in strong support of title II of H.R. 1776, and specifically this title II contains H.R. 710 and that is the Manufactured Housing Improvement Act of which I am a cosponsor.

Manufactured housing represents more than 20 percent of all new single family homes sold in the United States. It is the fastest growing segment of our housing industry and despite the significant growth of that industry, the Federal manufactured housing program has not been considered a mainstream regulatory activity within HUD. As a consequence, it suffers from an outdated regulatory structure that hinders both producers and it hinders consumers. The Manufactured Housing Improvement Act addresses this problem by establishing a private sector consensus committee to make recommendations to the HUD Secretary for updating standards and regulations. This committee will be self-

funded with the costs covered by label fees that the industry must pay on each home. This provision is long overdue, Mr. Chairman. I urge my colleagues to support it.

Mr. LAZIO. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Maryland (Mrs. MORELLA).

Mrs. MORELLA. Mr. Chairman, I rise in support of H.R. 1776, and I want to thank the gentleman from Iowa (Mr. LEACH), the gentleman from New York (Mr. LAFALCE), the gentleman from Massachusetts (Mr. FRANK), and especially the gentleman from New York (Mr. LAZIO) for their hard work on this legislation and their dedication to helping all families achieve the American dream.

The Homeownership and Economic Opportunity Act will help low-income families in the cycle of paying rent rather than a mortgage. One-third of American families make under \$25,000 a year, putting homeownership out of reach for nearly 100 million Americans.

Increased flexibility to States within existing Federal programs will empower partnerships between public and private sectors and strengthen community-based nonprofit groups. In reducing regulatory barriers and granting local housing authorities more flexibility in promoting homeownership as this bill does will give families an alternative to paying rent. Homeownership creates equity for families and makes future investments possible.

Additionally, the impact of these regulations is clear when one considers that the cost of a \$200,000 home could be cut by 14 percent, or \$28,000, by streamlining the process governing land construction and land development.

I also commend the authors of H.R. 1776 for including provisions that enable teachers, firefighters, and police to live in the communities where they work. Encouraging these individuals to purchase homes can only strengthen communities. As a cosponsor of the American Homeownership and Economic Opportunity Act, I urge all my colleagues to vote for this bill.

Mr. LAZIO. Mr. Chairman, I yield 3 minutes to the distinguished gentlewoman from New Jersey (Mrs. ROUKEMA), a great champion of homeowners across America.

□ 1130

Mrs. ROUKEMA. Mr. Chairman, I thank the gentleman from New York (Mr. LAZIO) for that very nice introduction.

Mr. Chairman, I rise in strong support of this legislation. It is an excellent bill. I certainly want to congratulate the gentleman from New York (Chairman LAZIO) for his leadership and his fine work. As far as I can tell, I think we have a pretty good wide base of bipartisan support for this legislation.

Now, I would like to make the point about the general subject of homeownership which is the American

dream. Sixty-seven percent of all Americans, that is an all-time high, have fulfilled that American dream and now own their own homes. Anything we can do here to make it more fair and equitable, both Republicans and Democrats, we should; and I think we are moving in that direction. Both parties are entitled to feel proud about it.

But I would, however, like to discuss one portion of this bill, title IX. This is entitled the Private Mortgage Insurance Technical Corrections Clarification Act.

This title, which is identical to the bill, H.R. 3637, which I, the gentleman from Iowa (Mr. LEACH), and the gentleman from New York (Mr. LAFALCE) introduced earlier, the gentleman from New York (Mr. LAZIO) and other Members have made it an integral part of this landmark PMI legislation. He has put it into this legislation.

PMI, as it is known, private mortgage insurance, is required on mortgages when a borrower puts down less than 20 percent equity when buying a home. Many consumers complain that it was hard, if not impossible, to terminate the PMI requirement, even after they had well over 20 percent of equity.

In 1998, Congress made it easier for homeowners to terminate the PMI payments. But more was necessary. Title IX contains several important and essential technical corrections to the 1998 law. I do not know that we have time to go into all of them, but I think that it is important for us to know that these changes, although they may seem only technical in nature, are absolutely essential for us to implement Congress's original intention in the 1998 law and to protect the consumers.

They are the product of several months of meeting between the industry, consumer groups, as well as the Republican, Democratic staff. It is a bipartisan effort that demonstrates that we in the Congress can work in the interest of the people.

In closing, Mr. Speaker, I think we should remember that PMI charges for homeowners can be anywhere from several hundred to several thousand dollars in payments annually. The PMI payments are a real cost of homeownership to millions of Americans. Lenders can and should be reasonably protected from these defaults, but there is no reason why homeowners should pay PMI charges longer than necessary. We are going to help them do the American dream and not charge them too much.

Mr. LAZIO. Mr. Chairman, may I inquire as to how much time is remaining for both sides.

The CHAIRMAN. The gentleman from New York (Mr. LAZIO) has 5½ minutes remaining. The gentleman from New York (Mr. LAFALCE) has no time remaining.

Mr. LAZIO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we have been laying out the debate about the underlying principles of the bill that is before us.

This bill is about opportunity and empowerment, responsibility, and flexibility. It is about the underlying premise of America, which is that we are a Nation of achievers, we are a Nation that embraces opportunity, we cherish the ideal of self-sufficiency and independence; and it is embodied in the end in the family home.

For many of us, the most important financial investment that we ever make in our lives is the purchase of a home. Homeownership creates a sense of community. It binds neighbors together. It invests all in the common good. The equity that one builds up in a home is often used to help their children go to college or to tap into to start one's own business.

Today, Mr. Chairman, two-thirds of all Americans own their own homes, continuing a trend since the mid-1990s of historically high homeownership rates. Much of this success can be attributed to a strong American economy, the product of Federal fiscal restraint, a balanced budget, and the enterprising spirit of working men and women across the country.

Yet, paradoxically, it is the very strength of the economy that has had a problematic impact on some segments of the home buying population. In many of the regions of the country, particularly in those places where economic growth is the most robust, rising home prices have severely impacted homeownership affordability.

The Washington Post calls it a "Quiet Crisis in Housing Prices." In New York, for example, thousands of families pay more than half their income toward rent, often for a small one-bedroom apartment. Over the last 10 years, average prices for new single-family homes have risen almost 50 percent.

For mayors and city managers trying to attract a quality workforce or revitalize inner-city neighborhoods, a lack of affordable housing is a significant barrier to community renewal. Without the right tools to draw high-quality teachers and police officers, fire fighters, and other civil servants, cities are limited in their ability to build social capital and grow community prosperity.

People like Jean-Ann Bryant, an elementary schoolteacher in suburban San Jose, California, whose \$37,000 a year salary falls far, far short of what was required in a region where the average cost of a home is an unbelievable \$631,000. In Austin, Texas, the price of real estate has risen to the point where accountants earning about \$45,000 a year find it difficult to qualify for a mortgage.

Nor is the problem of qualifying for affordable housing to be found solely a problem in the red-hot economies of our Nation's high-tech meccas. We find similar stories in Richmond, Virginia; Denver, Colorado; and St. Louis, Missouri.

There are specific segments of the American population that have been

hit particularly hard by rising home prices. Yes, it is true, when one is in the African American and Hispanic communities, we are under 50 percent. Working families are priced out of the real estate market. Despite our best effort to date, black and Hispanic homeownership rates have remained stubbornly below 50 percent.

The shortage of affordable housing becomes more severe as one descends the rungs of the socio-economic ladder. For those at the lower end of the wage scales in America, the stakes of the housing affordability issue are of a far greater weight. For the working poor or the disabled, the rise in rents and home prices can quite literally make the difference between having a roof over one's head or living on the street or in a shelter.

Our challenge must be to do more. The American Homeownership and Economic Opportunity Act is our effort to give more of these families an opportunity to achieve the American dream of owning a home.

This proposal reauthorizes existing Federal housing block grant programs under HUD, but adds additional flexibility for local communities to create their own homeownership tools.

For example, mayors and community officials are given flexibility when targeting teachers and law enforcement officials, fire fighters for homeownership opportunities, including down payment assistance. It allows 1 percent down payments for FHA-insured home loan mortgages to help increase that social capital and provide incentives for people in the community as for teachers and police officers and fire fighters living in high-crime areas.

The bill modernizes HUD's regulatory regime overseeing the manufactured housing industry, which is an increasingly lower-cost alternatives for many Americans for affordability. The proposal allows greater use of low-income rent subsidies for locally created homeownership perhaps.

So instead of living in a basement apartment, instead of having one's whole family huddled in a basement apartment, we are going to be able to use the section 8 program to actually bring the promise of homeownership to lower-income Americans.

Mr. Chairman, I am also proud, particularly proud of the provisions of the bill that attack the blight of vacant HUD-foreclosed homes and neighborhoods across the country. HUD's inventory of foreclosed properties total almost 50,000 homes, and thousands fall into the inventory every month. These vacant properties, the subject of "Fleecing of America," the site of violent criminal and drug-related activity, the cause of decreasing property values in neighborhoods across the country is a national disgrace. These properties are taken over by drug dealers, properties that children are raped in and teenagers are killed in.

Every single thing we can do to ensure that these properties remain in

HUD's inventory for the shortest period of time possible will mean safer neighborhoods, safer streets, and safer families.

Mr. Chairman, I urge this body to embrace this bill.

Ms. HOOLEY of Oregon. Mr. Chairman, I would like to comment upon one aspect of the changes to the manufactured housing language within H.R. 1776—and that is the composition of the Consensus Committee. First, let me say that I applaud the diligence of all those who contributed to the final provisions of title XI of H.R. 1776—both my colleagues on the Banking Committee and those in the private sector. I believe it is a product of which we should all be extremely proud.

In the midst of modifications to the language, however, there was one change which I feel warrants brief comment during today's floor discussion. One result of the discussions which transpired over the last several months in order to reach the final version of Title XI, has been to change the makeup of the Consensus Committee so that it is in compliance with the American National Standards Institute (ANSI) guidelines. Specifically, the formerly five subgroups of the Consensus Committee have been streamlined to three, with seven members serving on each.

Mr. Chairman, as you know, it is important that the consensus committee is comprised of a balance of consumers, industry experts, and government officials who will advise HUD on safety standards and regulation enforcement. I am aware that consumer groups felt they had been underrepresented in the "Users" category. In the process of increasing their representation in the "Users" category, however, others—such as the home builders—fell out of the "General Interest" category. This industry's presence in this category in no way undermines the additional representation of the consumer groups. In fact, I believe they are a critical component of the consensus committee and that such industry members should be members.

Mr. CALVERT. Mr. Chairman, I rise in support of H.R. 1776, the American Homeownership and Economic Opportunity Act of 2000. This is an important housing measure being debated before us today. My personal background in the real estate industry, I believe, has given me an insider's perspective on this issue and I am confident that this bill will significantly increase the affordability and accessibility of housing.

I understand the importance of affordable family housing to the American dream. Every American family should be given the ability to purchase and own a safe, well built home. I don't think anybody in the chamber would disagree that homeownership is a fundamental component of the American dream.

H.R. 1776 will make that American dream a reality for thousands of families.

One issue of great importance to my constituents in southern California, and others throughout the nation, is that alternative affordable housing be made available. An excellent example of just that has been manufactured housing. These factory-built homes are every bit as reliable as site-built homes, and are becoming increasingly the choice of many Americans.

As cochair of the Manufactured Housing Caucus, I am happy to see the provisions in this bill that seek to update and improve the

housing regulations applied to manufactured homes. Particularly, the creation of a consensus committee—comprised of consumers, manufacturers and other housing industry partners—to make sure that the concerns of all parties are addressed. H.R. 1776 will improve the installation standards that protect consumers and provide a dispute resolution program for consumers at no cost.

Mr. Chairman, these new regulations allow the manufactured housing industry to compete fairly and continue to grow. I urge my colleagues to support H.R. 1776 and homeownership.

Mr. FORBES. Mr. Chairman, as the newest Member of the House Committee on Banking and Financial Services, I am very happy that the House is now considering this important legislation, "American Homeownership and Economic Opportunity Act" (H.R. 1776).

Homeownership is a pivotal building block for family security, stability, and strong communities. All families deserve the opportunity to achieve the American dream of owning a home.

Like other areas around our country, Suffolk County, NY, is plagued with high property taxes and very expensive real estate prices. According to a study by the National Low Income Housing Coalition, housing costs in Long Island are the fourth highest in the country, with only San Francisco, CA, San Jose, CA, and Stamford, CT, higher.

In order to be able to afford the average two-bedroom apartment on Long Island, family needs to have an average household income of \$45,000 per year—which just happens to be Long Island average household income.

Buying a home is an even greater challenge—even for middle-income families. With such high rental costs, high utility costs, and high taxes, the ability of an average family to also save for a down payment is almost impossible.

Because of these exorbitant costs, young families, senior citizens and our teachers, police officers, firefighters, and municipal civil servants can barely afford to live on Long Island.

Provisions in this bill will help my neighbors in Long Island, who work so hard just to make ends meet, finally buy their first home.

For example, this bill amends HUD program formulas so that they are based on local area, median incomes, not on the national median income. Tying the eligibility to the local median income is particularly important on Long Island to enable home ownership.

I am also proud that the HOUSE act (H.R. 3884), of which I am an original cosponsor with Mr. LAFALCE, has been included into this bill. The HOUSE act provides lower down payments and assistance with closing costs to qualified K-12 teachers, policemen, and firemen. This new program will assist some of our most honored citizens in becoming homeowners.

Overall, in addition to helping those most in need in our communities, this catchall bill will help moderate- and lower-income families in Long Island, and around the country, to purchase homes. Mr. Chairman, I am proud of this bill and urge its swift passage.

Mr. LARSON. Mr. Chairman, I rise today in support of the bill we have before the House today, which seeks to broaden the path to homeownership for our Nation's citizens and help foster the development of healthy, economically vibrant neighborhoods.

The American Homeownership and Economic Opportunity Act of 2000 encourages the removal of unnecessary regulatory barriers that hinder the production of affordable housing and drive up the costs of homeownership.

I became a proud co-sponsor of this bill last year, and I am very pleased that through the steady leadership of the gentleman from Iowa, Mr. LEACH, the gentleman from New York, Mr. LAFALCE, the other gentleman from New York, Mr. LAZIO, and the gentleman from Massachusetts, Mr. FRANK, we were able to come together to bring this important bipartisan legislation before the House today. I also want to express my appreciation for the efforts of the gentleman from Massachusetts, my good friend Mr. CAPUANO, who I know has worked very diligently on the Banking and Financial Services Committee to support this bill.

Currently, about 70 million Americans own their own homes. However, in households with annual incomes under \$25,000, which is about one-third of total households in this country, Americans incur increasing hardships when buying their own homes and generally cannot afford the monthly mortgage payments. This is particularly true in African-American and Hispanic communities where the ownership rates are even lower.

This bill will help communities create homeownership programs tailored to their needs, and would enable local governments to increase the impact of their funding, thereby helping more of their citizens achieve homeownership. Specifically, it will give localities added flexibility when working with Federal housing and community development block grant programs, in order to leverage public funds with private sources of capital.

In addition, H.R. 1776 would give communities are also given the tools needed to encourage increased homeownership opportunities for working, middle class families whose occupations from the backbone of communities, and who are in integral components of our neighborhoods: teachers, police officers, fire fighters, including volunteer firefighters who are such an essential part of many communities around the country, and other municipal employees. A provision in the bill will allow urban communities to apply for funds from the Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) programs so homeownership assistance may be offered to municipal employees for the purchase of homes within their communities.

Finally, H.R. 1776 modernizes the manufactured housing industry by giving HUD the ability to enhance its monitoring of the industry and its protection of consumers. The current framework for regulating the manufactured housing industry is severely outdated and ill suited to address the needs of consumers. I was particularly heartened to learn that the provisions included in H.R. 1776 represent a carefully crafted compromise between HUD, the industry, and consumers to ensure that manufactured housing is a viable, affordable housing resource.

Mr. Chairman, this bill is not only about increasing homeownership around the country, it is also about empowering our lower income and minority households, rebuilding and revitalizing our communities, allowing our teachers to remain involved and active in the communities they serve, assisting police officers who are asked to remain close to the people they

protect, and rewarding firefighters who keep our homes safe for ourselves and our children. Helping all Americans, especially those who serve the public and those with lower incomes, realize the dream of homeownership must be a goal for this Congress and for this country to achieve.

Again, Mr. Chairman, I am pleased to have my name attached to this bipartisan bill as a cosponsor, and I urge all my colleagues to support it.

Mr. MORAN of Virginia. Mr. Chairman, I rise today in support of H.R. 1776, the American Homeownership and Economic Opportunity Act.

Our nation is currently enjoying its highest homeownership rate—66.8 percent. A significant cause of this achievement is the Balanced Budget Act of 1997 which has created record budget surpluses, lower interest and mortgage rates, seven years of robust economic growth, and record levels of consumer confidence.

Although great strides have been made to encourage homeownership, we must do more to advance the availability of affordable housing. H.R. 1776 reauthorizes the Community Development Block Grant and the HOME Investment Partnership Programs, both of which help localities provide affordable housing. This bill provides local governments the flexibility necessary to use federal funds to assist school teachers, police officers, firefighters and municipal employees to buy homes in the communities in which they work.

I have been a strong supporter of the creation of mixed-income communities. I support passage of H.R. 1776 which will provide localities the flexibility they need to use community development block grant programs to leverage public funds with private sources of capital. Local government officials must have access to the mechanisms necessary to generate resources that will allow them to create homeownership programs tailored to the specific needs of each locality. Passage of this bill will only enhance existing efforts to create safe and affordable housing for the citizens of Virginia's 8th district.

Other provisions of H.R. 1776 that I believe are crucial to improving homeownership in our country include:

A pilot program will be established to give Public Housing Authorities flexibility in allowing families to use Section 8 subsidies toward the purchase of a home. An identical program will be created to assist families with one or more members who are disabled.

Authorization of grants for "homeownership zones," which are large scale development projects in distressed neighborhoods.

Substantial strides have been made in providing the opportunity for all Americans to achieve homeownership. While more people than ever before own their homes, there is still much work to be done toward ensuring that the opportunity to share the dream is equally available to everyone. Passage of H.R. 1776 brings us one step closer to making these dreams a reality.

Mr. UDALL of Colorado. Mr. Chairman, I rise in support of H.R. 1776, the American Homeownership and Economic Opportunity Act and urge its adoption.

While the current homeownership rate is at a record high of 66%, the purchase of a first home remains out of reach for many young people and low- and moderate-income fami-

lies. I believe H.R. 1776, through a number of unique programs, will enable more Americans to purchase their first home.

A key provision in this bill would provide under the Community Development Block Grant (CDBG) and HOME Investment Partnership programs, a targeted homeownership program for uniformed municipal employees (policemen, firemen, city maintenance workers, and teachers). Assistance could be in the form of downpayment assistance, help with closing costs, housing counseling, or subsidized mortgage rates. I applaud this innovative approach.

I would like to call my colleagues' attention to a valuable pilot program in this bill, to encourage law enforcement agents to buy homes in locally designated high-crime areas by making them eligible for FHA mortgage loans with no downpayment.

H.R. 1776 also authorizes HUD to distribute \$25 million in competitive grants to local governments for homeownership programs in "homeownership zones". These zones will be locally designated residential areas where large-scale development projects are designed to provide housing for low- to moderate-income families.

In addition, this bill increases the ability of senior citizens to use "reverse mortgages" for living expenses—particularly long-term care—by allowing them to refinance these mortgages.

Environmental cleanup and economic development activities related to "Brownfields" stand to benefit as well, by being classified as a permanent eligible activity for CDBG funds under this bill.

Mr. Chairman, H.R. 1776 will make substantial strides towards insuring affordable housing is a reality in our country and the dream of first-time homeownership is attainable. I urge my colleagues to vote "yes" on this bill.

Mrs. MCCARTHY of New York. Mr. Chairman, I rise today in support of H.R. 1776, the American Homeownership and Economic Opportunity Act. This important bill increases the possibility of owning a home to many deserving American families, particularly in my district on Long Island, NY, where homeownership opportunities lag because of affordability concerns.

Despite a strong economy and record percentages of Americans who own their own homes, Long Islanders continue to experience gaps in homeownership—especially among our middle-income professionals. Hard working professionals such as teachers, police officers, firefighters and corrections officers should not have to struggle to own a home.

H.R. 1776 addresses this concern. It contains numerous provisions allowing deserving Long Island teachers and public employees to obtain mortgages with just one percent downpayment requirement through the Federal Housing Administration. Moreover, H.R. 1776 allows qualifying homebuyers to defer the payment of the upfront mortgage insurance premium—usually two percent of the mortgage amount. As a result of these beneficial provisions, qualified Long Island borrowers can expect to save thousands of dollars in upfront costs when they purchase a home.

In addition to assisting aspiring homeowners, this legislation also benefits the realtors and senior citizens in my district who also suffer from the lack of affordable housing on Long Island.

Housing is the foundation upon which everything else is built. In my district, homeownership holds many intangible benefits ranging from increased educational attainment for children to homeowners maintaining a more active interest and involvement in the communities they reside. H.R. 1776 contributes to these important outcomes and I urge my colleagues to vote in support of this measure.

Ms. SANCHEZ. Mr. Chairman, I rise today in disappointment that my amendment was not made in order to H.R. 1776.

My amendment would empower shared housing placement organizations with the authority to run background checks on potential shared housing participants.

This amendment does not mandate any agency to run background checks—they simply authorize the shared housing agencies to request FBI files through local and state agencies.

And the cost of this program is fully supported by user fees, not federal tax dollars.

It makes sense to bring this proposal during this debate of H.R. 1776.

Homeownership is said to be an important building block of strong families and healthy communities.

What's astonishing and saddening to hear, is that each year, an estimated 1 to 2 million Americans are victims of abuse in their own homes, namely seniors and the disabled.

As many people grow older, remaining in their homes should increase their level of comfort and security, rather than threaten their peace of mind.

Many seniors seeking independence during the later years of their lives enter into shared housing agreements where they can remain in their own homes and still receive daily care.

These arrangements are made by non-fee, home-finder referral services that match seniors or the disabled with others who wish to share a house, apartment, or mobile home at affordable rates.

There are more than 350 referral programs throughout the country.

Unfortunately, senior citizens and the disabled are too often manipulated and abused physically or financially, by their caretakers within the privacy of their own homes. And this abuse is on the rise.

Currently, there is neither a national nor a statewide standard procedure that is available to screen shared housing participants.

Similar laws already exist to allow for background checks of child care providers, school bus drivers, and security guards—but not shared housing applicants.

It is now only logical to extend this provision to protect seniors in their own homes.

These checks will give referral agencies the ability to protect their clients from abuse and threats by known criminals.

The International Union of Police Associations and local police departments have endorsed this amendment.

The FBI, Agency on Aging, and the Southern California Shared Housing Coalition have all endorsed the fundamental concepts behind the amendment, and agree that fighting elder abuse is an important cause.

With the ever-expanding Baby Boom Generation and their growing need for long term care, we must begin addressing the safety of their care.

It is essential to pass federal legislation in order to give these shared housing agencies

access to FBI criminal background reports. I have worked closely with the FBI on this legislation to ensure that the technical language protects all privacy rights and investigative standards.

The potential for abuse in shared housing arrangements is preventable.

This amendment gives shared housing agencies an important tool to protect the elderly from scam artists and criminals, and at no cost to the federal government.

This legislation is simple, yet it could save the life and fortunes of our elderly.

I urge my colleagues to join me in attacking crime without spending taxpayer dollars.

It is our responsibility to give the American people the tools to do so.

Although we will not have the opportunity to debate this issue today, I look forward to working with my colleagues to address this very important matter.

Mr. DOYLE. Mr. Chairman, I rise today in strong support of making it easier for more Americans to pursue the American dream. Owning a home and building a good community, in which to raise children, will become less difficult because of this bill.

Neighborhoods could possibly be the most important aspect of a child's life. Neighborhoods dictate what quality of school the child attends; the amount of crime and social decay with which child comes in contact; and the services that are available to them in times of need. This bill will accomplish the very important goal of creating a financially vested interest in creating a good environment. Homeowners are aware that the value of their homes will decrease if the schools are not kept up. The value of their home will decrease if crime goes up. This bill will give the local citizens the economic incentives to be involved in mitigating social ills and increasing the quality of life.

This bill contains a provision that will allow Section 8 rental assistance vouchers to be used as down payment assistance. This support can open the door to homeownership for many low-income citizens, and allows them to partake in the American dream. As we all know, being a home owner allows for housing tax credits and can be the only investment that many low-income folks make. Owning a home is a benefit to homeowners because they now have a significant asset. Their monthly rent check is now going to pay for their mortgage. The house will pay off in the end for them.

H.R. 1776 will also rebuild our local neighborhoods by allowing teachers, police officers, and firefighters the opportunity to buy a home in the jurisdiction in which they work. In this time of economic prosperity, there is no reason why the very people who teach our children and serve and protect our citizens should not be able to afford homeownership in the town they work in. They have chosen a life of service and are intrinsic to the well-being of the community. Making it possible for them to live in the localities is good policy, because it gives them a reason to be involved on a personal level. It is a stronger motivation for them to help in the creation, the rebuilding, or the upkeep of the community they serve.

I ask my colleagues to support this very important legislation that will bring cohesion to some disjointed communities and acknowledge the role that public servants can play in communities.

Mr. ACKERMAN. Mr. Chairman, I rise today to indicate my strong support on behalf of H.R. 1776, The American Homeownership and Economic Opportunity Act. This important bill opens the prospect of homeownership to many deserving American families, particularly in my area of Northeast Queens, northern Nassau County and Northwestern Suffolk County, New York where homeownership opportunities have lagged because of affordability concerns.

Despite a strong economy and record percentages of Americans who own their own homes, in my district we continue to experience gaps in homeownership especially among our middle-income professionals—teachers, police officers, firefighters, and corrections officers. These deserving individuals have the necessary income to make their monthly mortgage payments but not enough cash for the downpayments necessary to purchase the home in the communities where they work.

H.R. 1776 appropriately addresses this problem. The legislation contains important provisions that will now permit deserving Queens and Long Island teachers and public employees to obtain mortgages with just one percent downpayment requirement through the Federal Housing Administration. Plus, H.R. 1776 allows qualifying homebuyers to defer the payment of the upfront mortgage insurance premium—customarily two percent of the mortgage amount. As a result of these beneficial provisions, qualified borrowers can expect to save thousands of dollars in upfront costs when they purchase a home. I cannot begin to imagine how valuable the savings will mean for ownership in the Queens and Long Island areas as a result of H.R. 1776.

Mr. Chairman, housing is the foundation on which everything else is built. In Queens and Long Island, homeownership holds many tangible benefits that range from increased educational attainment for children residing in an owned home to homeowners maintaining a more active interest and involvement in the communities in which they reside. H.R. 1776 certainly contributes to these important positive outcomes and I wholeheartedly urge my colleagues to vote in support of this important legislation.

Mr. SWEENEY. Mr. Chairman, I rise today in strong support of H.R. 1776, "The American Homeownership and Economic Opportunity Act of 2000" and am proud to be a cosponsor of this legislation.

Many citizens in my district dream of owning their own home. Rising costs of living and increased amounts of government regulation often hinder the pursuit of this dream. Fulfillment of this ambition is sometimes unattainable without some form of assistance. H.R. 1776 provides that required assistance.

The bill affords lower and moderate income families the opportunity to buy rather than rent housing, thus allowing them to realize the American dream. This legislation streamlines the regulatory regime to make it easier for state and local officials to tailor housing for the needy to local requirements.

This Act creates a HOME Loan Guarantee program to allow communities within my district to tap into future HOME grants for affordable housing development. HOME is one of the most successful Federal block grant programs because it creates affordable housing for low-income families in rural areas. The

HOME program provides a flexible resource to States and localities to increase the supply of affordable housing, through both construction and rehabilitation.

I plan to hold a Housing and Economic Development Forum in my own Congressional District later this month and am proud to trumpet H.R. 1776 as a positive achievement of this Congress. I will gather with developers, non-profit housing organizations, community bankers, state and local officials, and community development professionals to explore how our communities can best develop affordable housing and stimulate economic growth. Many of the programs established in The American Homeownership and Economic Opportunity Act will aid us in accomplishing that goal.

The citizens of my district eagerly anticipate enactment of H.R. 1776 and the joys of owning their own home. Investing in a home is the most significant equity investment for families throughout the country. We all know that housing needs to be more affordable and accessible for homeowners and H.R. 1776 provides important tools to hard working American families looking to achieve the dream of home ownership.

Mr. Chairman, please join me in voting for this bill.

Mr. DAVIS of Illinois. Mr. Chairman, I rise today in support of H.R. 1776 and specifically Title 3. Mr. Chairman, Title 3 of the Homeownership and Economic Opportunity Act allows public housing agencies in lieu of providing monthly assistance payments on behalf of a family may provide a grant to be used as a contribution toward the down payment required to purchase a home.

While this nation is enjoying its highest homeownership rate, for millions of low and moderate income families housing remains far too expensive, or is severely substandard. The absence of tools to make home ownership affordable denies many families the opportunity to contribute to the nation's economic and social well being. Just as importantly, many reports conclude that increased home ownership by those who traditionally have been restricted to neighborhoods with significant rental property or with extremely low values, can improve the family's educational attainment, health and may reduce residential segregation.

Passage of this bill is vitally important to my district the 7th district of Illinois, since I represent nearly 65% of all the public housing in the city of Chicago. Homeownership for this population prior to this bill was not available to them.

The Homeownership and Economic Opportunity Act will help my constituents achieve what for many families, 3 generations could not accomplish—homeownership. It is my view that for those individuals who toil and strain to do the deed and create things to make life worth living the opportunity of homeownership is priceless. This is an excellent bill and I congratulate the Chairman, Ranking member and all members who worked to put this bill before us today.

Therefore, I encourage my colleagues on both sides of the aisle to strongly support passage of this bill.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill shall be considered as an original bill for the purpose of amendment under the 5-minute rule and shall be considered read.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 1776

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

**SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

(a) **SHORT TITLE.**—This Act may be cited as the “American Homeownership and Economic Opportunity Act of 2000”.

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

- Sec. 1. Short title and table of contents.  
Sec. 2. Findings and purpose.

**TITLE I—REMOVAL OF BARRIERS TO HOUSING AFFORDABILITY**

- Sec. 101. Short title.  
Sec. 102. Housing impact analysis.  
Sec. 103. Grants for regulatory barrier removal strategies.  
Sec. 104. Eligibility for community development block grants.  
Sec. 105. Regulatory barriers clearinghouse.  
**TITLE II—HOMEOWNERSHIP THROUGH MORTGAGE INSURANCE AND LOAN GUARANTEES**  
Sec. 201. Extension of loan term for manufactured home lots.  
Sec. 202. Downpayment simplification.  
Sec. 203. Reduced downpayment requirements for loans for teachers and uniformed municipal employees.  
Sec. 204. Preventing fraud in rehabilitation loan program.  
Sec. 205. Neighborhood teacher program.  
Sec. 206. Community development financial institution risk-sharing demonstration.  
Sec. 207. Hybrid ARMs.  
Sec. 208. Home equity conversion mortgages.  
Sec. 209. Law enforcement officer homeownership pilot program.  
Sec. 210. Study of mandatory inspection requirement under single family housing mortgage insurance program.  
Sec. 211. Report on title I home improvement loan program.

**TITLE III—SECTION 8 HOMEOWNERSHIP OPTION**

- Sec. 301. Downpayment assistance.  
Sec. 302. Pilot program for homeownership assistance for disabled families.  
Sec. 303. Funding for pilot programs.

**TITLE IV—COMMUNITY DEVELOPMENT BLOCK GRANTS**

- Sec. 401. Reauthorization.  
Sec. 402. Prohibition of set-asides.  
Sec. 403. Public services cap.  
Sec. 404. Homeownership for municipal employees.  
Sec. 405. Technical amendment relating to brownfields.  
Sec. 406. Income eligibility.  
Sec. 407. Housing opportunities for persons with AIDS.

**TITLE V—HOME INVESTMENT PARTNERSHIPS PROGRAM**

- Sec. 501. Reauthorization.  
Sec. 502. Eligibility of limited equity cooperatives and mutual housing associations.  
Sec. 503. Administrative costs.  
Sec. 504. Leveraging affordable housing investment through local loan pools.  
Sec. 505. Homeownership for municipal employees.

Sec. 506. Use of section 8 assistance by “grand-families” to rent dwelling units in assisted projects.

Sec. 507. Loan guarantees.

Sec. 508. Downpayment assistance for 2- and 3-family residences.

**TITLE VI—LOCAL HOMEOWNERSHIP INITIATIVES**

- Sec. 601. Reauthorization of Neighborhood Reinvestment Corporation.  
Sec. 602. Homeownership zones.  
Sec. 603. Lease-to-own.  
Sec. 604. Local capacity building.  
Sec. 605. Consolidated application and planning requirement and super-NOFA.  
Sec. 606. Assistance for self-help housing providers.  
Sec. 607. Housing counseling organizations.  
Sec. 608. Community lead information centers and lead-safe housing.

**TITLE VII—NATIVE AMERICAN HOUSING HOMEOWNERSHIP**

- Sec. 701. Lands Title Report Commission.  
Sec. 702. Loan guarantees.  
Sec. 703. Native American housing assistance.  
**TITLE VIII—TRANSFER OF HUD-HELD HOUSING TO LOCAL GOVERNMENTS AND NONPROFIT ORGANIZATIONS**

- Sec. 801. Transfer of unoccupied and sub-standard HUD-held housing to local governments and community development corporations.  
Sec. 802. Transfer of HUD assets in revitalization areas.

**TITLE IX—PRIVATE MORTGAGE INSURANCE CANCELLATION AND TERMINATION**

- Sec. 901. Short title.  
Sec. 902. Changes in amortization schedule.  
Sec. 903. Deletion of ambiguous references to residential mortgages.  
Sec. 904. Cancellation rights after cancellation date.  
Sec. 905. Clarification of cancellation and termination issues and lender paid mortgage insurance disclosure requirements.  
Sec. 906. Definitions.

**TITLE X—RURAL HOUSING HOMEOWNERSHIP**

- Sec. 1001. Promissory note requirement under housing repair loan program.  
Sec. 1002. Limited partnership eligibility for farm labor housing loans.  
Sec. 1003. Project accounting records and practices.  
Sec. 1004. Definition of rural area.  
Sec. 1005. Operating assistance for migrant farmworkers projects.  
Sec. 1006. Multifamily rental housing loan guarantee program.  
Sec. 1007. Enforcement provisions.  
Sec. 1008. Amendments to title 18 of United States Code.

**TITLE XI—MANUFACTURED HOUSING IMPROVEMENT**

- Sec. 1101. Short title and references.  
Sec. 1102. Findings and purposes.  
Sec. 1103. Definitions.  
Sec. 1104. Federal manufactured home construction and safety standards.  
Sec. 1105. Abolishment of National Manufactured Home Advisory Council; manufactured home installation.  
Sec. 1106. Public information.  
Sec. 1107. Research, testing, development, and training.  
Sec. 1108. Fees.  
Sec. 1109. Dispute resolution.  
Sec. 1110. Elimination of annual report requirement.  
Sec. 1111. Effective date.  
Sec. 1112. Savings provision.

**SEC. 2. FINDINGS AND PURPOSE.**

- (a) **FINDINGS.**—The Congress finds that—  
(1) the priorities of our Nation should include expanding homeownership opportunities by pro-

viding access to affordable housing that is safe, clean, and healthy;

(2) our Nation has an abundance of conventional capital sources available for homeownership financing;

(3) experience with local homeownership programs has shown that if flexible capital sources are available, communities possess ample will and creativity to provide opportunities uniquely designed to assist their citizens in realizing the American dream of homeownership; and

(4) each consumer should be afforded every reasonable opportunity to access mortgage credit, to obtain the lowest cost mortgages for which the consumer can qualify, to know the true cost of the mortgage, to be free of regulatory burdens, and to know what factors underlie a lender's decision regarding the consumer's mortgage.

(b) **PURPOSE.**—It is the purpose of this Act—  
(1) to encourage and facilitate homeownership by families in the United States who are not otherwise able to afford homeownership; and  
(2) to expand homeownership through policies that—

(A) promote the ability of the private sector to produce affordable housing without excessive government regulation;

(B) encourage tax incentives, such as the mortgage interest deduction, at all levels of government; and

(C) facilitate the availability of flexible capital for homeownership opportunities and provide local governments with increased flexibility under existing Federal programs to facilitate homeownership.

**TITLE I—REMOVAL OF BARRIERS TO HOUSING AFFORDABILITY**

**SEC. 101. SHORT TITLE.**

This title may be cited as the “Housing Affordability Barrier Removal Act of 2000”.

**SEC. 102. HOUSING IMPACT ANALYSIS.**

(a) **APPLICABILITY.**—Except as provided in subsection (b), the requirements of this section shall apply with respect to—

(1) any proposed rule, unless the agency promulgating the rule—

(A) has certified that the proposed rule will not, if given force or effect as a final rule, have a significant deleterious impact on housing affordability; and

(B) has caused such certification to be published in the Federal Register at the time of publication of general notice of proposed rule-making for the rule, together with a statement providing the factual basis for the certification; and

(2) any final rule, unless the agency promulgating the rule—

(A) has certified that the rule will not, if given force or effect, have a significant deleterious impact on housing affordability; and

(B) has caused such certification to be published in the Federal Register at the time of publication of the final rule, together with a statement providing the factual basis for the certification.

Any agency making a certification under this subsection shall provide a copy of such certification and the statement providing the factual basis for the certification to the Secretary of Housing and Urban Development.

(b) **EXCEPTION FOR CERTAIN BANKING RULES.**—The requirements of this section shall not apply to any proposed or final rule relating to—

(1) the operations, safety, or soundness of—  
(A) federally insured depository institutions or any affiliate of such an institution (as such term is defined in section 2(k) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(k));  
(B) credit unions;

(C) the Federal home loan banks;

(D) the enterprises (as such term is defined in section 1303 of the Housing and Community Development Act of 1992 (12 U.S.C. 4502);

(E) a Farm Credit System institution; or

(F) foreign banks or their branches, agencies, commercial lending companies, or representative offices that operate in the United States, or any affiliate of a foreign bank (as such terms are defined in section 1 of the International Banking Act of 1978 (12 U.S.C. 3101); or

(2) the payments system or the protection of deposit insurance funds or the Farm Credit Insurance Fund.

(c) STATEMENT OF PROPOSED RULEMAKING.—Whenever an agency publishes general notice of proposed rulemaking for any proposed rule, unless the agency has made a certification under subsection (a), the agency shall—

(1) in the notice of proposed rulemaking—

(A) state with particularity the text of the proposed rule; and

(B) request any interested persons to submit to the agency any written analyses, data, views, and arguments, and any specific alternatives to the proposed rule that—

(i) accomplish the stated objectives of the applicable statutes, in a manner comparable to the proposed rule;

(ii) result in costs to the Federal Government equal to or less than the costs resulting from the proposed rule; and

(iii) result in housing affordability greater than the housing affordability resulting from the proposed rule;

(2) provide an opportunity for interested persons to take the actions specified under paragraph (1)(B) before promulgation of the final rule; and

(3) prepare and make available for public comment an initial housing impact analysis in accordance with the requirements of subsection (d).

(d) INITIAL HOUSING IMPACT ANALYSIS.—

(1) REQUIREMENTS.—Each initial housing impact analysis shall describe the impact of the proposed rule on housing affordability. The initial housing impact analysis or a summary shall be published in the Federal Register at the same time as, and together with, the publication of general notice of proposed rulemaking for the rule. The agency shall transmit a copy of the initial housing impact analysis to the Secretary of Housing and Urban Development.

(2) MONTHLY HUD LISTING.—On a monthly basis, the Secretary of Housing and Urban Development shall cause to be published in the Federal Register, and shall make available through a World Wide Web site of the Department, a listing of all proposed rules for which an initial housing impact analysis was prepared during the preceding month.

(3) CONTENTS.—Each initial housing impact analysis required under this subsection shall contain—

(A) a description of the reasons why action by the agency is being considered;

(B) a succinct statement of the objectives of, and legal basis for, the proposed rule;

(C) a description of and, where feasible, an estimate of the extent to which the proposed rule would increase the cost or reduce the supply of housing or land for residential development; and

(D) an identification, to the extent practicable, of all relevant Federal rules which may duplicate, overlap, or conflict with the proposed rule.

(e) PROPOSAL OF LESS DELETERIOUS ALTERNATIVE RULE.—

(1) ANALYSIS.—The agency publishing a general notice of proposed rulemaking shall review any specific analyses and alternatives to the proposed rule which have been submitted to the agency pursuant to subsection (c)(2) to determine whether any alternative to the proposed rule—

(A) accomplishes the stated objectives of the applicable statutes, in a manner comparable to the proposed rule;

(B) results in costs to the Federal Government equal to or less than the costs resulting from the proposed rule; and

(C) results in housing affordability greater than the housing affordability resulting from the proposed rule.

(2) NEW NOTICE OF PROPOSED RULEMAKING.—If the agency determines that an alternative to the proposed rule meets the requirements under subparagraphs (A) through (C) of paragraph (1), unless the agency provides an explanation on the record for the proposed rule as to why the alternative should not be implemented, the agency shall incorporate the alternative into the final rule or, at the agency's discretion, issue a new proposed rule which incorporates the alternative.

(f) FINAL HOUSING IMPACT ANALYSIS.—

(1) REQUIREMENT.—Whenever an agency promulgates a final rule after publication of a general notice of proposed rulemaking, unless the agency has made the certification under subsection (a), the agency shall prepare a final housing impact analysis.

(2) CONTENTS.—Each final housing impact analysis shall contain—

(A) a succinct statement of the need for, and objectives of, the rule;

(B) a summary of the significant issues raised during the public comment period in response to the initial housing impact analysis, a summary of the assessment of the agency of such issues, and a statement of any changes made in the proposed rule as a result of such comments; and

(C) a description of and an estimate of the extent to which the rule will impact housing affordability or an explanation of why no such estimate is available.

(3) AVAILABILITY.—The agency shall make copies of the final housing impact analysis available to members of the public and shall publish in the Federal Register such analysis or a summary thereof.

(g) AVOIDANCE OF DUPLICATIVE OR UNNECESSARY ANALYSES.—

(1) DUPLICATION.—Any Federal agency may perform the analyses required by subsections (d) and (f) in conjunction with or as a part of any other agenda or analysis required by any other law, executive order, directive, or rule if such other analysis satisfies the provisions of such subsections.

(2) JOINER.—In order to avoid duplicative action, an agency may consider a series of closely related rules as one rule for the purposes of subsections (d) and (f).

(h) PREPARATION OF ANALYSES.—In complying with the provisions of subsections (d) and (f), an agency may provide either a quantifiable or numerical description of the effects of a proposed rule or alternatives to the proposed rule, or more general descriptive statements if quantification is not practicable or reliable.

(i) EFFECT ON OTHER LAW.—The requirements of subsections (d) and (f) do not alter in any manner standards otherwise applicable by law to agency action.

(j) PROCEDURE FOR WAIVER OR DELAY OF COMPLETION.—

(1) INITIAL HOUSING IMPACT ANALYSIS.—An agency head may waive or delay the completion of some or all of the requirements of subsection (d) by publishing in the Federal Register, not later than the date of publication of the final rule, a written finding, with reasons therefor, that the final rule is being promulgated in response to an emergency that makes compliance or timely compliance with the provisions of subsection (a) impracticable.

(2) FINAL HOUSING IMPACT ANALYSIS.—An agency head may not waive the requirements of subsection (f). An agency head may delay the completion of the requirements of subsection (f) for a period of not more than 180 days after the date of publication in the Federal Register of a final rule by publishing in the Federal Register, not later than such date of publication, a written finding, with reasons therefor, that the final rule is being promulgated in response to an emergency that makes timely compliance with the provisions of subsection (f) impracticable. If

the agency has not prepared a final housing impact analysis pursuant to subsection (f) within 180 days from the date of publication of the final rule, such rule shall lapse and have no force or effect. Such rule shall not be repromulgated until a final housing impact analysis has been completed by the agency.

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

(1) HOUSING AFFORDABILITY.—The term "housing affordability" means the quantity of housing that is affordable to families having incomes that do not exceed 150 percent of the median income of families in the area in which the housing is located, with adjustments for smaller and larger families. For purposes of this paragraph, area, median family income for an area, and adjustments for family size shall be determined in the same manner as such factors are determined for purposes of section 3(b)(2) of the United States Housing Act of 1937.

(2) AGENCY.—The term "agency" means each authority of the Government of the United States, whether or not it is within or subject to review by another agency, but does not include—

(A) the Congress;

(B) the courts of the United States;

(C) the governments of the territories or possessions of the United States;

(D) the government of the District of Columbia;

(E) agencies composed of representatives of the parties or of representatives of organizations of the parties to the disputes determined by them;

(F) courts-martial and military commissions;

(G) military authority exercised in the field in time of war or in occupied territory; or

(H) functions conferred by—

(i) sections 1738, 1739, 1743, and 1744 of title 12, United States Code;

(ii) chapter 2 of title 41, United States Code;

(iii) subchapter II of chapter 471 of title 49, United States Code; or

(iv) sections 1884, 1891–1902, and former section 1641(b)(2), of title 50, appendix, United States Code.

(3) FAMILIES.—The term "families" has the meaning given such term in section 3 of the United States Housing Act of 1937.

(4) RULE.—The term "rule" means any rule for which the agency publishes a general notice of proposed rulemaking pursuant to section 553(b) of title 5, United States Code, or any other law, including any rule of general applicability governing grants by an agency to State and local governments for which the agency provides an opportunity for notice and public comment; except that such term does not include a rule of particular applicability relating to rates, wages, corporate or financial structures or reorganizations thereof, prices, facilities, appliances, services, or allowances therefor or to valuations, costs or accounting, or practices relating to such rates, wages, structures, prices, appliances, services, or allowances.

(5) SIGNIFICANT.—The term "significant" means increasing consumers' cost of housing by more than \$100,000,000 per year.

(l) DEVELOPMENT.—Not later than 1 year after the date of the enactment of this title, the Secretary of Housing and Urban Development shall develop model initial and final housing impact analyses under this section and shall cause such model analyses to be published in the Federal Register. The model analyses shall define the primary elements of a housing impact analysis to instruct other agencies on how to carry out and develop the analyses required under subsections (a) and (d).

(m) JUDICIAL REVIEW.—

(1) DETERMINATION BY AGENCY.—Except as otherwise provided in paragraph (2), any determination by an agency concerning the applicability of any of the provisions of this title to any action of the agency shall not be subject to judicial review.

(2) OTHER ACTIONS BY AGENCY.—Any housing impact analysis prepared under subsection (d) or (f) and the compliance or noncompliance of the agency with the provisions of this title shall not be subject to judicial review. When an action for judicial review of a rule is instituted, any housing impact analysis for such rule shall constitute part of the whole record of agency action in connection with the review.

(3) EXCEPTION.—Nothing in this subsection bars judicial review of any other impact statement or similar analysis required by any other law if judicial review of such statement or analysis is otherwise provided by law.

#### SEC. 103. GRANTS FOR REGULATORY BARRIER REMOVAL STRATEGIES.

(a) AUTHORIZATION OF APPROPRIATIONS.—Subsection (a) of section 1204 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705c(a)) is amended to read as follows:

“(a) FUNDING.—There is authorized to be appropriated for grants under subsections (b) and (c) \$15,000,000 for fiscal year 2001 and such sums as may be necessary for each of fiscal years 2002, 2003, 2004, and 2005.”

(b) CONSOLIDATION OF STATE AND LOCAL GRANTS.—Subsection (b) of section 1204 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705c(b)) is amended—

(1) in the subsection heading, by striking “STATE GRANTS” and inserting “GRANT AUTHORITY”;

(2) in the matter preceding paragraph (1), by inserting after “States” the following: “and units of general local government (including consortia of such governments)”;

(3) in paragraph (3), by striking “a State program to reduce State and local” and inserting “State, local, or regional programs to reduce”;

(4) in paragraph (4), by inserting “or local” after “State”; and

(5) in paragraph (5), by striking “State”.

(c) REPEAL OF LOCAL GRANTS PROVISION.—Section 1204 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705c) is amended by striking subsection (c).

(d) APPLICATION AND SELECTION.—The last sentence of section 1204(e) of the Housing and Community Development Act of 1992 (42 U.S.C. 12705c(e)) is amended—

(1) by striking “and for the selection of units of general local government to receive grants under subsection (f)(2)”;

(2) by inserting before the period at the end the following: “and such criteria shall require that grant amounts be used in a manner consistent with the strategy contained in the comprehensive housing affordability strategy for the jurisdiction pursuant to section 105(b)(4) of the Cranston-Gonzalez National Affordable Housing Act”.

(e) SELECTION OF GRANTEEES.—Subsection (f) of section 1204 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705c(f)) is amended to read as follows:

“(f) SELECTION OF GRANTEEES.—To the extent amounts are made available to carry out this section, the Secretary shall provide grants on a competitive basis to eligible grantees based on the proposed uses of such amounts, as provided in applications under subsection (e).”

(f) TECHNICAL AMENDMENTS.—Section 107(a)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5307(a)(1)) is amended—

(1) in subparagraph (G), by inserting “and” after the semicolon at the end;

(2) by striking subparagraph (H); and

(3) by redesignating subparagraph (I) as subparagraph (H).

#### SEC. 104. ELIGIBILITY FOR COMMUNITY DEVELOPMENT BLOCK GRANTS.

(a) IN GENERAL.—Section 104(c)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304(c)(1)) is amended by inserting before the comma the following: “, which shall include making a good faith effort to carry

out the strategy established under section 105(b)(4) of such Act by the unit of general local government to remove barriers to affordable housing”.

(b) RULE OF CONSTRUCTION.—The amendment made by subsection (a) may not be construed to create any new private right of action.

#### SEC. 105. REGULATORY BARRIERS CLEARINGHOUSE.

Section 1205 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705d) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking “receive, collect, process, and assemble” and inserting “serve as a national repository to receive, collect, process, assemble, and disseminate”;

(B) in paragraph (1)—

(i) by striking “, including” and inserting “(including”;

(ii) by inserting before the semicolon at the end the following: “), and the prevalence and effects on affordable housing of such laws, regulations, and policies”;

(C) in paragraph (2), by inserting before the semicolon the following: “, including particularly innovative or successful activities, strategies, and plans”;

(D) in paragraph (3), by inserting before the period at the end the following: “, including particularly innovative or successful strategies, activities, and plans”;

(2) in subsection (b)—

(A) in paragraph (1), by striking “and” at the end;

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

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

“(3) by making available through a World Wide Web site of the Department, by electronic mail, or otherwise, provide to each housing agency of a unit of general local government that serves an area having a population greater than 100,000, an index of all State and local strategies and plans submitted under subsection (a) to the clearinghouse, which—

“(A) shall describe the types of barriers to affordable housing that the strategy or plan was designed to ameliorate or remove; and

“(B) shall, not later than 30 days after submission to the clearinghouse of any new strategy or plan, be updated to include the new strategy or plan submitted.”;

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

“(c) ORGANIZATION.—The clearinghouse under this section shall be established within the Office of Policy Development of the Department of Housing and Urban Development and shall be under the direction of the Assistant Secretary for Policy Development and Research.

“(d) TIMING.—The clearinghouse under this section (as amended by section 105 of the Housing Affordability Barrier Removal Act of 2000) shall be established and commence carrying out the functions of the clearinghouse under this section not later than 1 year after the date of the enactment of such Act. The Secretary of Housing and Urban Development may comply with the requirements under this section by re-establishing the clearinghouse that was originally established to comply with this section and updating and improving such clearinghouse to the extent necessary to comply with the requirements of this section as in effect pursuant to the enactment of such Act.”

#### TITLE II—HOMEOWNERSHIP THROUGH MORTGAGE INSURANCE AND LOAN GUARANTEES

##### SEC. 201. EXTENSION OF LOAN TERM FOR MANUFACTURED HOME LOTS.

Section 2(b)(3)(E) of the National Housing Act (12 U.S.C. 1703(b)(3)(E)) is amended by striking “fifteen” and inserting “twenty”.

##### SEC. 202. DOWNPAYMENT SIMPLIFICATION.

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

(1) in paragraph (2)—

(A) in subparagraph (A), by realigning the matter that precedes clause (ii) an additional 2 ems from the left margin;

(B) in the matter that follows subparagraph (B)(iii)—

(i) by striking the 6th sentence (relating to the increases for costs of solar energy systems) and all that follows through the end of the penultimate undesignated paragraph; and

(ii) by striking the 2d and 3rd sentences of such matter; and

(C) by striking subparagraph (B);

(2) by transferring and inserting subparagraph (A) of paragraph (2) and amending such subparagraph by striking all of the matter that precedes clause (i) and inserting the following:

“(B) not to exceed an amount equal to the sum of—”;

(3) by transferring and inserting the last undesignated paragraph of paragraph (2) (relating to disclosure notice) after subsection (e), realigning such transferred paragraph so as to be flush with the left margin, and amending such transferred paragraph by inserting “(f) DISCLOSURE OF OTHER MORTGAGE PRODUCTS.—” before “In conjunction”;

(4) by transferring and inserting the sentence that constitutes the text of paragraph (10)(B) after the period at the end of the first sentence that follows subparagraph (B) (relating to the definition of “area”); and

(5) by striking paragraph (10) (as amended by the preceding provisions this section).

(b) CONFORMING AMENDMENTS.—Section 245 of the National Housing Act (12 U.S.C. 1715z–10) is amended—

(1) in subsection (a), by striking “, or if the mortgagor” and all that follows through “case of veterans”; and

(2) in subsection (b)(3), by striking “, or, if the” and all that follows through “for veterans.”

##### SEC. 203. REDUCED DOWNPAYMENT REQUIREMENTS FOR LOANS FOR TEACHERS AND UNIFORMED MUNICIPAL EMPLOYEES.

(a) IN GENERAL.—Section 203(b) of the National Housing Act (12 U.S.C. 1709(b)), as amended by section 202 of this Act, is further amended by adding at the end the following new paragraph:

“(10) REDUCED DOWNPAYMENT REQUIREMENTS FOR TEACHERS AND UNIFORMED MUNICIPAL EMPLOYEES.—

“(A) IN GENERAL.—Notwithstanding paragraph (2), in the case of a mortgage described in subparagraph (B)—

“(i) the mortgage shall involve a principal obligation in an amount that does not exceed the sum of 99 percent of the appraised value of the property and the total amount of initial service charges, appraisal, inspection, and other fees (as the Secretary shall approve) paid in connection with the mortgage;

“(ii) no other provision of this subsection limiting the principal obligation of the mortgage based upon a percentage of the appraised value of the property subject to the mortgage shall apply; and

“(iii) the matter in paragraph (9) that precedes the first proviso shall not apply and the mortgage shall be executed by a mortgagor who shall have paid on account of the property at least 1 percent of the cost of acquisition (as determined by the Secretary) in cash or its equivalent.

“(B) MORTGAGES COVERED.—A mortgage described in this subparagraph is a mortgage—

“(i) under which the mortgagor is an individual who—

“(I) is employed on a full-time basis as (aa) a teacher or administrator in a public or private



school that provides elementary or secondary education, as determined under State law, except that secondary education shall not include any education beyond grade 12, or (bb) a public safety officer (as such term is defined in section 1204 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796b), except that such term shall not include any officer serving a public agency of the Federal Government); and

“(II) has not, during the 12-month period ending upon the insurance of the mortgage, had any present ownership interest in a principal residence located in the jurisdiction described in clause (ii); and

“(ii) made for a property that is located within the jurisdiction of—

“(I) in the case of a mortgage of a mortgagor described in clause (i)(I)(aa), the local educational agency (as such term is defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801)) for the school in which the mortgagor is employed (or, in the case of a mortgagor employed in a private school, the local educational agency having jurisdiction for the area in which the private school is located); or

“(II) in the case of a mortgage of a mortgagor described in clause (i)(I)(bb), the jurisdiction served by the public law enforcement agency, firefighting agency, or rescue or ambulance agency that employs the mortgagor.”

(b) DEFERRAL AND REDUCTION OF UP-FRONT PREMIUM.—Section 203(c) of the National Housing Act (12 U.S.C. 1709(c)(2)) is amended—

(1) in paragraph (2), in the matter preceding subparagraph (A), by striking “Notwithstanding” and inserting “Except as provided in paragraph (3) and notwithstanding”; and

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

“(3) DEFERRAL AND REDUCTION OF UP-FRONT PREMIUM.—In the case of any mortgage described in subsection (b)(10)(B):

“(A) Paragraph (2)(A) of this subsection (relating to collection of up-front premium payments) shall not apply.

“(B) If, at any time during the 5-year period beginning on the date of the insurance of the mortgage, the mortgagor ceases to be employed as described in subsection (b)(10)(B)(i)(I) or pays the principal obligation of the mortgage in full, the Secretary shall at such time collect a single premium payment in an amount equal to the amount of the single premium payment that, but for this paragraph, would have been required under paragraph (2)(A) of this subsection with respect to the mortgage, as reduced by 20 percent of such amount for each successive 12-month period completed during such 5-year period before such cessation or prepayment occurs.”

**SEC. 204. PREVENTING FRAUD IN REHABILITATION LOAN PROGRAM.**

(a) IN GENERAL.—Section 203(k) of the National Housing Act (12 U.S.C. 1709(k)) is amended by adding at the end the following new paragraph:

“(7) PREVENTION OF FRAUD.—To prevent fraud under the program for loan insurance authorized under this subsection, the Secretary shall, by regulation, take the following actions:

“(A) PROHIBITION OF IDENTITY OF INTEREST.—The Secretary shall prohibit any identity-of-interest, as such term is defined by the Secretary, between any of the following parties involved in a loan insured under this subsection: the borrower (including, in the case of a borrower that is a nonprofit organization, any member of the board of directors or the staff of the organization), the lender, any consultant, any real estate agent, any property inspector, and any appraiser. Nothing in this subparagraph may be construed to prohibit or restrict, or authorize the Secretary to prohibit or restrict, the functioning of a affiliated business arrangement that complies with the requirements under section 8(c)(4) of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2607(c)(4)).

“(B) NONPROFIT PARTICIPATION.—The Secretary shall establish minimum standards for a nonprofit organization to participate in the program, which shall include—

“(i) requiring such an organization to disclose to the Secretary its taxpayer identification number and evidence sufficient to indicate that the organization is an organization described in section 501(c) of the Internal Revenue Code of 1986 that is exempt from taxation under subtitle A of such Code;

“(ii) requiring that the board of directors of such an organization be comprised only of individuals who do not receive any compensation or other thing of value by reason of their service on the board and who have no personal financial interest in the rehabilitation project of the organization that is financed with the loan insured under this subsection;

“(iii) requiring such an organization to submit to the Secretary financial statements of the organization for the most recent 2 years, which have been prepared by a party that is unaffiliated with the organization and is qualified to prepare financial statements;

“(iv) limiting to 10 the number of loans that are insured under this subsection, made to any single such organization, and, at any one time, have an outstanding balance of principal or interest, except that the Secretary may increase such numerical limitation on a case-by-case basis for good cause shown; and

“(v) requiring such an organization to have been certified by the Secretary as meeting the requirements under this subsection and otherwise eligible to participate in the program not more than 2 years before obtaining a loan insured under this section.

“(C) COMPLETION OF WORK.—The Secretary shall prohibit any lender making a loan insured under this subsection from disbursing the final payment of loan proceeds unless the lender has received affirmation, from the borrower under the loan, both in writing and pursuant to an interview in person or over the telephone, that the rehabilitation activities financed by the loan have been satisfactorily completed.

“(D) CONSULTANT STANDARDS.—The Secretary shall require that any consultant, as such term is defined by the Secretary, who is involved in a home inspection, site visit, or preparation of bids with respect to any loan insured under this section shall meet such standards established by the Secretary to ensure accurate inspections and preparation of bids.

“(E) CONTRACTOR QUALIFICATION.—The Secretary shall require, in the case of any loan that is insured under this subsection and involves rehabilitation with a cost of \$25,000 or more, that the contractor or other person performing or supervising the rehabilitation activities financed by the loan shall—

“(i) be certified by a nationally recognized organization as meeting industry standards for quality of workmanship, training, and continuing education, including financial management;

“(ii) be licensed to conduct such activities by the State or unit of general local government in which the rehabilitation activities are being completed; or

“(iii) be bonded or provide such equivalent protection, as the Secretary may require.”

(b) REPORT ON ACTIVITY OF NONPROFIT ORGANIZATIONS UNDER PROGRAM.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit a report to the Congress regarding the participation of nonprofit organizations under the rehabilitation loan program under section 203(k) of the National Housing Act (12 U.S.C. 1709(k)). The report shall—

(1) determine and describe the extent of participation in the program by such organizations;

(2) identify and compare the default and claim rates for loans made under the program to nonprofit organizations and to owner-occupier participants;

(3) analyze the impact, on such organizations and the program, of prohibiting such organizations from participating in the program; and

(4) identify other opportunities for such organizations to acquire financing or credit enhancement for rehabilitation activities.

(c) REGULATIONS.—The Secretary of Housing and Urban Development shall issue final regulations and any other administrative orders or notices necessary to carry out the provisions of this section and the amendments made by this section not later than 120 days after the date of the enactment of this Act.

**SEC. 205. NEIGHBORHOOD TEACHER PROGRAM.**

(a) SHORT TITLE.—This section may be cited as the “Neighborhood Teachers Act”.

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

(1) teachers are an integral part of our communities;

(2) other than families, teachers are often the most important mentors to children, providing them with the values and skills for self-fulfillment in adult life; and

(3) the Neighborhood Teachers Act recognizes the value teachers bring to community and family life and is designed to encourage and reward teachers that serve in our most needy communities.

(c) DISCOUNT AND DOWNPAYMENT ASSISTANCE FOR TEACHERS.—Section 204(h) of the National Housing Act (12 U.S.C. 1710(h)) is amended—

(1) by redesignating paragraphs (7) through (10) as paragraphs (8) through (11), respectively; and

(2) by inserting after paragraph (6) the following new paragraph:

“(7) 50 PERCENT DISCOUNT FOR TEACHERS PURCHASING PROPERTIES THAT ARE ELIGIBLE ASSETS.—

“(A) DISCOUNT.—A property that is an eligible asset and is sold, during fiscal years 2000 through 2004, to a teacher for use in accordance with subparagraph (B) shall be sold at a price that is equal to 50 percent of the appraised value of the eligible property (as determined in accordance with paragraph (6)(B)). In the case of a property eligible for both a discount under this paragraph and a discount under paragraph (6), the discount under paragraph (6) shall not apply.

“(B) PRIMARY RESIDENCE.—An eligible property sold pursuant to a discount under this paragraph shall be used, for not less than the 3-year period beginning upon such sale, as the primary residence of a teacher.

“(C) SALE METHODS.—The Secretary may sell an eligible property pursuant to a discount under this paragraph—

“(i) to a unit of general local government or nonprofit organization (pursuant to paragraph (4) or otherwise), for resale or transfer to a teacher; or

“(ii) directly to a purchaser who is a teacher.

“(D) RESALE.—In the case of any purchase by a unit of general local government or nonprofit organization of an eligible property sold at a discounted price under this paragraph, the sale agreement under paragraph (8) shall—

“(i) require the purchasing unit of general local government or nonprofit organization to provide the full benefit of the discount to the teacher obtaining the property; and

“(ii) in the case of a purchase involving multiple eligible assets, any of which is such an eligible property, designate the specific eligible property or properties to be subject to the requirements of subparagraph (B).

“(E) MORTGAGE DOWNPAYMENT ASSISTANCE.—If a teacher purchases an eligible property pursuant to a discounted sale price under this paragraph and finances such purchase through a mortgage insured under this title, notwithstanding any provision of section 203 the downpayment on such mortgage shall be \$100.

“(F) PREVENTION OF UNDUE PROFIT.—The Secretary shall issue regulations to prevent undue

profit from the resale of eligible properties in violation of the requirement under subparagraph (B).

“(G) AWARENESS PROGRAM.—From funds made available for salaries and expenses for the Office of Policy Support of the Department of Housing and Urban Development, each field office of the Department shall make available to elementary schools and secondary schools within the jurisdiction of the field office and to the public—

“(i) a list of eligible properties located within the jurisdiction of the field office that are available for purchase by teachers under this paragraph; and

“(ii) other information designed to make such teachers and the public aware of the discount and downpayment assistance available under this paragraph.

“(H) DEFINITIONS.—For the purposes of this paragraph, the following definitions shall apply:

“(i) The terms ‘elementary school’ and ‘secondary school’ have the meanings given such terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801), except that, for purposes of this paragraph, elementary education (as used in such section) shall include pre-Kindergarten education.

“(ii) The term ‘eligible property’ means an eligible asset described in paragraph (2)(A) of this subsection.

“(iii) The term ‘teacher’ means an individual who is employed on a full-time basis, in an elementary or secondary school, as a State-certified classroom teacher or administrator.”.

(d) CONFORMING AMENDMENTS.—Section 204(h) of the National Housing Act (12 U.S.C. 1710(h)) is amended—

(1) in paragraph (4)(B)(ii), by striking “paragraph (7)” and inserting “paragraph (8)”;

(2) in paragraph (5)(B)(i), by striking “paragraph (7)” and inserting “paragraph (8)”;

(3) in paragraph (6)(A), by striking “paragraph (8)” and inserting “paragraph (9)”.

(e) REGULATIONS.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall issue regulations to implement the amendments made by this section.

**SEC. 206. COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION RISK-SHARING DEMONSTRATION.**

Section 249 of the National Housing Act (12 U.S.C. 1715z-14) is amended—

(1) by striking the section heading and inserting the following:

“RISK-SHARING DEMONSTRATION”;

(2) by striking “reinsurance” each place such term appears and insert “risk-sharing”;

(3) in subsection (a)—

(A) in the first sentence, by striking “private mortgage insurers” and inserting “insured community development financial institutions”;

(B) in the second sentence—

(i) by striking “two” and inserting “4”; and

(ii) by striking “March 15, 1988” and inserting “the expiration of the 5-year period beginning on the date of the enactment of the American Homeownership and Economic Opportunity Act of 2000”;

(4) in subsection (b)—

(A) by striking “private mortgage insurance companies” each place such term appears and inserting “insured community development financial institutions”;

(B) in the first sentence, by striking “which have been determined to be qualified insurers under section 302(b)(2)(C)”;

(C) by striking paragraph (1) and inserting the following new paragraph:

“(1) assume the first loss on any mortgage insured pursuant to section 203(b), 234, or 245 that covers a one- to four-family dwelling and is included in the program under this section, up to the percentage of loss that is set forth in the risk-sharing contract;”;

(D) in paragraph (2)—

(i) by striking “carry out (under appropriate delegation) such” and inserting “delegate underwriting.”; and

(ii) by striking “function” and inserting “functions”;

(3) in subsection (c)—

(A) in the first sentence—

(i) by striking “of” the first place it appears and insert “for”;

(ii) by striking “insurance reserves” and inserting “loss reserves”; and

(iii) by striking “such insurance” and inserting “such reserves”; and

(B) in the second sentence, by striking “private mortgage insurance company” and inserting “insured community development financial institution”;

(6) in subsection (d), by striking “private mortgage insurance company” and inserting “insured community development financial institution”;

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

“(e) INSURED COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS.—For purposes of this section, the term ‘insured community development financial institution’ means a community development financial institution, as such term is defined in section 103 of Reigle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4702) that is an insured depository institution (as such term is defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)) or an insured credit union (as such term is defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752)).”.

**SEC. 207. HYBRID ARMS.**

(a) IN GENERAL.—Section 251 of the National Housing Act (12 U.S.C. 1715z-16) is amended—

(1) in subsection (a), by inserting “IN GENERAL.—” after “(a)”;

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

“(b) DISCLOSURE.—In the case of any loan application for a mortgage to be insured under any provision of this section, the Secretary shall require that the prospective mortgagee for the mortgage shall, at the time of loan application, make available to the prospective mortgagee a written explanation of the features of an adjustable rate mortgage consistent with the disclosure requirements applicable to variable rate mortgages secured by a principal dwelling under the Truth in Lending Act (15 U.S.C. 1601 et seq.).”;

(3) in subsection (c), by inserting “LIMITATION ON INSURANCE AUTHORITY.—” after “(c)”;

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

“(d) HYBRID ARMS.—The Secretary may insure under this subsection a mortgage that—

“(1) has an effective rate of interest that shall be—

“(A) fixed for a period of not less than the first 3 years of the mortgage term;

“(B) initially adjusted by the mortgagee upon the expiration of such period and annually thereafter; and

“(C) in the case of the initial interest rate adjustment, shall be subject to the limitation under clause (2) of the last sentence of subsection (a) (relating to prohibiting annual increases of more than 1 percent) only if the interest rate remains fixed for 5 or fewer years; and

“(2) otherwise meets the requirements for insurance under subsection (a) that are not inconsistent with the requirements under paragraph (1) of this subsection.”.

(b) IMPLEMENTATION.—The Secretary of Housing and Urban Development may implement section 251(d) of the National Housing Act (12 U.S.C. 1715z-16(d)), as added by subsection (a) of this section, in advance of rulemaking.

**SEC. 208. HOME EQUITY CONVERSION MORTGAGES.**

(a) INSURANCE FOR MORTGAGES TO REFINANCE EXISTING HECMs.—

(1) IN GENERAL.—Section 255 of the National Housing Act (12 U.S.C. 1715z-20) is amended—

(A) by redesignating subsection (k) as subsection (m); and

(B) by inserting after subsection (j) the following new subsection:

“(k) INSURANCE AUTHORITY FOR REFINANCINGS.—

“(1) IN GENERAL.—The Secretary may, upon application by a mortgagee, insure under this subsection any mortgage given to refinance an existing home equity conversion mortgage insured under this section.

“(2) ANTI-CHURNING DISCLOSURE.—The Secretary shall, by regulation, require that the mortgagee of a mortgage insured under this subsection, provide to the mortgagor, within an appropriate time period and in a manner established in such regulations, a good faith estimate of: (A) the total cost of the refinancing; and (B) the increase in the mortgagor’s principal limit as measured by the estimated initial principal limit on the mortgage to be insured under this subsection less the current principal limit on the home equity conversion mortgage that is being refinanced and insured under this subsection.

“(3) WAIVER OF COUNSELING REQUIREMENT.—The mortgagor under a mortgage insured under this subsection may waive the applicability, with respect to such mortgage, of the requirements under subsection (d)(2)(B) (relating to third party counseling), but only if—

“(A) the mortgagor has received the disclosure required under paragraph (2);

“(B) the increase in the principal limit described in paragraph (2) exceeds the amount of the total cost of refinancing (as described in such paragraph) by an amount to be determined by the Secretary; and

“(C) the time between the closing of the original home equity conversion mortgage that is refinanced through the mortgage insured under this subsection and the application for a refinancing mortgage insured under this subsection does not exceed 5 years.

“(4) CREDIT FOR PREMIUMS PAID.—Notwithstanding section 203(c)(2)(A), the Secretary may reduce the amount of the single premium payment otherwise collected under such section at the time of the insurance of a mortgage refinanced and insured under this subsection. The amount of the single premium for mortgages refinanced under this subsection shall be determined by the Secretary based on the actuarial study required under paragraph (5).

“(5) ACTUARIAL STUDY.—Not later than 180 days after the date of the enactment of the American Homeownership and Economic Opportunity Act of 2000, the Secretary shall conduct an actuarial analysis to determine the adequacy of the insurance premiums collected under the program under this subsection with respect to—

“(A) a reduction in the single premium payment collected at the time of the insurance of a mortgage refinanced and insured under this subsection;

“(B) the establishment of a single national limit on the benefits of insurance under subsection (g) (relating to limitation on insurance authority); and

“(C) the combined effect of reduced insurance premiums and a single national limitation on insurance authority.

“(6) FEES.—The Secretary may establish a limit on the origination fee that may be charged to a mortgagor under a mortgage insured under this subsection, except that such limitation shall provide that the origination fee may be fully financed with the mortgage and shall include any fees paid to correspondent mortgagees approved by the Secretary. The Secretary shall prohibit the charging of any broker fees in connection with mortgages insured under this subsection.”.

(2) REGULATIONS.—The Secretary shall issue any final regulations necessary to implement the amendments made by paragraph (1) of this subsection, which shall take effect not later than the expiration of the 180-day period beginning on the date of the enactment of this Act. The regulations shall be issued after notice and

opportunity for public comment in accordance with the procedure under section 553 of title 5, United States Code, applicable to substantive rules (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section).

(b) HOUSING COOPERATIVES.—Section 255(b) of the National Housing Act (12 U.S.C. 1715z-20(b)) is amended—

(1) in paragraph (2), by striking “‘mortgage’”; and

(2) by adding at the end the following new paragraphs:

“(4) MORTGAGE.—The term ‘mortgage’ means a first mortgage or first lien on real estate, in fee simple, on all stock allocated to a dwelling in a residential cooperative housing corporation, or on a leasehold—

“(A) under a lease for not less than 99 years that is renewable; or

“(B) under a lease having a period of not less than 10 years to run beyond the maturity date of the mortgage.

“(5) FIRST MORTGAGE.—The term ‘first mortgage’ means such classes of first liens as are commonly given to secure advances on, or the unpaid purchase price of, real estate or all stock allocated to a dwelling unit in a residential cooperative housing corporation, under the laws of the State in which the real estate or dwelling unit is located, together with the credit instruments, if any, secured thereby.”

(c) WAIVER OF UP-FRONT PREMIUMS FOR MORTGAGES USED FOR COSTS OF LONG-TERM CARE INSURANCE OR HEALTH CARE.—Section 255 of the National Housing Act (12 U.S.C. 1715z-20) is amended by inserting after subsection (k) (as added by subsection (a) of this section) the following new subsection:

“(l) WAIVER OF UP-FRONT PREMIUMS.—

“(1) MORTGAGES TO FUND LONG-TERM CARE INSURANCE.—In the case of any mortgage insured under this section under which the total amount (except as provided in paragraph (3)) of all future payments described in subsection (b)(3) will be used only for costs of a qualified long-term care insurance contract (as such term is defined in section 7702B of the Internal Revenue Code of 1986 (26 U.S.C. 7702B)) that covers the mortgagor or members of the household residing in the property that is subject to the mortgage, notwithstanding section 203(c)(2), the Secretary shall not charge or collect the single premium payment otherwise required under subparagraph (A) of such section to be paid at the time of insurance.

“(2) MORTGAGES TO FUND HEALTH CARE COSTS.—In the case of any mortgage insured under this section under which the future payments described in subsection (b)(3) will be used only for costs for health care services (as such term is defined by the Secretary) for the mortgagor or members of the household residing in the property that is subject to the mortgage and comply with limitations on such payments, as shall be established by the Secretary and based upon the purposes of this subsection and the accumulated equity of the mortgagor in the property, notwithstanding section 203(c)(2), the Secretary shall not charge or collect the single premium payment otherwise required under subparagraph (A) of such section to be paid at the time of insurance.

“(3) AUTHORITY TO REFINANCE EXISTING MORTGAGE AND FINANCE CLOSING COSTS.—A mortgage described in paragraphs (1) or (2) may provide financing of amounts that are used to satisfy outstanding mortgage obligations (in accordance with such limitations as the Secretary shall prescribe) any amounts used for initial service charges, appraisal, inspection, and other fees (as approved by the Secretary) in connection with such mortgage, and the amount of future payments described in subsection (b)(3) under the mortgage shall be reduced accordingly.”

(d) STUDY OF SINGLE NATIONAL MORTGAGE LIMIT.—The Secretary of Housing and Urban Development shall conduct an actuarially based study of the effects of establishing, for mort-

gages insured under section 255 of the National Housing Act (12 U.S.C. 1715z-20), a single maximum mortgage amount limitation in lieu of applicability of section 203(b)(2) of such Act (12 U.S.C. 1709(b)(2)). The study shall—

(1) examine the effects of establishing such limitation at different dollar amounts; and

(2) examine the effects of such various limitations on—

(A) the risks to the General Insurance Fund established under section 519 of such Act;

(B) the mortgage insurance premiums that would be required to be charged to mortgagors to ensure actuarial soundness of such Fund; and

(C) take into consideration the various approaches to providing credit to borrowers who refinance home equity conversion mortgages insured under section 255 of such Act.

Not later than 180 days after the date of the enactment of this Act, the Secretary shall complete the study under this subsection and submit a report describing the study and the results of the study to the Committee on Banking and Financial Services of the House of Representatives and to the Committee on Banking, Housing, and Urban Affairs of the Senate.

#### SEC. 209. LAW ENFORCEMENT OFFICER HOMEOWNERSHIP PILOT PROGRAM.

(a) ASSISTANCE FOR LAW ENFORCEMENT OFFICERS.—The Secretary of Housing and Urban Development shall carry out a pilot program in accordance with this section to assist Federal, State, and local law enforcement officers purchasing homes in locally-designated high-crime areas.

(b) ELIGIBILITY.—To be eligible for assistance under this section, a law enforcement officer shall—

(1) have completed not less than 6 months of service as a law enforcement officer as of the date that the law enforcement officer applies for such assistance; and

(2) agree, in writing, to use the residence purchased with such assistance as the primary residence of the law enforcement officer for not less than 3 years after the date of purchase.

(c) MORTGAGE ASSISTANCE.—If a law enforcement officer purchases a home in locally-designated high-crime area and finances such purchase through a mortgage insured under title II of the National Housing Act (12 U.S.C. 1707 et seq.), notwithstanding any provision of section 203 or any other provision of the National Housing Act, the following shall apply:

(1) DOWNPAYMENT.—

(A) IN GENERAL.—There shall be no downpayment required if the purchase price of the property is not more than the reasonable value of the property, as determined by the Secretary.

(B) PURCHASE PRICE EXCEEDS VALUE.—If the purchase price of the property exceeds the reasonable value of the property, as determined by the Secretary, the required downpayment shall be the difference between such reasonable value and the purchase price.

(2) CLOSING COSTS.—The closing costs and origination fee for such mortgage may be included in the loan amount.

(3) INSURANCE PREMIUM PAYMENT.—There shall be 1 insurance premium payment due on the mortgage. Such insurance premium payment—

(A) shall be equal to 1 percent of the loan amount;

(B) shall be due and considered earned by the Secretary at the time of the loan closing; and

(C) may be included in the loan amount and paid from the loan proceeds.

(d) LOCALLY-DESIGNATED HIGH-CRIME AREA.—

(1) IN GENERAL.—Any unit of local government may request that the Secretary designate any area within the jurisdiction of that unit of local government as a locally-designated high-crime area for purposes of this section if the proposed area—

(A) has a crime rate that is significantly higher than the crime rate of the non-designated area that is within the jurisdiction of the unit of local government; and

(B) has a population that is not more than 25 percent of the total population of area within the jurisdiction of the unit of local government.

(2) DEADLINE FOR CONSIDERATION OF REQUEST.—Not later than 60 days after receiving a request under paragraph (1), the Secretary shall approve or disapprove the request.

(e) LAW ENFORCEMENT OFFICER.—For purposes of this section, the term “law enforcement officer” has such meaning as the Secretary shall provide, except that such term shall include any individual who is employed as an officer in a correctional institution.

(f) SUNSET.—The Secretary shall not approve any application for assistance under this section that is received by the Secretary after the expiration of the 3-year period beginning on the date that the Secretary first makes available assistance under the pilot program under this section.

#### SEC. 210. STUDY OF MANDATORY INSPECTION REQUIREMENT UNDER SINGLE FAMILY HOUSING MORTGAGE INSURANCE PROGRAM.

The Comptroller General of the United States shall conduct a study regarding the inspection of properties purchased with loans insured under section 203 of the National Housing Act. The study shall evaluate the following issues:

(1) The feasibility of requiring inspections of all properties purchased with loans insured under such section.

(2) The level of financial losses or savings to the Mutual Mortgage Insurance Fund that are likely to occur if inspections are required on properties purchased with loans insured under such section.

(3) The potential impact on the process of buying a home if inspections of properties purchased with loans insured under such section are required, including the process of buying a home in underserved areas where losses to the Mutual Mortgage Insurance Fund are greatest.

(4) The difference, if any, in the quality of homes purchased with loans insured under such section that are inspected before purchase and such homes that are not inspected before purchase.

(5) The cost to homebuyers of requiring inspections before purchase of properties with loans insured under such section.

(6) The extent, if any, to which requiring inspections of properties purchased with loans insured under such section will result in adverse selection of loans insured under such section.

(7) The extent of homebuyer knowledge regarding property inspections and the extent to which such knowledge affects the decision of homebuyers to opt for or against having a property inspection before purchasing a home.

(8) The impact of the Homebuyer Protection Plan implemented by the Department of Housing and Urban Development on the number of appraisers authorized to appraise homes with mortgages insured under section 203 of the National Housing Act.

(9) The cost to homebuyers incurred as a result of the Homebuyer Protection plan, taking into consideration, among other factors, an increase in appraisal fees.

(10) The benefit or adverse impact of the Homebuyer Protection Plan on minority homebuyers.

(11) The extent to which the appraisal requirements of the Homebuyer Protection Plan conflict with State laws regarding appraisals and home inspections.

Not later than the expiration of the 1-year period beginning on the date of the enactment of this Act, the Comptroller General shall submit to the Congress a report containing the results of the study and any recommendations with respect to the issues specified under this section.

**SEC. 211. REPORT ON TITLE I HOME IMPROVEMENT LOAN PROGRAM.**

(a) *IN GENERAL.*—Not later than 1 year after the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit a report to the Congress containing recommendations for improvements to the property improvement loan insurance program under title I of the National Housing Act, including improvements designed to address problems relating to home improvement contractors obtaining loans on behalf of homeowners.

(b) *CONSULTATION.*—In developing and determining recommendations for inclusion in the report under this section and in preparing the report, the Secretary shall consult with interested persons, organizations, and entities, including representatives of the lending industry, the home improvement industry, and consumer organizations.

**TITLE III—SECTION 8 HOMEOWNERSHIP OPTION****SEC. 301. DOWNPAYMENT ASSISTANCE.**

(a) *AMENDMENTS.*—Section 8(y) of the United States Housing Act of 1937 (42 U.S.C. 1437f(y)) is amended—

(1) by redesignating paragraph (7) as paragraph (8); and

(2) by inserting after paragraph (6) the following new paragraph:

“(7) *DOWNPAYMENT ASSISTANCE.*—

“(A) *AUTHORITY.*—A public housing agency may, in lieu of providing monthly assistance payments under this subsection on behalf of a family eligible for such assistance and at the discretion of the public housing agency, provide assistance for the family in the form of a single grant to be used only as a contribution toward the downpayment required in connection with the purchase of a dwelling for fiscal year 2000 and each fiscal year thereafter to the extent provided in advance in appropriations Acts.

“(B) *AMOUNT.*—The amount of a downpayment grant on behalf of an assisted family may not exceed the amount that is equal to the sum of the assistance payments that would be made during the first year of assistance on behalf of the family, based upon the income of the family at the time the grant is to be made.”

(b) *EFFECTIVE DATE.*—The amendments made by subsection (a) shall take effect immediately after the amendments made by section 555(c) of the Quality Housing and Work Responsibility Act of 1998 take effect pursuant to such section.

**SEC. 302. PILOT PROGRAM FOR HOMEOWNERSHIP ASSISTANCE FOR DISABLED FAMILIES.**

(a) *IN GENERAL.*—A public housing agency providing tenant-based assistance on behalf of an eligible family under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) may provide assistance for a disabled family that purchases a dwelling unit (including a dwelling unit under a lease-purchase agreement) that will be owned by 1 or more members of the disabled family and will be occupied by the disabled family, if the disabled family—

(1) purchases the dwelling unit before the expiration of the 3-year period beginning on the date that the Secretary first implements the pilot program under this section;

(2) demonstrates that the disabled family has income from employment or other sources (including public assistance), as determined in accordance with requirements of the Secretary, that is not less than twice the payment standard established by the public housing agency (or such other amount as may be established by the Secretary);

(3) except as provided by the Secretary, demonstrates at the time the disabled family initially receives tenant-based assistance under this section that one or more adult members of the disabled family have achieved employment for the period as the Secretary shall require;

(4) participates in a homeownership and housing counseling program provided by the agency; and

(5) meets any other initial or continuing requirements established by the public housing agency in accordance with requirements established by the Secretary.

(b) *DETERMINATION OF AMOUNT OF ASSISTANCE.*—

(1) *IN GENERAL.*—

(A) *MONTHLY EXPENSES NOT EXCEEDING PAYMENT STANDARD.*—If the monthly homeownership expenses, as determined in accordance with requirements established by the Secretary, do not exceed the payment standard, the monthly assistance payment shall be the amount by which the homeownership expenses exceed the highest of the following amounts, rounded to the nearest dollar:

(i) 30 percent of the monthly adjusted income of the disabled family.

(ii) 10 percent of the monthly income of the disabled family.

(iii) If the disabled family is receiving payments for welfare assistance from a public agency, and a portion of those payments, adjusted in accordance with the actual housing costs of the disabled family, is specifically designated by that agency to meet the housing costs of the disabled family, the portion of those payments that is so designated.

(B) *MONTHLY EXPENSES EXCEED PAYMENT STANDARD.*—If the monthly homeownership expenses, as determined in accordance with requirements established by the Secretary, exceed the payment standard, the monthly assistance payment shall be the amount by which the applicable payment standard exceeds the highest of the amounts under clauses (i), (ii), and (iii) of subparagraph (A).

(2) *CALCULATION OF AMOUNT.*—

(A) *LOW-INCOME FAMILIES.*—A disabled family that is a low-income family shall be eligible to receive 100 percent of the amount calculated under paragraph (1).

(B) *INCOME BETWEEN 81 AND 89 PERCENT OF MEDIAN.*—A disabled family whose income is between 81 and 89 percent of the median for the area shall be eligible to receive 66 percent of the amount calculated under paragraph (1).

(C) *INCOME BETWEEN 90 AND 99 PERCENT OF MEDIAN.*—A disabled family whose income is between 90 and 99 percent of the median for the area shall be eligible to receive 33 percent of the amount calculated under paragraph (1).

(D) *INCOME MORE THAN 99 PERCENT OF MEDIAN.*—A disabled family whose income is more than 99 percent of the median for the area shall not be eligible to receive assistance under this section.

(c) *INSPECTIONS AND CONTRACT CONDITIONS.*—

(1) *IN GENERAL.*—Each contract for the purchase of a dwelling unit to be assisted under this section shall—

(A) provide for pre-purchase inspection of the dwelling unit by an independent professional; and

(B) require that any cost of necessary repairs be paid by the seller.

(2) *ANNUAL INSPECTIONS NOT REQUIRED.*—The requirement under subsection (o)(8)(A)(ii) of the United States Housing Act of 1937 for annual inspections shall not apply to dwelling units assisted under this section.

(d) *OTHER AUTHORITY OF THE SECRETARY.*—The Secretary may—

(1) limit the term of assistance for a disabled family assisted under this section;

(2) provide assistance for a disabled family for the entire term of a mortgage for a dwelling unit if the disabled family remains eligible for such assistance for such term; and

(3) modify the requirements of this section as the Secretary determines to be necessary to make appropriate adaptations for lease-purchase agreements.

(e) *ASSISTANCE PAYMENTS SENT TO LENDER.*—The Secretary shall remit assistance payments under this section directly to the mortgagee of the dwelling unit purchased by the disabled family receiving such assistance payments.

(f) *INAPPLICABILITY OF CERTAIN PROVISIONS.*—Assistance under this section shall not be subject to the requirements of the following provisions:

(1) Subsection (c)(3)(B) of section 8 of the United States Housing Act of 1937.

(2) Subsection (d)(1)(B)(i) of section 8 of the United States Housing Act of 1937.

(3) Any other provisions of section 8 of the United States Housing Act of 1937 governing maximum amounts payable to owners and amounts payable by assisted families.

(4) Any other provisions of section 8 of the United States Housing Act of 1937 concerning contracts between public housing agencies and owners.

(5) Any other provisions of the United States Housing Act of 1937 that are inconsistent with the provisions of this section.

(g) *REVERSION TO RENTAL STATUS.*—

(1) *NON-FHA MORTGAGES.*—If a disabled family receiving assistance under this section defaults under a mortgage not insured under the National Housing Act, the disabled family may not continue to receive rental assistance under section 8 of the United States Housing Act of 1937 unless it complies with requirements established by the Secretary.

(2) *ALL MORTGAGES.*—A disabled family receiving assistance under this section that defaults under a mortgage may not receive assistance under this section for occupancy of another dwelling unit owned by 1 or more members of the disabled family.

(3) *EXCEPTION.*—This subsection shall not apply if the Secretary determines that the disabled family receiving assistance under this section defaulted under a mortgage due to catastrophic medical reasons or due to the impact of a federally declared major disaster or emergency.

(h) *REGULATIONS.*—Not later than 90 days after the date of the enactment of this Act, the Secretary shall issue regulations to implement this section. Such regulations may not prohibit any public housing agency providing tenant-based assistance on behalf of an eligible family under section 8 of the United States Housing Act of 1937 from participating in the pilot program under this section.

(i) *DEFINITION OF DISABLED FAMILY.*—For the purposes of this section, the term “disabled family” has the meaning given the term “person with disabilities” in section 811(k)(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013(k)(2)).

**SEC. 303. FUNDING FOR PILOT PROGRAMS.**

(a) *AUTHORIZATION OF APPROPRIATIONS.*—There is authorized to be appropriated \$2,000,000 for fiscal year 2001 for assistance in connection with the existing homeownership pilot programs carried out under the demonstration program authorized under to section 555(b) of the Quality Housing and Work Responsibility Act of 1998 (Public Law 105-276; 112 Stat. 2613).

(b) *USE.*—Subject to subsection (c), amounts made available pursuant to this section shall be used only through such homeownership pilot programs to provide, on behalf of families participating in such programs, amounts for downpayments in connection with dwellings purchased by such families using assistance made available under section 8(y) of the United States Housing Act of 1937 (42 U.S.C. 1437f(y)). No such downpayment grant may exceed 20 percent of the appraised value of the dwelling purchased with assistance under such section 8(y).

(c) *MATCHING REQUIREMENT.*—The amount of assistance made available under this section for any existing homeownership pilot program may not exceed twice the amount donated from sources other than this section for use under the program for assistance described in subsection (b). Amounts donated from other sources may include amounts from State housing finance agencies and Neighborhood Housing Services of America.

**TITLE IV—COMMUNITY DEVELOPMENT BLOCK GRANTS**

**SEC. 401. REAUTHORIZATION.**

(a) **AUTHORIZATION OF APPROPRIATIONS.**—The last sentence of section 103 of the Housing and Community Development Act of 1974 (42 U.S.C. 5303) is amended to read as follows: "For purposes of assistance under section 106, there is authorized to be appropriated \$4,900,000,000 for fiscal year 2001 and such sums as may be necessary for each of fiscal years 2002, 2003, 2004, and 2005."

(b) **ENTITLEMENT GRANTS.**—

(1) **IN GENERAL.**—Section 102(a)(5)(B) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(5)(B)) is amended—

(A) by inserting "(I)" after "(iii)"; and

(B) by inserting before the period at the end the following: "; or (II) has a population in its unincorporated areas of not less than 450,000, except that a town or township which is designated as a city pursuant to this subclause shall have only its unincorporated areas considered as a city for purposes of this title".

(2) **TREATMENT AS SEPARATE FROM URBAN COUNTIES.**—Section 102(d) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(d)) is amended—

(A) by inserting "(1)" after "(d)"; and

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

"(2) Notwithstanding paragraph (1), a town or township that is classified as a city by reason of subclause (II) of section 102(a)(5)(B)(iii) shall be treated, for purposes of eligibility for a grant under section 106(b)(1) from amounts made available for a fiscal year beginning after the date of the enactment of the American Homeownership and Economic Opportunity Act of 2000, as an entity separate from the urban county in which it is located."

(3) **ELIGIBILITY OF CERTAIN URBAN COUNTIES.**—Section 102(a)(6) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(6)) is amended—

(1) in subparagraph (D)—

(A) in clause (v), by striking "or" at the end;

(B) in clause (vi), by striking the period at the end and inserting "; or"; and

(C) by adding at the end the following new clause:

"(vii)(I) has consolidated its government with one or more municipal governments, such that within the county boundaries there are no unincorporated areas, (II) has a population of not less than 650,000, over which the consolidated government has the authority to undertake essential community development and housing assistance activities, (III) for more than 10 years, has been classified as an entitlement area for purposes of allocating and distributing funds under section 106, and (IV) as of the date of the enactment of this clause, has over 90 percent of the county's population within the jurisdiction of the consolidated government.";

(2) by adding at the end the following new subparagraph:

"(F) Notwithstanding any other provision of this paragraph, any county that was classified as an urban county pursuant to subparagraph (A) for fiscal year 1999, includes 10 cities each having a population of less than 50,000, and has a population in its unincorporated areas of 190,000 or more but less than 200,000, shall thereafter remain classified as an urban county."

**SEC. 402. PROHIBITION OF SET-ASIDES.**

Section 103 of the Housing and Community Development Act of 1974 (42 U.S.C. 5303), as amended by section 401 of this Act, is further amended—

(1) by inserting after "SEC. 103." the following: "(a) **IN GENERAL.**—"; and

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

"(b) **PROHIBITION OF SET-ASIDES.**—Except as provided in paragraphs (1) and (2) of section 106(a) and section 107, amounts appropriated

pursuant to subsection (a) of this section or otherwise to carry out this title (other than section 108) shall be used only for formula-based grants allocated pursuant to section 106 and may not be otherwise used unless the provision of law providing for such other use specifically refers to this subsection and specifically states that such provision modifies or supersedes the provisions of this subsection."

**SEC. 403. PUBLIC SERVICES CAP.**

Section 105(a)(8) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(8)) is amended by striking "fiscal years 1993" and all that follows through "unit of general local government" and inserting the following: "fiscal years 1993 through 2006 to the City of Los Angeles, the County of Los Angeles, or any other unit of general local government located in the County of Los Angeles, such city, such county, or each such unit of general local government, respectively,".

**SEC. 404. HOMEOWNERSHIP FOR MUNICIPAL EMPLOYEES.**

(a) **ELIGIBLE ACTIVITIES.**—Section 105(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)) is amended—

(1) in paragraph (22)(C), by striking "and" at the end;

(2) in paragraph (23), by striking the period at the end and inserting a semicolon; and

(3) by inserting after paragraph (23) the following new paragraph:

"(24) provision of direct assistance to facilitate and expand homeownership among uniformed employees (including policemen, firemen, and sanitation and other maintenance workers) of, and teachers who are employees of, the metropolitan city or urban county (or an agency or school district serving such city or county) receiving grant amounts under this title pursuant to section 106(b) or the unit of general local government (or an agency or school district serving such unit) receiving such grant amounts pursuant to section 106(d), except that—

"(A) such assistance may only be provided on behalf of such employees who are first-time homebuyers under the meaning given such term in section 104(14) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704(14)), except that, for purposes of this paragraph, such section shall be applied by substituting 'section 105(a)(24) of the Housing and Community Development Act of 1974' for 'title II';

"(B) notwithstanding section 102(a)(20)(B) or any other provision of this title, such assistance may be provided on behalf of such employees whose family incomes do not exceed—

"(i) 115 percent of the median income of the area involved, as determined by the Secretary with adjustments for smaller and larger families; or

"(ii) with respect only to areas that the Secretary determines have high housing costs, taking into consideration median house prices and median family incomes for the area, 150 percent of the median income of the area involved, as determined by the Secretary with adjustments for smaller and larger families;

"(C) such assistance shall be used only for acquiring principal residences for such employees, in a manner that involves obligating amounts with respect to any particular mortgage over a period of one year or less, by—

"(i) providing amounts for downpayments on mortgages;

"(ii) paying reasonable closing costs normally associated with the purchase of a residence;

"(iii) obtaining pre- or post-purchase counseling relating to the financial and other obligations of homeownership; or

"(iv) subsidizing mortgage interest rates; and

"(D) any residence purchased using assistance provided under this paragraph shall be subject to restrictions on resale that are—

"(i) established by the metropolitan city, urban county, or unit of general local government providing such assistance; and

"(ii) determined by the Secretary to be appropriate to comply with subparagraphs (A) and (B) of section 215(b)(3) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745(b)(3)), except that, for purposes of this paragraph, such subparagraphs shall be applied by substituting 'section 105(a)(24) of the Housing and Community Development Act of 1974' for 'this title';".

(b) **PRIMARY OBJECTIVES.**—Section 105(c) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(c)) is amended by adding at the end the following new paragraph:

"(5) **HOMEOWNERSHIP ASSISTANCE FOR MUNICIPAL EMPLOYEES.**—Notwithstanding any other provision of this title, any assisted activity described in subsection (a)(24) of this section shall be considered, for purposes of this title, to benefit persons of low and moderate income and to be directed toward the objective under section 101(c)(3)."

**SEC. 405. TECHNICAL AMENDMENT RELATING TO BROWNFIELDS.**

Section 105(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)), as amended by section 404 of this Act, is further amended—

(1) in paragraph (25), by striking the period and inserting "; and"; and

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

"(26) environmental cleanup and economic development activities related to Brownfields projects in conjunction with the appropriate environmental regulatory agencies."

**SEC. 406. INCOME ELIGIBILITY.**

(a) **IN GENERAL.**—In addition to the exceptions granted pursuant to section 590 of the Quality Housing and Work Responsibility Act of 1998 (42 U.S.C. 5301 note), the Secretary of Housing and Urban Development shall, for not less than 10 other jurisdictions that are metropolitan cities or urban counties for purposes of title I of the Housing and Community Development Act of 1974, grant exceptions not later than 90 days after the date of the enactment of this Act for such jurisdictions that provide that—

(1) for purposes of the HOME investment partnerships program under title II of the Cranston-Gonzalez National Affordable Housing Act, the limitation based on percentage of median income that is applicable under section 104(10), 214(1)(A), or 215(a)(1)(A) for any area of the jurisdiction shall be the numerical percentage that is specified in such section; and

(2) for purposes of the community development block grant program under title I of the Housing and Community Development Act of 1974, the limitation based on percentage of median income that is applicable pursuant to section 102(a)(20) for any area within the State or unit of general local government shall be the numerical percentage that is specified in subparagraph (A) of such section.

(b) **SELECTION.**—In selecting the jurisdictions for which to grant such exceptions, the Secretary shall consider the relative median income of such jurisdictions and shall give preference to jurisdictions with the highest housing costs.

**SEC. 407. HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS.**

Section 863 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12912) is amended to read as follows:

**"SEC. 863. AUTHORIZATION OF APPROPRIATIONS.**

"There is authorized to be appropriated to carry out this subtitle \$260,000,000 for fiscal year 2001 and such sums as may be necessary for each of fiscal years 2002, 2003, 2004, and 2005."

**TITLE V—HOME INVESTMENT PARTNERSHIPS PROGRAM**

**SEC. 501. REAUTHORIZATION.**

(a) **AUTHORIZATION OF APPROPRIATIONS.**—Section 205 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12724) is amended to read as follows:

**SEC. 205. AUTHORIZATION.**

“(a) **IN GENERAL.**—There is authorized to be appropriated to carry out this title \$1,650,000,000 for fiscal year 2001 and such sums as may be necessary for each of fiscal years 2002, 2003, 2004, and 2005, of which—

“(1) not more than \$25,000,000 in each such fiscal year shall be for community housing partnership activities authorized under section 233; and

“(2) not more than \$15,000,000 in each such fiscal year shall be for activities in support of State and local housing strategies authorized under subtitle C, of which, in each of fiscal years 2001 and 2002, \$3,000,000 shall be for funding grants under section 246.

“(b) **PROHIBITION OF SET-ASIDES.**—Except as provided in subsection (a) of this section and section 217(a)(3), amounts appropriated pursuant to subsection (a) of this section or otherwise to carry out this title shall be used only for formula-based grants allocated pursuant to section 217 and may not be otherwise used unless the provision of law providing for such other use specifically refers to this subsection and specifically states that such provision modifies or supersedes the provisions of this subsection.”.

(b) **ALLOCATIONS OF AMOUNTS.**—Section 104(19) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704(19)) is amended by adding at the end the following: “The term ‘city’ shall have the meaning given such term in section 102(a)(5)(B) of such Act. A town or township that is classified as a city by reason of subclause (II) of section 102(a)(5)(A)(B)(iii) of such Act shall be treated, notwithstanding section 102(d)(1) of such Act, as an entity separate from the urban county in which it is located for purposes of allocation of amounts under section 217 of this Act to units of general local government from amounts made available for any fiscal year beginning after the date of the enactment of the American Homeownership and Economic Opportunity Act of 2000.”.

(c) **PILOT PROGRAM FOR DEVELOPING REGIONAL HOUSING STRATEGIES.**—Subtitle C of title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12781 et seq.) is amended by adding at the end the following new section:

**SEC. 246. PILOT PROGRAM FOR DEVELOPING COMPREHENSIVE REGIONAL HOUSING AFFORDABILITY STRATEGIES.**

“(a) **AUTHORITY.**—The Secretary may, using any amounts made available for grants under this section, make not more than 3 grants for each of fiscal years 2001 and 2002 to consortia of units of general local government described in subsection (b) for costs of developing and implementing comprehensive housing affordability strategies on a regional basis.

“(b) **ELIGIBLE CONSORTIA.**—A consortium of units of general local government described in this subsection is a consortium that—

“(1) is eligible under section 216(2) to be deemed a unit of general local government for purposes of this title; and

“(2) consists of multiple units of general local government; and

“(3) contains only units of general local government that are geographically contiguous.

“(c) **MULTI-STATE REQUIREMENT.**—In each fiscal year in which grants are made under this section, not less than one of the consortia that receives a grant shall be a consortium described in subsection (b) that includes units of general local government from 2 or more States.”.

**SEC. 502. ELIGIBILITY OF LIMITED EQUITY COOPERATIVES AND MUTUAL HOUSING ASSOCIATIONS.**

(a) **CONGRESSIONAL FINDINGS.**—Section 202(10) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721(10)) is amended by inserting “mutual housing associations,” after “limited equity cooperatives.”.

(b) **DEFINITIONS.**—Section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704) is amended—

(1) by redesignating paragraph (23) as paragraph (22);

(2) by redesignating paragraph (24) (relating to the definition of “insular area”) as paragraph (23); and

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

“(26) The term ‘limited equity cooperative’ means a cooperative housing corporation which, in a manner determined by the Secretary to be acceptable, restricts income eligibility of purchasers of membership shares of stock in the cooperative corporation or the initial and resale price of such shares, or both, so that the shares remain available and affordable to low-income families.

“(27) The term ‘mutual housing association’ means a private entity that—

“(A) is organized under State law;

“(B) is described in section 501(c) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code;

“(C) owns, manages, and continuously develops affordable housing by providing long-term housing for low- and moderate-income families;

“(D) provides that eligible families who purchase membership interests in the association shall have a right to residence in a dwelling unit in the housing during the period that they hold such membership interest; and

“(E) provides for the residents of such housing to participate in the ongoing management of the housing.”.

(c) **ELIGIBILITY.**—Section 215 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745) is amended—

(1) in subsection (b), by adding after and below paragraph (4) the following:

“Housing that is owned by a limited equity cooperative or a mutual housing association may be considered by a participating jurisdiction to be housing for homeownership for purposes of this title to the extent that ownership or membership in such a cooperative or association, respectively, constitutes homeownership under State or local laws.”; and

(2) in subsection (a), by adding at the end the following new paragraph:

“(6) **LIMITED EQUITY COOPERATIVES AND MUTUAL HOUSING ASSOCIATIONS.**—Housing that is owned by a limited equity cooperative or a mutual housing association may be considered by a participating jurisdiction to be rental housing for purposes of this title to the extent that ownership or membership in such a cooperative or association, respectively, constitutes rental of a dwelling under State or local laws.”.

**SEC. 503. ADMINISTRATIVE COSTS.**

Section 212(c) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742(c)) is amended by adding at the end the following new sentence: “A participating jurisdiction may use amounts made available under this subsection for a fiscal year for administrative and planning costs by amortizing the costs of administration and planning activities under this subtitle over the entire duration of such activities.”.

**SEC. 504. LEVERAGING AFFORDABLE HOUSING INVESTMENT THROUGH LOCAL LOAN POOLS.**

(a) **ELIGIBLE INVESTMENTS.**—Section 212(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742(b)) is amended by inserting after “interest subsidies” the following: “, advances to provide reserves for loan pools or to provide partial loan guarantees.”.

(b) **TIMELY INVESTMENT OF TRUST FUNDS.**—Section 218(e) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12748) is amended to read as follows:

“(e) **INVESTMENT WITHIN 15 DAYS.**—

“(1) **IN GENERAL.**—The participating jurisdiction shall, not later than 15 days after funds are drawn from the jurisdiction’s HOME Investment Trust Fund, invest such funds, together with any interest earned thereon, in the affordable housing for which the funds were withdrawn.

“(2) **LOAN POOLS.**—In the case of a participating jurisdiction that withdraws Trust Fund amounts for investment in the form of an advance for reserves or partial loan guarantees under a program providing such credit enhancement for loans for affordable housing, the amounts shall be considered to be invested for purposes of paragraph (1) upon the completion of both of the following actions:

“(A) Control of the amounts is transferred to the program.

“(B) The jurisdiction and the entity operating the program enter into a written agreement that—

“(i) provides that such funds may be used only in connection with such program;

“(ii) defines the terms and conditions of the loan pool reserve or partial loan guarantees; and

“(iii) provides that such entity shall ensure that amounts from non-Federal sources have been contributed, or are committed for contribution, to the pool available for loans for affordable housing that will be backed by such reserves or loan guarantees in an amount equal to 10 times the amount invested from Trust Fund amounts.”.

(c) **EXPIRATION OF RIGHT TO WITHDRAW FUNDS.**—Section 218(g) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12748(g)) is amended to read as follows:

“(g) **EXPIRATION OF RIGHT TO DRAW FUNDS.**—

“(1) **IN GENERAL.**—If any funds becoming available to a participating jurisdiction under this title are not placed under binding commitment to affordable housing within 24 months after the last day of the month in which such funds are deposited in the jurisdiction’s HOME Investment Trust Fund, the jurisdiction’s right to draw such funds from the HOME Investment Trust Fund shall expire. The Secretary shall reduce the line of credit in the participating jurisdiction’s HOME Investment Trust Fund by the expiring amount and shall reallocate the funds by formula in accordance with section 217(d).

“(2) **LOAN POOLS.**—In the case of a participating jurisdiction that withdraws Trust Fund amounts for investment in the manner provided under subsection (e)(2), the amounts shall be considered to be placed under binding commitment to affordable housing for purposes of paragraph (1) of this subsection at the time that the amounts are obligated for use under, and are subject to, a written agreement described in subsection (e)(2)(B).”.

(d) **TREATMENT OF MIXED INCOME LOAN POOLS AS AFFORDABLE HOUSING.**—

(1) **IN GENERAL.**—Section 215 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745) is amended by adding at the end the following new subsection:

“(c) **LOAN POOLS.**—Notwithstanding subsections (a) and (b), housing financed using amounts invested as provided in section 218(e)(2) shall qualify as affordable housing only if the housing complies with the following requirements:

“(1) In the case of housing that is for homeownership—

“(A) of the units financed with amounts so invested—

“(i) not less than 75 percent are principal residences of owners whose families qualify as low-income families—

“(I) in the case of a contract to purchase existing housing, at the time of purchase;

“(II) in the case of a lease-purchase agreement for existing housing or for housing to be constructed, at the time the agreement is signed; or

“(III) in the case of a contract to purchase housing to be constructed, at the time the contract is signed;

“(ii) all are principal residences of owners whose families qualify as moderate-income families—

“(I) in the case of a contract to purchase existing housing, at the time of purchase;

“(II) in the case of a lease-purchase agreement for existing housing or for housing to be constructed, at the time the agreement is signed; or

“(III) in the case of a contract to purchase housing to be constructed, at the time the contract is signed; and

“(iii) all comply with paragraphs (3) and (4) of subsection (b), except that paragraph (3) shall be applied for purposes of this clause by substituting ‘subsection (c)(2)(B)’ and ‘low- and moderate-income homebuyers’ for ‘paragraph (2)’ and ‘low-income homebuyers’, respectively; and

“(B) units made available for purchase only by families who qualify as low-income families shall have an initial purchase price that complies with the requirements of subsection (b)(1).

“(2) In the case of housing that is for rental, the housing—

“(A) complies with subparagraphs (D) through (F) of subsection (a)(1);

“(B)(i) has not less than 75 percent of the units occupied by households that qualify as low-income families and is occupied only by households that qualify as moderate-income families; or

“(ii) temporarily fails to comply with clause (i) only because of increases in the incomes of existing tenants and actions satisfactory to the Secretary are being taken to ensure that all vacancies in the housing are being filled in accordance with clause (i) until such noncompliance is corrected; and

“(C) bears rents, in the case of units made available for occupancy only by households that qualify as low-income families, that comply with the requirements of subsection (a)(1)(A). Paragraphs (4) and (5) of subsection (a) shall apply to housing that is subject to this subsection.”

(2) DEFINITION.—Section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704), as amended by section 502 of this Act, is further amended by adding at the end the following new paragraph:

“(28) The term ‘moderate income families’ means families whose incomes do not exceed the median income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than the median income for the area on the basis of the Secretary’s findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.”

**SEC. 505. HOMEOWNERSHIP FOR MUNICIPAL EMPLOYEES.**

(a) ELIGIBLE ACTIVITIES.—Paragraph (2) of section 215(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745(b)(2)) is amended to read as follows:

“(2) is the principal residence of an owner who—

“(A) is a member of a family that qualifies as a low-income family—

“(i) in the case of a contract to purchase existing housing, at the time of purchase;

“(ii) in the case of a lease-purchase agreement for existing housing or for housing to be constructed, at the time the agreement is signed; or

“(iii) in the case of a contract to purchase housing to be constructed, at the time the contract is signed; or

“(B)(i) is a uniformed employee (which shall include policemen, firemen, and sanitation and other maintenance workers) or a teacher who is an employee, of the participating jurisdiction (or an agency or school district serving such jurisdiction) that is investing funds made available under this subtitle to support homeownership of the residence; and

“(ii) is a member of a family whose income, at the time referred to in clause (i), (ii), or (iii) of subparagraph (A), as appropriate, and as determined by the Secretary with adjustments for smaller and larger families, does not exceed 115

percent of the median income of the area, except that, with respect only to such areas that the Secretary determines have high housing costs, taking into consideration median house prices and median family incomes for the area, such income limitation shall be 150 percent of the median income of the area, as determined by the Secretary with adjustments for smaller and larger families;”

(b) INCOME TARGETING.—Section 214(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12744(2)) is amended by inserting before the semicolon the following: “or families described in section 215(b)(2)(B)”

(c) ELIGIBLE INVESTMENTS.—Section 212(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742(b)) is amended by adding at the end the following new sentence: “Notwithstanding the preceding sentence, in the case of homeownership assistance for residences of owners described in section 215(b)(2)(B), funds made available under this subtitle may only be invested (A) to provide amounts for downpayments on mortgages, (B) to pay reasonable closing costs normally associated with the purchase of a residence, (C) to obtain pre- or post-purchase counseling relating to the financial and other obligations of homeownership, or (D) to subsidize mortgage interest rates.”

**SEC. 506. USE OF SECTION 8 ASSISTANCE BY “GRAND-FAMILIES” TO RENT DWELLING UNITS IN ASSISTED PROJECTS.**

Section 215(a) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745(a)), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new paragraph:

“(7) WAIVER OF QUALIFYING RENT.—

“(A) IN GENERAL.—For the purpose of providing affordable housing appropriate for families described in subparagraph (B), the Secretary may, upon the application of the project owner, waive the applicability of subparagraph (A) of paragraph (1) with respect to a dwelling unit if—

“(i) the unit is occupied by such a family, on whose behalf tenant-based assistance is provided under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f);

“(ii) the rent for the unit is not greater than the existing fair market rent for comparable units in the area, as established by the Secretary under section 8 of the United States Housing Act of 1937; and

“(iii) the Secretary determines that the waiver, together with waivers under this paragraph for other dwelling units in the project, will result in the use of amounts described in clause (iii) in an effective manner that will improve the provision of affordable housing for such families.

“(B) ELIGIBLE FAMILIES.—A family described in this subparagraph is a family that consists of at least one elderly person (who is the head of household) and one or more of such person’s grand children, great grandchildren, great nieces, great nephews, or great great grandchildren (as defined by the Secretary), but does not include any parent of such grandchildren, great grandchildren, great nieces, great nephews, or great great grandchildren. Such term includes any such grandchildren, great grandchildren, great nieces, great nephews, or great great grandchildren who have been legally adopted by such elderly person.”

**SEC. 507. LOAN GUARANTEES.**

Subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12741 et seq.) is amended by adding at the end the following new section:

**“SEC. 227. LOAN GUARANTEES.**

“(a) AUTHORITY.—The Secretary may, upon such terms and conditions as the Secretary may prescribe, guarantee and make commitments to guarantee, only to such extent or in such amounts as provided in appropriations Acts, the notes or other obligations issued by eligible par-

ticipating jurisdictions or by public agencies designated by and acting on behalf of eligible participating jurisdictions for purposes of financing (including credit enhancements and debt service reserves) the acquisition, new construction, reconstruction, or moderate or substantial rehabilitation of affordable housing (including real property acquisition, site improvement, conversion, and demolition), and other related expenses (including financing costs and relocation expenses of any displaced persons, families, businesses, or organizations). Housing funded under this section shall meet the requirements of this subtitle.

“(b) REQUIREMENTS.—Notes or other obligations guaranteed under this section shall be in such form and denominations, have such maturities, and be subject to such conditions as may be prescribed by the Secretary. The Secretary may not deny a guarantee under this section on the basis of the proposed repayment period for the note or other obligation, unless the period is more than 20 years or the Secretary determines that the period otherwise causes the guarantee to constitute an unacceptable financial risk.

“(c) LIMITATION ON TOTAL NOTES AND OBLIGATIONS.—The Secretary may not guarantee or make a commitment to guarantee any note or other obligation if the total outstanding notes or obligations guaranteed under this section on behalf of the participating jurisdiction issuing the note or obligation (excluding any amount defeased under a contract entered into under subsection (e)(1)) would thereby exceed an amount equal to 5 times the amount of the participating jurisdiction’s latest allocation under section 217.

“(d) USE OF PROGRAM FUNDS.—Notwithstanding any other provision of this subtitle, funds allocated to the participating jurisdiction under this subtitle (including program income derived therefrom) are authorized for use in the payment of principal and interest due on the notes or other obligations guaranteed pursuant to this section and the payment of such servicing, underwriting, or other issuance or collection charges as may be specified by the Secretary.

“(e) SECURITY.—To assure the full repayment of notes or other obligations guaranteed under this section, and payment of the issuance or collection charges specified by the Secretary under subsection (d), and as a prior condition for receiving such guarantees, the Secretary shall require the participating jurisdiction (and its designated public agency issuer, if any) to—

“(1) enter into a contract, in a form acceptable to the Secretary, for repayment of such notes or other obligations and the other specified charges;

“(2) pledge as security for such repayment any allocation for which the participating jurisdiction may become eligible under this subtitle; and

“(3) furnish, at the discretion of the Secretary, such other security as may be deemed appropriate by the Secretary in making such guarantees, which may include increments in local tax receipts generated by the housing assisted under this section or disposition proceeds from the sale of land or housing.

“(f) REPAYMENT AUTHORITY.—The Secretary may, notwithstanding any other provision of this subtitle or any other Federal, State, or local law, apply allocations pledged pursuant to subsection (e) to any repayments due the United States as a result of such guarantees.

“(g) FULL FAITH AND CREDIT.—The full faith and credit of the United States is pledged to the payment of all guarantees made under this section. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the notes or other obligations for such guarantee with respect to principal and interest, and the validity of any such guarantee so made shall be incontestable in the hands of a holder of the guaranteed obligations.

“(h) TAX STATUS.—With respect to any obligation guaranteed pursuant to this section, the

guarantee and the obligation shall be designed in a manner such that the interest paid on such obligation shall be included in gross income for purposes of the Internal Revenue Code of 1986.

(i) **MONITORING.**—The Secretary shall monitor the use of guarantees under this section by eligible participating jurisdictions. If the Secretary finds that 50 percent of the aggregate guarantee authority for any fiscal year has been committed, the Secretary may impose limitations on the amount of guarantees any 1 participating jurisdiction may receive during that fiscal year.

(j) **GUARANTEE OF TRUST CERTIFICATES.**—

(1) **AUTHORITY.**—The Secretary may, upon such terms and conditions as the Secretary deems appropriate, guarantee the timely payment of the principal of and interest on such trust certificates or other obligations as may—

(A) be offered by the Secretary or by any other offeror approved for purposes of this subsection by the Secretary; and

(B) be based on and backed by a trust or pool composed of notes or other obligations guaranteed or eligible for guarantee by the Secretary under this section.

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

(3) **SUBROGATION.**—In the event the Secretary pays a claim under a guarantee issued under this section, the Secretary shall be subrogated fully to the rights satisfied by such payment.

(4) **OTHER POWERS AND RIGHTS.**—No State or local law, and no Federal law, shall preclude or limit the exercise by the Secretary of—

(A) the power to contract with respect to public offerings and other sales of notes, trust certificates, and other obligations guaranteed under this section, upon such terms and conditions as the Secretary deems appropriate;

(B) the right to enforce, by any means deemed appropriate by the Secretary, any such contract; and

(C) the Secretary's ownership rights, as applicable, in notes, certificates or other obligations guaranteed under this section, or constituting the trust or pool against which trust certificates or other obligations guaranteed under this section are offered.

(k) **AGGREGATE LIMITATION.**—The total amount of outstanding obligations guaranteed on a cumulative basis by the Secretary under this section shall not at any time exceed \$2,000,000,000."

**SEC. 508. DOWNPAYMENT ASSISTANCE FOR 2- AND 3-FAMILY RESIDENCES.**

(a) **AUTHORITY.**—The Secretary of Housing and Urban Development shall carry out a pilot program under this section under which covered jurisdictions may use amounts described in subsection (b) to make loans to eligible homebuyers for use as downpayments on 2- and 3-family residences.

(b) **COVERED ASSISTANCE.**—Notwithstanding section 105 of the Housing and Community Development Act of 1974 (42 U.S.C. 5305) and section 212 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742), a covered jurisdiction may use amounts provided to the jurisdiction pursuant to section 106(b) of the Housing and Community Development Act of 1974 (42 U.S.C. 5406(b)) and amounts in the HOME Investment Trust Fund for the jurisdiction for downpayment loans meeting the requirements of subsection (d) to homebuyers meeting the requirements of subsection (c), but only to the extent such jurisdictions agree to comply with the requirements of this section, as the Secretary may require.

(c) **ELIGIBLE HOMEBUYERS.**—A homebuyer meets the requirements of this subsection only if the homebuyer is an individual or family—

(1) whose income does not exceed 80 percent of the median family income for the area within

which the residence to be purchased with the downpayment loan under subsection (d) is located; except that the Secretary may, pursuant to a request by a covered jurisdiction demonstrating that the jurisdiction has high housing costs (taking into consideration median home prices and median family incomes for the area), increase the percentage limitation under this paragraph to not more than 110 percent of the median family income for the area;

(2) who has successfully completed a program regarding the responsibilities and financial management involved in homeownership and ownership of rental property that is approved by the Secretary;

(3) has a satisfactory credit history and record as a tenant of rental housing; and

(4) who, if such individual or family has an income that exceeds 80 percent of the median income for the area, enters into a binding agreement to comply with the requirements under subsection (e) (relating to affordability of other dwelling units in the residence).

(d) **NO-INTEREST DOWNPAYMENT LOANS.**—A loan meets the requirements of this subsection only if—

(1) the principal obligation of the loan—

(A) may be used only for a downpayment for acquisition of a 2- or 3-family residence and for closing costs and other costs payable at the time of closing, as the Secretary shall provide; and

(B) does not exceed the amount that is equal to the sum of (i) 7 percent of the purchase price of the residence, and (ii) such closing and other costs;

(2) the borrower under the loan is paying, for acquisition of the residence, at least 3 percent of the cost of acquisition of the residence in cash or its equivalent;

(3) the borrower under the loan will occupy a dwelling unit in the residence purchased using the loan as the principal residence of the borrower;

(4) the loan terms—

(A) do not require the borrower to be pre-qualified for a loan that finances the remainder of the purchase price of a residence described in paragraph (1)(A); and

(B) provide that the proceeds of the loan are available for use (as provided in paragraph (1)) only during the 4-month period beginning upon the making of the loan to the borrower and that such proceeds shall revert to the covered jurisdiction upon the conclusion of such period if the borrower has not entered into a contract for purchase of a residence meeting the requirements of such paragraph before such conclusion, except that the Secretary shall provide that covered jurisdictions may extend such 4-month period under such circumstances as the Secretary shall prescribe;

(5) the loan terms provide for repayment of the principal obligation of the loan, without interest, at such time as the covered jurisdiction may provide, except that the principal obligation shall be immediately repayable at the time that the borrower—

(A) transfers or sells the borrower's ownership interest in such residence or ceases to use the residence purchased with the loan proceeds as his or her principal residence; or

(B) obtains a subsequent loan secured by such residence or any equity of the borrower in such residence, the proceeds of which are not used to prepay or pay off the entire balance due on the existing loan secured by such residence; or

(6) the loan terms provide that, upon sale of the residence purchased with the proceeds of the loan, the borrower shall repay to the covered jurisdiction (together with the principal obligation of the loan repayable pursuant to paragraph (5)(A)) an additional amount that bears the same ratio to any increase in the price of the residence upon such sale (compared to the price paid for the residence upon purchase using such loan) as the amount of the loan bears to the purchase price paid for the residence in the purchase using such loan; and

(7) the loan complies with such other requirements as the Secretary may prescribe.

(e) **AFFORDABILITY OF RENTAL UNITS.**—Any dwelling units in the residence purchased using a loan provided pursuant to the authority under this section to a borrower described in subsection (c)(4) of this section shall be used only as rental dwelling units and shall be made available for rental only at a monthly rental price that does not exceed the fair market rent under section 8(c)(2)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)(2)(A)), as periodically adjusted, for a unit of the applicable size located in the area in which the residence is located. Compliance with this subsection shall be monitored and enforced by the covered jurisdiction providing the amounts for the downpayment loan under this section for the purchase of such residence.

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

(1) **COVERED JURISDICTION.**—The term "covered jurisdiction" means, with respect to a fiscal year—

(A) a metropolitan city or urban county that receives a grant for such fiscal year pursuant to section 106(b) of the Housing and Community Development Act of 1974 (42 U.S.C. 5306(b)); or

(B) a jurisdiction that is a participating jurisdiction for such fiscal year for purposes of the HOME Investment Partnerships Act (42 U.S.C. 12721 et seq.).

(2) **SECRETARY.**—The term "Secretary" means the Secretary of Housing and Urban Development.

**TITLE VI—LOCAL HOMEOWNERSHIP INITIATIVES**

**SEC. 601. REAUTHORIZATION OF NEIGHBORHOOD REINVESTMENT CORPORATION.**

Section 608(a)(1) of the Neighborhood Reinvestment Corporation Act (42 U.S.C. 8107(a)(1)) is amended by striking the first sentence and inserting the following: "There is authorized to be appropriated to the corporation to carry out this title \$95,000,000 for fiscal year 2001 and such sums as may be necessary for each of fiscal years 2002 through 2005. Of the amounts appropriated to the corporation for fiscal year 2001, \$5,000,000 shall be available only for the corporation to provide assistance under duplex homeownership programs established before the date of the enactment of the American Homeownership and Economic Opportunity Act of 2000 through Neighborhoods Homeownership Center pilot projects established before such date of enactment."

**SEC. 602. HOMEOWNERSHIP ZONES.**

Section 186 of the Housing and Community Development Act of 1992 (42 U.S.C. 12898a) is amended to read as follows:

**"SEC. 186. HOMEOWNERSHIP ZONE GRANTS.**

"(a) **AUTHORITY.**—The Secretary of Housing and Urban Development may make grants to units of general local government to assist homeownership zones. Homeownership zones are contiguous, geographically defined areas, primarily residential in nature, in which large-scale development projects are designed to reclaim distressed neighborhoods by creating homeownership opportunities for low- and moderate-income families. Projects in homeownership zones are intended to serve as a catalyst for private investment, business creation, and neighborhood revitalization.

"(b) **ELIGIBLE ACTIVITIES.**—Amounts made available under this section may be used for projects that include any of the following activities in the homeownership zone:

"(1) Acquisition, construction, and rehabilitation of housing.

"(2) Site acquisition and preparation, including demolition, construction, reconstruction, or installation of public and other site improvements and utilities directly related to the homeownership zone.

"(3) Direct financial assistance to homeowners.



- “(4) Homeownership counseling.
- “(5) Relocation assistance.
- “(6) Marketing costs, including affirmative marketing activities.
- “(7) Other project-related costs.
- “(8) Reasonable administrative costs (up to 5 percent of the grant amount).
- “(9) Other housing-related activities proposed by the applicant as essential to the success of the homeownership zone and approved by the Secretary.

“(c) APPLICATION.—To be eligible for a grant under this section, a unit of general local government shall submit an application for a homeownership zone grant in such form and in accordance with such procedures as the Secretary shall establish.

“(d) SELECTION CRITERIA.—The Secretary shall select applications for funding under this section through a national competition, using selection criteria established by the Secretary, which shall include—

- “(1) the degree to which the proposed activities will result in the improvement of the economic, social, and physical aspects of the neighborhood and the lives of its residents through the creation of new homeownership opportunities;
- “(2) the levels of distress in the homeownership zone as a whole, and in the immediate neighborhood of the project for which assistance is requested;
- “(3) the financial soundness of the plan for financing homeownership zone activities;
- “(4) the leveraging of other resources; and
- “(5) the capacity to successfully carry out the plan.

“(e) GRANT APPROVAL AMOUNTS.—The Secretary may establish a maximum amount for any grant for any funding round under this section. A grant may not be made in an amount that exceeds the amount that the Secretary determines is necessary to fund the project for which the application is made.

“(f) PROGRAM REQUIREMENTS.—A homeownership zone proposal shall—

- “(1) provide for a significant number of new homeownership opportunities that will make a visible improvement in an immediate neighborhood;
- “(2) not be inconsistent with such planning and design principles as may be prescribed by the Secretary;
- “(3) be designed to stimulate additional investment in that area;
- “(4) provide for partnerships with persons or entities in the private and nonprofit sectors;
- “(5) incorporate a comprehensive approach to revitalization of the neighborhood;
- “(6) establish a detailed time-line for commencement and completion of construction activities; and
- “(7) provide for affirmatively furthering fair housing.

“(g) INCOME TARGETING.—At least 51 percent of the homebuyers assisted with funds under this section shall have household incomes at or below 80 percent of median income for the area, as determined by the Secretary.

“(h) ENVIRONMENTAL REVIEW.—For purposes of environmental review, decisionmaking, and action pursuant to the National Environmental Policy Act of 1969 and other provisions of law that further the purposes of such Act, a grant under this section shall be treated as assistance under the HOME Investment Partnerships Act and shall be subject to the regulations issued by the Secretary to implement section 288 of such Act.

“(i) REVIEW, AUDIT, AND REPORTING.—The Secretary shall make such reviews and audits and establish such reporting requirements as may be necessary or appropriate to determine whether the grantee has carried out its activities in a timely manner and in accordance with the requirements of this section. The Secretary may adjust, reduce, or withdraw amounts made available, or take other action as appropriate,

in accordance with the Secretary’s performance reviews and audits under this section.

“(j) AUTHORIZATION.—There is authorized to be appropriated to carry out this section \$25,000,000 for fiscal year 2001 and such sums as may be necessary for fiscal year 2002, to remain available until expended.”.

**SEC. 603. LEASE-TO-OWN.**

(a) SENSE OF CONGRESS.—It is the sense of the Congress that residential tenancies under lease-to-own provisions can facilitate homeownership by low- and moderate-income families and provide opportunities for homeownership for such families who might not otherwise be able to afford homeownership.

(b) REPORT.—Not later than the expiration of the 3-month period beginning on the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit a report to the Congress—

- (1) analyzing whether lease-to-own provisions can be effectively incorporated within the HOME investment partnerships program, the public housing program, the tenant-based rental assistance program under section 8 of the United States Housing Act of 1937, or any other programs of the Department to facilitate homeownership by low- or moderate-income families; and
- (2) any legislative or administrative changes necessary to alter or amend such programs to allow the use of lease-to-own options to provide homeownership opportunities.

**SEC. 604. LOCAL CAPACITY BUILDING.**

Section 4 of the HUD Demonstration Act of 1993 (42 U.S.C. 9816 note) is amended—

- (1) in subsection (a), by inserting “National Association of Housing Partnerships,” after “Humanity,”; and
- (2) in subsection (e), by striking “\$25,000,000” and all that follows and inserting “, for each fiscal year, such sums as may be necessary to carry out this section.”.

**SEC. 605. CONSOLIDATED APPLICATION AND PLANNING REQUIREMENT AND SUPER-NOFA.**

(a) CONSOLIDATED APPLICATION.—Section 106 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12706) is amended to read as follows:

“(a) REQUIREMENT.—The Secretary shall, by regulation, provide for jurisdictions to comply with the planning and application requirements under the covered programs under subsection (b) by submitting to the Secretary, for a program year, a single consolidated submission under this section that complies with the requirements for planning and application submissions under the laws relating to the covered programs and shall serve, for the jurisdiction, as the planning document and an application for funding under the covered programs.

**“(b) COVERED PROGRAMS.—The covered programs under this subsection are the following programs:**

- “(1) The HOME investment partnerships program under title II of this Act (42 U.S.C. 12721 et seq.).
- “(2) The community development block grant program under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.).
- “(3) The economic development initiative program under section 108(q) of the Housing and Community Development Act of 1974 (42 U.S.C. 5308(q)).
- “(4) The emergency shelter grants program under subtitle B of title IV of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11371 et seq.).
- “(5) The housing opportunities for persons with AIDS program under subtitle D of title VIII of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12901 et seq.).

“(c) PROGRAM YEAR.—In establishing requirements for a consolidated submission under this section, the Secretary shall provide for a consolidated program year, which shall comply with the various application and review deadlines under the covered programs.

“(d) ADEQUACY OF EXISTING REGULATIONS.—The regulations of the Secretary relating to consolidated submissions for community planning and development programs, part 91 of title 24, Code of Federal Regulations, as in effect on March 1, 1999, shall be considered to be sufficient to comply with this section, except to the extent that the program referred to in paragraph (3) of subsection (b) is not covered by such regulations.

“(e) CONSISTENCY.—The Secretary shall, by regulation or otherwise, as deemed by the Secretary to be appropriate, require any application for housing assistance under title II of this Act, assistance under the Housing and Community Development Act of 1974, or assistance under the Stewart B. McKinney Homeless Assistance Act, to contain or be accompanied by a certification by an appropriate State or local public official that the proposed housing activities are consistent with the housing strategy of the jurisdiction to be served.”.

(b) SUPER-NOFA.—The Department of Housing and Urban Development Act is amended by inserting after section 12 (42 U.S.C. 3537a) the following new section:

**“(a) REQUIREMENT.—In making amounts for a fiscal year under the covered programs under subsection (b) available to applicants, the Secretary shall issue a consolidated notice of funding availability that—**

- “(1) applies to as many of the covered programs as the Secretary determines is practicable;
- “(2) simplifies the application process for funding under such programs by providing for application under various covered programs through a single, unified application;
- “(3) promotes comprehensive approaches to housing and community development by providing for applicants to identify coordination of efforts under various covered programs; and
- “(4) clearly informs prospective applicants of the general and specific requirements under law for applying for funding under such programs.

“(b) COVERED PROGRAMS.—The covered programs under this subsection are the programs that are administered by the Secretary and identified by the Secretary for purposes of this section, in the following areas:

- “(1) Housing and community development programs.
- “(2) Economic development and empowerment programs.
- “(3) Targeted housing assistance and homeless assistance programs.”.

**SEC. 606. ASSISTANCE FOR SELF-HELP HOUSING PROVIDERS.**

(a) REAUTHORIZATION.—Subsection (p) of section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note) is amended to read as follows:

“(p) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$25,000,000 for fiscal year 2001 and such sums as may be necessary for each of fiscal years 2002 and 2003.”.

(b) ELIGIBLE EXPENSES.—Section 11(d)(2)(A) of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note) is amended by inserting before the period at the end the following: “, which may include reimbursing an organization, consortium, or affiliate, upon approval of any required environmental review, for nongrant amounts of the organization, consortium, or affiliate advanced before such review to acquire land”.

(c) DEADLINE FOR RECAPTURE OF FUNDS.—Section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note) is amended—

(1) in subsection (i)(5)—

(A) by striking “if the organization or consortia has not used any grant amounts” and inserting “the Secretary shall recapture any grant amounts provided to the organization or consortia that are not used”;

(B) by striking “(or,” and inserting “, except that such period shall be 36 months”;

(C) by striking “within 36 months), the Secretary shall recapture such unused amounts” and inserting “and in the case of a grant amounts provided to a local affiliate of the organization or consortia that is developing 5 or more dwellings in connection with such grant amounts”;

(2) in subsection (j), by inserting after “carry out this section” the following: “and grant amounts provided to a local affiliate of the organization or consortia that is developing 5 or more dwellings in connection with such grant amounts”.

(d) TECHNICAL CORRECTIONS.—Section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note) is amended—

(1) in subsection (b)(4), by striking “Habitat for Humanity International, its affiliates, and other”;

(2) in subsection (e)(2), by striking “consortia” and inserting “consortia”.

#### SEC. 607. HOUSING COUNSELING ORGANIZATIONS.

Section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x) is amended—

(1) in subsection (a)(1)(ii), by inserting “and cooperative housing” before the semicolon at the end; and

(2) in subsection (c)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking “and” at the end;

(ii) in subparagraph (B), by striking the period at the end and inserting a semicolon; and

(iii) by adding at the end the following new subparagraph:

“(C) to the National Cooperative Bank Development Corporation—

“(i) to provide homeownership counseling to eligible homeowners that is specifically designed to relate to ownership under cooperative housing arrangements; and

“(ii) to assist in the establishment and operation of well-managed and viable cooperative housing boards.”;

(B) in paragraph (4)(A), by inserting before the semicolon at the end the following: “or, in the case of a home loan made to finance the purchase of stock or membership in a cooperative ownership housing corporation, by the stock or membership interest”;

(C) in paragraph (6)(C), by adding before the period at the end the following: “and includes a loan that is secured by a first lien given in accordance with the laws of the State where the property is located and that is made to finance the purchase of stock or membership in a cooperative ownership housing corporation the permanent occupancy of dwelling units of which is restricted to members of such corporation, where the purchase of such stock or membership will entitle the purchaser to the permanent occupancy of 1 of such units”.

#### SEC. 608. COMMUNITY LEAD INFORMATION CENTERS AND LEAD-SAFE HOUSING.

Section 1011(e) of the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4852(e)) is amended—

(1) in paragraph (7), by inserting “, which may include leasing of lead-safe temporary housing” before the semicolon at the end;

(2) in paragraph (9), by striking “and” at the end;

(3) by redesignating paragraph (10) as paragraph (11); and

(4) by inserting after paragraph (9) the following new paragraph:

“(10) provide accessible information through centralized locations that provide a variety of

residential lead-based paint poisoning prevention services to the community that such services are intended to benefit; and”.

#### TITLE VII—NATIVE AMERICAN HOUSING HOMEOWNERSHIP

##### SEC. 701. LANDS TITLE REPORT COMMISSION.

(a) ESTABLISHMENT.—Subject to sums being provided in advance in appropriations Acts, there is established a Commission to be known as the Lands Title Report Commission (hereafter in this section referred to as the “Commission”) to facilitate home loan mortgages on Indian trust lands. The Commission will be subject to oversight by the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(b) MEMBERSHIP.—

(1) APPOINTMENT.—The Commission shall be composed of 12 members, appointed not later than 90 days after the date of the enactment of this Act as follows:

(A) 4 members shall be appointed by the President.

(B) 4 members shall be appointed by the Chairperson of the Committee on Banking and Financial Services of the House of Representatives.

(C) 4 members shall be appointed by the Chairperson of the Committee on Banking, Housing, and Urban Affairs of the Senate.

(2) QUALIFICATIONS.—

(A) MEMBERS OF TRIBES.—At all times, not less than 8 of the members of the Commission shall be members of federally recognized Indian tribes.

(B) EXPERIENCE IN LAND TITLE MATTERS.—All members of the Commission shall have experience in and knowledge of land title matters relating to Indian trust lands.

(3) CHAIRPERSON.—The Chairperson of the Commission shall be one of the members of the Commission appointed under paragraph (1)(C), as elected by the members of the Commission.

(4) VACANCIES.—Any vacancy on the Commission shall not affect its powers, but shall be filled in the manner in which the original appointment was made.

(5) TRAVEL EXPENSES.—Members of the Commission shall serve without pay, but each member shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(c) INITIAL MEETING.—The Chairperson of the Commission shall call the initial meeting of the Commission. Such meeting shall be held within 30 days after the Chairperson of the Commission determines that sums sufficient for the Commission to carry out its duties under this Act have been appropriated for such purpose.

(d) DUTIES.—The Commission shall analyze the system of the Bureau of Indian Affairs of the Department of the Interior for maintaining land ownership records and title documents and issuing certified title status reports relating to Indian trust lands and, pursuant to such analysis, determine how best to improve or replace the system—

(1) to ensure prompt and accurate responses to requests for title status reports;

(2) to eliminate any backlog of requests for title status reports; and

(3) to ensure that the administration of the system will not in any way impair or restrict the ability of Native Americans to obtain conventional loans for purchase of residences located on Indian trust lands, including any actions necessary to ensure that the system will promptly be able to meet future demands for certified title status reports, taking into account the anticipated complexity and volume of such requests.

(e) REPORT.—Not later than the date of the termination of the Commission under subsection (h), the Commission shall submit a report to the Committee on Banking and Financial Services

of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate describing the analysis and determinations made pursuant to subsection (d).

(f) POWERS.—

(1) HEARINGS AND SESSIONS.—The Commission may, for the purpose of carrying out this section, hold hearings, sit and act at times and places, take testimony, and receive evidence as the Commission considers appropriate.

(2) STAFF OF FEDERAL AGENCIES.—Upon request of the Commission, the head of any Federal department or agency may detail, on a reimbursable basis, any of the personnel of that department or agency to the Commission to assist it in carrying out its duties under this section.

(3) OBTAINING OFFICIAL DATA.—The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this section. Upon request of the Chairperson of the Commission, the head of that department or agency shall furnish that information to the Commission.

(4) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(5) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Commission, the Administrator of General Services shall provide to the Commission, on a reimbursable basis, the administrative support services necessary for the Commission to carry out its duties under this section.

(6) STAFF.—The Commission may appoint personnel as it considers appropriate, subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall pay such personnel in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates.

(g) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there is authorized to be appropriated \$500,000. Such sums shall remain available until expended.

(h) TERMINATION.—The Commission shall terminate 1 year after the date of the initial meeting of the Commission.

#### SEC. 702. LOAN GUARANTEES.

Section 184(i) of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z-13a(i)) is amended—

(1) in paragraph (5), by striking subparagraph (C) and inserting the following new subparagraph:

“(C) LIMITATION ON OUTSTANDING AGGREGATE PRINCIPAL AMOUNT.—Subject to the limitations in subparagraphs (A) and (B), the Secretary may enter into commitments to guarantee loans under this section in each fiscal year with an aggregate outstanding principal amount not exceeding such amount as may be provided in appropriation Acts for such fiscal year.”; and

(2) in paragraph (7), by striking “each of fiscal years 1997, 1998, 1999, 2000, and 2001” and inserting “each fiscal year”.

#### SEC. 703. NATIVE AMERICAN HOUSING ASSISTANCE.

(a) RESTRICTION ON WAIVER AUTHORITY.—

(1) IN GENERAL.—Section 101(b)(2) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111(b)(2)) is amended by striking “if the Secretary” and all that follows through the period at the end and inserting the following: “for a period of not more than 90 days, if the Secretary determines that an Indian tribe has not complied with, or is unable to comply with, those requirements due to exigent circumstances beyond the control of the Indian tribe.”.

(2) LOCAL COOPERATION AGREEMENT.—Section 101(c) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111(c)) is amended by adding at the end

the following: "The Secretary may waive the requirements of this subsection and subsection (d) if the recipient has made a good faith effort to fulfill the requirements of this subsection and subsection (d) and agrees to make payments in lieu of taxes to the appropriate taxing authority in an amount consistent with the requirements of subsection (d) (2) until such time as the matter of making such payments has been resolved in accordance with subsection (d)."

(b) ASSISTANCE TO FAMILIES THAT ARE NOT LOW-INCOME.—Section 102(c) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4112(c)) is amended by adding at the end the following:

"(6) CERTAIN FAMILIES.—With respect to assistance provided under section 201(b)(2) by a recipient to Indian families that are not low-income families, evidence that there is a need for housing for each such family during that period that cannot reasonably be met without such assistance."

(c) ELIMINATION OF WAIVER AUTHORITY FOR SMALL TRIBES.—Section 102 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4112) is amended—

(1) by striking subsection (f); and  
(2) by redesignating subsection (g) as subsection (f).

(d) ENVIRONMENTAL COMPLIANCE.—Section 105 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4115) is amended by adding at the end the following:

"(d) ENVIRONMENTAL COMPLIANCE.—The Secretary may waive the requirements under this section if the Secretary determines that a failure on the part of a recipient to comply with provisions of this section—

"(1) will not frustrate the goals of the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.) or any other provision of law that furthers the goals of that Act;

"(2) does not threaten the health or safety of the community involved by posing an immediate or long-term hazard to residents of that community;

"(3) is a result of inadvertent error, including an incorrect or incomplete certification provided under subsection (c)(1); and

"(4) may be corrected through the sole action of the recipient."

(e) ELIGIBILITY OF LAW ENFORCEMENT OFFICERS FOR HOUSING ASSISTANCE.—Section 201(b) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4131(b)) is amended—

(1) in paragraph (1), by striking "paragraph (2)" and inserting "paragraphs (2) and (4)";

(2) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(3) by inserting after paragraph (3) the following new paragraph:

"(4) LAW ENFORCEMENT OFFICERS.—A recipient may provide housing or housing assistance provided through affordable housing activities assisted with grant amounts under this Act for a law enforcement officer on an Indian reservation or other Indian area, if—

"(A) the officer—  
"(i) is employed on a full-time basis by the Federal Government or a State, county, or tribal government; and

"(ii) in implementing such full-time employment, is sworn to uphold, and make arrests for, violations of Federal, State, county, or tribal law; and

"(B) the recipient determines that the presence of the law enforcement officer on the Indian reservation or other Indian area may deter crime."

(f) OVERSIGHT.—

(1) REPAYMENT.—Section 209 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4139) is amended to read as follows:

**"SEC. 209. NONCOMPLIANCE WITH AFFORDABLE HOUSING REQUIREMENT.**

"If a recipient uses grant amounts to provide affordable housing under this title, and at any

time during the useful life of the housing the recipient does not comply with the requirement under section 205(a)(2), the Secretary shall take appropriate action under section 401(a)."

(2) AUDITS AND REVIEWS.—Section 405 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4165) is amended to read as follows:

**"SEC. 405. REVIEW AND AUDIT BY SECRETARY.**

"(a) REQUIREMENTS UNDER CHAPTER 75 OF TITLE 31, UNITED STATES CODE.—An entity designated by an Indian tribe as a housing entity shall be treated, for purposes of chapter 75 of title 31, United States Code, as a non-Federal entity that is subject to the audit requirements that apply to non-Federal entities under that chapter.

"(b) ADDITIONAL REVIEWS AND AUDITS.—

"(1) IN GENERAL.—In addition to any audit or review under subsection (a), to the extent the Secretary determines such action to be appropriate, the Secretary may conduct an audit or review of a recipient in order to—

"(A) determine whether the recipient—

"(i) has carried out—

"(I) eligible activities in a timely manner; and

"(II) eligible activities and certification in accordance with this Act and other applicable law;

"(ii) has a continuing capacity to carry out eligible activities in a timely manner; and

"(iii) is in compliance with the Indian housing plan of the recipient; and

"(B) verify the accuracy of information contained in any performance report submitted by the recipient under section 404.

"(2) ON-SITE VISITS.—To the extent practicable, the reviews and audits conducted under this subsection shall include on-site visits by the appropriate official of the Department of Housing and Urban Development.

"(c) REVIEW OF REPORTS.—

"(1) IN GENERAL.—The Secretary shall provide each recipient that is the subject of a report made by the Secretary under this section notice that the recipient may review and comment on the report during a period of not less than 30 days after the date on which notice is issued under this paragraph.

"(2) PUBLIC AVAILABILITY.—After taking into consideration any comments of the recipient under paragraph (1), the Secretary—

"(A) may revise the report; and

"(B) not later than 30 days after the date on which those comments are received, shall make the comments and the report (with any revisions made under subparagraph (A)) readily available to the public.

"(d) EFFECT OF REVIEWS.—Subject to section 401(a), after reviewing the reports and audits relating to a recipient that are submitted to the Secretary under this section, the Secretary may adjust the amount of a grant made to a recipient under this Act in accordance with the findings of the Secretary with respect to those reports and audits."

(g) ALLOCATION FORMULA.—Section 302(d)(1) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4152(d)(1)) is amended—

(1) by striking "The formula," and inserting the following:

"(A) IN GENERAL.—Except with respect to an Indian tribe described in subparagraph (B), the formula"; and

(2) by adding at the end the following:

"(B) CERTAIN INDIAN TRIBES.—With respect to fiscal year 2001 and each fiscal year thereafter, for any Indian tribe with an Indian housing authority that owns or operates fewer than 250 public housing units, the formula shall provide that if the amount provided for a fiscal year in which the total amount made available for assistance under this Act is equal to or greater than the amount made available for fiscal year 1996 for assistance for the operation and modernization of the public housing referred to in

subparagraph (A), then the amount provided to that Indian tribe as modernization assistance shall be equal to the average annual amount of funds provided to the Indian tribe (other than funds provided as emergency assistance) under the assistance program under section 14 of the United States Housing Act of 1937 (42 U.S.C. 1437l) for the period beginning with fiscal year 1992 and ending with fiscal year 1997."

(h) HEARING REQUIREMENT.—Section 401(a) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4161(a)) is amended—

(1) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively, and realigning such subparagraphs (as so redesignated) so as to be indented 4 ems from the left margin;

(2) by striking "Except as provided" and inserting the following:

"(1) IN GENERAL.—Except as provided";

(3) by striking "If the Secretary takes an action under paragraph (1), (2), or (3)" and inserting the following:

"(2) CONTINUANCE OF ACTIONS.—If the Secretary takes an action under subparagraph (A), (B), or (C) of paragraph (1)"; and

(4) by adding at the end the following:

"(3) EXCEPTION FOR CERTAIN ACTIONS.—

"(A) IN GENERAL.—Notwithstanding any other provision of this subsection, if the Secretary makes a determination that the failure of a recipient of assistance under this Act to comply substantially with any material provision (as that term is defined by the Secretary) of this Act is resulting, and would continue to result, in a continuing expenditure of Federal funds in a manner that is not authorized by law, the Secretary may take an action described in paragraph (1)(C) before conducting a hearing.

"(B) PROCEDURAL REQUIREMENT.—If the Secretary takes an action described in subparagraph (A), the Secretary shall—

"(i) provide notice to the recipient at the time that the Secretary takes that action; and

"(ii) conduct a hearing not later than 60 days after the date on which the Secretary provides notice under clause (i).

"(C) DETERMINATION.—Upon completion of a hearing under this paragraph, the Secretary shall make a determination regarding whether to continue taking the action that is the subject of the hearing, or take another action under this subsection."

(i) PERFORMANCE AGREEMENT TIME LIMIT.—Section 401(b) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4161(b)) is amended—

(1) by striking "If the Secretary" and inserting the following:

"(1) IN GENERAL.—If the Secretary";

(2) by striking "(1) is not" and inserting the following:

"(A) is not";

(3) by striking "(2) is a result" and inserting the following:

"(B) is a result";

(4) in the flush material following paragraph (1)(B), as redesignated by paragraph (3) of this subsection—

(A) by realigning such material so as to be indented 2 ems from the left margin; and

(B) by inserting before the period at the end the following: ", if the recipient enters into a performance agreement with the Secretary that specifies the compliance objectives that the recipient will be required to achieve by the termination date of the performance agreement"; and

(5) by adding at the end the following:

"(2) PERFORMANCE AGREEMENT.—The period of a performance agreement described in paragraph (1) shall be for 1 year.

"(3) REVIEW.—Upon the termination of a performance agreement entered into under paragraph (1), the Secretary shall review the performance of the recipient that is a party to the agreement.

"(4) EFFECT OF REVIEW.—If, on the basis of a review under paragraph (3), the Secretary determines that the recipient—

“(A) has made a good faith effort to meet the compliance objectives specified in the agreement, the Secretary may enter into an additional performance agreement for the period specified in paragraph (2); and

“(B) has failed to make a good faith effort to meet applicable compliance objectives, the Secretary shall determine the recipient to have failed to comply substantially with this Act, and the recipient shall be subject to an action under subsection (a).”.

(j) REFERENCE.—Section 104(b)(1) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4114(b)(1)) is amended by striking “Davis-Bacon Act (40 U.S.C. 276a–276a-5)” and inserting “Act of March 3, 1931 (commonly known as the Davis-Bacon Act; chapter 411; 46 Stat. 1494; 40 U.S.C. 276a et seq.)”.

(k) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) TABLE OF CONTENTS.—Section 1(b) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 note) is amended in the table of contents—

(A) by striking the item relating to section 206; and

(B) by striking the item relating to section 209 and inserting the following:

“209. Noncompliance with affordable housing requirement.”.

(2) CERTIFICATION OF COMPLIANCE WITH SUBSIDY LAYERING REQUIREMENTS.—Section 206 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4136) is repealed.

(3) TERMINATIONS.—Section 502(a) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4181(a)) is amended by adding at the end the following: “Any housing that is the subject of a contract for tenant-based assistance between the Secretary and an Indian housing authority that is terminated under this section shall, for the following fiscal year and each fiscal year thereafter, be considered to be a dwelling unit under section 302(b)(1).”.

#### TITLE VIII—TRANSFER OF HUD-HELD HOUSING TO LOCAL GOVERNMENTS AND NONPROFIT ORGANIZATIONS

##### SEC. 801. TRANSFER OF UNOCCUPIED AND SUBSTANDARD HUD-HELD HOUSING TO LOCAL GOVERNMENTS AND COMMUNITY DEVELOPMENT CORPORATIONS.

Section 204 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (12 U.S.C. 1715z-11a) is amended—

(1) by striking “FLEXIBLE AUTHORITY.—” and inserting “DISPOSITION OF HUD-OWNED PROPERTIES. (a) FLEXIBLE AUTHORITY FOR MULTIFAMILY PROJECTS.—”; and

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

“(b) TRANSFER OF UNOCCUPIED AND SUBSTANDARD HOUSING TO LOCAL GOVERNMENTS AND COMMUNITY DEVELOPMENT CORPORATIONS.—

“(1) TRANSFER AUTHORITY.—Notwithstanding the authority under subsection (a) and the last sentence of section 204(g) of the National Housing Act (12 U.S.C. 1710(g)), the Secretary of Housing and Urban Development shall transfer ownership of any qualified HUD property, subject to the requirements of this section, to a unit of general local government having jurisdiction for the area in which the property is located or to a community development corporation which operates within such a unit of general local government in accordance with this subsection, but only to the extent that units of general local government and community development corporations consent to transfer and the Secretary determines that such transfer is practicable.

“(2) QUALIFIED HUD PROPERTIES.—For purposes of this subsection, the term ‘qualified

HUD property’ means any property for which, as of the date that notification of the property is first made under paragraph (3)(B), not less than 6 months have elapsed since the later of the date that the property was acquired by the Secretary or the date that the property was determined to be unoccupied or substandard, that is owned by the Secretary and is—

“(A) an unoccupied multifamily housing project;

“(B) a substandard multifamily housing project; or

“(C) an unoccupied single family property that—

“(i) has been determined by the Secretary not to be an eligible asset under section 204(h) of the National Housing Act (12 U.S.C. 1710(h)); or

“(ii) is an eligible asset under such section 204(h), but—

“(I) is not subject to a specific sale agreement under such section; and

“(II) has been determined by the Secretary to be inappropriate for continued inclusion in the program under such section 204(h) pursuant to paragraph (10) of such section.

“(3) TIMING.—The Secretary shall establish procedures that provide for—

“(A) time deadlines for transfers under this subsection;

“(B) notification to units of general local government and community development corporations of qualified HUD properties in their jurisdictions;

“(C) such units and corporations to express interest in the transfer under this subsection of such properties;

“(D) a right of first refusal for transfer of qualified HUD properties to units of general local government and community development corporations, under which—

“(i) the Secretary shall establish a period during which the Secretary may not transfer such properties except to such units and corporations;

“(ii) the Secretary shall offer qualified HUD properties that are single family properties for purchase by units of general local government at a cost of \$1 for each property, but only to the extent that the costs to the Federal Government of disposal at such price do not exceed the costs to the Federal Government of disposing of property subject to the procedures for single family property established by the Secretary pursuant to the authority under the last sentence of section 204(g) of the National Housing Act (12 U.S.C. 1710(g));

“(iii) the Secretary may accept an offer to purchase a property made by a community development corporation only if the offer provides for purchase on a cost recovery basis; and

“(iv) the Secretary shall accept an offer to purchase such a property that is made during such period by such a unit or corporation and that complies with the requirements of this paragraph;

“(E) a written explanation, to any unit of general local government or community development corporation making an offer to purchase a qualified HUD property under this subsection that is not accepted, of the reason that such offer was not acceptable.

“(4) OTHER DISPOSITION.—With respect to any qualified HUD property, if the Secretary does not receive an acceptable offer to purchase the property pursuant to the procedure established under paragraph (3), the Secretary shall dispose of the property to the unit of general local government in which property is located or to community development corporations located in such unit of general local government on a negotiated, competitive bid, or other basis, on such terms as the Secretary deems appropriate.

“(5) SATISFACTION OF INDEBTEDNESS.—Before transferring ownership of any qualified HUD property pursuant to this subsection, the Secretary shall satisfy any indebtedness incurred in connection with the property to be transferred, by canceling the indebtedness.

“(6) DETERMINATION OF STATUS OF PROPERTIES.—To ensure compliance with the requirements of this subsection, the Secretary shall take the following actions:

“(A) UPON ENACTMENT.—Upon the enactment of the American Homeownership and Economic Opportunity Act of 2000, the Secretary shall promptly assess each residential property owned by the Secretary to determine whether such property is a qualified HUD property.

“(B) UPON ACQUISITION.—Upon acquiring any residential property, the Secretary shall promptly determine whether the property is a qualified HUD property.

“(C) UPDATES.—The Secretary shall periodically reassess the residential properties owned by the Secretary to determine whether any such properties have become qualified HUD properties.

“(7) TENANT LEASES.—This subsection shall not affect the terms or the enforceability of any contract or lease entered into with respect to any residential property before the date that such property becomes a qualified HUD property.

“(8) USE OF PROPERTY.—Property transferred under this subsection shall be used only for appropriate neighborhood revitalization efforts, including homeownership, rental units, commercial space, and parks, consistent with local zoning regulations, local building codes, and subdivision regulations and restrictions of record.

“(9) INAPPLICABILITY TO PROPERTIES MADE AVAILABLE FOR HOMELESS.—Notwithstanding any other provision of this subsection, this subsection shall not apply to any properties that the Secretary determines are to be made available for use by the homeless pursuant to subpart E of part 291 of title 24, Code of Federal Regulations, during the period that the properties are so available.

“(10) PROTECTION OF EXISTING CONTRACTS.—This subsection may not be construed to alter, affect, or annul any legally binding obligations entered into with respect to a qualified HUD property before the property becomes a qualified HUD property.

“(11) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

“(A) COMMUNITY DEVELOPMENT CORPORATION.—The term ‘community development corporation’ means a nonprofit organization whose primary purpose is to promote community development by providing housing opportunities for low-income families.

“(B) COST RECOVERY BASIS.—The term ‘cost recovery basis’ means, with respect to any sale of a residential property by the Secretary, that the purchase price paid by the purchaser is equal to or greater than the sum of (i) the appraised value of the property, as determined in accordance with such requirements as the Secretary shall establish, and (ii) the costs incurred by the Secretary in connection with such property during the period beginning on the date on which the Secretary acquires title to the property and ending on the date on which the sale is consummated.

“(C) MULTIFAMILY HOUSING PROJECT.—The term ‘multifamily housing project’ has the meaning given the term in section 203 of the Housing and Community Development Amendments of 1978.

“(D) RESIDENTIAL PROPERTY.—The term ‘residential property’ means a property that is a multifamily housing project or a single family property.

“(E) SECRETARY.—The term ‘Secretary’ means the Secretary of Housing and Urban Development.

“(F) SEVERE PHYSICAL PROBLEMS.—The term ‘severe physical problems’ means, with respect to a dwelling unit, that the unit—

“(i) lacks hot or cold piped water, a flush toilet, or both a bathtub and a shower in the unit, for the exclusive use of that unit;

“(ii) on not less than 3 separate occasions during the preceding winter months, was uncomfortably cold for a period of more than 6

consecutive hours due to a malfunction of the heating system for the unit;

“(iii) has no functioning electrical service, exposed wiring, any room in which there is not a functioning electrical outlet, or has experienced 3 or more blown fuses or tripped circuit breakers during the preceding 90-day period;

“(iv) is accessible through a public hallway in which there are no working light fixtures, loose or missing steps or railings, and no elevator; or

“(v) has severe maintenance problems, including water leaks involving the roof, windows, doors, basement, or pipes or plumbing fixtures, holes or open cracks in walls or ceilings, severe paint peeling or broken plaster, and signs of rodent infestation.

“(G) SINGLE FAMILY PROPERTY.—The term ‘single family property’ means a 1- to 4-family residence.

“(H) SUBSTANDARD.—The term ‘substandard’ means, with respect to a multifamily housing project, that 25 percent or more of the dwelling units in the project have severe physical problems.

“(I) UNIT OF GENERAL LOCAL GOVERNMENT.—The term ‘unit of general local government’ has the meaning given such term in section 102(a) of the Housing and Community Development Act of 1974.

“(J) UNOCCUPIED.—The term ‘unoccupied’ means, with respect to a residential property, that the unit of general local government having jurisdiction over the area in which the project is located has certified in writing that the property is not inhabited.

“(12) REGULATIONS.—

“(A) INTERIM.—Not later than 30 days after the date of the enactment of the American Homeownership and Economic Opportunity Act of 2000, the Secretary shall issue such interim regulations as are necessary to carry out this subsection.

“(B) FINAL.—Not later than 60 days after the date of the enactment of the American Homeownership and Economic Opportunity Act of 2000, the Secretary shall issue such final regulations as are necessary to carry out this subsection.”

**SEC. 802. TRANSFER OF HUD ASSETS IN REVITALIZATION AREAS.**

In carrying out the program under section 204(h) of the National Housing Act (12 U.S.C. 1710(h)), upon the request of the chief executive officer of a county or the government of appropriate jurisdiction and not later than 60 days after such request is made, the Secretary of Housing and Urban Development shall designate as a revitalization area all portions of such county that meet the criteria for such designation under paragraph (3) of such section.

**TITLE IX—PRIVATE MORTGAGE INSURANCE CANCELLATION AND TERMINATION**

**SECTION 901. SHORT TITLE.**

This title may be cited as the ‘Private Mortgage Insurance Technical Corrections and Clarification Act’.

**SEC. 902. CHANGES IN AMORTIZATION SCHEDULE.**

(a) TREATMENT OF ADJUSTABLE RATE MORTGAGES.—The Homeowners Protection Act of 1998 (12 U.S.C. 4901 et seq.) is amended—

(1) in section 2—

(A) in paragraph (2)(B)(i), by striking ‘amortization schedules’ and inserting ‘the amortization schedule then in effect’;

(B) in paragraph (16)(B), by striking ‘amortization schedules’ and inserting ‘the amortization schedule then in effect’;

(C) by redesignating paragraphs (6) through (16) (as amended by the preceding provisions of this paragraph) as paragraphs (8) through (18), respectively; and

(D) by inserting after paragraph (5) the following new paragraph:

“(6) AMORTIZATION SCHEDULE THEN IN EFFECT.—The term ‘amortization schedule then in

effect’ means, with respect to an adjustable rate mortgage, a schedule established at the time at which the residential mortgage transaction is consummated or, if such schedule has been changed or recalculated, is the most recent schedule under the terms of the note or mortgage, which shows—

“(A) the amount of principal and interest that is due at regular intervals to retire the principal balance and accrued interest over the remaining amortization period of the loan; and

“(B) the unpaid balance of the loan after each such scheduled payment is made.”; and

(2) in section 3(f)(1)(B)(ii), by striking ‘amortization schedules’ and inserting ‘the amortization schedule then in effect’.

(b) TREATMENT OF BALLOON MORTGAGES.—Paragraph (1) of section 2 of the Homeowners Protection Act of 1998 (12 U.S.C. 4901(1)) is amended by adding at the end the following new sentence: ‘A residential mortgage that (A) does not fully amortize over the term of the obligation, and (B) contains a conditional right to refinance or modify the unamortized principal at the maturity date of the term, shall be considered to be an adjustable rate mortgage for purposes of this Act.’.

(c) TREATMENT OF LOAN MODIFICATIONS.—(1) IN GENERAL.—Section 3 of the Homeowners Protection Act of 1998 (12 U.S.C. 4902) is amended—

(A) by redesignating subsections (d) through (f) as subsections (e) through (g), respectively; and

(B) by inserting after subsection (c) the following new subsection:

“(d) TREATMENT OF LOAN MODIFICATIONS.—If a mortgagor and mortgagee (or holder of the mortgage) agree to a modification of the terms or conditions of a loan pursuant to a residential mortgage transaction, the cancellation date, termination date, or final termination shall be recalculated to reflect the modified terms and conditions of such loan.”.

(2) CONFORMING AMENDMENTS.—Section 4(a) of the Homeowners Protection Act of 1998 (12 U.S.C. 4903(a)) is amended—

(A) in paragraph (1)—

(i) in the matter preceding subparagraph (A), by striking ‘section 3(f)(1)’ and inserting ‘section 3(g)(1)’;

(ii) in subparagraph (A)(ii)(IV), by striking ‘section 3(f)’ and inserting ‘section 3(g)’; and

(B) in paragraph (2), by striking ‘section 3(f)(1)’ and inserting ‘section 3(g)(1)’.

**SEC. 903. DELETION OF AMBIGUOUS REFERENCES TO RESIDENTIAL MORTGAGES.**

(a) TERMINATION OF PRIVATE MORTGAGE INSURANCE.—Section 3 of the Homeowners Protection Act of 1998 (12 U.S.C. 4902) is amended—

(1) in subsection (c), by inserting ‘on residential mortgage transactions’ after ‘imposed’; and

(2) in subsection (g) (as so redesignated by section 902(c)(1)(A) of this title)—

(A) in paragraph (1), in the matter preceding subparagraph (A), by striking ‘mortgage or’;

(B) in paragraph (2), by striking ‘mortgage or’; and

(C) in paragraph (3), by striking ‘mortgage or’ and inserting ‘residential mortgage or residential’.

(b) DISCLOSURE REQUIREMENTS.—Section 4 of the Homeowners Protection Act of 1998 (12 U.S.C. 4903(a)) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking ‘mortgage or’ the first place it appears; and

(ii) by striking ‘mortgage or’ the second place it appears and inserting ‘residential’; and

(B) in paragraph (2), by striking ‘mortgage or’ and inserting ‘residential’;

(2) in subsection (c), by striking ‘paragraphs (1)(B) and (3) of subsection (a)’ and inserting ‘subsection (a)(3)’; and

(3) in subsection (d), by inserting before the period at the end the following: ‘, which disclosures shall relate to the mortgagor’s rights under this Act’.

(c) DISCLOSURE REQUIREMENTS FOR LENDER-PAID MORTGAGE INSURANCE.—Section 6 of the Homeowners Protection Act of 1998 (12 U.S.C. 4905) is amended—

(1) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking ‘a residential mortgage or’; and

(B) in paragraph (2), by inserting ‘transaction’ after ‘residential mortgage’; and

(2) in subsection (d), by inserting ‘transaction’ after ‘residential mortgage’.

**SEC. 904. CANCELLATION RIGHTS AFTER CANCELLATION DATE.**

Section 3 of the Homeowners Protection Act of 1998 (12 U.S.C. 4902) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by inserting after ‘cancellation date’ the following: ‘or any later date that the mortgagor fulfills all of the requirements under paragraphs (1) through (4)’;

(B) in paragraph (2), by striking ‘and’ at the end;

(C) by redesignating paragraph (3) as paragraph (4); and

(D) by inserting after paragraph (2) the following new paragraph:

“(3) is current on the payments required by the terms of the residential mortgage transaction; and”;

(2) in subsection (e)(1)(B) (as so redesignated by section 902(c)(1)(A) of this title), by striking ‘subsection (a)(3)’ and inserting ‘subsection (a)(4)’.

**SEC. 905. CLARIFICATION OF CANCELLATION AND TERMINATION ISSUES AND LENDER PAID MORTGAGE INSURANCE DISCLOSURE REQUIREMENTS.**

(a) GOOD PAYMENT HISTORY.—Section 2(4) of the Homeowners Protection Act of 1998 (12 U.S.C. 4901(4)) is amended—

(1) in subparagraph (A)—

(A) by inserting ‘the later of (i)’ before ‘the date’; and

(ii) by inserting ‘, or (ii) the date that the mortgagor submits a request for cancellation under section 3(a)(1)’ before the semicolon; and

(B) in subparagraph (B)—

(i) by inserting ‘the later of (i)’ before ‘the date’; and

(ii) by inserting ‘, or (ii) the date that the mortgagor submits a request for cancellation under section 3(a)(1)’ before the period at the end.

(b) AUTOMATIC TERMINATION.—Paragraph (2) of section 3(b) of the Homeowners Protection Act of 1998 (12 U.S.C. 4902(b)(2)) is amended to read as follows:

“(2) if the mortgagor is not current on the termination date, on the first day of the first month beginning after the date that the mortgagor becomes current on the payments required by the terms of the residential mortgage transaction.”

(c) PREMIUM PAYMENTS.—Section 3 of the Homeowners Protection Act of 1998 (12 U.S.C. 4902) is amended by adding at the end the following new subsection:

“(h) ACCRUED OBLIGATION FOR PREMIUM PAYMENTS.—The cancellation or termination under this section of the private mortgage insurance of a mortgagor shall not affect the rights of any mortgagee, servicer, or mortgage insurer to enforce any obligation of such mortgagor for premium payments accrued prior to the date on which such cancellation or termination occurred.”.

**SEC. 906. DEFINITIONS.**

(a) REFINANCED.—Section 6(c)(1)(B)(ii) of the Homeowners Protection Act of 1998 (12 U.S.C. 4905(c)(1)(B)(ii)) is amended by inserting after ‘refinanced’ the following: ‘(under the meaning given such term in the regulations issued by

the Board of Governors of the Federal Reserve System to carry out the Truth in Lending Act (15 U.S.C. 1601 et seq.)."

(b) MIDPOINT OF THE AMORTIZATION PERIOD.—Section 2 of the Homeowners Protection Act of 1998 (12 U.S.C. 4901) is amended by inserting after paragraph (6) (as added by section 902(a)(1)(D) of this Act) the following new paragraph:

"(7) MIDPOINT OF THE AMORTIZATION PERIOD.—The term 'midpoint of the amortization period' means, with respect to a residential mortgage transaction, the point in time that is halfway through the period that begins upon the first day of the amortization period established at the time a residential mortgage transaction is consummated and ends upon the completion of the entire period over which the mortgage is scheduled to be amortized."

(c) ORIGINAL VALUE.—Section 2(12) of the Homeowners Protection Act of 1998 (12 U.S.C. 4901(10)) (as so redesignated by section 902(a)(1)(C) of this Act) is amended—

(1) by inserting "transaction" after "a residential mortgage"; and

(2) by adding at the end the following new sentence: "In the case of a residential mortgage transaction for refinancing the principal residence of the mortgagor, such term means only the appraised value relied upon by the mortgagee to approve the refinancing transaction."

(d) PRINCIPAL RESIDENCE.—Section 2 of the Homeowners Protection Act of 1998 (12 U.S.C. 4901) is amended—

(1) in paragraph (14) (as so redesignated by section 902(a)(1)(C) of this Act) by striking "primary" and inserting "principal"; and

(2) in paragraph (15) (as so redesignated by section 902(a)(1)(C) of this Act) by striking "primary" and inserting "principal";

#### TITLE X—RURAL HOUSING HOMEOWNERSHIP

##### SEC. 1001. PROMISSORY NOTE REQUIREMENT UNDER HOUSING REPAIR LOAN PROGRAM.

The fourth sentence of section 504(a) of the Housing Act of 1949 (42 U.S.C. 1474(a)) is amended by striking "\$2,500" and inserting "\$7,500".

##### SEC. 1002. LIMITED PARTNERSHIP ELIGIBILITY FOR FARM LABOR HOUSING LOANS.

The first sentence of section 514(a) of the Housing Act of 1949 (42 U.S.C. 1484(a)) is amended by striking "nonprofit limited partnership" and inserting "limited partnership".

##### SEC. 1003. PROJECT ACCOUNTING RECORDS AND PRACTICES.

Section 515 of the Housing Act of 1949 (42 U.S.C. 1485) is amended by striking subsection (z) and inserting the following new subsections:

"(z) ACCOUNTING AND RECORDKEEPING REQUIREMENTS.—

"(1) ACCOUNTING STANDARDS.—The Secretary shall require that borrowers in programs authorized by this section maintain accounting records in accordance with generally accepted accounting principles for all projects that receive funds from loans made or guaranteed by the Secretary under this section.

"(2) RECORD RETENTION REQUIREMENTS.—The Secretary shall require that borrowers in programs authorized by this section retain for a period of not less than 6 years and make available to the Secretary in a manner determined by the Secretary, all records required to be maintained under this subsection and other records identified by the Secretary in applicable regulations.

"(aa) DOUBLE DAMAGES FOR UNAUTHORIZED USE OF HOUSING PROJECTS ASSETS AND INCOME.—

"(1) ACTION TO RECOVER ASSETS OR INCOME.—

"(A) IN GENERAL.—The Secretary may request the Attorney General to bring an action in a United States district court to recover any assets or income used by any person in violation of the provisions of a loan made or guaranteed by the Secretary under this section or in violation of any applicable statute or regulation.

"(B) IMPROPER DOCUMENTATION.—For purposes of this subsection, a use of assets or income in violation of the applicable loan, loan guarantee, statute, or regulation shall include any use for which the documentation in the books and accounts does not establish that the use was made for a reasonable operating expense or necessary repair of the project or for which the documentation has not been maintained in accordance with the requirements of the Secretary and in reasonable condition for proper audit.

"(C) DEFINITION.—For the purposes of this subsection, the term 'person' means—

"(i) any individual or entity that borrows funds in accordance with programs authorized by this section;

"(ii) any individual or entity holding 25 percent or more interest of any entity that borrows funds in accordance with programs authorized by this section; and

"(iii) any officer, director, or partner of an entity that borrows funds in accordance with programs authorized by this section.

"(2) AMOUNT RECOVERABLE.—

"(A) IN GENERAL.—In any judgment favorable to the United States entered under this subsection, the Attorney General may recover double the value of the assets and income of the project that the court determines to have been used in violation of the provisions of a loan made or guaranteed by the Secretary under this section or any applicable statute or regulation, plus all costs related to the action, including reasonable attorney and auditing fees.

"(B) APPLICATION OF RECOVERED FUNDS.—Notwithstanding any other provision of law, the Secretary may use amounts recovered under this subsection for activities authorized under this section and such funds shall remain available for such use until expended.

"(3) TIME LIMITATION.—Notwithstanding any other provision of law, an action under this subsection may be commenced at any time during the 6-year period beginning on the date that the Secretary discovered or should have discovered the violation of the provisions of this section or any related statutes or regulations.

"(4) CONTINUED AVAILABILITY OF OTHER REMEDIES.—The remedy provided in this subsection is in addition to and not in substitution of any other remedies available to the Secretary or the United States."

##### SEC. 1004. DEFINITION OF RURAL AREA.

The second sentence of section 520 of the Housing Act of 1949 (42 U.S.C. 1490) is amended by striking "year 2000" and inserting "year 2010".

##### SEC. 1005. OPERATING ASSISTANCE FOR MIGRANT FARMWORKERS PROJECTS.

The last sentence of section 521(a)(5)(A) of the Housing Act of 1949 (42 U.S.C. 1490a(a)(5)(A)) is amended by striking "project" and inserting "tenant or unit".

##### SEC. 1006. MULTIFAMILY RENTAL HOUSING LOAN GUARANTEE PROGRAM.

Section 538 of the Housing Act of 1949 (42 U.S.C. 1490p-2) is amended—

(1) in subsection (c), by inserting "an Indian organization," after "thereof,";

(2) in subsection (f), by striking paragraph (1) and inserting the following new paragraph:

"(1) be made for a period of not less than 25 nor greater than 40 years from the date the loan was made and may provide for amortization of the loan over a period of not to exceed 40 years with a final payment of the balance due at the end of the loan term;";

(3) in subsection (i)(2), by striking "(A) conveyance to the Secretary" and all that follows through "(C) assignment" and inserting "(A) submission to the Secretary of a claim for payment under the guarantee, and (B) assignment";

(4) in subsection (s), by adding at the end the following new subsection:

"(4) INDIAN ORGANIZATION.—The term 'Indian organization' means the governing body of an

Indian tribe, band, group, pueblo, or community, including native villages or native groups, as defined by the Alaska Claims Settlement Act (43 U.S.C. 1601 et seq.), (including corporations organized by the Kenai, Juneau, Sitka, and Kodiak) which is eligible for services from the Bureau of Indian Affairs or an entity established or recognized by the governing body for the purpose of financing economic development."

(5) in subsection (t), by inserting before the period at the end the following: "to provide guarantees under this section for eligible loans having an aggregate principal amount of \$500,000,000";

(6) by striking subsection (l);

(7) by redesignating subsections (m) through (u) as subsections (l) through (t), respectively;

(8) by adding at the end the following new subsections:

"(u) FEE AUTHORITY.—

"(1) IN GENERAL.—Any amounts collected by the Secretary pursuant to the fees charged to lenders for loan guarantees issued under this section shall be used to offset costs (as defined by section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a)) of loan guarantees made under this section.

"(2) EXCESS FUNDS.—Any fees described in paragraph (1) collected in excess of the amount required in paragraph (1) during a fiscal year, shall be available to the Secretary, without further appropriation and without fiscal year limitation, for use by the Secretary for costs of administering (including monitoring) program activities authorized pursuant to this section and shall be in addition to other funds made available for this purpose.

"(v) DEFAULTS OF LOANS SECURED BY RESERVATION LANDS.—In the event of a default involving a loan to an Indian tribe or tribal corporation made under this section which is secured by an interest in land within such tribe's reservation (as determined by the Secretary of the Interior), including a community in Alaska incorporated by the Secretary of the Interior pursuant to the Indian Reorganization Act (25 U.S.C. 461 et seq.), the lender shall only pursue liquidation after offering to transfer the account to an eligible tribal member, the tribe, or the Indian housing authority serving the tribe. If the lender subsequently proceeds to liquidate the account, the lender shall not sell, transfer, or otherwise dispose of or alienate the property except to one of the entities described in the preceding sentence."

##### SEC. 1007. ENFORCEMENT PROVISIONS.

(a) IN GENERAL.—Title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.) is amended by adding after section 542 the following:

##### "SEC. 543. ENFORCEMENT PROVISIONS.

"(a) EQUITY SKIMMING.—

"(1) CRIMINAL PENALTY.—Whoever, as an owner, agent, employee, or manager, or is otherwise in custody, control, or possession of property that is security for a loan made or guaranteed under this title, willfully uses, or authorizes the use, of any part of the rents, assets, proceeds, income, or other funds derived from such property, for any purpose other than to meet actual, reasonable, and necessary expenses of the property, or for any other purpose not authorized by this title or the regulations adopted pursuant to this title, shall be fined under title 18, United States Code, or imprisoned not more than 5 years, or both.

"(2) CIVIL SANCTIONS.—An entity or individual who as an owner, operator, employee, or manager, or who acts as an agent for a property that is security for a loan made or guaranteed under this title where any part of the rents, assets, proceeds, income, or other funds derived from such property are used for any purpose other than to meet actual, reasonable, and necessary expenses of the property, or for any other purpose not authorized by this title or the regulations adopted pursuant to this title, shall be subject to a fine of not more than \$25,000 per

violation. The sanctions provided in this paragraph may be imposed in addition to any other civil sanctions or civil monetary penalties authorized by law.

**(b) CIVIL MONETARY PENALTIES.—**

**(1) IN GENERAL.—**The Secretary may, after notice and opportunity for a hearing, impose a civil monetary penalty in accordance with this subsection against any individual or entity, including its owners, officers, directors, general partners, limited partners, or employees, who knowingly and materially violate, or participate in the violation of, the provisions of this title, the regulations issued by the Secretary pursuant to this title, or agreements made in accordance with this title, by—

“(A) submitting information to the Secretary that is false;

“(B) providing the Secretary with false certifications;

“(C) failing to submit information requested by the Secretary in a timely manner;

“(D) failing to maintain the property subject to loans made or guaranteed under this title in good repair and condition, as determined by the Secretary;

“(E) failing to provide management for a project which received a loan made or guaranteed under this title that is acceptable to the Secretary; or

“(F) failing to comply with the provisions of applicable civil rights statutes and regulations.

**(2) CONDITIONS FOR RENEWAL OR EXTENSION.—**The Secretary may require that expiring loan or assistance agreements entered into under this title shall not be renewed or extended unless the owner executes an agreement to comply with additional conditions prescribed by the Secretary, or executes a new loan or assistance agreement in the form prescribed by the Secretary.

**(3) AMOUNT.—**

**(A) IN GENERAL.—**The amount of a civil monetary penalty imposed under this subsection shall not exceed the greater of—

“(i) twice the damages the Department of Agriculture, the guaranteed lender, or the project that is secured for a loan under this section suffered or would have suffered as a result of the violation; or

“(ii) \$50,000 per violation.

**(B) DETERMINATION.—**In determining the amount of a civil monetary penalty under this subsection, the Secretary shall take into consideration—

“(i) the gravity of the offense;

“(ii) any history of prior offenses by the violator (including offenses occurring prior to the enactment of this section);

“(iii) the ability of the violator to pay the penalty;

“(iv) any injury to tenants;

“(v) any injury to the public;

“(vi) any benefits received by the violator as a result of the violation;

“(vii) deterrence of future violations; and

“(viii) such other factors as the Secretary may establish by regulation.

**(4) PAYMENT OF PENALTIES.—**No payment of a penalty assessed under this section may be made from funds provided under this title or from funds of a project which serve as security for a loan made or guaranteed under this title.

**(5) REMEDIES FOR NONCOMPLIANCE.—**

**(A) JUDICIAL INTERVENTION.—**If a person or entity fails to comply with a final determination by the Secretary imposing a civil monetary penalty under this subsection, the Secretary may request the Attorney General of the United States to bring an action in an appropriate United States district court to obtain a monetary judgment against such individual or entity and such other relief as may be available. The monetary judgment may, in the court’s discretion, include the attorney’s fees and other expenses incurred by the United States in connection with the action.

**(B) REVIEWABILITY OF DETERMINATION.—**In an action under this paragraph, the validity

and appropriateness of a determination by the Secretary imposing the penalty shall not be subject to review.”

**(b) CONFORMING AMENDMENT.—**Section 514 of the Housing Act of 1949 (42 U.S.C. 1484) is amended by striking subsection (j).

**SEC. 1008. AMENDMENTS TO TITLE 18 OF UNITED STATES CODE.**

**(a) MONEY LAUNDERING.—**Section 1956(c)(7)(D) of title 18, United States Code, is amended by inserting “any violation of section 543(a)(1) of the Housing Act of 1949 (relating to equity skimming),” after “coupons having a value of not less than \$5,000.”

**(b) OBSTRUCTION OF FEDERAL AUDITS.—**Section 1516(a) of title 18, United States Code, is amended by inserting “or relating to any property that is security for a loan that is made or guaranteed under title V of the Housing Act of 1949,” before “shall be fined under this title”.

**TITLE XI—MANUFACTURED HOUSING IMPROVEMENT**

**SEC. 1101. SHORT TITLE AND REFERENCES.**

**(a) SHORT TITLE.—**This title may be cited as the “Manufactured Housing Improvement Act”.

**(b) REFERENCES.—**Whenever in this title an amendment is expressed in terms of an amendment to, or repeal of, an Act, a section, or any other provision, the reference shall be considered to be made to that section or other provision of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5401 et seq.).

**SEC. 1102. FINDINGS AND PURPOSES.**

Section 602 (42 U.S.C. 5401) is amended to read as follows:

**“FINDINGS AND PURPOSES**

**“SEC. 602. (a) FINDINGS.—**The Congress finds that—

“(1) manufactured housing plays a vital role in meeting the housing needs of the Nation; and

“(2) manufactured homes provide a significant resource for affordable homeownership and rental housing accessible to all Americans.

**(b) PURPOSES.—**The purposes of this title are—

“(1) to facilitate the acceptance of the quality, durability, safety, and affordability of manufactured housing within the Department of Housing and Urban Development;

“(2) to facilitate the availability of affordable manufactured homes and to increase homeownership for all Americans;

“(3) to provide for the establishment of practical, uniform, and, to the extent possible, performance-based Federal construction standards;

“(4) to encourage innovative and cost-effective construction techniques;

“(5) to protect owners of manufactured homes from unreasonable risk of personal injury and property damage;

“(6) to establish a balanced consensus process for the development, revision, and interpretation of Federal construction and safety standards for manufactured homes and related regulations for the enforcement of such standards;

“(7) to ensure uniform and effective enforcement of Federal construction and safety standards for manufactured homes; and

“(8) to ensure that the public interest in, and need for, affordable manufactured housing is duly considered in all determinations relating to the Federal standards and their enforcement.”.

**SEC. 1103. DEFINITIONS.**

**(a) IN GENERAL.—**Section 603 (42 U.S.C. 5402) is amended—

(1) in paragraph (2), by striking “dealer” and inserting “retailer”;

(2) in paragraph (12), by striking “and” at the end;

(3) in paragraph (13), by striking the period at the end and inserting a semicolon; and

(4) by adding at the end the following new paragraphs:

“(14) ‘administering organization’ means the recognized, voluntary, private sector, consensus

standards body with specific experience in developing model residential building codes and standards involving all disciplines regarding construction and safety that administers the consensus standards development process;

“(15) ‘consensus committee’ means the committee established under section 604(a)(3);

“(16) ‘consensus standards development process’ means the process by which additions, revisions, and interpretations to the Federal manufactured home construction and safety standards and enforcement regulations shall be developed and recommended to the Secretary by the consensus committee;

“(17) ‘primary inspection agency’ means a State agency or private organization that has been approved by the Secretary to act as a design approval primary inspection agency or a production inspection primary inspection agency; or both;

“(18) ‘design approval primary inspection agency’ means a State agency or private organization that has been approved by the Secretary to evaluate and either approve or disapprove manufactured home designs and quality control procedures;

“(19) ‘production inspection primary inspection agency’ means a State agency or private organization that has been approved by the Secretary to evaluate the ability of manufactured home manufacturing plants to comply with approved quality control procedures and with the Federal manufactured home construction and safety standards promulgated hereunder;

“(20) ‘installation standards’ means reasonable specifications for the installation of a manufactured home, at the place of occupancy, to ensure proper siting, the joining of all sections of the home, and the installation of stabilization, support, or anchoring systems; and

“(21) ‘monitoring’—

“(A) means the process of periodic review of the primary inspection agencies, by the Secretary or by a State agency under an approved State plan pursuant to section 623, in accordance with regulations recommended by the consensus committee and promulgated in accordance with section 604(b), which process shall be for the purpose of ensuring that the primary inspection agencies are discharging their duties under this title; and

“(B) may include the periodic inspection of retail locations for transit damage, label tampering, and retailer compliance with this title.”.

**(b) CONFORMING AMENDMENTS.—**The Act is amended—

(1) in section 613 (42 U.S.C. 5412), by striking “dealer” each place it appears and inserting “retailer”;

(2) in section 614(f) (42 U.S.C. 5413(f)), by striking “dealer” each place it appears and inserting “retailer”;

(3) in section 615 (42 U.S.C. 5414)—

(A) in subsection (b)(1), by striking “dealer” and inserting “retailer”;

(B) in subsection (b)(3), by striking “dealer or dealers” and inserting “retailer or retailers”; and

(C) in subsections (d) and (f), by striking “dealers” each place it appears and inserting “retailers”;

(4) in section 616 (42 U.S.C. 5415), by striking “dealer” and inserting “retailer”; and

(5) in section 623(c)(9), by striking “dealers” and inserting “retailers”.

**SEC. 1104. FEDERAL MANUFACTURED HOME CONSTRUCTION AND SAFETY STANDARDS.**

Section 604 (42 U.S.C. 5403) is amended—

(1) by striking subsections (a) and (b) and inserting the following new subsections:

“(a) ESTABLISHMENT.—

“(1) AUTHORITY.—The Secretary shall establish, by order, appropriate Federal manufactured home construction and safety standards, each of which—

“(A) shall—

“(i) be reasonable and practical;

“(ii) meet high standards of protection consistent with the enumerated purposes of this title; and

“(iii) where appropriate, be performance-based and objectively stated; and

“(B) except as provided in subsection (b), shall be established in accordance with the consensus standards development process.

“(2) CONSENSUS STANDARDS AND REGULATORY DEVELOPMENT PROCESS.—

“(A) INITIAL AGREEMENT.—Not later than 180 days after the date of enactment of the Manufactured Housing Improvement Act, the Secretary shall enter into a contract with an administering organization. The contractual agreement shall—

“(i) terminate on the date on which a contract is entered into under subparagraph (B); and

“(ii) require the administering organization to—

“(I) appoint the initial members of the consensus committee under paragraph (3);

“(II) administer the consensus standards development process until the termination of that agreement; and

“(III) administer the consensus development and interpretation process for procedural and enforcement regulations and regulations specifying the permissible scope and conduct of monitoring until the termination of that agreement.

“(B) COMPETITIVELY PROCURED CONTRACT.—Upon the expiration of the 4-year period beginning on the date on which all members of the consensus committee are appointed under paragraph (3), the Secretary shall, using competitive procedures (as such term is defined in section 4 of the Office of Federal Procurement Policy Act), enter into a competitively awarded contract with an administering organization. The administering organization shall administer the consensus process for the development and interpretation of the Federal standards, the procedural and enforcement regulations and regulations specifying the permissible scope and conduct of monitoring in accordance with this title.

“(C) PERFORMANCE REVIEW.—The Secretary—

“(i) shall periodically review the performance of the administering organization; and

“(ii) may replace the administering organization with another qualified technical or building code organization, pursuant to competitive procedures, if the Secretary determines in writing that the administering organization is not fulfilling the terms of the agreement or contract to which the administering organization is subject or upon the expiration of the agreement or contract.

“(3) CONSENSUS COMMITTEE.—

“(A) PURPOSE.—There is established a committee to be known as the ‘consensus committee’, which shall, in accordance with this title—

“(i) provide periodic recommendations to the Secretary to adopt, revise, and interpret the Federal manufactured housing construction and safety standards in accordance with this subsection;

“(ii) provide periodic recommendations to the Secretary to adopt, revise, and interpret the procedural and enforcement regulations, including regulations specifying the permissible scope and conduct of monitoring in accordance with this subsection; and

“(iii) be organized and carry out its business in a manner that guarantees a fair opportunity for the expression and consideration of various positions and for public participation.

“(B) MEMBERSHIP.—The consensus committee shall be composed of—

“(i) 21 voting members appointed, subject to approval by the Secretary, by the administering organization from among individuals who are qualified by background and experience to participate in the work of the consensus committee; and

“(ii) 1 member appointed by the Secretary to represent the Secretary on the consensus committee, who shall be a nonvoting member.

“(C) DISAPPROVAL.—The Secretary may disapprove, in writing with the reasons set forth, the appointment of an individual under subparagraph (B)(i).

“(D) SELECTION PROCEDURES AND REQUIREMENTS.—Each member shall be appointed in accordance with the selection procedures, which shall be established by the Secretary and which shall be based on the procedures for consensus committees promulgated by the American National Standards Institute (or successor organization), to ensure equal representation on the consensus committee of the following interest categories:

“(i) PRODUCERS.—7 producers or retailers of manufactured housing.

“(ii) USERS.—7 persons representing consumer interests, such as consumer organizations, recognized consumer leaders, and owners who are residents of manufactured homes.

“(iii) GENERAL INTEREST AND PUBLIC OFFICIALS.—7 general interest and public official members.

“(E) BALANCING OF INTERESTS.—

“(i) IN GENERAL.—In order to achieve a proper balance of interests on the consensus committee—

“(I) the administering organization in its appointments shall ensure that all directly and materially affected interests have the opportunity for fair and equitable participation without dominance by any single interest; and

“(II) the Secretary may reject the appointment of any 1 or more individuals in order to ensure that there is not dominance by any single interest.

“(ii) DOMINANCE DEFINED.—In this subparagraph, the term ‘dominance’ means a position or exercise of dominant authority, leadership, or influence by reason of superior leverage, strength, or representation.

“(F) ADDITIONAL QUALIFICATIONS.—

“(i) FINANCIAL INDEPENDENCE.—No individual appointed under subparagraph (D)(ii) shall have, and 3 of individuals appointed under subparagraph (D)(iii) shall not have—

“(I) a significant financial interest in any segment of the manufactured housing industry; or

“(II) a significant relationship to any person engaged in the manufactured housing industry.

“(ii) POST-EMPLOYMENT BAN.—An individual appointed under clause (ii) or (iii) of subparagraph (D) shall be subject to a ban disallowing compensation from the manufactured housing industry during the period of, and for the 1-year period after, membership of that individual on the consensus committee.

“(G) MEETINGS.—

“(i) NOTICE; OPEN TO PUBLIC.—The consensus committee shall provide advance notice of each meeting of the consensus committee to the Secretary and publish advance notice of each such meeting in the Federal Register. All meetings of the consensus committee shall be open to the public.

“(ii) REIMBURSEMENT.—Members of the consensus committee in attendance at the meetings shall be reimbursed for their actual expenses as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in Government service.

“(H) INAPPLICABILITY OF OTHER LAWS.—

“(i) ADVISORY COMMITTEE ACT.—The consensus committee shall not be considered to be an advisory committee for purposes of the Federal Advisory Committee Act.

“(ii) TITLE 18.—The members of the consensus committee shall not be subject to section 203, 205, 207, or 208 of title 18, United States Code, to the extent of their proper participation as members of the consensus committee.

“(iii) ETHICS IN GOVERNMENT ACT OF 1978.—The Ethics in Government Act of 1978 shall not apply to members of the consensus committee to the extent of their proper participation as members of the consensus committee.

“(I) ADMINISTRATION.—The consensus committee and the administering organization shall—

“(i) operate in conformance with the procedures established by the American National Standards Institute for the development and coordination of American National Standards; and

“(ii) apply to the American National Standards Institute and take such other actions as may be necessary to obtain accreditation from the American National Standards Institute.

“(J) STAFF.—The administering organization shall, upon the request of the consensus committee, provide reasonable staff resources to the consensus committee. Upon a showing of need, the Secretary shall furnish technical support to any of the various interest categories on the consensus committee.

“(K) DATE OF INITIAL APPOINTMENTS.—The initial appointments of all of the members of the consensus committee shall be completed not later than 90 days after the date on which an administration agreement under paragraph (2)(A) is completed with the administering organization.

“(4) REVISIONS OF STANDARDS.—

“(A) IN GENERAL.—Beginning on the date on which all members of the consensus committee are appointed under paragraph (3), the consensus committee shall, not less than once during each 2-year period—

“(i) consider revisions to the Federal manufactured home construction and safety standards; and

“(ii) submit proposed revised standards and regulations, if approved in a vote of the consensus committee by two-thirds of the members, to the Secretary in the form of a proposed rule, including an economic analysis.

“(B) PUBLICATION OF PROPOSED REVISED STANDARDS.—

“(i) PUBLICATION BY SECRETARY.—The consensus committee shall provide a proposed revised standard under subparagraph (A)(ii) to the Secretary who shall, not later than 30 days after receipt, publish such proposed revised standard in the Federal Register for notice and comment. Unless clause (ii) applies, the Secretary shall provide an opportunity for public comment on such proposed revised standard and any such comments shall be submitted directly to the consensus committee without delay.

“(ii) PUBLICATION OF REJECTED PROPOSED REVISED STANDARD.—If the Secretary rejects the proposed revised standard, the Secretary shall publish the rejected proposed revised standard in the Federal Register with the reasons for rejection and any recommended modifications set forth.

“(C) PRESENTATION OF PUBLIC COMMENTS; PUBLICATION OF RECOMMENDED REVISIONS.—

“(i) PRESENTATION.—Any public comments, views, and objections to a proposed revised standard published under subparagraph (B) shall be presented by the Secretary to the consensus committee upon their receipt and in the manner received, in accordance with procedures established by the American National Standards Institute.

“(ii) PUBLICATION BY THE SECRETARY.—The consensus committee shall provide to the Secretary any revisions proposed by the consensus committee, which the Secretary shall, not later than 7 calendar days after receipt, cause to be published in the Federal Register as a notice of the recommended revisions of the consensus committee to the standard, a notice of the submission of the recommended revisions to the Secretary, and a description of the circumstances under which the proposed revised standards could become effective.

“(iii) PUBLICATION OF REJECTED PROPOSED REVISED STANDARD.—If the Secretary rejects the proposed revised standard, the Secretary shall publish the rejected proposed revised standard in the Federal Register with the reasons for rejection and any recommended modifications set forth.

“(5) REVIEW BY THE SECRETARY.—

“(A) IN GENERAL.—The Secretary shall either adopt, modify, or reject a standard, as submitted



by the consensus committee under paragraph (4)(A).

“(B) **TIMING.**—Not later than 12 months after the date on which a standard is submitted to the Secretary by the consensus committee, the Secretary shall take action regarding such standard under subparagraph (C).

“(C) **PROCEDURES.**—If the Secretary—

“(i) adopts a standard recommended by the consensus committee, the Secretary shall—

“(I) issue a final order without further rule-making; and

“(II) cause the final order to be published in the Federal Register;

“(ii) determines that any standard should be rejected, the Secretary shall—

“(I) reject the standard; and

“(II) cause to be published in the Federal Register a notice to that effect, together with the reason or reasons for rejecting the proposed standard; or

“(iii) determines that a standard recommended by the consensus committee should be modified, the Secretary shall—

“(I) cause the proposed modified standard to be published in the Federal Register, together with an explanation of the reason or reasons for the determination of the Secretary; and

“(II) provide an opportunity for public comment in accordance with section 553 of title 5, United States Code.

“(D) **FINAL ORDER.**—Any final standard under this paragraph shall become effective pursuant to subsection (c).

“(6) **FAILURE TO ACT.**—If the Secretary fails to take final action under paragraph (5) and to publish notice of the action in the Federal Register before the expiration of the 12-month period beginning on the date on which the proposed standard is submitted to the Secretary under paragraph (4)(A)—

“(A) the recommendations of the consensus committee—

“(i) shall be considered to have been adopted by the Secretary; and

“(ii) shall take effect upon the expiration of the 180-day period that begins upon the conclusion of such 12-month period; and

“(B) not later than 10 days after the expiration of such 12-month period, the Secretary shall cause to be published in the Federal Register a notice of the failure of the Secretary to act, the revised standard, and the effective date of the revised standard, which notice shall be deemed to be an order of the Secretary approving the revised standards proposed by the consensus committee.

“(b) **OTHER ORDERS.**—

“(1) **REGULATIONS.**—The Secretary may issue procedural and enforcement regulations as necessary to implement the provisions of this title. The consensus committee may submit to the Secretary proposed procedural and enforcement regulations and recommendations for the revision of such regulations.

“(2) **INTERPRETATIVE BULLETINS.**—The Secretary may issue interpretative bulletins to clarify the meaning of any Federal manufactured home construction and safety standard or procedural and enforcement regulation. The consensus committee may submit to the Secretary proposed interpretative bulletins to clarify the meaning of any Federal manufactured home construction and safety standard or procedural and enforcement regulation.

“(3) **REVIEW BY CONSENSUS COMMITTEE.**—Before issuing a procedural or enforcement regulation or an interpretative bulletin—

“(A) the Secretary shall—

“(i) submit the proposed procedural or enforcement regulation or interpretative bulletin to the consensus committee; and

“(ii) provide the consensus committee with a period of 120 days to submit written comments to the Secretary on the proposed procedural or enforcement regulation or the interpretative bulletin; and

“(B) if the Secretary rejects any significant comment provided by the consensus committee

under subparagraph (A), the Secretary shall provide a written explanation of the reasons for the rejection to the consensus committee; and

“(C) following compliance with subparagraphs (A) and (B), the Secretary shall—

“(i) cause the proposed regulation or interpretative bulletin and the consensus committee's written comments along with the Secretary's response thereto to be published in the Federal Register; and

“(ii) provide an opportunity for public comment in accordance with section 553 of title 5, United States Code.

“(4) **REQUIRED ACTION.**—The Secretary shall act on any proposed regulation or interpretative bulletin submitted by the consensus committee by approving or rejecting the proposal within 120 days from the date the proposal is received by the Secretary. The Secretary shall either—

“(A) approve the proposal and cause the proposed regulation or interpretative bulletin to be published for public comment in accordance with section 553 of title 5, United States Code; or

“(B) reject the proposed regulation or interpretative bulletin and—

“(i) provide a written explanation of the reasons for rejection to the consensus committee; and

“(ii) cause the proposed regulation and the written explanation for the rejection to be published in the Federal Register.

“(5) **EMERGENCY ORDERS.**—If the Secretary determines, in writing, that such action is necessary in order to respond to an emergency which jeopardizes the public health or safety, or to address an issue on which the Secretary determines that the consensus committee has not made a timely recommendation, following a request by the Secretary, the Secretary may issue an order that is not developed under the procedures set forth in subsection (a) or in this subsection, if the Secretary—

“(A) provides to the consensus committee a written description and sets forth the reasons why emergency action is necessary and all supporting documentation; and

“(B) issues and publishes the order in the Federal Register.

“(6) **CHANGES.**—Any statement of policies, practices, or procedures relating to construction and safety standards, inspections, monitoring, or other enforcement activities which constitutes a statement of general or particular applicability and future offset and decisions to implement, interpret, or prescribe law of policy by the Secretary is subject to the provisions of subsection (a) or (b) of this subsection. Any change adopted in violation of the provisions of subsection (a) or (b) of this subsection is void.

“(7) **TRANSITION.**—Until the date that the consensus committee is appointed pursuant to section 1104(a)(3), the Secretary may issue proposed orders that are not developed under the procedures set forth in this section for new and revised standards.”;

(2) in subsection (d), by adding at the end the following: “Federal preemption under this subsection shall be broadly and liberally construed to ensure that disparate State or local requirements or standards do not affect the uniformity and comprehensiveness of the standards promulgated hereunder nor the Federal superintendence of the manufactured housing industry as established by this title. Subject to section 605, there is reserved to each State the right to establish standards for the stabilizing and support systems of manufactured homes sited within that State, and for the foundations on which manufactured homes sited within that State are installed, and the right to enforce compliance with such standards, except that such standards shall be consistent with the purposes of this title and shall be consistent with the design of the manufacturer.”;

(3) by striking subsection (e);

(4) in subsection (f), by striking the subsection designation and all of the matter that precedes paragraph (1) and inserting the following:

“(e) **CONSIDERATIONS IN ESTABLISHING AND INTERPRETING STANDARDS AND REGULATIONS.**—The consensus committee, in recommending standards, regulations, and interpretations, and the Secretary, in establishing standards or regulations, or issuing interpretations under this section, shall—”;

(5) by striking subsection (g);

(6) in the first sentence of subsection (j), by striking “subsection (f)” and inserting “subsection (e)”;

(7) by redesignating subsections (h), (i), and (j), as subsections (f), (g), and (h), respectively.

**SEC. 1105. ABOLISHMENT OF NATIONAL MANUFACTURED HOME ADVISORY COUNCIL; MANUFACTURED HOME INSTALLATION.**

(a) **IN GENERAL.**—Section 605 (42 U.S.C. 5404) is amended to read as follows:

“**SEC. 605. MANUFACTURED HOME INSTALLATION.**

“(a) **PROVISION OF INSTALLATION DESIGN AND INSTRUCTIONS.**—A manufacturer shall provide with each manufactured home, design and instructions for the installation of the manufactured home that have been approved by a design approval primary inspection agency. After establishment of model standards under subsection (b)(2), a design approval primary inspection agency may not give such approval unless a design and instruction provides equal or greater protection than the protection provided under such model standards.

“(b) **MODEL MANUFACTURED HOME INSTALLATION STANDARDS.**—

“(1) **PROPOSED MODEL STANDARDS.**—Not later than 18 months after the date on which the initial appointments of all of the members of the consensus committee are completed, the consensus committee shall develop and submit to the Secretary proposed model manufactured home installation standards, which shall, to the maximum extent possible, taking into account the factors described in section 604(e), be consistent with—

“(A) the home designs that have been approved by a design approval primary inspection agency; and

“(B) the designs and instructions for the installation of manufactured homes provided by manufacturers under subsection (a).

“(2) **ESTABLISHMENT OF MODEL STANDARDS.**—Not later than 12 months after receiving the proposed model standards submitted under paragraph (1), the Secretary shall develop and establish model manufactured home installation standards, which shall be consistent with—

“(A) the home designs that have been approved by a design approval primary inspection agency; and

“(B) the designs and instructions for the installation of manufactured homes provided by manufacturers under subsection (a).

“(3) **FACTORS FOR CONSIDERATION.**—

“(A) **CONSENSUS COMMITTEE.**—In developing the proposed model standards under paragraph (1), the consensus committee shall consider the factors described in section 604(e).

“(B) **SECRETARY.**—In developing and establishing the model standards under paragraph (2), the Secretary shall consider the factors described in section 604(e).

“(c) **MANUFACTURED HOME INSTALLATION PROGRAMS.**—

“(1) **PROTECTION OF MANUFACTURED HOUSING RESIDENTS DURING INITIAL PERIOD.**—During the 5-year period beginning on the date of enactment of the Manufactured Housing Improvement Act, no State or manufacturer may establish or implement any installation standards that, in the determination of the Secretary, provide less protection to the residents of manufactured homes than the protection provided by the installation standards in effect with respect to the State or manufacturer, as applicable, on the date of enactment of the Manufactured Housing Improvement Act.

“(2) **INSTALLATION STANDARDS.**—

“(A) **ESTABLISHMENT OF INSTALLATION PROGRAM.**—Not later than the expiration of the 5-

year period described in paragraph (1), the Secretary shall establish an installation program that meets the requirements of paragraph (3) for the enforcement of installation standards in each State described in subparagraph (B).

“(B) IMPLEMENTATION OF INSTALLATION PROGRAM.—Beginning on the expiration of the 5-year period described in paragraph (1), the Secretary shall implement the installation program established under subparagraph (A) in each State that does not have an installation program established by State law that meets the requirements of paragraph (3).

“(C) CONTRACTING OUT OF IMPLEMENTATION.—In carrying out subparagraph (B), the Secretary may contract with an appropriate agent to implement the installation program established under that subparagraph, except that such agent shall not be a person or entity other than a government, nor an affiliate or subsidiary of such a person or entity, that has entered into a contract with the Secretary to implement any other regulatory program under this title.

“(3) REQUIREMENTS.—An installation program meets the requirements of this paragraph if it is a program regulating the installation of manufactured homes that includes—

“(A) installation standards that, in the determination of the Secretary, provide protection to the residents of manufactured homes that equals or exceeds the protection provided to those residents by—

“(i) the model manufactured home installation standards established under subsection (b); or

“(ii) the designs and instructions provided by manufacturers under subsection (a), if the Secretary determines that such designs and instructions provide protection to the residents of the manufactured home that equals or exceeds the protection provided by the model manufactured home installation standards established under subsection (b);

“(B) the training and licensing of manufactured home installers; and

“(C) inspection of the installation of manufactured homes.”.

(b) CONFORMING AMENDMENTS.—Section 623(c) (42 U.S.C. 5422(c)) is amended—

(1) in paragraph (10), by striking “and” at the end;

(2) by redesignating paragraph (11) as paragraph (13); and

(3) by inserting after paragraph (10) the following:

“(11) with respect to any State plan submitted on or after the expiration of the 5-year period beginning on the date of enactment of the Manufactured Housing Improvement Act, provides for an installation program established by State law that meets the requirements of section 605(c)(3).”.

#### SEC. 1106. PUBLIC INFORMATION.

Section 607 (42 U.S.C. 5406) is amended—

(1) in subsection (a)—

(A) by inserting “to the Secretary” after “submit”; and

(B) by adding at the end the following: “The Secretary shall submit such cost and other information to the consensus committee for evaluation.”;

(2) in subsection (d), by inserting “, the consensus committee,” after “public”; and

(3) by striking subsection (c) and redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

#### SEC. 1107. RESEARCH, TESTING, DEVELOPMENT, AND TRAINING.

(a) IN GENERAL.—Section 608(a) (42 U.S.C. 5407(a)) is amended—

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

(2) in paragraph (3), by striking the period at the end and inserting a semicolon; and

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

“(4) encouraging the government sponsored housing entities to actively develop and imple-

ment secondary market securitization programs for FHA manufactured home loans and those of other loan programs, as appropriate, thereby promoting the availability of affordable manufactured homes to increase homeownership for all people in the United States; and

“(5) reviewing the programs for FHA manufactured home loans and developing any changes to such programs to promote the affordability of manufactured homes, including changes in loan terms, amortization periods, regulations, and procedures.”.

(b) DEFINITIONS.—Section 608 (42 U.S.C. 5407) is amended by adding at the end the following new subsection:

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

“(1) GOVERNMENT SPONSORED HOUSING ENTITIES.—The term ‘government sponsored housing entities’ means the Government National Mortgage Association of the Department of Housing and Urban Development, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation.

“(2) FHA MANUFACTURED HOME LOANS.—The term ‘FHA manufactured home loan’ means a loan that—

“(A) is insured under title I of the National Housing Act and is made for the purpose of financing alterations, repairs, or improvements on or in connection with an existing manufactured home, the purchase of a manufactured home, the purchase of a manufactured home and a lot on which to place the home, or the purchase only of a lot on which to place a manufactured home; or

“(B) otherwise insured under the National Housing Act and made for or in connection with a manufactured home.”.

#### SEC. 1108. FEES.

Section 620 (42 U.S.C. 5419) is amended to read as follows:

##### “AUTHORITY TO ESTABLISH FEES

“SEC. 620. (a) IN GENERAL.—In carrying out inspections under this title, in developing standards and regulations pursuant to section 604, and in facilitating the acceptance of the affordability and availability of manufactured housing within the Department, the Secretary may—

“(1) establish and collect from manufactured home manufacturers such reasonable fees as may be necessary to offset the expenses incurred by the Secretary in connection with carrying out the responsibilities of the Secretary under this title, including—

“(A) conducting inspections and monitoring;

“(B) providing funding to States for the administration and implementation of approved State plans under section 623, including reasonable funding for cooperative educational and training programs designed to facilitate uniform enforcement under this title; these funds may be paid directly to the States or may be paid or provided to any person or entity designated to receive and disburse such funds by cooperative agreements among participating States, provided that such person or entity is not otherwise an agent of the Secretary under this title;

“(C) providing the funding for a noncareer administrator and Federal staff personnel for the manufactured housing program;

“(D) administering the consensus committee as set forth in section 604; and

“(E) facilitating the acceptance of the quality, durability, safety, and affordability of manufactured housing within the Department; and

“(2) use any fees collected under paragraph (1) to pay expenses referred to in paragraph (1), which shall be exempt and separate from any limitations on the Department of Housing and Urban Development regarding full-time equivalent positions and travel.

“(b) CONTRACTORS.—When using fees under this section, the Secretary shall ensure that separate and independent contractors are retained to carry out monitoring and inspection work and any other work that may be delegated to a contractor under this title.

“(c) PROHIBITED USE.—Fees collected under subsection (a) shall not be used for any purpose or activity not specifically authorized by this title unless such activity was already engaged in by the Secretary prior to the date of enactment of this title.

“(d) MODIFICATION.—Any fee established by the Secretary under this section shall only be modified pursuant to rulemaking in accordance with section 553 of title 5, United States Code.

“(e) APPROPRIATION AND DEPOSIT OF FEES.—

“(1) IN GENERAL.—There is established in the Treasury of the United States a fund to be known as the ‘Manufactured Housing Fees Trust Fund’ for deposit of all fees collected pursuant to subsection (a). These fees shall be held in trust for use only as provided in this title.

“(2) APPROPRIATION.—Such fees shall be available for expenditure only to the extent approved in an annual appropriation Act.”.

#### SEC. 1109. DISPUTE RESOLUTION.

Section 623(c) (42 U.S.C. 5422(c)), as amended by section 5(b) of this Act, is amended by inserting after paragraph (11) (as added by section 5(b) of this Act) the following:

“(12) with respect to any State plan submitted on or after the expiration of the 5-year period beginning on the date of enactment of the Manufactured Housing Improvement Act, provides for a dispute resolution program for the timely resolution of disputes between manufacturers, retailers, and installers of manufactured homes regarding responsibility, and for the issuance of appropriate orders, for the correction or repair of defects in manufactured homes that are reported during the 1-year period beginning on the date of installation; and”; and

(2) by adding at the end the following:

“(g) ENFORCEMENT OF DISPUTE RESOLUTION STANDARDS.—

“(1) ESTABLISHMENT OF DISPUTE RESOLUTION PROGRAM.—Not later than the expiration of the 5-year period beginning on the date of enactment of the Manufactured Housing Improvement Act, the Secretary shall establish a dispute resolution program that meets the requirements of subsection (c)(12) for dispute resolution in each State described in paragraph (2).

“(2) IMPLEMENTATION OF DISPUTE RESOLUTION PROGRAM.—Beginning on the expiration of the 5-year period described in paragraph (1), the Secretary shall implement the dispute resolution program established under paragraph (1) in each State that has not established a dispute resolution program that meets the requirements of subsection (c)(12).

“(3) CONTRACTING OUT OF IMPLEMENTATION.—In carrying out paragraph (2), the Secretary may contract with an appropriate agent to implement the dispute resolution program established under that paragraph, except that such agent shall not be a person or entity other than a government, nor an affiliate or subsidiary of such a person or entity, that has entered into a contract with the Secretary to implement any other regulatory program under this title.”.

#### SEC. 1110. ELIMINATION OF ANNUAL REPORT REQUIREMENT.

The Act is amended—

(1) by striking section 626 (42 U.S.C. 5425); and

(2) by redesignating sections 627 and 628 (42 U.S.C. 5426, 5401 note) as sections 626 and 627, respectively.

#### SEC. 1111. EFFECTIVE DATE.

The amendments made by this title shall take effect on the date of enactment of this Act, except that the amendments shall have no effect on any order or interpretative bulletin that is published as a proposed rule pursuant to section 553 of title 5, United States Code, on or before such date.

#### SEC. 1112. SAVINGS PROVISION.

(a) STANDARDS AND REGULATIONS.—The Federal manufactured home construction and safety standards (as such term is defined in section 603 of the National Manufactured Housing Construction and Safety Standards Act of 1974) and

all regulations pertaining thereto in effect immediately before the date of the enactment of this Act shall apply until the effective date of a standard or regulation modifying or superseding the existing standard or regulation which is promulgated under subsection (a) or (b) of section 604 of the National Manufactured Housing Construction and Safety Standards Act of 1974, as amended by this title.

(b) **CONTRACTS.**—Any contract awarded pursuant to a Request for Proposal issued before the date of enactment of this Act shall remain in effect for a period of 2 years from the date of enactment of this Act or for the remainder of the contract term, whichever period is shorter.

The CHAIRMAN. No amendment to that amendment is in order except those printed in House Report 106-562. Each amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the 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.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce to a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 15 minutes.

It is now in order to consider amendment No. 1 printed in House Report 106-562.

AMENDMENT NO. 1 OFFERED BY MR. LAZIO

Mr. LAZIO. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. LAZIO:

Page 28, line 24, after the comma insert "except that elementary education shall include pre-Kindergarten education, and".

Page 36, strike line 13, and all that follows through page 37, line 2, and insert the following:

**SEC. 206. COMMUNITY PARTNERS NEXT DOOR PROGRAM.**

(a) **SHORT TITLE.**—This section may be cited as the "Community Partners Next Door Act".

(b) **CONGRESSIONAL FINDINGS.**—The Congress finds that—

(1) teachers, law enforcement officers, fire fighters, and rescue personnel help form the backbones of communities and are integral components in the social capital of neighborhoods in the United States; and

(2) providing a discounted purchase price on HUD-owned properties for teachers, law enforcement officers, fire fighters, and rescue personnel recognizes the intrinsic value of the services provided by such employees to their communities and to family life and encourages and rewards those who are dedicated to providing public service in our most needy communities.

Page 37, line 10, after "TEACHERS" insert "AND PUBLIC SAFETY OFFICERS".

Page 37, line 14, after "teacher" insert "or public safety officer".

Page 38, line 2, after "teacher" insert "or public safety officer".

Page 38, line 9, after "teacher" insert "or public safety officer".

Page 38, line 11, after "teacher" insert "or public safety officer".

Page 38, line 20, after "teacher" insert "or public safety officer".

Page 39, line 4, after "teacher" insert "or public safety officer".

Page 39, strike line 15, and all that follows through page 40, line 6.

Page 40, line 7, strike "(H)" and insert "(G)".

Page 40, after line 20, insert the following: "(iii) The term 'public safety officer' means an individual who is employed on a full-time basis as a public safety officer described in section 203(b)(10)(B)(i)(I)(bb).

Page 40, line 21, strike "(iii)" and insert "(iv)".

Page 40, line 24 after "State-certified" insert "or State-licensed".

Page 40, line 24, before "ad-" insert "or as an".

Page 41, lines 14 and 15, strike "**COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION**".

Strike line 24 on page 41 and all that follows through page 42, line 1, and insert the following:

(A) in the first sentence, by inserting "and insured community development financial institutions" after "private mortgage insurers";

Page 42, strike lines 12 through 15, and insert the following:

(A) in the first sentence, by inserting "and with insured community development financial institutions" before the period at the end;

Page 42, after line 18, insert the following new subparagraph:

(C) in the second sentence, by inserting "and insured community development financial institutions" after "private mortgage insurance companies";

Page 42, line 19, strike "(C)" and insert "(D)".

Page 43, line 3, strike "(D)" and insert "(E)".

Page 43, strike lines 17 through 23 and insert the following:

(B) in the second sentence, by inserting "or insured community development financial institution" after "private mortgage insurance company";

(6) in subsection (d), by inserting "or insured community development financial institution" after "private mortgage insurance company"; and

Page 59, line 10, strike "1 year" and insert "3 months".

Page 59, after line 23, insert the following new section:

**SEC. 212. SENSE OF CONGRESS REGARDING MAKING PROPERTIES AVAILABLE FOR HOMEOWNERSHIP PROGRAMS.**

It is the sense of the Congress that the Secretary of Housing and Urban Development should consult with the heads of other agencies of the Federal Government that own or hold properties appropriate for use as housing to determine the possibility and effectiveness of including such properties in programs that make housing available for law enforcement officers, teachers, or fire fighters.

Page 110, after line 2, insert the following: The Secretary may not treat any application for a grant under this section adversely in any manner solely on the basis that the homeownership zone is located, in whole or in part, within unincorporated areas.

Page 119, after line 1, insert the following new subsection:

(a) **EXTENSION OF PROGRAMS.**—

(1) **EMERGENCY HOMEOWNERSHIP COUNSELING.**—Section 106(c)(9) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(c)(9)) is amended by striking "September 30, 2000" and inserting "September 30, 2005".

(2) **PREPURCHASE AND FORECLOSURE PREVENTION COUNSELING DEMONSTRATION.**—Section 106(d)(12) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(d)(12)) is amended by striking "fiscal year 1994" and inserting "fiscal year 2005".

Page 119, line 2, before "Section" insert "(b) COOPERATIVE OWNERSHIP HOUSING CORPORATIONS.—

Page 121, strike lines 12 and 13 and insert the following:

**TITLE VII—NATIVE AMERICAN HOMEOWNERSHIP**

**Subtitle A—Native American Housing**

Page 138, strike lines 12 through 18 and insert the following new subsection:

(j) **LABOR STANDARDS.**—Section 104(b) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4114(b) is amended—

(1) in paragraph (1), by striking "Davis-Bacon Act (40 U.S.C. 276a-276a-5)" and inserting "Act of March 3, 1931 (commonly known as the Davis-Bacon Act; chapter 411; 46 Stat. 1494; 40 U.S.C. 276a et seq.); and

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

"(3) **APPLICATION OF TRIBAL LAWS.**—Paragraph (1) shall not apply to any contract or agreement for assistance, sale, or lease pursuant to this Act, if such contract or agreement is otherwise covered by one or more laws or regulations adopted by an Indian tribe that requires the payment of not less than prevailing wages, as determined by the Indian tribe.".

Page 139, after line 16, insert the following new subtitle:

**Subtitle B—Native Hawaiian Housing**

**SEC. 721. SHORT TITLE.**

This subtitle may be cited as the "Hawaiian Homelands Homeownership Act of 2000".

**SEC. 722. FINDINGS.**

The Congress finds that—

(1) the United States has undertaken a responsibility to promote the general welfare of the United States by—

(A) employing its resources to remedy the unsafe and unsanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of lower income; and

(B) developing effective partnerships with governmental and private entities to accomplish the objectives referred to in subparagraph (A);

(2) the United States has a special responsibility for the welfare of the Native peoples of the United States, including Native Hawaiians;

(3) pursuant to the provisions of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.), the United States set aside 200,000 acres of land in the Federal territory that later became the State of Hawaii in order to establish a homeland for the native people of Hawaii—Native Hawaiians;

(4) despite the intent of Congress in 1920 to address the housing needs of Native Hawaiians through the enactment of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.), Native Hawaiians eligible to reside on the Hawaiian home lands have been foreclosed from participating in Federal housing assistance programs available to all other eligible families in the United States;

(5) although Federal housing assistance programs have been administered on a racially neutral basis in the State of Hawaii, Native Hawaiians continue to have the greatest unmet need for housing and the highest rates of overcrowding in the United States;

(6) among the Native American population of the United States, Native Hawaiians experience the highest percentage of housing

problems in the United States, as the percentage—

(A) of housing problems in the Native Hawaiian population is 49 percent, as compared to—

(i) 44 percent for American Indian and Alaska Native households in Indian country; and

(ii) 27 percent for all other households in the United States; and

(B) overcrowding in the Native Hawaiian population is 36 percent as compared to 3 percent for all other households in the United States;

(7) among the Native Hawaiian population, the needs of Native Hawaiians, as that term is defined in section 801 of the Native American Housing Assistance and Self-Determination Act of 1996, as added by section 723 of this subtitle, eligible to reside on the Hawaiian Home Lands are the most severe, as—

(A) the percentage of overcrowding in Native Hawaiian households on the Hawaiian Home Lands is 36 percent; and

(B) approximately 13,000 Native Hawaiians, which constitute 95 percent of the Native Hawaiians who are eligible to reside on the Hawaiian Home Lands, are in need of housing;

(8) applying the Department of Housing and Urban Development guidelines—

(A) 70.8 percent of Native Hawaiians who either reside or who are eligible to reside on the Hawaiian Home Lands have incomes that fall below the median family income; and

(B) 50 percent of Native Hawaiians who either reside or who are eligible to reside on the Hawaiian Home Lands have incomes below 30 percent of the median family income;

(9)  $\frac{1}{3}$  of those Native Hawaiians who are eligible to reside on the Hawaiian Home Lands pay more than 30 percent of their income for shelter, and  $\frac{1}{2}$  of those Native Hawaiians face overcrowding;

(10) the extraordinarily severe housing needs of Native Hawaiians demonstrate that Native Hawaiians who either reside on, or are eligible to reside on, Hawaiian Home Lands have been denied equal access to Federal low-income housing assistance programs available to other qualified residents of the United States, and that a more effective means of addressing their housing needs must be authorized;

(11) consistent with the recommendations of the National Commission on American Indian, Alaska Native, and Native Hawaiian Housing, and in order to address the continuing prevalence of extraordinarily severe housing needs among Native Hawaiians who either reside or are eligible to reside on the Hawaiian Home Lands, Congress finds it necessary to extend the Federal low-income housing assistance available to American Indians and Alaska Natives under the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.) to those Native Hawaiians;

(12) under the treaty-making power of the United States, Congress had the constitutional authority to confirm a treaty between the United States and the government that represented the Hawaiian people, and from 1826 until 1893, the United States recognized the independence of the Kingdom of Hawaii, extended full diplomatic recognition to the Hawaiian Government, and entered into treaties and conventions with the Hawaiian monarchs to govern commerce and navigation in 1826, 1842, 1849, 1875, and 1887;

(13) the United States has recognized and reaffirmed that—

(A) Native Hawaiians have a cultural, historic, and land-based link to the indigenous people who exercised sovereignty over the Hawaiian Islands, and that group has never relinquished its claims to sovereignty or its sovereign lands;

(B) Congress does not extend services to Native Hawaiians because of their race, but because of their unique status as the indigenous people of a once sovereign nation as to whom the United States has established a trust relationship;

(C) Congress has also delegated broad authority to administer a portion of the Federal trust responsibility to the State of Hawaii;

(D) the political status of Native Hawaiians is comparable to that of American Indians and Alaska Natives; and

(E) the aboriginal, indigenous people of the United States have—

(i) a continuing right to autonomy in their internal affairs; and

(ii) an ongoing right of self-determination and self-governance that has never been extinguished;

(14) the political relationship between the United States and the Native Hawaiian people has been recognized and reaffirmed by the United States as evidenced by the inclusion of Native Hawaiians in—

(A) the Native American Programs Act of 1974 (42 U.S.C. 2291 et seq.);

(B) the American Indian Religious Freedom Act (42 U.S.C. 1996 et seq.);

(C) the National Museum of the American Indian Act (20 U.S.C. 80q et seq.);

(D) the Native American Graves Protection and Repatriation Act (25 U.S.C. 3001 et seq.);

(E) the National Historic Preservation Act (16 U.S.C. 470 et seq.);

(F) the Native American Languages Act of 1992 (106 Stat. 3434);

(G) the American Indian, Alaska Native and Native Hawaiian Culture and Arts Development Act (20 U.S.C. 4401 et seq.);

(H) the Job Training Partnership Act (29 U.S.C. 1501 et seq.); and

(I) the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.); and

(15) in the area of housing, the United States has recognized and reaffirmed the political relationship with the Native Hawaiian people through—

(A) the enactment of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.), which set aside approximately 200,000 acres of public lands that became known as Hawaiian Home Lands in the Territory of Hawaii that had been ceded to the United States for homesteading by Native Hawaiians in order to rehabilitate a landless and dying people;

(B) the enactment of the Act entitled "An Act to provide for the admission of the State of Hawaii into the Union", approved March 18, 1959 (73 Stat. 4)—

(i) by ceding to the State of Hawaii title to the public lands formerly held by the United States, and mandating that those lands be held in public trust, for the betterment of the conditions of Native Hawaiians, as that term is defined in section 201 of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.); and

(ii) by transferring the United States responsibility for the administration of Hawaiian Home Lands to the State of Hawaii, but retaining the authority to enforce the trust, including the exclusive right of the United States to consent to any actions affecting the lands which comprise the corpus of the trust and any amendments to the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.), enacted by the legislature of the State of Hawaii affecting the rights of beneficiaries under the Act;

(C) the authorization of mortgage loans insured by the Federal Housing Administration for the purchase, construction, or refinancing of homes on Hawaiian Home Lands under the National Housing Act (Public Law 479, 73d Congress; 12 U.S.C. 1701 et seq.);

(D) authorizing Native Hawaiian representation on the National Commission on Amer-

ican Indian, Alaska Native, and Native Hawaiian Housing under Public Law 101-235;

(E) the inclusion of Native Hawaiians in the definition under section 3764 of title 38, United States Code, applicable to subchapter V of chapter 37 of title 38, United States Code (relating to a housing loan program for Native American veterans); and

(F) the enactment of the Hawaiian Home Lands Recovery Act (109 Stat. 357; 48 U.S.C. 491, note prec.) which establishes a process for the conveyance of Federal lands to the Department of Hawaiian Homes Lands that are equivalent in value to lands acquired by the United States from the Hawaiian Home Lands inventory.

#### SEC. 723. HOUSING ASSISTANCE.

The Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.) is amended by adding at the end the following:

#### "TITLE VIII—HOUSING ASSISTANCE FOR NATIVE HAWAIIANS

##### "SEC. 801. DEFINITIONS.

"In this title:

"(1) DEPARTMENT OF HAWAIIAN HOME LANDS; DEPARTMENT.—The term 'Department of Hawaiian Home Lands' or 'Department' means the agency or department of the government of the State of Hawaii that is responsible for the administration of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.).

"(2) DIRECTOR.—The term 'Director' means the Director of the Department of Hawaiian Home Lands.

"(3) ELDERLY FAMILIES; NEAR-ELDERLY FAMILIES.—

"(A) IN GENERAL.—The term 'elderly family' or 'near-elderly family' means a family whose head (or his or her spouse), or whose sole member, is—

"(i) for an elderly family, an elderly person; or

"(ii) for a near-elderly family, a near-elderly person.

"(B) CERTAIN FAMILIES INCLUDED.—The term 'elderly family' or 'near-elderly family' includes—

"(i) 2 or more elderly persons or near-elderly persons, as the case may be, living together; and

"(ii) 1 or more persons described in clause (i) living with 1 or more persons determined under the housing plan to be essential to their care or well-being.

"(4) HAWAIIAN HOME LANDS.—The term 'Hawaiian Home Lands' means lands that—

"(A) have the status as Hawaiian home lands under section 204 of the Hawaiian Homes Commission Act, 1920 (42 Stat. 110); or

"(B) are acquired pursuant to that Act.

"(5) HOUSING AREA.—The term 'housing area' means an area of Hawaiian Home Lands with respect to which the Department of Hawaiian Home Lands is authorized to provide assistance for affordable housing under this Act.

"(6) HOUSING ENTITY.—The term 'housing entity' means the Department of Hawaiian Home Lands.

"(7) HOUSING PLAN.—The term 'housing plan' means a plan developed by the Department of Hawaiian Home Lands.

"(8) MEDIAN INCOME.—The term 'median income' means, with respect to an area that is a Hawaiian housing area, the greater of—

"(A) the median income for the Hawaiian housing area, which shall be determined by the Secretary; or

"(B) the median income for the State of Hawaii.

"(9) NATIVE HAWAIIAN.—The term 'Native Hawaiian' means any individual who is—

"(A) a citizen of the United States; and

"(B) a descendant of the aboriginal people, who, prior to 1778, occupied and exercised

sovereignty in the area that currently constitutes the State of Hawaii, as evidenced by—

- “(i) genealogical records;
- “(ii) verification by kupuna (elders) or kama’aina (long-term community residents); or
- “(iii) birth records of the State of Hawaii.

**“SEC. 802. BLOCK GRANTS FOR AFFORDABLE HOUSING ACTIVITIES.**

“(a) GRANT AUTHORITY.—For each fiscal year, the Secretary shall (to the extent amounts are made available to carry out this title) make a grant under this title to the Department of Hawaiian Home Lands to carry out affordable housing activities for Native Hawaiian families who are eligible to reside on the Hawaiian Home Lands.

“(b) PLAN REQUIREMENT.—

“(1) IN GENERAL.—The Secretary may make a grant under this title to the Department of Hawaiian Home Lands for a fiscal year only if—

“(A) the Director has submitted to the Secretary a housing plan for that fiscal year; and

“(B) the Secretary has determined under section 804 that the housing plan complies with the requirements of section 803.

“(2) WAIVER.—The Secretary may waive the applicability of the requirements under paragraph (1), in part, if the Secretary finds that the Department of Hawaiian Home Lands has not complied or cannot comply with those requirements due to circumstances beyond the control of the Department of Hawaiian Home Lands.

“(c) USE OF AFFORDABLE HOUSING ACTIVITIES UNDER PLAN.—Except as provided in subsection (e), amounts provided under a grant under this section may be used only for affordable housing activities under this title that are consistent with a housing plan approved under section 804.

“(d) ADMINISTRATIVE EXPENSES.—

“(1) IN GENERAL.—The Secretary shall, by regulation, authorize the Department of Hawaiian Home Lands to use a percentage of any grant amounts received under this title for any reasonable administrative and planning expenses of the Department relating to carrying out this title and activities assisted with those amounts.

“(2) ADMINISTRATIVE AND PLANNING EXPENSES.—The administrative and planning expenses referred to in paragraph (1) include—

“(A) costs for salaries of individuals engaged in administering and managing affordable housing activities assisted with grant amounts provided under this title; and

“(B) expenses incurred in preparing a housing plan under section 803.

“(e) PUBLIC-PRIVATE PARTNERSHIPS.—The Director shall make all reasonable efforts, consistent with the purposes of this title, to maximize participation by the private sector, including nonprofit organizations and for-profit entities, in implementing a housing plan that has been approved by the Secretary under section 803.

**“SEC. 803. HOUSING PLAN.**

“(a) PLAN SUBMISSION.—The Secretary shall—

“(1) require the Director to submit a housing plan under this section for each fiscal year; and

“(2) provide for the review of each plan submitted under paragraph (1).

“(b) 5-YEAR PLAN.—Each housing plan under this section shall—

“(1) be in a form prescribed by the Secretary; and

“(2) contain, with respect to the 5-year period beginning with the fiscal year for which the plan is submitted, the following information:

“(A) MISSION STATEMENT.—A general statement of the mission of the Department of Hawaiian Home Lands to serve the needs of the low-income families to be served by the Department.

“(B) GOAL AND OBJECTIVES.—A statement of the goals and objectives of the Department of Hawaiian Home Lands to enable the Department to serve the needs identified in subparagraph (A) during the period.

“(C) ACTIVITIES PLANS.—An overview of the activities planned during the period including an analysis of the manner in which the activities will enable the Department to meet its mission, goals, and objectives.

“(c) 1-YEAR PLAN.—A housing plan under this section shall—

“(1) be in a form prescribed by the Secretary; and

“(2) contain the following information relating to the fiscal year for which the assistance under this title is to be made available:

“(A) GOALS AND OBJECTIVES.—A statement of the goals and objectives to be accomplished during the period covered by the plan.

“(B) STATEMENT OF NEEDS.—A statement of the housing needs of the low-income families served by the Department and the means by which those needs will be addressed during the period covered by the plan, including—

“(i) a description of the estimated housing needs and the need for assistance for the low-income families to be served by the Department, including a description of the manner in which the geographical distribution of assistance is consistent with—

“(I) the geographical needs of those families; and

“(II) needs for various categories of housing assistance; and

“(ii) a description of the estimated housing needs for all families to be served by the Department.

“(C) FINANCIAL RESOURCES.—An operating budget for the Department of Hawaiian Home Lands, in a form prescribed by the Secretary, that includes—

“(i) an identification and a description of the financial resources reasonably available to the Department to carry out the purposes of this title, including an explanation of the manner in which amounts made available will be used to leverage additional resources; and

“(ii) the uses to which the resources described in clause (i) will be committed, including—

“(I) eligible and required affordable housing activities; and

“(II) administrative expenses.

“(D) AFFORDABLE HOUSING RESOURCES.—A statement of the affordable housing resources currently available at the time of the submittal of the plan and to be made available during the period covered by the plan, including—

“(i) a description of the significant characteristics of the housing market in the State of Hawaii, including the availability of housing from other public sources, private market housing;

“(ii) the manner in which the characteristics referred to in clause (i) influence the decision of the Department of Hawaiian Home Lands to use grant amounts to be provided under this title for—

“(I) rental assistance;

“(II) the production of new units;

“(III) the acquisition of existing units; or

“(IV) the rehabilitation of units;

“(iii) a description of the structure, coordination, and means of cooperation between the Department of Hawaiian Home Lands and any other governmental entities in the development, submission, or implementation of housing plans, including a description of—

“(I) the involvement of private, public, and nonprofit organizations and institutions;

“(II) the use of loan guarantees under section 184A of the Housing and Community Development Act of 1992; and

“(III) other housing assistance provided by the United States, including loans, grants, and mortgage insurance;

“(iv) a description of the manner in which the plan will address the needs identified pursuant to subparagraph (C);

“(v) a description of—

“(I) any existing or anticipated homeownership programs and rental programs to be carried out during the period covered by the plan; and

“(II) the requirements and assistance available under the programs referred to in subclause (I);

“(vi) a description of—

“(I) any existing or anticipated housing rehabilitation programs necessary to ensure the long-term viability of the housing to be carried out during the period covered by the plan; and

“(II) the requirements and assistance available under the programs referred to in subclause (I);

“(vii) a description of—

“(I) all other existing or anticipated housing assistance provided by the Department of Hawaiian Home Lands during the period covered by the plan, including—

“(aa) transitional housing;

“(bb) homeless housing;

“(cc) college housing; and

“(dd) supportive services housing; and

“(II) the requirements and assistance available under such programs;

“(viii)(I) a description of any housing to be demolished or disposed of;

“(II) a timetable for that demolition or disposition; and

“(III) any other information required by the Secretary with respect to that demolition or disposition;

“(ix) a description of the manner in which the Department of Hawaiian Home Lands will coordinate with welfare agencies in the State of Hawaii to ensure that residents of the affordable housing will be provided with access to resources to assist in obtaining employment and achieving self-sufficiency;

“(x) a description of the requirements established by the Department of Hawaiian Home Lands to—

“(I) promote the safety of residents of the affordable housing;

“(II) facilitate the undertaking of crime prevention measures;

“(III) allow resident input and involvement, including the establishment of resident organizations; and

“(IV) allow for the coordination of crime prevention activities between the Department and local law enforcement officials; and

“(xi) a description of the entities that will carry out the activities under the plan, including the organizational capacity and key personnel of the entities.

“(E) CERTIFICATION OF COMPLIANCE.—Evidence of compliance that shall include, as appropriate—

“(i) a certification that the Department of Hawaiian Home Lands will comply with—

“(I) title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) or with the Fair Housing Act (42 U.S.C. 3601 et seq.) in carrying out this title, to the extent that such title is applicable; and

“(II) other applicable Federal statutes;

“(ii) a certification that the Department will require adequate insurance coverage for housing units that are owned and operated or assisted with grant amounts provided under

this title, in compliance with such requirements as may be established by the Secretary;

“(iii) a certification that policies are in effect and are available for review by the Secretary and the public governing the eligibility, admission, and occupancy of families for housing assisted with grant amounts provided under this title;

“(iv) a certification that policies are in effect and are available for review by the Secretary and the public governing rents charged, including the methods by which such rents or homebuyer payments are determined, for housing assisted with grant amounts provided under this title; and

“(v) a certification that policies are in effect and are available for review by the Secretary and the public governing the management and maintenance of housing assisted with grant amounts provided under this title.

“(d) **APPLICABILITY OF CIVIL RIGHTS STATUTES.**—

“(1) **IN GENERAL.**—To the extent that the requirements of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) or of the Fair Housing Act (42 U.S.C. 3601 et seq.) apply to assistance provided under this title, nothing in the requirements concerning discrimination on the basis of race shall be construed to prevent the provision of assistance under this title—

“(A) to the Department of Hawaiian Home Lands on the basis that the Department served Native Hawaiians; or

“(B) to an eligible family on the basis that the family is a Native Hawaiian family.

“(2) **CIVIL RIGHTS.**—Program eligibility under this title may be restricted to Native Hawaiians. Subject to the preceding sentence, no person may be discriminated against on the basis of race, color, national origin, religion, sex, familial status, or disability.

“(e) **USE OF NONPROFIT ORGANIZATIONS.**—As a condition of receiving grant amounts under this title, the Department of Hawaiian Home Lands shall, to the extent practicable, provide for private nonprofit organizations experienced in the planning and development of affordable housing for Native Hawaiians to carry out affordable housing activities with those grant amounts.

“**SEC. 804. REVIEW OF PLANS.**

“(a) **REVIEW AND NOTICE.**—

“(1) **REVIEW.**—

“(A) **IN GENERAL.**—The Secretary shall conduct a review of a housing plan submitted to the Secretary under section 803 to ensure that the plan complies with the requirements of that section.

“(B) **LIMITATION.**—The Secretary shall have the discretion to review a plan referred to in subparagraph (A) only to the extent that the Secretary considers that the review is necessary.

“(2) **NOTICE.**—

“(A) **IN GENERAL.**—Not later than 60 days after receiving a plan under section 803, the Secretary shall notify the Director of the Department of Hawaiian Home Lands whether the plan complies with the requirements under that section.

“(B) **EFFECT OF FAILURE OF SECRETARY TO TAKE ACTION.**—For purposes of this title, if the Secretary does not notify the Director, as required under this subsection and subsection (b), upon the expiration of the 60-day period described in subparagraph (A)—

“(i) the plan shall be considered to have been determined to comply with the requirements under section 803; and

“(ii) the Director shall be considered to have been notified of compliance.

“(b) **NOTICE OF REASONS FOR DETERMINATION OF NONCOMPLIANCE.**—If the Secretary

determines that a plan submitted under section 803 does not comply with the requirements of that section, the Secretary shall specify in the notice under subsection (a)—

“(1) the reasons for noncompliance; and

“(2) any modifications necessary for the plan to meet the requirements of section 803.

“(c) **REVIEW.**—

“(1) **IN GENERAL.**—After the Director of the Department of Hawaiian Home Lands submits a housing plan under section 803, or any amendment or modification to the plan to the Secretary, to the extent that the Secretary considers such action to be necessary to make a determination under this subsection, the Secretary shall review the plan (including any amendments or modifications thereto) to determine whether the contents of the plan—

“(A) set forth the information required by section 803 to be contained in the housing plan;

“(B) are consistent with information and data available to the Secretary; and

“(C) are not prohibited by or inconsistent with any provision of this Act or any other applicable law.

“(2) **INCOMPLETE PLANS.**—If the Secretary determines under this subsection that any of the appropriate certifications required under section 803(c)(2)(E) are not included in a plan, the plan shall be considered to be incomplete.

“(d) **UPDATES TO PLAN.**—

“(1) **IN GENERAL.**—Subject to paragraph (2), after a plan under section 803 has been submitted for a fiscal year, the Director of the Department of Hawaiian Home Lands may comply with the provisions of that section for any succeeding fiscal year (with respect to information included for the 5-year period under section 803(b) or for the 1-year period under section 803(c)) by submitting only such information regarding such changes as may be necessary to update the plan previously submitted.

“(2) **COMPLETE PLANS.**—The Director shall submit a complete plan under section 803 not later than 4 years after submitting an initial plan under that section, and not less frequently than every 4 years thereafter.

“(e) **EFFECTIVE DATE.**—This section and section 803 shall take effect on the date provided by the Secretary pursuant to section 807(a) to provide for timely submission and review of the housing plan as necessary for the provision of assistance under this title for fiscal year 2001.

“**SEC. 805. TREATMENT OF PROGRAM INCOME AND LABOR STANDARDS.**

“(a) **PROGRAM INCOME.**—

“(1) **AUTHORITY TO RETAIN.**—The Department of Hawaiian Home Lands may retain any program income that is realized from any grant amounts received by the Department under this title if—

“(A) that income was realized after the initial disbursement of the grant amounts received by the Department; and

“(B) the Director agrees to use the program income for affordable housing activities in accordance with the provisions of this title.

“(2) **PROHIBITION OF REDUCTION OF GRANT.**—The Secretary may not reduce the grant amount for the Department of Hawaiian Home Lands based solely on—

“(A) whether the Department retains program income under paragraph (1); or

“(B) the amount of any such program income retained.

“(3) **EXCLUSION OF AMOUNTS.**—The Secretary may, by regulation, exclude from consideration as program income any amounts determined to be so small that compliance with the requirements of this subsection would create an unreasonable administrative burden on the Department.

“(b) **LABOR STANDARDS.**—

“(1) **IN GENERAL.**—Any contract or agreement for assistance, sale, or lease pursuant to this title shall contain—

“(A) a provision requiring that an amount not less than the wages prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Secretary, shall be paid to all architects, technical engineers, draftsmen, technicians employed in the development and all maintenance, and laborers and mechanics employed in the operation, of the affordable housing project involved; and

“(B) a provision that an amount not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Act commonly known as the ‘Davis-Bacon Act’ (46 Stat. 1494, chapter 411; 40 U.S.C. 276a et seq.) shall be paid to all laborers and mechanics employed in the development of the affordable housing involved.

“(2) **EXCEPTIONS.**—Paragraph (1) and provisions relating to wages required under paragraph (1) in any contract or agreement for assistance, sale, or lease under this title, shall not apply to any individual who performs the services for which the individual volunteered and who is not otherwise employed at any time in the construction work and received no compensation or is paid expenses, reasonable benefits, or a nominal fee for those services.

“**SEC. 806. ENVIRONMENTAL REVIEW.**

“(a) **IN GENERAL.**—

“(1) **RELEASE OF FUNDS.**—

“(A) **IN GENERAL.**—The Secretary may carry out the alternative environmental protection procedures described in subparagraph (B) in order to ensure—

“(i) that the policies of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other provisions of law that further the purposes of such Act (as specified in regulations issued by the Secretary) are most effectively implemented in connection with the expenditure of grant amounts provided under this title; and

“(ii) to the public undiminished protection of the environment.

“(B) **ALTERNATIVE ENVIRONMENTAL PROTECTION PROCEDURE.**—In lieu of applying environmental protection procedures otherwise applicable, the Secretary may by regulation provide for the release of funds for specific projects to the Department of Hawaiian Home Lands if the Director of the Department assumes all of the responsibilities for environmental review, decisionmaking, and action under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), and such other provisions of law as the regulations of the Secretary specify, that would apply to the Secretary were the Secretary to undertake those projects as Federal projects.

“(2) **REGULATIONS.**—

“(A) **IN GENERAL.**—The Secretary shall issue regulations to carry out this section only after consultation with the Council on Environmental Quality.

“(B) **CONTENTS.**—The regulations issued under this paragraph shall—

“(i) provide for the monitoring of the environmental reviews performed under this section;

“(ii) in the discretion of the Secretary, facilitate training for the performance of such reviews; and

“(iii) provide for the suspension or termination of the assumption of responsibilities under this section.

“(3) **EFFECT ON ASSUMED RESPONSIBILITY.**—The duty of the Secretary under paragraph (2)(B) shall not be construed to limit or reduce any responsibility assumed by the Department of Hawaiian Home Lands for grant amounts with respect to any specific release of funds.

“(b) PROCEDURE.—

“(1) IN GENERAL.—The Secretary shall authorize the release of funds subject to the procedures under this section only if, not less than 15 days before that approval and before any commitment of funds to such projects, the Director of the Department of Hawaiian Home Lands submits to the Secretary a request for such release accompanied by a certification that meets the requirements of subsection (c).

“(2) EFFECT OF APPROVAL.—The approval of the Secretary of a certification described in paragraph (1) shall be deemed to satisfy the responsibilities of the Secretary under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and such other provisions of law as the regulations of the Secretary specify to the extent that those responsibilities relate to the releases of funds for projects that are covered by that certification.

“(c) CERTIFICATION.—A certification under the procedures under this section shall—

“(1) be in a form acceptable to the Secretary;

“(2) be executed by the Director of the Department of Hawaiian Home Lands;

“(3) specify that the Department of Hawaiian Home Lands has fully carried out its responsibilities as described under subsection (a); and

“(4) specify that the Director—

“(A) consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and each provision of law specified in regulations issued by the Secretary to the extent that those laws apply by reason of subsection (a); and

“(B) is authorized and consents on behalf of the Department of Hawaiian Home Lands and the Director to accept the jurisdiction of the Federal courts for the purpose of enforcement of the responsibilities of the Director of the Department of Hawaiian Home Lands as such an official.

**“SEC. 807. REGULATIONS.**

“The Secretary shall issue final regulations necessary to carry out this title not later than October 1, 2001.

**“SEC. 808. EFFECTIVE DATE.**

“Except as otherwise expressly provided in this title, this title shall take effect on the date of enactment of the American Homeownership and Economic Opportunity Act of 2000.

**“SEC. 809. AFFORDABLE HOUSING ACTIVITIES.**

“(a) NATIONAL OBJECTIVES AND ELIGIBLE FAMILIES.—

“(1) PRIMARY OBJECTIVE.—The national objectives of this title are—

“(A) to assist and promote affordable housing activities to develop, maintain, and operate affordable housing in safe and healthy environments for occupancy by low-income Native Hawaiian families;

“(B) to ensure better access to private mortgage markets and to promote self-sufficiency of low-income Native Hawaiian families;

“(C) to coordinate activities to provide housing for low-income Native Hawaiian families with Federal, State and local activities to further economic and community development;

“(D) to plan for and integrate infrastructure resources on the Hawaiian Home Lands with housing development; and

“(E) to—

“(i) promote the development of private capital markets; and

“(ii) allow the markets referred to in clause (i) to operate and grow, thereby benefiting Native Hawaiian communities.

“(2) ELIGIBLE FAMILIES.—

“(A) IN GENERAL.—Except as provided under subparagraph (B), assistance for eligi-

ble housing activities under this title shall be limited to low-income Native Hawaiian families.

“(B) EXCEPTION TO LOW-INCOME REQUIREMENT.—

“(i) IN GENERAL.—The Director may provide assistance for homeownership activities under—

“(I) section 810(b);

“(II) model activities under section 810(f); or

“(III) loan guarantee activities under section 184A of the Housing and Community Development Act of 1992 to Native Hawaiian families who are not low-income families, to the extent that the Secretary approves the activities under that section to address a need for housing for those families that cannot be reasonably met without that assistance.

“(ii) LIMITATIONS.—The Secretary shall establish limitations on the amount of assistance that may be provided under this title for activities for families that are not low-income families.

“(C) OTHER FAMILIES.—Notwithstanding paragraph (1), the Director may provide housing or housing assistance provided through affordable housing activities assisted with grant amounts under this title to a family that is not composed of Native Hawaiians if—

“(i) the Department determines that the presence of the family in the housing involved is essential to the well-being of Native Hawaiian families; and

“(ii) the need for housing for the family cannot be reasonably met without the assistance.

“(D) PREFERENCE.—

“(i) IN GENERAL.—A housing plan submitted under section 803 may authorize a preference, for housing or housing assistance provided through affordable housing activities assisted with grant amounts provided under this title to be provided, to the extent practicable, to families that are eligible to reside on the Hawaiian Home Lands.

“(ii) APPLICATION.—In any case in which a housing plan provides for preference described in clause (i), the Director shall ensure that housing activities that are assisted with grant amounts under this title are subject to that preference.

“(E) USE OF NONPROFIT ORGANIZATIONS.—As a condition of receiving grant amounts under this title, the Department of Hawaiian Home Lands, shall to the extent practicable, provide for private nonprofit organizations experienced in the planning and development of affordable housing for Native Hawaiians to carry out affordable housing activities with those grant amounts.

**“SEC. 810. ELIGIBLE AFFORDABLE HOUSING ACTIVITIES.**

“(a) IN GENERAL.—Affordable housing activities under this section are activities conducted in accordance with the requirements of section 811 to—

“(1) develop or to support affordable housing for rental or homeownership; or

“(2) provide housing services with respect to affordable housing, through the activities described in subsection (b).

“(b) ACTIVITIES.—The activities described in this subsection are the following:

“(1) DEVELOPMENT.—The acquisition, new construction, reconstruction, or moderate or substantial rehabilitation of affordable housing, which may include—

“(A) real property acquisition;

“(B) site improvement;

“(C) the development of utilities and utility services;

“(D) conversion;

“(E) demolition;

“(F) financing;

“(G) administration and planning; and

“(H) other related activities.

“(2) HOUSING SERVICES.—The provision of housing-related services for affordable housing, including—

“(A) housing counseling in connection with rental or homeownership assistance;

“(B) the establishment and support of resident organizations and resident management corporations;

“(C) energy auditing;

“(D) activities related to the provisions of self-sufficiency and other services; and

“(E) other services related to assisting owners, tenants, contractors, and other entities participating or seeking to participate in other housing activities assisted pursuant to this section.

“(3) HOUSING MANAGEMENT SERVICES.—The provision of management services for affordable housing, including—

“(A) the preparation of work specifications;

“(B) loan processing;

“(C) inspections;

“(D) tenant selection;

“(E) management of tenant-based rental assistance; and

“(F) management of affordable housing projects.

“(4) CRIME PREVENTION AND SAFETY ACTIVITIES.—The provision of safety, security, and law enforcement measures and activities appropriate to protect residents of affordable housing from crime.

“(5) MODEL ACTIVITIES.—Housing activities under model programs that are—

“(A) designed to carry out the purposes of this title; and

“(B) specifically approved by the Secretary as appropriate for the purpose referred to in subparagraph (A).

**“SEC. 811. PROGRAM REQUIREMENTS.**

“(a) RENTS.—

“(1) ESTABLISHMENT.—Subject to paragraph (2), as a condition to receiving grant amounts under this title, the Director shall develop written policies governing rents and homebuyer payments charged for dwelling units assisted under this title, including methods by which such rents and homebuyer payments are determined.

“(2) MAXIMUM RENT.—In the case of any low-income family residing in a dwelling unit assisted with grant amounts under this title, the monthly rent or homebuyer payment (as applicable) for that dwelling unit may not exceed 30 percent of the monthly adjusted income of that family.

“(b) MAINTENANCE AND EFFICIENT OPERATION.—

“(1) IN GENERAL.—The Director shall, using amounts of any grants received under this title, reserve and use for operating under section 810 such amounts as may be necessary to provide for the continued maintenance and efficient operation of such housing.

“(2) DISPOSAL OF CERTAIN HOUSING.—This subsection may not be construed to prevent the Director, or any entity funded by the Department, from demolishing or disposing of housing, pursuant to regulations established by the Secretary.

“(c) INSURANCE COVERAGE.—As a condition to receiving grant amounts under this title, the Director shall require adequate insurance coverage for housing units that are owned or operated or assisted with grant amounts provided under this title.

“(d) ELIGIBILITY FOR ADMISSION.—As a condition to receiving grant amounts under this title, the Director shall develop written policies governing the eligibility, admission, and occupancy of families for housing assisted with grant amounts provided under this title.

“(e) MANAGEMENT AND MAINTENANCE.—As a condition to receiving grant amounts under

this title, the Director shall develop policies governing the management and maintenance of housing assisted with grant amounts under this title.

**“SEC. 812. TYPES OF INVESTMENTS.**

“(a) IN GENERAL.—Subject to section 811 and an applicable housing plan approved under section 803, the Director shall have—

“(1) the discretion to use grant amounts for affordable housing activities through the use of—

- “(A) equity investments;
- “(B) interest-bearing loans or advances;
- “(C) noninterest-bearing loans or advances;
- “(D) interest subsidies;
- “(E) the leveraging of private investments;

or  
“(F) any other form of assistance that the Secretary determines to be consistent with the purposes of this title; and

“(2) the right to establish the terms of assistance provided with funds referred to in paragraph (1).

“(b) INVESTMENTS.—The Director may invest grant amounts for the purposes of carrying out affordable housing activities in investment securities and other obligations, as approved by the Secretary.

**“SEC. 813. LOW-INCOME REQUIREMENT AND INCOME TARGETING.**

“(a) IN GENERAL.—Housing shall qualify for affordable housing for purposes of this title only if—

“(1) each dwelling unit in the housing—  
“(A) in the case of rental housing, is made available for occupancy only by a family that is a low-income family at the time of the initial occupancy of that family of that unit; and

“(B) in the case of housing for homeownership, is made available for purchase only by a family that is a low-income family at the time of purchase; and

“(2) each dwelling unit in the housing will remain affordable, according to binding commitments satisfactory to the Secretary, for—

“(A) the remaining useful life of the property (as determined by the Secretary) without regard to the term of the mortgage or to transfer of ownership; or

“(B) such other period as the Secretary determines is the longest feasible period of time consistent with sound economics and the purposes of this title, except upon a foreclosure by a lender (or upon other transfer in lieu of foreclosure) if that action—

“(i) recognizes any contractual or legal rights of any public agency, nonprofit sponsor, or other person or entity to take an action that would—

“(I) avoid termination of low-income affordability, in the case of foreclosure; or

“(II) transfer ownership in lieu of foreclosure; and

“(ii) is not for the purpose of avoiding low-income affordability restrictions, as determined by the Secretary.

“(b) EXCEPTION.—Notwithstanding subsection (a), housing assisted pursuant to section 809(a)(2)(B) shall be considered affordable housing for purposes of this title.

**“SEC. 814. LEASE REQUIREMENTS AND TENANT SELECTION.**

“(a) LEASES.—Except to the extent otherwise provided by or inconsistent with the laws of the State of Hawaii, in renting dwelling units in affordable housing assisted with grant amounts provided under this title, the Director, owner, or manager shall use leases that—

“(1) do not contain unreasonable terms and conditions;

“(2) require the Director, owner, or manager to maintain the housing in compliance with applicable housing codes and quality standards;

“(3) require the Director, owner, or manager to give adequate written notice of termination of the lease, which shall be the period of time required under applicable State or local law;

“(4) specify that, with respect to any notice of eviction or termination, notwithstanding any State or local law, a resident shall be informed of the opportunity, before any hearing or trial, to examine any relevant documents, record, or regulations directly related to the eviction or termination;

“(5) require that the Director, owner, or manager may not terminate the tenancy, during the term of the lease, except for serious or repeated violation of the terms and conditions of the lease, violation of applicable Federal, State, or local law, or for other good cause; and

“(6) provide that the Director, owner, or manager may terminate the tenancy of a resident for any activity, engaged in by the resident, any member of the household of the resident, or any guest or other person under the control of the resident, that—

“(A) threatens the health or safety of, or right to peaceful enjoyment of the premises by, other residents or employees of the Department, owner, or manager;

“(B) threatens the health or safety of, or right to peaceful enjoyment of their premises by, persons residing in the immediate vicinity of the premises; or

“(C) is criminal activity (including drug-related criminal activity) on or off the premises.

“(b) TENANT OR HOMEBUYER SELECTION.—As a condition to receiving grant amounts under this title, the Director shall adopt and use written tenant and homebuyer selection policies and criteria that—

“(1) are consistent with the purpose of providing housing for low-income families;

“(2) are reasonably related to program eligibility and the ability of the applicant to perform the obligations of the lease; and

“(3) provide for—  
“(A) the selection of tenants and homebuyers from a written waiting list in accordance with the policies and goals set forth in an applicable housing plan approved under section 803; and

“(B) the prompt notification in writing of any rejected applicant of the grounds for that rejection.

**“SEC. 815. REPAYMENT.**

“If the Department of Hawaiian Home Lands uses grant amounts to provide affordable housing under activities under this title and, at any time during the useful life of the housing, the housing does not comply with the requirement under section 813(a)(2), the Secretary shall—

“(1) reduce future grant payments on behalf of the Department by an amount equal to the grant amounts used for that housing (under the authority of section 819(a)(2)); or

“(2) require repayment to the Secretary of any amount equal to those grant amounts.

**“SEC. 816. ANNUAL ALLOCATION.**

“For each fiscal year, the Secretary shall allocate any amounts made available for assistance under this title for the fiscal year, in accordance with the formula established pursuant to section 817 to the Department of Hawaiian Home Lands if the Department complies with the requirements under this title for a grant under this title.

**“SEC. 817. ALLOCATION FORMULA.**

“(a) ESTABLISHMENT.—The Secretary shall, by regulation issued not later than the expiration of the 6-month period beginning on the date of enactment of the American Homeownership and Economic Opportunity Act of 2000, in the manner provided under section 807, establish a formula to provide for the allocation of amounts available for a

fiscal year for block grants under this title in accordance with the requirements of this section.

“(b) FACTORS FOR DETERMINATION OF NEED.—The formula under subsection (a) shall be based on factors that reflect the needs for assistance for affordable housing activities, including—

“(1) the number of low-income dwelling units owned or operated at the time pursuant to a contract between the Director and the Secretary;

“(2) the extent of poverty and economic distress and the number of Native Hawaiian families eligible to reside on the Hawaiian Home Lands; and

“(3) any other objectively measurable conditions that the Secretary and the Director may specify.

“(c) OTHER FACTORS FOR CONSIDERATION.—In establishing the formula under subsection (a), the Secretary shall consider the relative administrative capacities of the Department of Hawaiian Home Lands and other challenges faced by the Department, including—

“(1) geographic distribution within Hawaiian Home Lands; and

“(2) technical capacity.

“(d) EFFECTIVE DATE.—This section shall take effect on the date of enactment of the American Homeownership and Economic Opportunity Act of 2000.

**“SEC. 818. REMEDIES FOR NONCOMPLIANCE.**

“(a) ACTIONS BY SECRETARY AFFECTING GRANT AMOUNTS.—

“(1) IN GENERAL.—Except as provided in subsection (b), if the Secretary finds after reasonable notice and opportunity for a hearing that the Department of Hawaiian Home Lands has failed to comply substantially with any provision of this title, the Secretary shall—

“(A) terminate payments under this title to the Department;

“(B) reduce payments under this title to the Department by an amount equal to the amount of such payments that were not expended in accordance with this title; or

“(C) limit the availability of payments under this title to programs, projects, or activities not affected by such failure to comply.

“(2) ACTIONS.—If the Secretary takes an action under subparagraph (A), (B), or (C) of paragraph (1), the Secretary shall continue that action until the Secretary determines that the failure by the Department to comply with the provision has been remedied by the Department and the Department is in compliance with that provision.

“(b) NONCOMPLIANCE BECAUSE OF A TECHNICAL INCAPACITY.—The Secretary may provide technical assistance for the Department, either directly or indirectly, that is designed to increase the capability and capacity of the Director of the Department to administer assistance provided under this title in compliance with the requirements under this title if the Secretary makes a finding under subsection (a), but determines that the failure of the Department to comply substantially with the provisions of this title—

“(1) is not a pattern or practice of activities constituting willful noncompliance; and

“(2) is a result of the limited capability or capacity of the Department of Hawaiian Home Lands.

“(c) REFERRAL FOR CIVIL ACTION.—

“(1) AUTHORITY.—In lieu of, or in addition to, any action that the Secretary may take under subsection (a), if the Secretary has reason to believe that the Department of Hawaiian Home Lands has failed to comply substantially with any provision of this title, the Secretary may refer the matter to the Attorney General of the United States with



a recommendation that an appropriate civil action be instituted.

“(2) CIVIL ACTION.—Upon receiving a referral under paragraph (1), the Attorney General may bring a civil action in any United States district court of appropriate jurisdiction for such relief as may be appropriate, including an action—

“(A) to recover the amount of the assistance furnished under this title that was not expended in accordance with this title; or

“(B) for mandatory or injunctive relief.

“(d) REVIEW.—

“(1) IN GENERAL.—If the Director receives notice under subsection (a) of the termination, reduction, or limitation of payments under this Act, the Director—

“(A) may, not later than 60 days after receiving such notice, file with the United States Court of Appeals for the Ninth Circuit, or in the United States Court of Appeals for the District of Columbia, a petition for review of the action of the Secretary; and

“(B) upon the filing of any petition under subparagraph (A), shall forthwith transmit copies of the petition to the Secretary and the Attorney General of the United States, who shall represent the Secretary in the litigation.

“(2) PROCEDURE.—

“(A) IN GENERAL.—The Secretary shall file in the court a record of the proceeding on which the Secretary based the action, as provided in section 2112 of title 28, United States Code.

“(B) OBJECTIONS.—No objection to the action of the Secretary shall be considered by the court unless the Department has registered the objection before the Secretary.

“(3) DISPOSITION.—

“(A) COURT PROCEEDINGS.—

“(i) JURISDICTION OF COURT.—The court shall have jurisdiction to affirm or modify the action of the Secretary or to set the action aside in whole or in part.

“(ii) FINDINGS OF FACT.—If supported by substantial evidence on the record considered as a whole, the findings of fact by the Secretary shall be conclusive.

“(iii) ADDITION.—The court may order evidence, in addition to the evidence submitted for review under this subsection, to be taken by the Secretary, and to be made part of the record.

“(B) SECRETARY.—

“(i) IN GENERAL.—The Secretary, by reason of the additional evidence referred to in subparagraph (A) and filed with the court—

“(I) may—

“(aa) modify the findings of fact of the Secretary; or

“(bb) make new findings; and

“(II) shall file—

“(aa) such modified or new findings; and

“(bb) the recommendation of the Secretary, if any, for the modification or setting aside of the original action of the Secretary.

“(ii) FINDINGS.—The findings referred to in clause (i)(II)(bb) shall, with respect to a question of fact, be considered to be conclusive if those findings are—

“(I) supported by substantial evidence on the record; and

“(II) considered as a whole.

“(4) FINALITY.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), upon the filing of the record under this subsection with the court—

“(i) the jurisdiction of the court shall be exclusive; and

“(ii) the judgment of the court shall be final.

“(B) REVIEW BY SUPREME COURT.—A judgment under subparagraph (A) shall be subject to review by the Supreme Court of the United States upon writ of certiorari or certification, as provided in section 1254 of title 28, United States Code.

“SEC. 819. MONITORING OF COMPLIANCE.

“(a) ENFORCEABLE AGREEMENTS.—

“(1) IN GENERAL.—The Director, through binding contractual agreements with owners or other authorized entities, shall ensure long-term compliance with the provisions of this title.

“(2) MEASURES.—The measures referred to in paragraph (1) shall provide for—

“(A) to the extent allowable by Federal and State law, the enforcement of the provisions of this title by the Department and the Secretary; and

“(B) remedies for breach of the provisions referred to in paragraph (1).

“(b) PERIODIC MONITORING.—

“(1) IN GENERAL.—Not less frequently than annually, the Director shall review the activities conducted and housing assisted under this title to assess compliance with the requirements of this title.

“(2) REVIEW.—Each review under paragraph (1) shall include onsite inspection of housing to determine compliance with applicable requirements.

“(3) RESULTS.—The results of each review under paragraph (1) shall be—

“(A) included in a performance report of the Director submitted to the Secretary under section 820; and

“(B) made available to the public.

“(c) PERFORMANCE MEASURES.—The Secretary shall establish such performance measures as may be necessary to assess compliance with the requirements of this title.

“SEC. 820. PERFORMANCE REPORTS.

“(a) REQUIREMENT.—For each fiscal year, the Director shall—

“(1) review the progress the Department has made during that fiscal year in carrying out the housing plan submitted by the Department under section 803; and

“(2) submit a report to the Secretary (in a form acceptable to the Secretary) describing the conclusions of the review.

“(b) CONTENT.—Each report submitted under this section for a fiscal year shall—

“(1) describe the use of grant amounts provided to the Department of Hawaiian Home Lands for that fiscal year;

“(2) assess the relationship of the use referred to in paragraph (1) to the goals identified in the housing plan;

“(3) indicate the programmatic accomplishments of the Department; and

“(4) describe the manner in which the Department would change its housing plan submitted under section 803 as a result of its experiences.

“(c) SUBMISSIONS.—The Secretary shall—

“(1) establish a date for submission of each report under this section;

“(2) review each such report; and

“(3) with respect to each such report, make recommendations as the Secretary considers appropriate to carry out the purposes of this title.

“(d) PUBLIC AVAILABILITY.—

“(1) COMMENTS BY BENEFICIARIES.—In preparing a report under this section, the Director shall make the report publicly available to the beneficiaries of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.) and give a sufficient amount of time to permit those beneficiaries to comment on that report before it is submitted to the Secretary (in such manner and at such time as the Director may determine).

“(2) SUMMARY OF COMMENTS.—The report shall include a summary of any comments received by the Director from beneficiaries under paragraph (1) regarding the program to carry out the housing plan.

“SEC. 821. REVIEW AND AUDIT BY SECRETARY.

“(a) ANNUAL REVIEW.—

“(1) IN GENERAL.—The Secretary shall, not less frequently than on an annual basis,

make such reviews and audits as may be necessary or appropriate to determine whether—

“(A) the Director has—

“(i) carried out eligible activities under this title in a timely manner;

“(ii) carried out and made certifications in accordance with the requirements and the primary objectives of this title and with other applicable laws; and

“(iii) a continuing capacity to carry out the eligible activities in a timely manner;

“(B) the Director has complied with the housing plan submitted by the Director under section 803; and

“(C) the performance reports of the Department under section 821 are accurate.

“(2) ONSITE VISITS.—Each review conducted under this section shall, to the extent practicable, include onsite visits by employees of the Department of Housing and Urban Development.

“(b) REPORT BY SECRETARY.—The Secretary shall give the Department of Hawaiian Home Lands not less than 30 days to review and comment on a report under this subsection. After taking into consideration the comments of the Department, the Secretary may revise the report and shall make the comments of the Department and the report with any revisions, readily available to the public not later than 30 days after receipt of the comments of the Department.

“(c) EFFECT OF REVIEWS.—The Secretary may make appropriate adjustments in the amount of annual grants under this title in accordance with the findings of the Secretary pursuant to reviews and audits under this section. The Secretary may adjust, reduce, or withdraw grant amounts, or take other action as appropriate in accordance with the reviews and audits of the Secretary under this section, except that grant amounts already expended on affordable housing activities may not be recaptured or deducted from future assistance provided to the Department of Hawaiian Home Lands.

“SEC. 822. GENERAL ACCOUNTING OFFICE AUDITS.

“To the extent that the financial transactions of the Department of Hawaiian Home Lands involving grant amounts under this title relate to amounts provided under this title, those transactions may be audited by the Comptroller General of the United States under such regulations as may be prescribed by the Comptroller General. The Comptroller General of the United States shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by the Department of Hawaiian Home Lands pertaining to such financial transactions and necessary to facilitate the audit.

“SEC. 823. REPORTS TO CONGRESS.

“(a) IN GENERAL.—Not later than 90 days after the conclusion of each fiscal year in which assistance under this title is made available, the Secretary shall submit to Congress a report that contains—

“(1) a description of the progress made in accomplishing the objectives of this title;

“(2) a summary of the use of funds available under this title during the preceding fiscal year; and

“(3) a description of the aggregate outstanding loan guarantees under section 184A of the Housing and Community Development Act of 1992.

“(b) RELATED REPORTS.—The Secretary may require the Director to submit to the Secretary such reports and other information as may be necessary in order for the Secretary to prepare the report required under subsection (a).

“SEC. 824. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated to the Department of Housing and Urban Development for grants under this title such

sums as may be necessary for each of fiscal years 2001, 2002, 2003, 2004, and 2005.”.

**SEC. 724. LOAN GUARANTEES.**

Subtitle E of title I of the Housing and Community Development Act of 1992 is amended by inserting after section 184 (12 U.S.C. 1715z-13a) the following:

**“SEC. 184A. LOAN GUARANTEES FOR NATIVE HAWAIIAN HOUSING.**

“(a) DEFINITIONS.—In this section:

“(1) DEPARTMENT OF HAWAIIAN HOME LANDS.—The term ‘Department of Hawaiian Home Lands’ means the agency or department of the government of the State of Hawaii that is responsible for the administration of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.).

“(2) ELIGIBLE ENTITY.—The term ‘eligible entity’ means a Native Hawaiian family, the Department of Hawaiian Home Lands, the Office of Hawaiian Affairs, and private nonprofit or private for-profit organizations experienced in the planning and development of affordable housing for Native Hawaiians.

“(3) FAMILY.—The term ‘family’ means 1 or more persons maintaining a household, as the Secretary shall by regulation provide.

“(4) GUARANTEE FUND.—The term ‘Guarantee Fund’ means the Native Hawaiian Housing Loan Guarantee Fund established under subsection (i).

“(5) HAWAIIAN HOME LANDS.—The term ‘Hawaiian Home Lands’ means lands that—

“(A) have the status of Hawaiian Home Lands under section 204 of the Hawaiian Homes Commission Act (42 Stat. 110); or

“(B) are acquired pursuant to that Act.

“(6) NATIVE HAWAIIAN.—The term ‘Native Hawaiian’ means any individual who is—

“(A) a citizen of the United States; and

“(B) a descendant of the aboriginal people, who, prior to 1778, occupied and exercised sovereignty in the area that currently constitutes the State of Hawaii, as evidenced by—

“(i) genealogical records;

“(ii) verification by kupuna (elders) or kama’aina (long-term community residents); or

“(iii) birth records of the State of Hawaii.

“(7) OFFICE OF HAWAIIAN AFFAIRS.—The term ‘Office of Hawaiian Affairs’ means the entity of that name established under the constitution of the State of Hawaii.

“(b) AUTHORITY.—To provide access to sources of private financing to Native Hawaiian families who otherwise could not acquire housing financing because of the unique legal status of the Hawaiian Home Lands or as a result of a lack of access to private financial markets, the Secretary may guarantee an amount not to exceed 100 percent of the unpaid principal and interest that is due on an eligible loan under subsection (b).

“(c) ELIGIBLE LOANS.—Under this section, a loan is an eligible loan if that loan meets the following requirements:

“(1) ELIGIBLE BORROWERS.—The loan is made only to a borrower who is—

“(A) a Native Hawaiian family;

“(B) the Department of Hawaiian Home Lands;

“(C) the Office of Hawaiian Affairs; or

“(D) a private nonprofit organization experienced in the planning and development of affordable housing for Native Hawaiians.

“(2) ELIGIBLE HOUSING.—

“(A) IN GENERAL.—The loan will be used to construct, acquire, or rehabilitate not more than 4-family dwellings that are standard housing and are located on Hawaiian Home Lands for which a housing plan described in subparagraph (B) applies.

“(B) HOUSING PLAN.—A housing plan described in this subparagraph is a housing plan that—

“(i) has been submitted and approved by the Secretary under section 803 of the Native

American Housing Assistance and Self-Determination Act of 1996; and

“(ii) provides for the use of loan guarantees under this section to provide affordable homeownership housing on Hawaiian Home Lands.

“(3) SECURITY.—The loan may be secured by any collateral authorized under applicable Federal or State law.

“(4) LENDERS.—

“(A) IN GENERAL.—The loan shall be made only by a lender approved by, and meeting qualifications established by, the Secretary, including any lender described in subparagraph (B), except that a loan otherwise insured or guaranteed by an agency of the Federal Government or made by the Department of Hawaiian Home Lands from amounts borrowed from the United States shall not be eligible for a guarantee under this section.

“(B) APPROVAL.—The following lenders shall be considered to be lenders that have been approved by the Secretary:

“(i) Any mortgagee approved by the Secretary for participation in the single family mortgage insurance program under title II of the National Housing Act (12 U.S.C.A. 1707 et seq.).

“(ii) Any lender that makes housing loans under chapter 37 of title 38, United States Code, that are automatically guaranteed under section 3702(d) of title 38, United States Code.

“(iii) Any lender approved by the Secretary of Agriculture to make guaranteed loans for single family housing under the Housing Act of 1949 (42 U.S.C.A. 1441 et seq.).

“(iv) Any other lender that is supervised, approved, regulated, or insured by any agency of the Federal Government.

“(5) TERMS.—The loan shall—

“(A) be made for a term not exceeding 30 years;

“(B) bear interest (exclusive of the guarantee fee under subsection (d) and service charges, if any) at a rate agreed upon by the borrower and the lender and determined by the Secretary to be reasonable, but not to exceed the rate generally charged in the area (as determined by the Secretary) for home mortgage loans not guaranteed or insured by any agency or instrumentality of the Federal Government;

“(C) involve a principal obligation not exceeding—

“(i) 97.75 percent of the appraised value of the property as of the date the loan is accepted for guarantee (or 98.75 percent if the value of the property is \$50,000 or less); or

“(ii) the amount approved by the Secretary under this section; and

“(D) involve a payment on account of the property—

“(i) in cash or its equivalent; or

“(ii) through the value of any improvements to the property made through the skilled or unskilled labor of the borrower, as the Secretary shall provide.

“(d) CERTIFICATE OF GUARANTEE.—

“(1) APPROVAL PROCESS.—

“(A) IN GENERAL.—Before the Secretary approves any loan for guarantee under this section, the lender shall submit the application for the loan to the Secretary for examination.

“(B) APPROVAL.—If the Secretary approves the application submitted under subparagraph (A), the Secretary shall issue a certificate under this subsection as evidence of the loan guarantee approved.

“(2) STANDARD FOR APPROVAL.—The Secretary may approve a loan for guarantee under this section and issue a certificate under this subsection only if the Secretary determines that there is a reasonable prospect of repayment of the loan.

“(3) EFFECT.—

“(A) IN GENERAL.—A certificate of guarantee issued under this subsection by the Secretary shall be conclusive evidence of the eligibility of the loan for guarantee under this section and the amount of that guarantee.

“(B) EVIDENCE.—The evidence referred to in subparagraph (A) shall be incontestable in the hands of the bearer.

“(C) FULL FAITH AND CREDIT.—The full faith and credit of the United States is pledged to the payment of all amounts agreed to be paid by the Secretary as security for the obligations made by the Secretary under this section.

“(4) FRAUD AND MISREPRESENTATION.—This subsection may not be construed—

“(A) to preclude the Secretary from establishing defenses against the original lender based on fraud or material misrepresentation; or

“(B) to bar the Secretary from establishing by regulations that are on the date of issuance or disbursement, whichever is earlier, partial defenses to the amount payable on the guarantee.

“(e) GUARANTEE FEE.—

“(1) IN GENERAL.—The Secretary shall fix and collect a guarantee fee for the guarantee of a loan under this section, which may not exceed the amount equal to 1 percent of the principal obligation of the loan.

“(2) PAYMENT.—The fee under this subsection shall—

“(A) be paid by the lender at time of issuance of the guarantee; and

“(B) be adequate, in the determination of the Secretary, to cover expenses and probable losses.

“(3) DEPOSIT.—The Secretary shall deposit any fees collected under this subsection in the Native Hawaiian Housing Loan Guarantee Fund established under subsection (j).

“(f) LIABILITY UNDER GUARANTEE.—The liability under a guarantee provided under this section shall decrease or increase on a pro rata basis according to any decrease or increase in the amount of the unpaid obligation under the provisions of the loan agreement involved.

“(g) TRANSFER AND ASSUMPTION.—Notwithstanding any other provision of law, any loan guaranteed under this section, including the security given for the loan, may be sold or assigned by the lender to any financial institution subject to examination and supervision by an agency of the Federal Government or of any State or the District of Columbia.

“(h) DISQUALIFICATION OF LENDERS AND CIVIL MONEY PENALTIES.—

“(1) IN GENERAL.—

“(A) GROUNDS FOR ACTION.—The Secretary may take action under subparagraph (B) if the Secretary determines that any lender or holder of a guarantee certificate under subsection (c)—

“(i) has failed—

“(I) to maintain adequate accounting records;

“(II) to service adequately loans guaranteed under this section; or

“(III) to exercise proper credit or underwriting judgment; or

“(ii) has engaged in practices otherwise detrimental to the interest of a borrower or the United States.

“(B) ACTIONS.—Upon a determination by the Secretary that a holder of a guarantee certificate under subsection (c) has failed to carry out an activity described in subparagraph (A)(i) or has engaged in practices described in subparagraph (A)(ii), the Secretary may—

“(i) refuse, either temporarily or permanently, to guarantee any further loans made by such lender or holder;

“(ii) bar such lender or holder from acquiring additional loans guaranteed under this section; and

“(iii) require that such lender or holder assume not less than 10 percent of any loss on further loans made or held by the lender or holder that are guaranteed under this section.

“(2) CIVIL MONEY PENALTIES FOR INTENTIONAL VIOLATIONS.—

“(A) IN GENERAL.—The Secretary may impose a civil monetary penalty on a lender or holder of a guarantee certificate under subsection (d) if the Secretary determines that the holder or lender has intentionally failed—

“(i) to maintain adequate accounting records;

“(ii) to adequately service loans guaranteed under this section; or

“(iii) to exercise proper credit or underwriting judgment.

“(B) PENALTIES.—A civil monetary penalty imposed under this paragraph shall be imposed in the manner and be in an amount provided under section 536 of the National Housing Act (12 U.S.C.A. 1735f-1) with respect to mortgagees and lenders under that Act.

“(3) PAYMENT ON LOANS MADE IN GOOD FAITH.—Notwithstanding paragraphs (1) and (2), if a loan was made in good faith, the Secretary may not refuse to pay a lender or holder of a valid guarantee on that loan, without regard to whether the lender or holder is barred under this subsection.

“(i) PAYMENT UNDER GUARANTEE.—

“(1) LENDER OPTIONS.—

“(A) IN GENERAL.—

“(i) NOTIFICATION.—If a borrower on a loan guaranteed under this section defaults on the loan, the holder of the guarantee certificate shall provide written notice of the default to the Secretary.

“(ii) PAYMENT.—Upon providing the notice required under clause (i), the holder of the guarantee certificate shall be entitled to payment under the guarantee (subject to the provisions of this section) and may proceed to obtain payment in 1 of the following manners:

“(I) FORECLOSURE.—

“(aa) IN GENERAL.—The holder of the certificate may initiate foreclosure proceedings (after providing written notice of that action to the Secretary).

“(bb) PAYMENT.—Upon a final order by the court authorizing foreclosure and submission to the Secretary of a claim for payment under the guarantee, the Secretary shall pay to the holder of the certificate the pro rata portion of the amount guaranteed (as determined pursuant to subsection (f)) plus reasonable fees and expenses as approved by the Secretary.

“(cc) SUBROGATION.—The rights of the Secretary shall be subrogated to the rights of the holder of the guarantee. The holder shall assign the obligation and security to the Secretary.

“(II) NO FORECLOSURE.—

“(aa) IN GENERAL.—Without seeking foreclosure (or in any case in which a foreclosure proceeding initiated under clause (i) continues for a period in excess of 1 year), the holder of the guarantee may submit to the Secretary a request to assign the obligation and security interest to the Secretary in return for payment of the claim under the guarantee. The Secretary may accept assignment of the loan if the Secretary determines that the assignment is in the best interest of the United States.

“(bb) PAYMENT.—Upon assignment, the Secretary shall pay to the holder of the guarantee the pro rata portion of the amount guaranteed (as determined under subsection (f)).

“(cc) SUBROGATION.—The rights of the Secretary shall be subrogated to the rights of the holder of the guarantee. The holder shall assign the obligation and security to the Secretary.

“(B) REQUIREMENTS.—Before any payment under a guarantee is made under subparagraph (A), the holder of the guarantee shall exhaust all reasonable possibilities of collection. Upon payment, in whole or in part, to the holder, the note or judgment evidencing the debt shall be assigned to the United States and the holder shall have no further claim against the borrower or the United States. The Secretary shall then take such action to collect as the Secretary determines to be appropriate.

“(2) LIMITATIONS ON LIQUIDATION.—

“(A) IN GENERAL.—If a borrower defaults on a loan guaranteed under this section that involves a security interest in restricted Hawaiian Home Land property, the mortgagee or the Secretary shall only pursue liquidation after offering to transfer the account to another eligible Hawaiian family or the Department of Hawaiian Home Lands.

“(B) LIMITATION.—If, after action is taken under subparagraph (A), the mortgagee or the Secretary subsequently proceeds to liquidate the account, the mortgagee or the Secretary shall not sell, transfer, or otherwise dispose of or alienate the property described in subparagraph (A) except to another eligible Hawaiian family or to the Department of Hawaiian Home Lands.

“(j) HAWAIIAN HOUSING LOAN GUARANTEE FUND.—

“(1) ESTABLISHMENT.—There is established in the Treasury of the United States the Hawaiian Housing Loan Guarantee Fund for the purpose of providing loan guarantees under this section.

“(2) CREDITS.—The Guarantee Fund shall be credited with—

“(A) any amount, claims, notes, mortgages, contracts, and property acquired by the Secretary under this section, and any collections and proceeds therefrom;

“(B) any amounts appropriated pursuant to paragraph (7);

“(C) any guarantee fees collected under subsection (d); and

“(D) any interest or earnings on amounts invested under paragraph (4).

“(3) USE.—Amounts in the Guarantee Fund shall be available, to the extent provided in appropriations Acts, for—

“(A) fulfilling any obligations of the Secretary with respect to loans guaranteed under this section, including the costs (as that term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) of such loans;

“(B) paying taxes, insurance, prior liens, expenses necessary to make fiscal adjustment in connection with the application and transmittal of collections, and other expenses and advances to protect the Secretary for loans which are guaranteed under this section or held by the Secretary;

“(C) acquiring such security property at foreclosure sales or otherwise;

“(D) paying administrative expenses in connection with this section; and

“(E) reasonable and necessary costs of rehabilitation and repair to properties that the Secretary holds or owns pursuant to this section.

“(4) INVESTMENT.—Any amounts in the Guarantee Fund determined by the Secretary to be in excess of amounts currently required at the time of the determination to carry out this section may be invested in obligations of the United States.

“(5) LIMITATION ON COMMITMENTS TO GUARANTEE LOANS AND MORTGAGES.—

“(A) REQUIREMENT OF APPROPRIATIONS.—The authority of the Secretary to enter into

commitments to guarantee loans under this section shall be effective for any fiscal year to the extent, or in such amounts as are, or have been, provided in appropriations Acts, without regard to the fiscal year for which such amounts were appropriated.

“(B) LIMITATIONS ON COSTS OF GUARANTEES.—The authority of the Secretary to enter into commitments to guarantee loans under this section shall be effective for any fiscal year only to the extent that amounts in the Guarantee Fund are or have been made available in appropriations Acts to cover the costs (as that term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) of such loan guarantees for such fiscal year. Any amounts appropriated pursuant to this subparagraph shall remain available until expended.

“(C) LIMITATION ON OUTSTANDING AGGREGATE PRINCIPAL AMOUNT.—Subject to the limitations in subparagraphs (A) and (B), the Secretary may enter into commitments to guarantee loans under this section for each of fiscal years 2001, 2002, 2003, 2004, and 2005 with an aggregate outstanding principal amount not exceeding \$100,000,000 for each such fiscal year.

“(6) LIABILITIES.—All liabilities and obligations of the assets credited to the Guarantee Fund under paragraph (2)(A) shall be liabilities and obligations of the Guarantee Fund.

“(7) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Guarantee Fund to carry out this section such sums as may be necessary for each of fiscal years 2001, 2002, 2003, 2004, and 2005.

“(k) REQUIREMENTS FOR STANDARD HOUSING.—

“(1) IN GENERAL.—The Secretary shall, by regulation, establish housing safety and quality standards to be applied for use under this section.

“(2) STANDARDS.—The standards referred to in paragraph (1) shall—

“(A) provide sufficient flexibility to permit the use of various designs and materials in housing acquired with loans guaranteed under this section; and

“(B) require each dwelling unit in any housing acquired in the manner described in subparagraph (A) to—

“(i) be decent, safe, sanitary, and modest in size and design;

“(ii) conform with applicable general construction standards for the region in which the housing is located;

“(iii) contain a plumbing system that—

“(I) uses a properly installed system of piping;

“(II) includes a kitchen sink and a partitioned bathroom with lavatory, toilet, and bath or shower; and

“(III) uses water supply, plumbing, and sewage disposal systems that conform to any minimum standards established by the applicable county or State;

“(iv) contain an electrical system using wiring and equipment properly installed to safely supply electrical energy for adequate lighting and for operation of appliances that conforms to any appropriate county, State, or national code;

“(v) be not less than the size provided under the applicable locally adopted standards for size of dwelling units, except that the Secretary, upon request of the Department of Hawaiian Home Lands may waive the size requirements under this paragraph; and

“(vi) conform with the energy performance requirements for new construction established by the Secretary under section 526(a) of the National Housing Act (12 U.S.C.A. 1735f-4), unless the Secretary determines that the requirements are not applicable.

“(l) APPLICABILITY OF CIVIL RIGHTS STATUTES.—To the extent that the requirements

of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) or of the Fair Housing Act (42 U.S.C.A. 3601 et seq.) apply to a guarantee provided under this subsection, nothing in the requirements concerning discrimination on the basis of race shall be construed to prevent the provision of the guarantee to an eligible entity on the basis that the entity serves Native Hawaiian families or is a Native Hawaiian family."

Page 166, in line 10, strike the dash and all that follows through "GENERAL." in line 11.

Page 166, strike lines 17 through 25.

Strike line 25 on page 173, and all that follows through line 2 on page 174, and insert the following:

"(1) to protect the quality, durability, safety, and affordability of manufactured homes;"

Page 174, strike lines 11 through 13 and insert the following:

"(5) to protect residents of manufactured homes with respect to personal injuries and the amount of insurance costs and property damages in manufactured housing, consistent with the other purposes of this section;"

Page 176, line 18, before the semicolon insert ", including the inspection of homes in the plant".

Page 176, line 21, strike both commas.

Strike line 25 on page 176 and all that follows through "means" in line 1 on page 177, and insert the following:

"(21) 'monitoring' means

Page 177, lines 5 through 7, strike "recommended by the consensus committee and promulgated in accordance with" and insert "promulgated under this title, giving due consideration to the recommendations of the consensus committee as provided in".

Page 177, line 10, strike "; and" and insert "..."

Page 177, strike lines 11 through 13.

Page 179, line 19, strike "appoint" and insert "recommend".

Page 182, lines 12 and 13, strike ", subject to approval by the Secretary," and insert "by the Secretary, after consideration of the recommendations made".

Page 182, line 14, insert a comma after "organization".

Page 182, strike lines 22 through 25 and insert the following:

"(C) DISAPPROVAL.—The Secretary shall state, in writing, the reasons for failing to appoint any individual recommended under paragraph (2)(A)(ii)(I).

Page 184, lines 1 and 2, strike "administering organization in its appointments" and insert "Secretary".

Page 188, line 20, before the period insert "in accordance with section 553 of title 5, United States Code".

Page 188, line 23, after "standard" insert "in accordance with such section 553".

Page 189, line 22, strike "7" and insert "30".

Page 193, line 5, after "regulations" insert "and revision to existing regulations".

Page 195, strike lines 16 through 22 and insert the following:

"(5) AUTHORITY TO ACT AND EMERGENCY.—If the Secretary determines, in writing, that such action is necessary to address an issue on which the Secretary determines that the consensus committee has not made a timely recommendation following a request by the Secretary, or in order to respond to an emergency which jeopardizes the public health or safety, the Secretary

Page 196, line 3, strike "emergency".

Page 196, line 5, after "issues" insert "the order after notice and an opportunity for public comment in accordance with section 553 of title 5, United States Code,".

Page 196, line 12, strike "of" and insert "or".

Page 196, line 19, strike "1104(a)(3)" and insert "604(a)(3)".

Page 199, line 18, after "shall" insert "to the maximum extent possible, taking into account the factors described in section 604(e)."

Page 200, after line 9, insert the following: "(4) ISSUANCE.—The model manufactured home installation standards shall be issued after notice and an opportunity for public comment in accordance with section 553 of title 5, United States Code.

Strike ", except that" in line 20 on page 201, and all that follows through line 2 on page 202, and insert a period.

Page 206, after line 3, insert the following new section:

#### SEC. 1108. PROHIBITED ACTS.

Section 610(a) (42 U.S.C. 5409(a)) is amended—

(1) in paragraph (5), by striking "or" at the end;

(2) in paragraph (6), by striking the period at the end and inserting "; or"; and

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

"(7) after the expiration of the period specified in section 605(c)(2)(B), fail to comply with the requirements for the installation program required by section 605 in any State that has not adopted and implemented a State installation program."

Page 207, line 10, strike "and".

Page 207, after line 13, insert the following:

"(F) implementing sections 605 and 623;

and

Page 207, strike lines 19 through 23 and insert the following:

"(b) CONTRACTORS.—When using fees under this section, the Secretary shall ensure that no fewer than 3 separate contracts and 3 separate and independent contractors are retained to carry out monitoring and inspection work and any other work that may be delegated to a contractor under this title; except that the required minimum number of separate contracts and separate and independent contractors shall increase to 4 simultaneous with the latter of—

"(1) the issuance by the Secretary of a request for proposals for the implementation of installation programs, and

"(2) the issuance by the Secretary of a request for proposals for the implementation of dispute resolution program.

The Secretary shall also ensure that no conflict of interest arises from the award of any such contracts."

Page 208, line 17, strike the quotation marks and the last period.

Page 208, after line 17, insert the following:

"(3) PAYMENTS TO STATES.—On and after the effective date of the Manufactured Housing Improvement Act, the Secretary shall continue to fund the States having approved State plans in amounts which are not less than the allocated amounts based on the fee distribution system in effect on the day before the effective date of such Act."

Page 208, lines 20 and 21, strike "5(b)" each place such term appears and insert "1105(b)".

Page 209, line 19, after the period insert the following: "The order establishing the dispute resolution program shall be issued after notice and an opportunity for public comment in accordance with section 553 of title 5, United States Code."

Page 210, strike lines 7 through 11 and insert "paragraph."

Page 211, line 16, after "awarded" insert "after April 6, 2000,".

The CHAIRMAN. Pursuant to House Resolution 460, the gentleman from New York (Mr. LAZIO) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from New York (Mr. LAZIO).

Mr. LAZIO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this manager's amendment is the result of some hard work that has been referenced by earlier remarks. The manager's amendment was created in a bipartisan fashion, helping to improve an already good bill, and refining some of the technical aspects of this bill.

It further speaks to the underlying premise of this bill, which is that it is about empowerment, it is about more consumer choice, it is about lower homeownership costs, it is about stronger communities, and it is about opportunity. This manager's amendment includes several provisions that further perfect this bill.

I want to commend all the Members, and particularly the gentleman from New York (Mr. LAFALCE) and the gentleman from Massachusetts (Mr. FRANK), as well as the gentleman from Iowa (Mr. LEACH) for their help.

It includes technical changes that affect the neighborhood teacher program, the risk sharing demonstration program, and the rural housing section of the legislation.

The amendment expands housing assistance for native Hawaiians by extending to them the same types of Federal housing programs available to Native Americans and to Alaska natives.

The amendment adopts changes to the manufactured housing title made by HUD to clarify the Secretary's authority over appointments to the consensus committee. This is, again, a model framework based on discussions between AARP, the Manufactured Housing industry, consumers, HUD, and members of the committee.

It addresses outstanding policy issues raised by the gentleman from Massachusetts (Mr. FRANK), ranking member, and the Manufactured Housing industry concerning States' roles in monitoring manufactured homes and the distribution systems of manufactured program fees to States.

It also adopts certain filed amendments to the legislation, which we have been trying to work together with in a bipartisan fashion to meet America's need for more homeownership opportunities.

These include amendments by the gentleman from Texas (Mr. BENTSEN) as they relate to the selection criteria for the Homeownership Zone Grant program, providing that HUD may not reject an applicant who meets the selection criteria basically only because the zone is located in an unincorporated area.

The amendment of the gentleman from Ohio (Mr. TRAFICANT) extends homeownership counseling statutes through September 30, 2005 that require a notice, within 45 days of delinquency, to homebuyers on their payment status and provides information about housing counselors in the area, a very important amendment.

The amendment of the gentleman from California (Mr. BACA) includes a

sense of Congress that the HUD Secretary should consult with other agencies to make additional properties available for law enforcement officers, teachers, and fire fighters.

The amendment of the gentlewoman from California (Ms. PELOSI) adds pre-kindergarten teachers to be eligible for section 203 for reduced down payment for loans for teachers and uniformed municipal employees, consistent with similar other provisions in the bill.

I urge the House to adopt the manager's amendment.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Is the gentleman from New York (Mr. LAFALCE) opposed to the amendment?

Mr. LAFALCE. Mr. Chairman, this manager's amendment has been developed in a bipartisan fashion similarly to the main bill itself.

The CHAIRMAN. Without objection, there apparently being no one to claim the time in opposition, the gentleman from New York (Mr. LAFALCE) is recognized to claim that time.

There was no objection.

Mr. LAFALCE. Mr. Chairman, I yield myself such time as I may consume.

I am very pleased that the manager's amendment includes a number of important provisions, important especially to the Members on my side of the aisle. These include a Pelosi amendment to ensure that pre-kindergarten teachers are eligible in the same way as all other teachers are for the section 203, 1 percent down payment FHA loans; an amendment by the gentleman from Texas (Mr. BENTSEN) to make sure that unincorporated areas are eligible for homeownership zone grants; an amendment by the gentleman from Ohio (Mr. TRAFICANT) to extend homeownership counseling programs; and an amendment from the gentleman from California (Mr. BACA) directing HUD to work with other agencies to identify other buildings suitable for homeownership resale.

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I also especially commend the gentleman from Hawaii (Mr. ABERCROMBIE) and the gentlewoman from Hawaii (Mrs. MINK) for their amendment, which includes making native Hawaiians eligible for the same Federal housing programs that Native Americans are currently eligible for; and, of course, the gentleman from Massachusetts (Mr. FRANK) and the gentleman from Indiana (Mr. ROEMER), who represents perhaps the headquarters of the manufactured housing industry, for shepherding this bill through. Even though the gentleman from Indiana (Mr. ROEMER) is not a member of the committee, his assistance in crafting the legislation was invaluable.

Mr. Chairman, I reserve the balance of my time.

Mr. LAZIO. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin (Mr. GREEN).

Mr. GREEN of Wisconsin. Mr. Chairman, I thank the gentleman for yield-

ing me this time, and I also would urge strong support for the manager's amendment. As good as the underlying bill is, and I think the bill is solid, I think the manager's amendment is better and makes some important improvements.

Very quickly, two particular programs that are included in the manager's amendment that this Member had something to do with. Number one, this manager's amendment would create a 3-year pilot project to help people with disabilities to use section 8 assistance towards home ownership. It creates incentives for employment and home ownership for the most underserved portion of the American public, those with disabilities.

Unemployment rates for those with disabilities in America exceeds 70 percent, and home ownership for people with disabilities is below 5 percent. This bill takes an important step in breaking that cycle.

This manager's amendment also has an important pilot project, a 3-year program, for law enforcement officers. It helps Federal, State and local law enforcement officers purchase homes in locally designated, locally defined high crime areas.

This is different than other law enforcement officer programs because it turns to local leaders, local officials to designate those areas. This will help deter crime. This will help stabilize neighborhoods.

In so many ways this manager's amendment makes the dream of home ownership and stable, sound, solid communities a reality. And again, I encourage my colleagues not only to support this amendment and support the bill but to go home and talk about it.

Mr. LAFALCE. Mr. Chairman, I yield 1 minute to the gentlewoman from California (Ms. LEE), a member of the committee.

Ms. LEE. Mr. Chairman, I thank the gentleman for yielding me this time and also for the bipartisan effort to bring this bill forward today.

This is a modest measure. It is an excellent modest measure that begins to address a national crisis of housing.

Moderate- and low-income families deserve the opportunity to realize the American Dream of homeownership. And given the high cost of housing, this dream is quickly becoming a nightmare in many regions of our country. This crisis is so bad that in my district, around the Bay Area of Northern California, professional households with incomes near \$100,000 even face difficult housing choices.

If these kinds of families are struggling, what does this mean for moderate- and low-income families? It means that Congress must do better.

Mr. Chairman, Americans dream of owning our own homes. It rightfully gives us a stake in our society. Homeownership allows us to have a solid place from which we can accumulate some wealth to care for our families, to send our kids to college and to invest in small businesses.

We still have a long way to go in this country. Even though there has been an increase in homeownership, there is really an embarrassing gap in this land of plenty when we realize that the homeownership rate for African Americans is still 20 percent below the national average. The rate for Hispanic Americans is over 20 percent below the national average.

So this bill will really help us begin to correct the damage resulting from our refusal to, I believe, invest in housing in past years. Secretary Cuomo is doing the best that he can. But given the severe constraints of the Balanced Budget Act, it is difficult to imagine how HUD can just maintain, not to mention expand programs where there are tight budget caps.

I urge support of the American Homeownership and Economic Opportunity Act.

Mr. LAZIO. Mr. Chairman, I yield 2½ minutes to the gentleman from Delaware (Mr. CASTLE), the former governor of Delaware and my mentor and friend.

Mr. CASTLE. Mr. Chairman, I thank the gentleman very much for yielding me this time, and I thank him for his comments. I never knew I was a mentor until just now, but that is a nice thought too.

This legislation, which both gentlemen from New York have worked on, in my judgment, is as good a piece of legislation as we have had on the floor this year for a variety of reasons.

One is it is bipartisan. It is a piece of legislation which I think all of us are proud to be able to support and, hopefully, will get a great vote.

Secondly, I think we all recognize that homeownership is the key element to stability in most families, and beyond families, a lot of individuals and a lot of others who want to live the American Dream.

In this day of plenty it is pretty simple to think well, gee, homeownership is up, I think it is up to 67 percent now, and we do not have to worry about legislation such as this. But when we get behind the scenes and start to look at it, we start to see other problems.

For example in U.S. News and World Report there is an article here, In an Age of Plenty a Search for Shelter, and this talks about Minneapolis, as I recall, and they have all kinds of problems with people in lower income circumstances being able to obtain housing. And that is what this bill addresses, and that is what the manager's amendment addresses as well.

So I really congratulate those who have worked on this because they have really looked carefully at provisions which are essential to help with these problems. And indeed, when we look at those who are on more fixed-income circumstances, teachers, firefighters, or police officers, these are desirable neighbors in any kind of neighborhood. They are the kind of neighbors we want, but sometimes they do not have the means to acquire a home, and under this bill they would be able to do it.

We have gone into various pockets of money which is available at the Federal Government level and said we are going to allow that to help with the acquisition of homes, which is something we should do. We have looked at State and local governments, as well as the Federal Government, and said there are barriers and regulations and we need to deal with those.

So many good things have happened. We should support the manager's amendment, we should support the underlying legislation, but we should also continue, I think, the drive that we all have here now, that we feel here today, which is moving ahead with all aspects of looking at our public housing laws and other housing opportunities at the Federal Government level and giving people the opportunity for homeownership.

With that, we will introduce all kinds of social improvement in this country. It is for that reason that I am highly supportive of the legislation, and I would encourage everybody to support the manager's amendment and the legislation and, hopefully, we can send it to the Senate and have it signed by the President.

Mr. LAFALCE. Mr. Chairman, I yield 1 minute to the gentlewoman from Illinois (Ms. SCHAKOWSKY), a member of the committee.

Ms. SCHAKOWSKY. Mr. Chairman, I rise in support of H.R. 1776. I am very proud to be a cosponsor of this bipartisan bill, which authorizes nearly \$7 billion for affordable homeownership and job creation.

We ought to do this. We are in the midst of the longest economic expansion in the history of the United States. Despite this wealth, we are leaving too many families behind. Just recently, HUD reported that 5.4 million households do not have decent and affordable housing, and this bill gives us some power to deal with these problems.

The reauthorized Community Development Block Grant will provide State and local governments, like Chicago, funding for economic development so we can encourage employers to create jobs in our district. The HOME program will provide the city, as well as Chicago-based community organizations, such as National People's Action and ACORN, with necessary funds to increase homeownership. With this money they can rehabilitate dilapidated homes and provide mortgage counseling.

In short, this bill empowers our neighbors and mayors with the means to stabilize and improve our communities.

I am grateful that the full Committee on Banking and Financial Services approved my amendment to assist families that desperately cry out for housing and to help assist persons with disabilities who are facing foreclosure. I urge support for this legislation.

Mr. LAZIO. Mr. Chairman, I reserve the balance of my time.

Mr. LAFALCE. Mr. Chairman, I yield 1¼ minutes to the gentleman from Indiana (Mr. ROEMER), who has been so concerned about manufactured housing.

(Mr. ROEMER asked and was given permission to revise and extend his remarks.)

Mr. ROEMER. Mr. Chairman, I thank the gentleman for yielding me this time, and I will be including for the RECORD a letter from the governors regarding this legislation.

Mr. Chairman, first of all, I want to thank a lot of people who have been working on this issue and who have showed a great deal of insight and expertise. Certainly to the chairman, the gentleman from New York (Mr. LAZIO), who has shown great leadership on this bill. I also want to extend my personal thanks to the gentleman from New York (Mr. LAFALCE) and the gentleman from Massachusetts (Mr. FRANK), who have shown real sensitivity in trying to increase the amount of people in America who will own homes and, under title VII, the manufactured housing title of this bill, we look at ways to update a 25-year-old code that is not serving consumers, it is not serving regulators, it is not serving homeownership, and we are updating that, and I want to thank the gentleman from New York (Mr. LAFALCE) for that.

We have heard we are a Nation of achievers and we are certainly a Nation of dreamers, and nothing symbolizes the achievement of the American Dream more than homeownership. And when we can work together in a bipartisan way, with Secretary Cuomo, who has intervened a couple of times to keep this discussion of updating title VII going, when we have Republicans and Democrats working together, when the Senate has passed a similar bill on their side, we are working toward legislation that really will enhance consumer protection, will enhance making a better product, and will enhance everybody's opportunity to have homeownership.

I really do want to also thank the gentleman from New York (Mr. LAZIO) for his help on this bill, and the document I referred to earlier, Mr. Chairman, I submit for the RECORD.

OFFICE OF THE GOVERNOR,  
Indianapolis, IN, April 4, 2000.

Hon. JIM LEACH,  
Chairman, Committee on Banking and Financial Services, House of Representatives,  
Washington, DC.

Hon. JOHN J. LAFALCE,  
Ranking Member, Committee on Banking and Financial Services, House of Representatives,  
Washington, DC.

DEAR CHAIRMAN LEACH AND CONGRESSMAN LAFALCE: I am writing to express my strong support for enacting legislation to streamline and improve the current Manufactured Housing Program overseen by the Department of Housing and Urban Development (HUD).

Almost one of every four new homes in America is a manufactured house. In my state of Indiana, the manufactured housing industry employs 20,000 Hoosiers and has a total economic impact of nearly \$3 billion per year.

The Manufactured Housing Program administered by HUD is clearly not working as it should. Over the last several years, staffing for this program has been greatly reduced. I also understand that over 150 proposed changes to construction and safety standards and regulations are currently pending, with some languishing for as many as five years. Meanwhile, the manufactured housing industry has grown 100 percent over the past decade. Both the general public and the manufactured housing industry need assurances that proper standards are in place and effectively enforced.

The two pending versions of legislation before Congress, H.R. 1776 and S. 1452, include many similar provisions that should produce a more efficient and workable system for implementing construction and safety standards. I am hopeful that the House and Senate will act on these bills quickly and resolve any differences in a timely manner.

As you proceed with consideration of this important legislation, I urge you to ensure a balanced approach to federal-state regulations by making the "quality, durability, safety, and affordability of manufactured housing" a key purpose of the Manufactured Housing Program. I also support both the proposed "consensus committee" process, which ensures representation for consumers, the manufactured housing industry, and public officials, and the vesting of authority in the Secretary of Housing and Urban Development (HUD) to approve or reject committee recommendations. I also believe it makes sense to introduce more competition into the awarding of monitoring contracts.

The House and Senate legislation maintain authority for states to carry out enforcement activities as they may already do under current law. I urge that the final version of the bill include provisions that will ensure continued support for state enforcement efforts. Labeling fees collected to help support state enforcement programs should not be diverted for other purposes. If state enforcement is not sufficiently funded, the integrity of the federal-state partnership will be put at risk.

In sum, I support efforts by Congress to reform the current federal Manufactured Housing Program to ensure that reliable and enforceable construction and safety standards are maintained and urge expeditious action on the pending legislation.

Sincerely,

FRANK O'BANNON.

Mr. LAZIO. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma (Mr. COBURN).

Mr. COBURN. Mr. Chairman, I thank the gentlemen from New York for yielding me this time, and for three or four specific provisions in this bill that I think are great.

I think the removal of the barriers for housing affordability has been great. The regulatory impact analysis, the grants for removing regulatory barriers, these are things I see in my own community that limit people's ability to achieve housing.

I think also the title III section 8 homeownership option is a great step forward to allow people to get into a home that otherwise was not there. The pilot program with that is great as well.

The transfer of unoccupied and substandard HUD housing is something that has been long awaited because it needs to have that option if we are in fact going to clean up some of the

neighborhoods that we have and clean up some of the homes.

The last thing I am appreciative of is the rural housing opportunities that were made, and that is very important to my district. I do have some concerns about it, and I would just take a moment to say that the gentlewoman from California (Ms. WATERS) has an amendment, and if we combine her amendment with my second amendment, what we do is to enlarge this pie to all Americans to in fact go into these neighborhoods and create greater demand and greater assistance to raise the level of the neighborhoods.

I am hopeful as we debate that that we can talk about fairness and equal opportunity to all, not just municipal employees and not just firefighters and not just policemen but the other significant members of the community, including pastors. Because a spiritual component in any community is just as important as any other aspect in terms of crime, in terms of drug addiction, and in terms of some of the other problems we face.

Mr. LAFALCE. Mr. Chairman, I yield 1 minute to the gentleman from Georgia (Mr. BISHOP).

Mr. BISHOP. Mr. Chairman, I rise today in strong support of H.R. 1776, the American Homeownership and Economic Opportunity Act.

Today, we are making a monumental step toward supporting those who serve our communities in various capacities for whom we are eternally grateful. These include our firefighters, police, teachers, rescue personnel, and municipal workers.

I have always been a supporter of the Community Development Block Grant program and the Housing Opportunities program. Today, with the passage of this bill, I become even a stronger supporter.

These are some of the worthwhile things that the CDBG programs already does: Funding Meals on Wheels, senior citizen centers, community centers where low-income children are able to have a safe and stimulating environment in which to play.

Now, CDBG and HOME funds will help make homeownership possible for those who are not fortunate enough to have stock options or 401(k) programs and all the other perks of the private sector. Let us tell our teachers, police officers, firefighters, rescue personnel, and municipal workers that we are grateful for what they do, and this is our tangible way of showing it.

This is a great bill, and I urge my colleagues to support it.

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Mr. LAZIO. Mr. Chairman, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 1 minute to the gentlewoman from Hawaii (Mrs. MINK), who, along with her Hawaii colleague, did a great deal to make sure the rights of native Hawaiians were protected in this section, and it is in the manager's amendment.

(Mrs. MINK of Hawaii asked and was given permission to revise and extend her remarks.)

Mrs. MINK of Hawaii. Mr. Chairman, I appreciate the opportunity to just have a minute to express my appreciation to the gentleman from New York (Mr. LAZIO), the gentleman from Nebraska (Mr. BEREUTER), the gentleman from Massachusetts (Mr. FRANK), and the gentleman from New York (Mr. LAFALCE) for all of their support in making sure that the program for extension of housing assistance to native Hawaiians was included in H.R. 1776.

Mr. Chairman, I rise in strong support of the bill and, most particularly, because of the manager's amendment. The problem has always been that there has been a housing program for native Indians, native Americans, which native Hawaiians felt they should have been included, and the Alaskan natives, but the native Hawaiians were not included.

For the first time, because of the manager's amendment and its inclusion in H.R. 1776, Native Hawaiian families will have the opportunity for Federal assistance in loan guarantees and other forms of grants. We have a very unique situation in Hawaii.

Mr. Chairman, I rise in support of H.R. 1776 and the manager's amendment. The amendment has a provision in it that is very important to my constituents. The amendment expands housing assistance for native Hawaiians by extending to them the same types of federal housing programs available to American Indians and Alaska natives. The provision authorizes appropriations for block grants for affordable housing activities and for loan guarantees for mortgages for owner- and renter-occupied housing. It authorizes technical assistance in cases where administrative capacity is lacking. The block grants would be provided by the Department of Housing and Urban Development to the Department of Hawaiian Home Lands of the government of the State of Hawaii.

I thank the gentleman from New York [Mr. LAZIO], the gentleman from Nebraska [Mr. BEREUTER] and the gentleman from Massachusetts [Mr. FRANK] and Mr. LAFALCE of New York for their assistance in incorporating the provisions for Native Hawaiian housing in the bill.

Passage of this bill is critical for the Native Hawaiian communities. Within the last several years, three studies have documented the housing needs that confront Native Hawaiians who are eligible to reside on the Home Lands.

In 1992, the National Commission on American Indian, Alaska Native, and Native Hawaiian Housing issued its final report to Congress, "Building the Future: A Blueprint for Change." In its study, the Commission found that Native Hawaiians had the worst housing conditions in the State of Hawaii and the highest percentage of homelessness, representing over 30% of the State's homeless population.

In 1995, the U.S. Department of Housing and Urban Development issued a report entitled, "Housing Problems and Needs of Native Hawaiians." This report contained the alarming conclusion that Native Hawaiians experience the highest percentage of housing prob-

lems in the nation—49%—higher than that of American Indians and Alaska Natives residing on reservations (44%) and substantially higher than that of all U.S. households (27%). The report also concluded that the percentage of overcrowding within the Native Hawaiian population is 36% compared to 3% for all other U.S. households.

Also, in 1995, the Hawaii State Department of Hawaiian Home Lands published a Beneficiary Needs Study as a result of research conducted by an independent research group. This study found that among the Native Hawaiian population, the needs of Native Hawaiians eligible to reside on the Hawaiian home lands are the most severe. 95% of home lands applicants (16,000) were in need of housing, with one-half of those applicant households facing overcrowding and one-third paying more than 30% of their income for shelter.

H.R. 1776 will provide eligible low-income Native Hawaiians access to Federal housing programs that provide assistance to low-income families. Currently, those Native Hawaiians who are eligible to reside on Hawaiian home lands but who do not qualify for private mortgage loans, are unable to access Federal assistance.

The provisions for Native Hawaiian housing assistance are identical to those contained in S. 225, which passed the other body on November 5, 1999. S. 225 was introduced by the two Senators from Hawaii. That legislation in turn is identical to S. 109 which passed the other body in the 105th Congress. It is gratifying that the House will now pass the same language. I look forward to the enactment of this legislation that is so important to the native people of Hawaii.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. BECERRA).

Mr. BECERRA. Mr. Chairman, I thank the gentleman for yielding me the minute.

Mr. Chairman, I rise in support of H.R. 1776, and I applaud the gentleman from New York (Chairman LAZIO) and the ranking member, the gentleman from New York (Mr. LAFALCE), and all the members of the committee for the work they have done to increase homeownership for American working families.

I am especially heartened to see that the manager's amendment expands the eligibility for the Teacher Next Door program to include law enforcement officers and fire fighters and other safety personnel; that program which has been renamed the Community Partners Next Door program, which offers HUD-foreclosed homes to these individuals at a 50 percent discount, will go a long way not only in increasing homeownership, but also in helping these communities have professionals and role models available and living in their communities.

I would like to work with the gentleman from New York (Chairman LAZIO) and the gentleman from New York (Mr. LAFALCE) and the members of the committee in trying to, perhaps, expand the program a bit more to increase the pool of homes that would be made available. Only 4,000 of the 45,000

HUD-foreclosed homes would be available at this point under the program.

I think there is work that we can do to try to expand the pool of homes beyond the 4,000 so that more than of the 4 million or so people who qualify could be available. I look forward to working with the committee. And I request a yes vote.

Mr. FRANK of Massachusetts. Mr. Chairman, how much time is remaining on both sides?

The CHAIRMAN. The gentleman from Massachusetts (Mr. FRANK) has 2¼ minutes remaining. The gentleman from New York (Mr. LAZIO) has 30 seconds remaining.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 1 minute to the gentleman from Rhode Island (Mr. WEYGAND).

Mr. WEYGAND. Mr. Chairman, I want to thank all Members, particularly, the gentleman from New York (Mr. LAFALCE), our ranking member, and the gentleman from Massachusetts (Mr. FRANK), and also the gentleman from New York (Mr. LAZIO), our chairman, for the work they have done on H.R. 1776.

I rise today in support of the bill and the manager's amendment, but I also want to talk about one particular aspect that was really not fully addressed in committee that I hope will be addressed during the committees later on during this process.

Mr. Chairman, there is a composition of a consensus committee that is set up within this bill which is dealing with manufactured housing. The concept of this consensus committee is to put together consumers, industry experts, and government officials who advise HUD on safety standards and regulations. Unfortunately, there was one group of individuals that was left out of this consensus committee that I hope will be considered later on. They are the design professionals, the builders and the building inspectors, who are so vital in making sure there are safeguards and industry standards complied with during manufactured housing.

We hope that as the bill moves through the process, they will be considered and added to the bill. I thank the chairman for his consideration.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield the remaining time to the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I rise in support of this timely and urgently needed legislation. This bill promotes homeownership, the ultimate American dream, and deserves our support.

Our economy is experiencing a historic boom; but for many, the rising tide of prosperity has failed to lift their boats.

This bill can help to close a growing income and wealth gap that is creating two Americas. Homeownership is the

single most important asset for wealth accommodation. Yet, in the past decade, the percentage of homeownership relating to wealth accumulation has declined almost by 10 percent.

Recently, there have been record lows that the mortgage interest rates have been going down; but actually, homeownership between lower-income persons has been going down as well. It is not true that affordability is there for low and moderate income. This bill makes it possible.

Mr. Chairman, I am extremely pleased that the manager's provision has a provision in there providing homeownership opportunity for those who live in public housing, using section 8 as a part of the down payment and mortgage assistance. This is a provision that the Congressional Black Caucus has strongly supported, and I want to urge and thank you for all of your consideration in this bill. I urge a yes vote.

Mr. Chairman, I rise in support of this timely and urgently needed legislation. This bill promotes homeownership—the ultimate American Dream—and deserves our support.

Our economy is experiencing an historic boom. But, for many, this rising tide of prosperity has failed to lift their boats. This bill can help to close the growing income and wealth gap that is creating Two Americas.

Homeownership is the single most important asset for wealth. Yet, in the past decade, the percentage of owner-occupied housing as it relates to all assets has declined by close to ten percent.

Recently, there have been record lows in mortgage interest rates, leaving many to believe that housing in the United States is more affordable than ever. That is not true.

Despite lower mortgage rates, fewer people are able to afford to purchase homes. That is principally because income growth for the poor and working poor has been weak. This group of Americans are "cost-burdened" under H.U.D. standards. That is, they spend more than thirty percent of their income for housing. The poor and working poor thus find themselves on a treadmill to nowhere when it comes to breaking into home ownership.

This bill can help reverse that trend.

There are many good provisions in the bill—such as raising the loan amount for Rural Housing; facilitating ownership opportunities for our police, firefighters, teachers and other municipal employees; and assisting our seniors and the disabled in becoming owners.

However, I would like to focus my remarks on one of its most outstanding features. The bill improves the manner in which we spend money for housing programs.

Under the Section 8 Program, we have had generations of families, dislocated from society, isolated in public housing and, very often, dependent upon the government to provide them with a relatively decent place to live. This bill allows Public Housing Authorities to use Section 8 funds to provide a suitable amount of cash assistance that can be used to help finance homes. By doing this, these families can begin the process of reducing their reliance on government and take the first step toward accumulating equity and wealth.

Home ownership builds healthy communities. Home ownership instills strength and

pride in families. Home ownership provides dignity. When one owns a home, they are more likely to take care of it, maintain it and keep it clean and presentable.

This is a good bill, Mr. Chairman, with bipartisan support. I urge its passage.

Mr. LAZIO. Mr. Chairman, I yield 30 seconds to the distinguished gentleman from Missouri (Mr. BLUNT), the chief deputy whip.

Mr. BLUNT. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I wish I had more time to talk about this great bill and the manager's amendment that perfects it in an even better way. This is about homeownership. It is about choice. I served for a number of years on the Missouri Housing Development Commission. There is no higher point in a family's life than that moment when they own their home.

We are building in the 7th Congressional District in Missouri this year a Habitat for Humanity, a house that Congress built. There is no better day for a family when they get to see their own efforts make another step towards homeownership. This gives flexibility. It does the thing that we need to do to allow families to have the dream that they want to have.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. LAZIO).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider Amendment No. 2 printed in House Report 106-562.

AMENDMENT NO. 2 OFFERED BY MR. COBURN

Mr. COBURN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. COBURN:

Strike line 6 on page 27 and all that follows through line 13 on page 31.

Strike line 3 on page 73 and all that follows through line 16 on page 76.

Strike line 13 on page 91 and all that follows through line 21 on page 93.

The CHAIRMAN. Pursuant to House Resolution 460, the gentleman from Oklahoma (Mr. COBURN) and the gentleman from New York (Mr. LAFALCE) each will control 10 minutes.

The Chair recognizes the gentleman from Oklahoma (Mr. COBURN).

Mr. COBURN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I have listened this morning as speaker after speaker has come to this floor to discuss how important this bill is, to provide the necessary assistance to allow city employees to live where they work, and I would agree with that. I think that is an important consideration.

I have a question for my colleagues. Is it not also equally important that factory workers, union members, small businesses owners, Federal employees, the clergy, and nonprofit employees live where they work? The same help provided under this bill to municipal



employees is not provided to any of these individuals that I listed.

If we are facing the housing crisis that we described, which I believe that we may be, then why help just some individuals? Why not help them all? Why are some Americans more worthy of receiving Federal housing assistance than others? This amendment is about fairness.

I want to walk through with my colleagues for a minute who benefits under this law and who does not. Who qualifies for government-funded down payment assistance? Closing costs, support mortgage? Anyone, provided they make less than 80 percent, that is what the answer is. Local government employees making up to 115 percent of area median income or 150 percent in areas with high housing costs, what is the lowest down payment an individual can make to qualify for an FHA loan under the current law? Under H.R. 1776, 3 percent of the total purchase price, that is the current law, or 1 percent for teachers, fire fighters, rescue personnel, or law enforcement officers, under the new bill.

At what price can you buy a HUD home? 100 percent of appraised value. Under this new bill, 50 percent if you are a teacher, a fire fighter, rescue personnel, or a law enforcement officer; but that is not applied to you if you are the union worker building the home in that area or if you are the preacher that has a community church in that area. That is not forwarded to you.

I believe that this is a question about fairness. This amendment is designed to strike all but the 50 percent discounts that are directed in this bill.

Mr. Chairman, I reserve the balance of my time.

Mr. LAFALCE. Mr. Chairman, I yield myself such time as I may consume. Mr. Chairman, I rise in opposition to the Coburn amendment.

First, I would seek clarification. Is this Coburn Amendment No. 21 that strikes section 203 from the bill? It is.

This is not the amendment which would expand and extend it? Very good.

The Coburn amendment before us, and the gentleman has two, but this one would strike the provision which authorizes FHA 1 percent down payment loans and deferred and ultimately forgivable upfront premiums for teachers, policeman, and firemen buying a home in the school district or jurisdiction that employs them.

Section 203 incorporates the provisions of H.R. 3884, the bill that I had introduced, which is entitled the Homeownership Opportunities for Uniform Services and Educators Act, also known as the HOUSE Act. This bill, the provision that the Coburn amendment would strike, is supported by the Fraternal Order of Police, the National Education Association, the American Federation of Teachers, and the American Association of School Administrators.

Let us listen to what the Congressional Budget Office, or CBO, has to

say about Section 203, which the Coburn amendment would strike. The CBO has concluded that section 203 will result in 125,000 additional FHA mortgages for teachers, policemen, and firemen over the next 5 years.

CBO also concludes that the provision will raise \$162 million over the next 5 years. If Members vote for the Coburn amendment, they would vote to deny homeownership opportunities for 125,000 teachers, policemen, and firemen; and you would vote to reduce the Federal budget surplus by \$162 million.

Is there any basis for supporting this amendment because of concerns about FHA? Absolutely not. A recently completed independent audit of FHA found that FHA makes billions of dollars a year in profits for the Federal Government and that the net worth of the FHA increased by \$5 billion in the last 12 months, to a record net worth of \$16 billion, many times the congressionally required capital standard for FHA.

Is there an argument that affordable low down payment loans for low- and moderate-income public servants do not serve a worthwhile purpose? No. I believe that the great majority of Members in this House believe that the teachers who educate our children, the policemen who keep us safe, the firemen who protect our homes from property damage, injury and death, play a critical role in our local communities. And especially high-cost areas, school districts, police departments, and fire departments are finding it increasingly difficult to recruit and retain qualified individuals; or when they can, these individuals may not be able to live in the local community because of the barrier of rising home prices and high down payment requirements.

Section 203 provides new opportunities to overcome this down payment hurdle, opportunities that the CBO says will not hurt, but will, in fact, help the taxpayer.

Mr. Chairman, I would strongly urge Members to vote no on the Coburn amendment and preserve these critical provisions in the bill and increase the surplus to the Federal Government.

Mr. COBURN. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina (Mr. SANFORD).

Mr. SANFORD. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I would say this is a well-intentioned bill; but without the Coburn amendment which corrects a number of fatal flaws, I think it is, in fact, fatally flawed. And I would say that for a couple of different reasons. I would say, first of all, if we look at the way the Coburn amendment corrects the bill, it helps us to focus, because as it is now configured with 150 percent of median income the threshold, what that means is we have a worker in Fairfax County, Virginia, making \$50,000 or \$60,000 subsidized in the purchase of their home by somebody making \$12,000 or \$18,000 in Yamasee, South Carolina, which is in the neck of the

woods where I grew up, where frankly there is not a whole lot of money to go around. So it loses focus on helping those in need.

Two, I think it encourages risk. It is very easy to spend somebody else's money; but by moving from 3 percent down to 1 percent, in terms of the amount of your own money you have to have in the deal, you frankly encourage people to, in essence, go out and take options on homes. These are not purchases but options. And I would say of most concern for me is that this bill supposedly is about recruiting and retaining EMS workers, firefighters, teachers, et cetera; but, in fact, it will have the reverse effect.

□ 1215

It is going to encourage job rotation. I can envision the day, if this bill goes through without this correcting amendment, when we will be watching a "60 Minutes" special about the policeman or the firefighter who switched jobs every 2 months, bought himself a different FHA house and because he could buy it for 50 percent of appraised value, he was buying \$100,000 houses for \$50,000 and he was making \$300,000 flipping houses by moving jobs rather than making the pay that he was supposed to be earning as a firefighter or an EMS worker. It is going to have the reverse effect in terms of job rotation and retaining of workforce.

Mr. LAFALCE. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. LAZIO).

Mr. LAZIO. Mr. Chairman, let me just say I have had many discussions with the gentleman from Oklahoma for whom I have respect. I know he brings this amendment in all good faith in an attempt to strengthen the bill. As he has already outlined, it has a number of very positive aspects to it. I am going to regretfully oppose this amendment because I think it dilutes one of the very important tools that we are providing to local communities, to provide them with the flexibility of meeting the needs of both attracting and retaining people who are providing critical services.

The idea of making sure that we can offer incentives to teachers who would otherwise not be able to own their own home to stay in the community is a very positive thing to serve as a role model or a mentor. The idea that we would provide an incentive for a police officer who is patrolling the local area to actually live in the local area and raise their family when they have a stake in it is a very positive aspect of this bill.

What we are saying here is we are not forcing anybody to do it, we are giving local communities the ability to control, the flexibility to try and fashion their own programs. I would say the same is true as well with firefighters and others who provide critical municipal services.

What we are trying to do is two things here, Mr. Chairman: One is to

boost homeownership opportunities, to get more people into homes, to have more Americans sharing the American dream, and also strengthening America's communities by building that social capital.

But we have got to do that in a balanced way. We cannot undermine the basic targeting provisions. We cannot fall victim to criticism that somehow we are shifting our resources to the very high income. But we have got to recognize that there are high cost areas where teachers and police officers and firefighters cannot afford to live without a little Federal help. We want to give them a little Federal help without undermining the FHA program. This is exactly what the gentleman from New York (Mr. LAFALCE) has said.

I would add, in addition, to what my good friend from South Carolina mentioned. It would be fraudulent, it would be against the law for somebody to game this system. They would be subject to criminal penalties to do that. That will not be permitted. That will not be permitted for somebody to be able to buy a home every 3 months and turn it over.

Mr. SANFORD. Mr. Chairman, will the gentleman yield?

Mr. LAZIO. I yield to the gentleman from South Carolina.

Mr. SANFORD. Mr. Chairman, I think we could debate whether or not an individual would be gaming the system based on what the Secretary eventually came out in terms of regulation behind this bill. But I think there is a larger issue here which is quite simple and, that is, if this bill goes through without this correcting amendment, you could literally buy a house for 50 cents on the dollar, for half price. You could buy it for half of appraised value. Is that not correct?

Mr. LAZIO. The only thing that the gentleman I think is addressing is the 1 percent down payment option.

Mr. SANFORD. That is incorrect.

Mr. LAZIO. That is what is stricken in this amendment.

There is another part of the bill which is not affected by this amendment which speaks to homes that are foreclosed homes, HUD-held homes that might well be in distressed areas that would permit local authorities to sell these homes in distressed areas. Some of these are going to be, and this would be totally flexible. It is not mandatory.

Mr. SANFORD. It could be in the most distressed area or it could be in the most affluent area.

Mr. LAFALCE. Mr. Chairman, I yield myself such time as I may consume.

Let me simply say that I believe the gentleman from South Carolina in all his remarks was addressing an amendment and a provision that was something other than the amendment and provision in question.

Mr. COBURN. Mr. Chairman, I yield myself such time as I may consume.

This amendment does not delete the 50 percent benefit of purchasing a HUD

home at 50 percent. Let me clarify that.

Let me read what the American Federation of State, County and Municipal Workers say about pay: "It is clear that compensation packages between the private sector and public sector at the State and local level is highly competitive and does not favor one over the other."

By the union's own admission, they are competitive in their salaries. I do not question the intention of both gentlemen from New York. Their motives are pure in what they are trying to accomplish. What I say is what they are accomplishing is entirely unfair to the people who are paying the taxes that will make up for the 50 percent discount that goes with that.

If this program is so good for teachers, so good for the FHA, so good for improving the surplus, then I am sure that if they deny this amendment, they would want to support the other one, that expands that to clergy, that expands it to union members, expands it to the carpenter who builds the house when the carpenter who works for the city can buy the house. I am sure they would want to support that.

The next amendment that I am bringing up in terms of trying to correct this, I do not disagree with their motivation, but would expand this pie. And if we create 150,000 new mortgages with their amendment, we would create 300,000 if we expand the pie. What we would do is we would put it on an even basis. If we are going to pick winners, let us pick everybody to be a winner. Let us allow everyone the same opportunity.

Mr. Chairman, I reserve the balance of my time.

Mr. LAFALCE. Mr. Chairman, I yield the balance of my time to the gentleman from Massachusetts (Mr. FRANK).

The CHAIRMAN. The gentleman from Massachusetts is recognized for 1 $\frac{3}{4}$  minutes.

Mr. FRANK of Massachusetts. Mr. Chairman, the major reason for differentiation is the nexus between municipal employment and the municipality. We have in fact many municipalities which have decided to impose residency requirements. They require that certain employees live in the city. Part of the impetus for this legislation is the increasing problem when people are faced with an inconsistent set of demands.

On the one hand they are legally ordered to live in the city, and on the other hand they cannot afford it. It is not my understanding that cities order other people to live there. The people who would be covered if the gentleman from Oklahoma's expanded amendment were adopted are not subject to a requirement of municipal residency nor has anyone thought that there was a logical reason to do that.

Mr. COBURN. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from Oklahoma.

Mr. COBURN. Mr. Chairman, the only question I have is the Federal Government did not set any mandates on any city that their employees be a resident.

Mr. FRANK of Massachusetts. Right. I understand the gentleman's question. That is true. Cities, however, have done that. The fact that a mandate was not imposed by the Federal Government does not invalidate it in my mind. I believe cities have the right to make these judgments.

Independent of this legislation, many cities decided in the democratic process that governs those cities that it was helpful to have municipal employees living there, that it was helpful to promote the interaction, to have the police living there, the teachers living there. It was helpful to have these people who perform those important services living in the neighborhood.

This language facilitates that. It is not a general housing aid. It is in facilitation of an important municipal policy that they find useful to have their employees living in the communities. I am for broadening housing aid in general, and I thank the gentleman. I will be glad to be with him when the budget comes up so we can increase these programs and accommodate the increases he wants to make. But this is one with a particular nexus between the city and its employees.

Mr. COBURN. Mr. Chairman, I yield myself such time as I may consume.

The gentleman's argument is that the city should not have to live with the consequences of their own rules on their own citizens and, therefore, the Federal Government should make up that difference. That is what we are talking about.

The question that I would have for the gentleman from New York and the gentleman from Massachusetts, if in fact that is true and they do not want to support this amendment, then surely they will consider the next amendment. The reason that that is, is because if in fact we are going to take the premise that a city can require people to live within their district and then say the housing costs are so high we cannot afford to pay to fulfill this rule, that the Federal Government ought to come along, is it not fair to create in that mix a broad spectrum of people?

The gentleman from Illinois (Mr. RUSH) is going to say it is equally important to have a nurse there, a health care professional there. What can be wrong with that? Why would we not want to advantage nurses?

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. COBURN. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. What is wrong with it is that the budget that has been adopted, over the objection of the gentleman who thought it was too liberal, does not have enough money. I would be glad to join with the gentleman from Oklahoma if he would be

willing to put his money where his mouth is, if in fact he would allow the program—

Mr. COBURN. Reclaiming my time, the gentleman from New York (Mr. LAFALCE) just told us that this would enhance HUD by \$5 billion. Would enhance. Your own testimony from your side of the argument has already said that you will enhance this program by \$5 billion according to the CBO. So why not allow the gentleman from Illinois' amendment?

Mr. Chairman, the gentlewoman from California (Ms. WATERS) has an amendment to bring this back to 80 percent. If we are really concerned about fairness and spreading this money out, bring it back to 80 percent and expand the pot to everybody.

Expand the pot to the people that are paying the taxes who are not going to get any advantage out of it. Let us expand it to the union worker who actually builds a house, the union plumber who puts the plumbing in the house. He is disadvantaged. It is interesting to note that the American Homebuilders Association is opposed to these amendments. They are up here lobbying for certain people to be advantage when their own employees who are paying the taxes for it will get no benefit other than a job.

Mr. FRANK of Massachusetts. If the gentleman will yield further, I thank the gentleman for his strong endorsement of union workers. I am sure when Davis-Bacon comes up there will be—

Mr. COBURN. My union record is not all that bad if the gentleman will look at it.

Mr. FRANK of Massachusetts. The fact is that as you expand this program, it is going to cost some more money. I support greater housing aid. I would say to the gentleman I am all in favor of this. In fact I do not think it should be limited at all by occupation.

Mr. COBURN. I guess the point is, the testimony is that it is going to be enhanced by \$5 billion just what we do. And if you really think it ought to be broadened, then let us broaden it to everybody. We will defeat my first amendment but you support the second one which does broaden it and does create fairness in the housing market.

Mr. FRANK of Massachusetts. If the gentleman will yield further, I am in partial agreement with the gentleman as to the first amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma (Mr. COBURN).

The amendment was rejected.

The CHAIRMAN. It is now in order to consider amendment No. 3 printed in House Report 106-562.

AMENDMENT NO. 3 OFFERED BY MR. RUSH

Mr. RUSH. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. RUSH:  
Page 27, line 14, after "TEACHERS" insert "NURSES,".

Page 29, line 1, strike "or (bb)" and insert "(bb) a nurse (as such term is defined by the Secretary, except that such term shall include nurses employed in hospitals and nursing homes), or (cc)".

Page 30, line 3, strike "or".

Page 30, after line 3, insert the following:  
"(II) in the case of a mortgage of a mortgagor described in clause (i)(I)(bb), the jurisdiction in which the hospital, nursing home, or other place of work of the nurse is located; or

Page 30, line 4, strike "(II)" and insert "(III)".

Page 30, line 6, strike "(i)(I)(bb)" and insert "(i)(I)(cc)".

Page 73, line 16, after "of," insert "and nurses (which shall include nurses employed in hospitals and nursing homes)".

The CHAIRMAN. Pursuant to House Resolution 460, the gentleman from Illinois (Mr. RUSH) and the gentleman from New York (Mr. LAZIO) each will control 5 minutes.

The Chair recognizes the gentleman from Illinois (Mr. RUSH).

Mr. RUSH. Mr. Chairman, I yield myself such time as I may consume. First I want to commend the author of this particular bill, H.R. 1776. I think that it is a fine bill. I want to commend both the subcommittee chairman, the full committee chairman, the ranking member of the subcommittee and the ranking member of the full chairman. I think that this is a bill that is going to really solve a serious problem.

REQUEST FOR MODIFICATION TO AMENDMENT NO. 3 OFFERED BY MR. RUSH

Mr. RUSH. Mr. Chairman, I ask unanimous consent that my amendment be modified so that it applies to section 505 of H.R. 1776. Due to a drafting error, it currently applies only to section 203 and 404 of the bill.

□ 1230

The CHAIRMAN. The Clerk will report the modification to the amendment offered by the gentleman from Illinois (Mr. RUSH).

The Clerk read as follows:

Modification to Amendment No. 3 offered by Mr. RUSH:

The amendment as modified is as follows:  
Page 27, line 14, after "TEACHERS" insert "NURSES,".

Page 29, line 1, strike "or (bb)" and insert "(bb) a nurse (as such term is defined by the Secretary, except that such term shall include nurses employed in hospitals and nursing homes), or (cc)".

Page 30, line 3, strike "or".

Page 30, after line 3, insert the following:  
"(II) in the case of a mortgage of a mortgagor described in clause (i)(I)(bb), the jurisdiction in which the hospital, nursing home, or other place of work of the nurse is located; or

Page 30, line 4, strike "(II)" and insert "(III)".

Page 30, line 6, strike "(i)(I)(bb)" and insert "(i)(I)(cc)".

Page 73, line 3, before the period insert "AND NURSES".

Page 73, line 16, after "of," insert "nurses (as such term is defined by the Secretary for purposes of section 203(b)(10) of the National Housing Act (12 U.S.C. 1709(b)(10)) who are employed in a hospital, nursing home, or other place of work that is located within the jurisdiction of,".

Page 91, line 13, before the period insert "AND NURSES".

Page 92, line 8, after "(B)(i)" insert "(I)".  
Page 92, line 15, strike "and" and insert "or".

Page 92, after line 15, insert the following:  
"(II) is a nurse (as such term is defined by the Secretary for purposes of section 203(b)(10) of the National Housing Act (12 U.S.C. 1709(b)(10)) who is employed in a hospital, nursing home, or other place of work that is located within the participating jurisdiction that is investing funds made available under this title to support homeownership of the residence; and

Mr. RUSH (during the reading). Mr. Chairman, I ask unanimous consent that the modification to the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.  
The CHAIRMAN. Is there objection to the modification to the amendment offered by the gentleman from Illinois (Mr. RUSH)?

Mr. LAZIO. Mr. Chairman, I object.  
The CHAIRMAN. Objection is heard.

The Chair recognizes the gentleman from Illinois (Mr. RUSH) if he wishes to proceed on the amendment as introduced.

Mr. RUSH. Mr. Chairman, I will proceed.

The CHAIRMAN. Does the gentleman from Illinois (Mr. RUSH) wish to reserve his time?

Mr. RUSH. Yes, Mr. Chairman, I will reserve my time.

Mr. LAZIO. Mr. Chairman, I rise in opposition.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. LAZIO).

Mr. LAZIO. Mr. Chairman, I yield myself such time as I may consume.

I know that the gentleman from Illinois offers this amendment with the best of intentions to try and expand homeownership opportunities for nurses, and perhaps because my wife is a nurse and because I work closely with nurses on a number of health-related issues, I like to think of myself as not insensitive to the need to recruit and retain high-quality nurses.

But we are trying to fashion a balanced approach in this bill, and we are trying to speak to dual needs: one is boosting the promise of homeownership for people who serve our community in dangerous situations, quite often, fire fighters and police officers, people who serve our community as mentors and as teachers. We are trying to deal with the issue of recruitment, and we are trying to do this in a relatively balanced way, which is to say we are not trying to open this up to everyone.

Mr. Chairman, there are a number of different meritorious arguments that can be made for different groups that ought to have the additional flexibility to be helped to achieve homeownership. There is a lot in this bill that does this that will speak to those people. There are a lot of things in the bill that will allow nurses of modest income to achieve the dream of homeownership.

However, by expanding the 1 percent provision in this section 203, which allows 1 percent down payments beyond the balanced approach that was crafted in a bipartisan way, I think we are diluting the support that we will have to provide flexibility to local governments. We are trying to give mayors and local leaders the tools that they need to create magnets for people that serve in those very communities. While some nurses may serve in those communities, some nurses may serve in other communities. Regional hospitals or tertiary care hospitals are different in terms of who they may attract relative to schools where the people live in that area, or with respect to police departments headquarters, which also deal with the people in that local vicinity.

Mr. COBURN. Mr. Chairman, will the gentleman yield?

Mr. LAZIO. I yield to the gentleman from Oklahoma.

Mr. COBURN. Mr. Chairman, I would ask the gentleman, what about the school nurse?

Mr. LAZIO. Mr. Chairman, reclaiming my time, the provision in this bill speaks to both administrators and teachers. That is where the crisis is. That is where we are finding that we cannot, as we are seeing the explosion in the amount of children coming into our school system, fill the need to recruit and retain quality people. We are dealing with a situation where, for example, in Atlanta, teachers, starting teachers' salaries are \$29,000. They cannot get any help for homeownership. They can get no help for homeownership, because the median income in Atlanta is \$22,000; and the law says only the people that are at 80 percent of that number or under \$20,000 can qualify for that. A policeman in Atlanta cannot qualify for homeownership assistance.

So we are saying here that through the various programs, the 1 percent down payment program, through CDBG, through HOME, I know that these are not all of the issues that the gentleman from Illinois is raising, that we are trying to help provide social capital, a more solid community, and an enticement for police officers and for teachers and for fire fighters who serve that very community to achieve that dream of homeownership.

So I think because of the overexpansion, I am unfortunately going to oppose the gentleman's amendment.

Mr. RUSH. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. LAFALCE), the ranking member of the committee.

Mr. LAFALCE. Mr. Chairman, I would like to associate myself with the remarks of the distinguished chairman of the Subcommittee on Housing (Mr. LAZIO). I would have to oppose this amendment too, but yet I think the gentleman from Illinois (Mr. RUSH) has a very, very worthy purpose in mind; and I would like to work closely with

him if this amendment goes down in order to try to accomplish his goals and his purpose.

There are public nurses. There are nurses who work for publicly owned hospitals, there are publicly run nursing homes, et cetera; and I do not think that if there is such an amendment developed, that it would be inconsistent with the purposes that are articulated in the bill.

Right now, I think that the amendment that is offered is just too broadly based and would be inadequately targeted. I thank the gentleman.

Mr. RUSH. Mr. Chairman, I yield 1 minute to the gentleman from Oklahoma (Mr. COBURN).

Mr. COBURN. Mr. Chairman, I just want to point out that the gentleman's intent is a good intent, because the gentleman from New York just made the argument in Atlanta that if one is a school teacher or fire fighter, but if one is a nurse making the same amount of money living in the community, one does not have the opportunity.

We just rejected an amendment, two votes for it on a floor vote, we did not ask for a recorded vote, that said this house is overwhelmingly decided we are going to subsidize the purchase of homes for municipal employees. That is what we have just said.

So if we are going to do that, why do we not share subsidization with the people that are paying the taxes that also need help buying a home who would also qualify for that? I believe that is the gentleman's point, plus the fact that a nurse in these areas is a qualified health professional that would also be of great advantage to the community. So what we are saying is the base bill gives us a \$5 billion plus up; and we are saying, let us make it \$300,000. Let us do the rest of the homes.

Mr. RUSH. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Chairman, I rise in support of the Rush amendment. There are many economically distressed and medically underserved communities that find it virtually impossible to recruit nurses, virtually impossible. This amendment would provide nurses and those communities the same opportunities that we are providing for other individuals.

So I would associate myself with the remarks of the gentleman from New York (Mr. LAFALCE) that I would hope that we would be able to work out an agreement where there can be the encompassing of the intent of the gentleman's amendment in final passage of the bill, which is an excellent bill; and I commend all of those who worked on it, and especially do I commend the committee for the inclusion of the ability for public aid, public assistance individuals on section 8 to move towards homeownership.

Mr. RUSH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I fully support this bill, and I believe that this bill is a good bill. I believe this bill could become a better bill if, in fact, my amendment was a part of the bill. I, too, represent a disadvantaged community on the South Side of the City of Chicago, and I know the problem that is caused by the scarcity of nurses in my hospitals and in my nursing homes and in other health care facilities. This amendment is meant to address this very, very serious problem that we are facing, not only in the City of Chicago, but all across this Nation. We need to give some incentives to nurses who are committed to working in disadvantaged communities.

Mr. Chairman, I would just like to engage in a colloquy with the gentleman from New York (Mr. LAZIO), the chairman of the subcommittee, and ask him if, in fact, this amendment does get voted down, would he please assure me and other Members of the House that he will work with the ranking member and myself to make sure that we try to work on this particular amendment.

Today the House will be voting on a bill to increase homeownership among low- and moderate-income families, including teachers, police officers, firefighters.

My amendment would simply add nurses to the pool of people who are able to benefit from the downpayment and closing costs abatement on homes.

My amendment would allow the Secretary of Health and Human Services to define the term nurse. It would also specify that under the bill, nurses would be required to live in the jurisdiction where the hospital, nursing home or other place of nursing employment is located.

Many of today's nurses do not want to work in disadvantaged and underserved communities and this causes a critical shortage in these areas.

Also, because of managed care cuts and the growing health needs of an aging population there is a shortage of skilled nurses in many of our communities.

When hospitals cut nursing jobs, many leave the profession and fewer students pursue nursing degrees.

Another factor contributing to fewer skilled nurses is the aging nursing population: the average age of all registered nurses nationally was 44 years in 1996. More than 62 percent of RNs are age 40 or older. In some communities starting salaries for nurses range from \$14,000 to \$20,000.

Mr. Chairman, I urge my colleagues on both sides of the aisle to support this amendment.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. RUSH) has expired.

The gentleman from New York (Mr. LAZIO) has 1½ minutes remaining.

Mr. LAZIO. Mr. Chairman, I yield myself such time as I may consume.

In answer to the gentleman from Illinois's comments, I very much appreciate the good faith in which the gentleman from Illinois has brought this amendment. I would very much love to help nurses and other people in health care service, especially those who are employed by municipalities and are serving in that very same community.

I would say to the gentleman that I would be happy to work with the gentleman and with the ranking member to see if we can identify some means of providing the kind of support that the gentleman has raised, whether it is a rental or homeownership, but to provide some support for nurses and other people who are health care professionals as time goes on. I do not think this is the right forum for it, but I would be happy to work with the gentleman.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. RUSH).

The amendment was rejected.

The CHAIRMAN. It is now in order to consider Amendment No. 4 printed in House report 106-562.

AMENDMENT NO. 4 OFFERED BY MR. COBURN

Mr. COBURN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. COBURN:  
Page 28, line 19, after "(I)" insert "(aa)".  
Page 29, line 1, strike "or (bb)" and insert "(bb) is employed on a full-time basis as".  
Page 29, line 8, before the semicolon insert the following:

, (cc) is employed on a full-time basis by a tax-exempt authority, (dd) is employed on a full-time basis by the Federal Government, (ee) is a member of an organization under the jurisdiction of the National Labor Relations Board, (ff) is employed on a full-time basis by, or has a financial interest in, a small business, or (gg) qualifies for the child care tax credit under section 24 of the Internal Revenue Code of 1986

Page 73, line 3, strike "**EMPLOYEES**" and insert "**RESIDENTS**".

Page 73, strike lines 13 through 23 and insert the following:

"(24) provision of direct assistance to facilitate and expand homeownership among residents of the metropolitan city or urban county receiving grant amounts under this title pursuant to section 106(b) or the unit of general local government receiving such grant amounts pursuant to section 106(d), except that—

Page 73, line 25, strike "employees" and insert "residents".

Page 74, lines 11 and 12, strike "employees" and insert "residents".

Page 75, lines 2 and 3, strike "employees" and insert "residents".

Page 92, line 8, after "(B)(i)" insert "(I)".

Page 92, line 15, strike "and" and insert "or".

Page 92, after line 15, insert the following:  
"(II)(aa) is employed on a full-time basis by a tax-exempt authority, is employed on a full-time basis by the Federal Government, is a member of an organization under the jurisdiction of the National Labor Relations Board, is employed on a full-time basis by, or has a financial interest in, a small business, or is qualified for the child care tax credit under section 24 of the Internal Revenue Code of 1986, and (bb) is a resident of the participating jurisdiction that is investing funds made available under this title to support homeownership of the residence; and".

The CHAIRMAN. Pursuant to House Resolution 460, the gentleman from Oklahoma (Mr. COBURN) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Oklahoma (Mr. COBURN).

Mr. COBURN. Mr. Chairman, I yield myself such time as I may consume.

This is the amendment that we spoke about. I just want to outline basically for the Members of the body and those people at home what this amendment does.

What we have already said is if we pass this bill, we are going to subsidize middle-income America to buy homes at a cheap rate, certain groups at a lower rate than others, and that the other people who are making that same amount of money will not have the same opportunity as the people that have been ferreted out through social engineering in this bill.

So what this amendment does is it allows 1 percent down payments on FHA homes, and it would allow HOME funds to be used for down payment and closing cost assistance, as well as mortgage subsidies for the following individuals: those employed on a full-time basis for a tax-exempt authority. That means preachers, youth ministers, social workers, members of an organization under the jurisdiction of the NLRB. That means any union member would have exactly the same opportunity to buy a home, especially those that are building the homes; they are paying the taxes, they make the same amount of money; but if one happens to be a carpenter for the city, you get to buy that home, but if you happen to be the carpenter working to build that, you do not have that advantage. Those employed on a full-time basis by the Federal Government; those employed on a full-time basis by a small business, the very heart of these communities that we are trying to enhance; those who have a financial interest in a small business, as well as those who would qualify for a child-care tax credit. In addition, the amendment would allow CDBG funds to be used for down payment and closing cost assistance as well as mortgage subsidies for any resident of a community, provided that they meet the income restrictions.

This is about fairness. If, in fact, we are going to subsidize, and that is the will of this Congress, we should not at the same time pick winners and losers out of people who have exactly the same income status in this country, and that is what we are doing, regardless of our social goal.

What we are doing is saying, if one is not a fire fighter, then one cannot have this advantage, even though one may do something just as valuable in the community; or if one is not a policeman, if one is not a teacher, if one is not a municipal employee, and what we are actually saying when we do that is we are saying a municipal employee has more value than any other employee in the city who makes the same income.

To me, I think that is unfair, and I think that is one of the great flaws with this bill. I would hope that the

gentleman from New York would support the expansion of this.

Mr. Chairman, I reserve the balance of my time.

□ 1245

The CHAIRMAN. Is the gentleman from New York (Mr. LAFALCE) opposed to the amendment?

Mr. LAFALCE. I am, Mr. Chairman. The CHAIRMAN. The gentleman from New York (Mr. LAFALCE) is recognized for 5 minutes.

Mr. LAFALCE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I regret that I must rise in opposition to the Coburn amendment, because I do understand the arguments that are motivating him. But I really believe, too, that his arguments are misguided.

First of all, what we attempted to do was create a nexus between a municipal employer and a municipal employee. We said, well, maybe we ought to be able to help municipalities keep their employees living within the district that they work in.

So if they are a teacher, if they are a policeman, if they are a fireman, and if they work in the city of Tonawanda and will live in the city of Tonawanda, it will create this incentive. It is not really a subsidy, either. It is an incentive, not a subsidy. We make money, according to CBO.

What the gentleman's expansion would do is apply it virtually to the world, and therefore, the gentleman eliminates the whole concept behind it: a geographic nexus. So the gentleman would have an incentive created for an individual who lives 3 hours away. It destroys the purpose of the amendment. The gentleman does not expand the purpose of the amendment, he destroys the purpose of the amendment.

Let me continue. I have already discussed some of the benefits of the program. The Coburn amendment before us now says, why limit these benefits? First, because he eliminates the geographic nexus that we insist upon.

There are other reasons, too. There is a public purpose in helping these public servants, a public purpose that does not apply to the groups that the gentleman from Oklahoma (Mr. COBURN) would make eligible. The teachers who educate our children, the policemen who keep us safe, and the firemen who protect our home from property damage, injury, and death, all play a critical public role in our local communities.

People who work in small businesses, for example, or who qualify for the child care tax credit, may be very worthy individuals, they simply do not serve the same public function as our educators and our essential public safety officers. In particular, Section 203 and related provisions of the bill address the very real problem that school districts, police departments, and fire departments are finding it increasingly difficult to recruit and retain qualified individuals, or when they can, these individuals may not be able to live in the

local community because of the barrier of rising home prices and high down-payment requirements.

These considerations simply do not come into play in the case of the categories that the Coburn amendment would expand eligibility to include.

The other problem with this amendment is that it could have a very negative impact on the health of the FHA fund. We had CBO score our bill. They scored our bill as raising revenues, because it will provide opportunities for a large number of people not currently using FHA. Thus, the increased revenues from such added use will outweigh the cost of foregoing premiums for those borrowers that would have used the program anyway, and would just be getting more favorable treatment.

However, I do not believe the gentleman from Oklahoma (Mr. COBURN) has a CBO estimate of his amendment. In my judgment, by opening up eligibility to in effect virtually everyone in the Nation, the revenue loss could be tremendous.

The gentleman from Oklahoma (Mr. COBURN) would like to piggyback. He says, his provision makes money; therefore, mine would, too. Not at all. They deal with totally different classes of people. The effect most likely would be that the FHA, instead of generating millions of dollars in profits each year, as it current is, could end up operating at a significant loss.

Thus, the likelihood in my judgment is that this amendment, if enacted, would be a budget-buster, threatening the very program that last year provided mortgage loans to 1.3 million Americans.

Mr. COBURN. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, what the gentleman just made a logical argument for is to say that pastors and union members and small business owners are going to default at a higher rate than the groups they have selectively placed out, because in fact, earnings through this program are based on default rates. The lower the default rate, the more increased the earnings are. The assumption of his argument is that that is what would happen.

The other part of his argument, which I find completely inaccurate, is that a firefighter has more impact in a community than a pastor. I think that is wrong.

Mr. Chairman, I yield 30 seconds to the gentlewoman from Florida (Mrs. MEEK).

Mrs. MEEK of Florida. Mr. Chairman, I am not speaking against anyone, but it is extremely important that, for principle's sake, that I say that if we want these new programs, worthy as they are, then we should appropriate new funds for them. When we get into presently persistent programs that are set aside for low- and minority-income people, then we begin to find the kind of bifurcation we are finding here today: other groups are going to be coming up and ask for the same thing.

I am compelled to say to the chairman that even though the gentleman from Oklahoma (Mr. COBURN) and I never agree on anything, in terms of the expansion of this program, he is right in that we must remember these set-asides that we bring into the HOME program in the long run will cause us problems.

Mr. COBURN. Mr. Chairman, I yield the balance of my time to the gentleman from South Carolina (Mr. SANFORD).

The CHAIRMAN. The gentleman from South Carolina (Mr. SANFORD) is recognized for 1½ minutes.

Mr. SANFORD. Mr. Chairman, I would just mention to Members that if Members believe in a ruling class, then they will vote against the amendment of the gentleman from the gentleman from Oklahoma (Mr. COBURN). If Members believe in a government class, they will vote against the gentleman's amendment.

What this is about is government making the choices. That is what he has raised. We have gone from removing barriers, which is supposedly what this original bill was all about, to subsidy, and Washington getting to pick the winners and losers.

I think that is fundamentally against the idea of one man-one vote, equality in this country. I would go back to a point that was talked about earlier, which again, the gentleman's amendment, unfortunately, cannot get at, but it is a very important point.

That is, if this bill goes through in its present form, then a number of categories that Washington has chosen can buy a house for half price, while the farmer in our home district cannot buy that house for half price, while the McDonald's workers in our hometown cannot buy that house for half price, while the person who cuts timber in our backyard cannot buy a house for half price, or somebody working in a grocery store, or somebody who works at the local nursery school, or somebody who works in construction, they cannot buy houses at half price.

All of those are important parts of what makes up a local community. I think they have value, too. Without the gentleman's amendment, they are excluded. I do not think that is fair.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma (Mr. COBURN).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. COBURN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to House Resolution 460, further proceedings on the amendment offered by the gentleman from Oklahoma (Mr. COBURN) will be postponed.

The point of no quorum is considered withdrawn.

It is now in order to consider amendment No. 5 printed in House Report 102-562.

AMENDMENT NO. 5 OFFERED BY MR. ANDREWS

Mr. ANDREWS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Mr. ANDREWS: Page 53, after line 25, insert the following new section:

**SEC. 209. ENERGY EFFICIENCY CERTIFICATIONS.**

Section 526(a) of the National Housing Act (12 U.S.C. 1735f-4(a)) is amended—

(1) by inserting "(1)" after "(a)"; and  
(2) by adding at the end the following new paragraph:

"(2) The Secretary shall require, with respect to any single- or multifamily residential housing subject to a mortgage insured under this Act, that any approval or certification of the housing for meeting any energy efficiency or conservation criteria, standards, or requirements pursuant to this title and any approval or certification required pursuant to this title with respect to energy conserving improvements or any solar energy system, shall be conducted only by a home energy rating system provider who has been accredited to conduct such ratings by the Home Energy Ratings System Council, the Residential Energy Services Network, or such other appropriate national organization, as the Secretary may provide."

The CHAIRMAN. Pursuant to House Resolution 460, the gentleman from New Jersey (Mr. ANDREWS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I first want to express my enthusiastic support for the work that the gentleman from Iowa (Mr. LEACH) and the gentleman from New York (Mr. LAZIO) and the gentleman from New York (Mr. LAFALCE) and the gentleman from Massachusetts (Mr. FRANK) have done, and thank them for bringing to the floor a bill that will no doubt make more Americans homeowners in high-quality homes. I congratulate them.

In 1973, the phrase "oil embargo" became known to the vocabulary of most Americans for the first time. It was widely acknowledged that we needed to do something to reduce our dependence upon foreign energy. Here we are, 27 years later, and one of the major issues confronting the country is our dependence upon foreign oil.

One of the long-term strategies to reduce that dependence is to become more energy-efficient in every aspect of American life. It is to the credit of the authors of this bill and their predecessors that we are moving in that direction in the field of housing. Through various tools available to the Federal government, we are creating a situation in which more energy-efficient homes are being financed and purchased by more people.

The purpose of my amendment is to be sure that when we say that something is energy-efficient, that it really is; that the certification of what is energy-efficient is a certification that

meets a high standard, as is presently the law, and that that standard is carefully reviewed by a well-trained, well-prepared, and duly-accredited appraisal agency.

I appreciate the work that both the majority and minority staffs have done on this measure, and I appreciate the fact that there are some very valid concerns about the scope of the issue that I have raised.

In particular, we are certainly of the intention that no duly accredited organization be excluded from the provisions of this amendment. I know that the gentleman from New York (Mr. LAZIO) and the gentleman from Massachusetts (Mr. FRANK) want to be sure that the scope of the amendment is broadened to include every such qualified organization.

Secondly, I know there have been concerns raised about the availability of such inspections in all areas of the country. It is certainly not our intention, as sponsors of the amendment, to make it more difficult for any American to own or finance or refinance a home.

With that in mind, I would ask the chairman of the subcommittee, the gentleman from New York (Mr. LAZIO), to discuss this matter. It is, frankly, my intention, based upon representations that we could work on this problem together in conference, to withdraw this amendment, but I wanted to speak to him about that.

Mr. LAZIO. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from New York.

Mr. LAZIO. I thank the gentleman for yielding to me, Mr. Chairman.

I truly appreciate the gentleman's efforts to provide protection to consumers and provide the best possible options for homeowners for energy efficiency certification. The concern that I have, and I think I have spoken to the gentleman about, is about whether or not we mandate or limit options for consumers.

I would be very pleased to work with the gentleman from New Jersey as the process moves forward to try and address some of the concerns raised.

Again, I think there is a cost option and there is a choice option. I think the gentleman's intention is not to undermine either of those. He does not want to have a more expensive certification process, does not want to eliminate important options for consumers.

I think if we work together, we may be able to try and find ways to try and adjust that.

Mr. ANDREWS. Reclaiming my time, Mr. Chairman, the chairman has accurately stated my intentions, and I appreciate his intentions.

Mr. Chairman, it is my intention that we have no additional energy certification requirement than is presently in the law, that we simply address the way one is certified as meeting that requirement in a way that does not add significant cost to the

consumer, and in a way that does not limit the choices that a consumer would have in choosing a qualified certifier. That certainly accurately states my intentions.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. I thank the gentleman for yielding to me.

Mr. Chairman, the gentleman said it was his intention to acknowledge that the gentleman from New York had accurately stated his intentions. I certainly do not intentionally want to undo any of this harmony. I simply say that I join with both gentlemen in our commitment to work this out. I think they have made it very creative. We will be able to do that.

Mr. ANDREWS. Mr. Chairman, the gentleman from Massachusetts has very clearly stated everyone's intentions here, which I appreciate.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

□ 1300

The CHAIRMAN. It is now in order to consider amendment No. 6 printed in House Report 106-562.

AMENDMENT NO. 6 OFFERED BY MR. WEYGAND

Mr. WEYGAND. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 Offered by Mr. WEYGAND:  
Page 59, after line 23, insert the following new section:

**SEC. 212. PROPERTY IMPROVEMENT LOAN LIMIT FOR SINGLE-FAMILY HOMES.**

Section 2(b)(1)(A)(i) of the National Housing Act (12 U.S.C. 1703(b)(1)(A)(i)) is amended by striking "\$25,000" and inserting "\$32,500".

The CHAIRMAN. Pursuant to House Resolution 460, the gentleman from Rhode Island (Mr. WEYGAND) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Rhode Island (Mr. WEYGAND).

Mr. WEYGAND. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is a very simple amendment. It revises or amends title I of the FHA home improvement section, which is actually the oldest section of the FHA program. It was started back in 1934.

This program was intended, as it does today, to provide for mortgages for home improvements. This is done through an FHA-approved lender who makes the loans out of their own funds to eligible borrowers, through HUD and through FHA.

These are for typical kinds of homeowner improvements, whether they be

for utilities, whether they be for renovations to rooms, bathrooms, roofs, whatever it may be, but it is not for such things as luxury items, swimming pools and other things like that. It is for core essentials to make improvements to one's home.

As I said, this program was started in 1934 and over the years we have had many changes with the original loan limit. Presently, the loan limit is \$25,000 per loan. This was established approximately 9 years ago, and since that time construction costs and the rate of inflation have certainly eaten into the purchasing power of that \$25,000.

This amendment that we are offering today would simply move the limit to \$32,500, which would be equivalent to what the rate of inflation and building costs would have been over the last 9 years. In fact, what we are doing is allowing for the borrower to purchase the same amount of construction improvements in 2000, 2001, as they would back in 1991. It is not an expansion. It is just simply keeping pace with inflation.

As a matter of fact, such an index is also used in FHA 203(b), single-family loan limits that they go through every year. So it is not unusual for us to do this.

At the chairman's request, and I want to thank him for his indulgence and his assistance in this, I have talked not only with FHA but also with OMB and we have letters from both that will be coming to us by way of myself to the chairman that they are in full agreement. They have no opposition to this amendment whatsoever. They believe that it is reasonable and they will not oppose it and the administration would not oppose it.

I made that promise to the chairman because I believe that the administration should be on board with this amendment if we are to move forward with it.

Lastly, Mr. Chairman, this kind of an increase, again, has nothing to do with the existing title I program in terms of modifying or changing any of the criterion, the regulations or the oversight that would be part of title I. This is a good improvement, would allow those people who are really scratching, trying to get by to make major home improvements allow them the opportunity to do that.

Mr. LAZIO. Mr. Chairman, will the gentleman yield?

Mr. WEYGAND. I yield to the gentleman from New York.

Mr. LAZIO. Mr. Chairman, I want to thank the gentleman from Rhode Island (Mr. WEYGAND) for yielding.

Mr. Chairman, the gentleman is correct in referencing that we have had numerous discussions about this issue. The title I home improvement program is a valuable program for America. It helps some of our neediest communities achieve the dollars that they need, homeowners getting the dollars they need to put a new roof on their

house or rebuild their heating system, much the way other parts of this bill deal with the reverse equity program, allowing seniors who are house rich but cash poor tap into their equity, stay in their home, rebuild their heating system, put a new walkway in or put a new roof on without having to move out.

So these are very positive aspects of this proposal, and I support the proposal, but as I said to the gentleman I am concerned. I am concerned about the Department of Housing and Urban Development ensuring that this program is properly enforced.

We have had continuing concerns, and the gentleman from Massachusetts (Mr. FRANK) has shared these concerns, about the ability of the Department to properly enforce the law so that the worst players are eliminated and people are still able to access these dollars.

I am concerned, based on a conversation I just had only minutes ago, that HUD may not be willing to issue the kind of statement that the gentleman from Rhode Island (Mr. WEYGAND) I know has been seeking. So I would only say that I am going to support this amendment with the understanding by all parties that I want to get the green light from HUD that this will not undermine their ability for proper enforcement. If that does not come before we are able to conference this bill, then I am going to reevaluate my position.

Mr. WEYGAND. Mr. Chairman, reclaiming my time, I concur with the gentleman from New York (Mr. LAZIO), and I have said to him that we will provide not only the letters but also the support from the administration on this.

I would also like to add one last thing about the amendment. The gentleman from New York (Mr. LAZIO) is correct. We believe that there must be stronger, more vigilant guidelines and regulation of the title I program. This would not change that, and I thank the gentleman for his cooperation.

Mr. FRANK of Massachusetts. Mr. Chairman, I claim the time in opposition.

Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would say at the outset that my opposition is quite tentative, but under the rule there is no other way to get time. So in the interest of making sure that everybody has a chance to offer amendments, I am prepared to express, as I said, the mildest of opposition to this amendment. I think I am capable of being persuaded to the contrary. I am open minded. I guess one would say, Mr. Chairman, I am claiming the time as leaning against, which I believe, as I look at the parliamentarians, is acceptable under the rules.

Mr. LAZIO. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from New York.

Mr. LAZIO. Mr. Chairman, I just want to thank the gentleman from

Massachusetts (Mr. FRANK) for the bipartisan nature of the concern to ask HUD to address some of these problems that have been identified without undermining the program. There is a rule that has been proposed, as the gentleman knows, that could potentially undermine the ability of this program to be properly implemented.

I know the gentleman shares my concerns, and I am just wondering if he would like to express his concerns.

Mr. FRANK of Massachusetts. Mr. Chairman, I thank the gentleman for that. One of the things that has been very heartening about this debate and I mean this, with regard to this, with regard to the points that were made by the gentleman from Oklahoma on the previous amendment and joined by the gentleman from South Carolina, I think what we have seen is a consensus that whatever criticisms we might have had of various government housing programs in the past, sufficient improvements have been made in the way in which they are operated so we can, with some confidence now, increase funding for them.

We have come out of a period when there were two constraints on funding for government housing programs. One was the concern that they were not being well run; another, the severe deficit condition of the Federal Government. We are making very substantial progress on both.

This bill is a recognition of that, and there are some initiatives here. One of the things that we have done, we got out of the housing production business. Section 8 became purely a rental program. One of the things that was commented on, I believe by the gentleman from Wisconsin earlier, was that this bill begins to put section 8 back into a program that could help housing production because it puts it into a homeownership situation.

Obviously, one cannot use section 8 for homeownership if it is on an annualized basis. One cannot buy a home with a one-year certificate. So we are recognizing that there is some value to lengthening it.

There are other parts of this bill that try to do that. Raising the FHA limit, let me put it this way, we have a demand to raise the FHA limit. Where does that come from? People who have had good experiences with FHA. There were periods in our history when people heard FHA and thought, oh, the program is not running well. It is now running well enough so that there is considerable interest in expanding it.

The gentleman from Oklahoma made some very good points on his second amendment about expanding some of these programs, but we need to have funds with which to do that.

So I hope that the lesson of today will be, first, that we are trying as prudently as possible to expend the funds made available to us but, secondly, that we are making a very good case for an increase in funding; that the allocations that go for housing programs

ought substantially to be increased and we are going to get some further indications of that.

Mrs. MEEK of Florida. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from Florida.

Mrs. MEEK of Florida. Mr. Chairman, I agree with the gentleman, but the gentleman said one significant thing. The gentleman mentioned that these programs are good and worthy but a new appropriation is needed. Therefore, the gentleman's subcommittee should have authorized these new programs.

So if the gentleman authorizes them, then we could get them funded.

Mr. FRANK of Massachusetts. Mr. Chairman, I thank the gentleman from Florida (Mrs. MEEK), and would that it were my subcommittee. I assure my friend, the gentleman from Florida (Mrs. MEEK), that if it were my subcommittee I would authorize in a way that would stretch even her capacity to appropriate, considerable though that may be.

Mrs. MEEK of Florida. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from Florida.

Mrs. MEEK of Florida. Mr. Chairman, if that is the case then, then we can continue to authorize on appropriation bills.

Mr. FRANK of Massachusetts. Well, I am all in favor of increasing the authorization. I am not in favor of authorizing in appropriation bills. I will say, we have made a very real effort here, to the gentleman from Iowa (Mr. LEACH) and the gentleman from New York (Mr. LAZIO). In the House Committee on Banking and Financial Services, we have made a very real effort to authorize, whether it was in the debt relief area or in the housing area, and I think if the gentleman from Florida (Mrs. MEEK) would look she will note that the Subcommittee on Housing and Community Opportunity and the full Committee on Banking and Financial Services has done its work in authorizing.

The levels have been too low. I would like to see the levels be higher, but it certainly has been the case that we have done our authorization.

Mr. LAZIO. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from New York.

Mr. LAZIO. Mr. Chairman, I want to thank the gentleman from Massachusetts (Mr. FRANK) for yielding and just remark that whenever we have taken up the necessary changes in these programs, the reforms that have been called upon, it has been my position, and I think the position of the majority in the House, to move forward and try and properly fund programs, as we did with the rental vouchers of the section 8 program, to give people the choice of mobility of moving closer to a better school or closer to a job.

I want to thank the gentleman from Rhode Island (Mr. WEYGAND) for this



increase. Again, I think it helps empower people to stay in their own homes.

Mr. FRANK of Massachusetts. Mr. Chairman, let me just say that I have been persuaded, and I am no longer opposed to this.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island (Mr. WEYGAND).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 7 printed in House Report 106-562.

AMENDMENT NO. 7 OFFERED BY MS. WATERS

Ms. WATERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 offered by Ms. WATERS: Page 73, line 4, strike "(a) ELIGIBLE ACTIVITIES.—"

Page 74, strike lines 9 through 24 and insert the following:

"(B) such assistance may only be provided on behalf of low- and moderate-income persons;"

Page 76, strike lines 7 through 16.

The CHAIRMAN. Pursuant to House Resolution 460, the gentlewoman from California (Ms. WATERS) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Community Development Block Grant statutes are found in the Housing and Community Development Act of 1974. When Congress passed the Housing and Community Development Act, the primary objective of the act was to provide decent housing and a suitable living environment and expanding economic opportunities principally for persons of low and moderate-income.

Congress further declared that funds received under this act shall be used for the support of activities and the benefit of persons of low- and moderate-income. Unfortunately, the income requirements found in section 404 of H.R. 1776 violate this intent of Congress.

My amendment strikes those provisions which undermine the Community Development Block Grant.

Section 404 of the act titled Homeownership for Municipal Employees would expand the CDBG eligibility criteria for municipal employees who are first-time homebuyers.

Under the act, municipal employees who earn up to 115 percent of the area median income would be eligible for CDBG funds. Also, municipal employees in designated high cost areas who earn up to 150 percent of the area median income would be eligible for CDBG funds. In an area where the median income is \$60,000, a police officer making up to \$69,000 or so, in a high cost area, \$90,000, will now be eligible for the same pool of CDBG funds as a cashier making \$48,000 or less.

This bill allows more affluent persons to benefit from the CDBG program without expanding the funding of CDBG. Thus, less funds will be available to help the poorest communities that CDBG has intended to help.

My amendment deletes these harmful provisions and brings this bill in line with the true intent of Congress and the spirit of the Community Development Block Grant.

Mr. Chairman, I have been in conversation with two of my colleagues from the committee. The gentleman from Massachusetts (Mr. CAPUANO) will be on the floor shortly, and I have been speaking with the gentleman from Massachusetts (Mr. FRANK), and we know that we have some issues that we must address. Our communities have some different requirements, and while I must always act on behalf of my constituents and make sure that the opportunities that we have created here in government are available to them I must also pay attention to the concerns of my colleagues who serve on that committee with me who are only trying in their best way to do what is best for their constituents.

While we are going to have some discussion on this amendment today, I reserve the right to withdraw the amendment.

Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts (Mr. CAPUANO).

Mr. CAPUANO. Mr. Chairman, I just need to give out some numbers as to what prompted me to put this amendment in the committee in the first place.

I think that most people in this country do not understand the housing crisis we have in Boston. I cannot help it that Boston is one of the most expensive housing markets in the country, and my average median income is 25 percent above the national median income. That sounds great as an individual statistic, but it then does not say what housing costs.

The average apartment rent for a three-bedroom apartment, which is necessary for any family of four, hopefully desirable, is almost \$1,200 a month, and even then one is lucky if they can find one.

When we put that against the median income of the nation, it turns into 28 percent.

My concern is people paying that kind of rent, that kind of percentage of their income, could never ever put the money away for a down payment. As a matter of fact, on those numbers it would take over 20 years, if one could save 10 percent of their net income every year it would take 20 years to put enough money aside to put a down payment together.

□ 1315

That is what this amendment was intended to do. Nonetheless, I have had discussions with the gentlewoman from California (Ms. WATERS), and she has been a fantastic advocate and great

leader for me as a new Member, relative to housing matters. I would never pretend to know more about housing than she does.

With housing discussions, I think she understands my concerns. I certainly understand hers. Because of that, we have had, I think, great discussions to say, look, we have had different issues, but they are on the same page. We are moving in the same way trying to help the same type of people, with a little different constituency; and because of that, we are going to work together as often as we can on this bill and others to try to help out the people we represent.

Ms. WATERS. Mr. Chairman, I reserve the balance of my time.

Mr. LAZIO. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from New York (Mr. LAZIO) is recognized for 10 minutes.

Mr. LAZIO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to associate myself with the comments of the gentleman from Massachusetts (Mr. CAPUANO). The intent of this section and the effect of this section will be to try and help solidify the social capital in areas that are high-cost areas, because housing in Boston or in New York or in Chicago is very different than the housing costs of Mississippi and Alabama and even in Nebraska.

The gentleman from Massachusetts raised some relative costs, and I just want to add some for reference points. For example, a teacher with a starting salary of \$32,000 in Pittsburgh would never qualify for any assistance under our Federal programs. The same would be true of Chicago and Atlanta, Boston, Dallas, Oklahoma City, and Memphis. Police officers and teachers would not qualify.

So the intent is it try and help those communities that are high-cost areas where the relative high income is more than neutralized by the even higher costs of housing.

So I want to associate myself with the comments of the gentleman from Massachusetts.

I want to thank the gentlewoman from California (Ms. WATERS) for her advocacy. I would like to ask the gentlewoman if she would consider withdrawing this amendment with the understanding that the principles that she is articulating I think are still intact, both in this bill, and they are ones that I share as we talk about how to strengthen and preserve the Community Development Block Grant Program and the HOME program.

Ms. WATERS. Mr. Chairman, will the gentleman yield?

Mr. LAZIO. I yield to the gentlewoman from California.

Ms. WATERS. Mr. Chairman, I think that I have already signaled my intent, so that question is moot. But I would like to ask the gentleman from New York, would he consider going with me to the Committee on Appropriations to

expand the amount of CDBG money so that we can expand the population of people who can be taken care of, taking in consideration those who are above the limits that are allowed in CDBG. Would the gentleman do that?

Mr. LAZIO. Mr. Chairman, reclaiming my time, I would say to the gentlewoman, I am a strong advocate of increasing the proportionate share of dollars that go to housing and the Community Development Block Grant program, because the flexibility of the program is a very important part of housing. So I would say I am happy to advocate for more dollars for housing for our neediest citizens.

Ms. WATERS. Mr. Chairman, if the gentleman will yield, then I take it that the gentleman from New York and I will go together.

Mr. Chairman, I yield 1 minute to the gentlewoman from Florida (Mrs. MEEK).

(Mrs. MEEK of Florida asked and was given permission to revise and extend her remarks.)

Mrs. MEEK of Florida. Mr. Chairman, I first applaud the Subcommittee on Housing and Community Opportunity for having put this program together. I have cautioned them. I have some concerns. It is a good bill, and everybody is loving it to death. But there are some things in the bill that I think my colleagues need to pay attention to, and the gentlewoman from California (Ms. WATERS) just finished talking about them. My colleagues just cannot overlook them.

First of all, when one begins to fool around with income eligibility in programs like CDBG and HOME, one opens oneself up for broad parameters that one may not be able to fill. Remember, these programs are block grant programs. They are supposed to be given to the local areas. The decisions are not supposed to be made here in the Congress.

This block grant program goes into one's local areas, and they decide what should be done with this block grant money. If we decide here in Washington what Westchester should do with its CDBG monies, we are wrong. That money should be left up to Westchester County what they do with it.

So I caution my colleagues, even though I am going to work with the gentlewoman from California (Ms. WATERS) and the committee and everyone else when the gentlewoman is withdrawing this, please understand that my colleagues are treading on very, very weak ground.

Mr. Chairman, I thank the gentlewoman from California for bringing it to our attention.

Mr. Chairman, I rise in strong support of the Waters amendment.

The Waters amendment strikes the provisions of the bill that allow "higher income" teachers and uniformed municipal employees to receive homeownership assistance through the CDBG program.

Title IV of H.R. 1776 would allow this assistance to households with incomes at 150 per-

cent of the median in "high housing cost areas". In 1999 there were six metro areas with "high housing costs". So, for example in the Westchester, NY, area, a household with \$124,650 could get CDBG money; or, in Nassau/Suffolk County, NY, a household with \$114,750 could get CDBG aid.

Another provision would also allow CDBG money to be used for downpayment and closing costs for households with incomes up to 115 percent of the areawide median income. In Boston, that would be \$75,325. In LA that would be \$59,915.

Currently, anyone, provided they make less than 80 percent of the Area Median Income qualifies for government funded downpayment assistance, closing support, and mortgage subsidies.

Why should Congress give preferential treatment to a specific class of citizens?

Why should we dilute the CDBG program by offering homeownership assistance to higher income Americans when it is clear that the CDBG program exists to aid low and moderate income people?

The primary objective in the CDBG program is to: Principally benefit low and moderate income people, and aid in the elimination and prevention of slums and blight.

We should assist municipal employees, teachers, law enforcement agents gain access to homeownership—in fact, we should assist all Americans reach this important goal.

We should not do it at the expense of the low- and moderate-income people that CDBG serves.

The Maxine Waters amendment would eliminate the language allowing households with 115 percent or 150 percent of areawide median income to benefit. The Waters amendment would allow households with incomes below 80 percent of the median (the traditional CDBG limit) to continue to benefit.

I urge to vote in support of the Waters amendment.

Ms. WATERS. Mr. Chairman, I yield 1 minute to the gentlewoman from Ohio (Mrs. JONES).

(Mrs. JONES of Ohio asked and was given permission to revise and extend her remarks.)

Mrs. JONES of Ohio. Mr. Chairman, I say to the gentlewoman from California (Ms. WATERS), I rise in support of her amendment.

Mr. Chairman, I would like to voice the same concerns that have been voiced by the gentlewoman from Florida (Mrs. MEEK). I recognize in the communities like the gentleman from Massachusetts (Mr. CAPUANO) and other communities where there are large urban centers where the cost of housing is significant, that they find themselves in a dilemma.

I also am very supportive of law enforcement folks and uniform persons and teachers. But, again, the purpose of the enactment of these dollars was for low-income communities and low-income persons.

When one begins to work on or improve and increase the median increase by some percentage to allow others to walk into this program, then one decreases the opportunity for low-income people to be involved in the program, especially when one provides no addi-

tional dollars for this particular program.

It is important that, even though we want to encourage people to move back into cities, like police officers and teachers, and be a part of the community, we want the community people as well to be able to stay in the district. If we do not allow the community people access to the funds that were created for them, we create a problem.

Mr. Chairman, I rise today in support of the Waters amendment. I rise in support of striking the language in section 404 that raises the CDBG income eligibility to 115 percent and in high cost areas, to 150 percent.

Mr. Chairman, housing and expanding homeownership is of great concern in the 11th Congressional District of Ohio as well as across this Nation. We must continue to explore ways to provide affordable housing for all.

Mr. Chairman, I want it also noted that I support teachers and uniformed employees. I also support efforts to expand their homeownership. While I applaud the efforts of this bill to provide homeownership opportunities for uniformed employees, however, I believe the bill as it is currently written is a reverse Robin Hood. Yes, it robs neighborhoods all over this Nation. Since there is no additional funding for this median income hike, communities that use CDBG funds for childcare, social services, and development are robbed.

Mr. Chairman, the CDBG program was developed for those with low to moderate incomes. Since, 1974, CDBG has been the backbone of communities. CDBG provided a flexible source of grant funds for local governments to devote to particular development projects and priorities. There were some provisions, however, for this support. CDBG offered grant funds, provided that these projects either (1) benefit low- and moderate-income persons; (2) prevent or eliminate slums or blight; or (3) meet other urgent community development needs. Let us not move from that important purpose.

Mr. Chairman, in determining eligibility, low- and moderate-income persons was generally defined as "members of a family earning no more than 80 percent of the area median income." This proposed bill allows CDBG and HOME money to be used to help people with incomes up to 115 percent of the area median income buy homes. In addition, in areas the Secretary deems "high housing" cost areas, this percentage shoots up to 150 percent. This potentially means that a uniformed employee making \$94,000 could get CDBG help to buy a home.

Mr. Chairman, low-income households do not generally benefit from the allocation of CDBG funds in proportion to the severity of their needs. Then, let us not further diminish low-income households' access to CDBG by allowing those with greater means to benefit in proportion to their needs.

Moreover, under current law, low- and moderate-income people only receive 50 percent assistance for downpayment assistance. This section allows 100 percent downpayment aid for uniformed employees. We cannot continue to take from the least of these.

If we want to expand homeownership opportunities for teachers and uniformed employees, let us do it the right way. Let us draft legislation to deal with this concern.

What is the reality here? There are but so many pieces of the pie to be sliced. To continue providing slices without baking additional pies only means one thing . . . someone gets left out. Who's that? Usually, it is the folks who need help the most. We must change that.

Let us move back to the 80 percent level. Support the Waters amendment.

Ms. WATERS. Mr. Chairman, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Chairman, let me join in congratulating the gentlewoman from California (Ms. WATERS) for this particular amendment. I wanted to particularly come and support this amendment, but as well, associate my concerns with the overall impact of legislation that may move decision-making on these funds to a broader umbrella than the local community.

In particular, in this booming economy we must look at the question of the economic divide. This whole legislative initiative from its very beginning was to bring up those, was to lift the boats of those who could least afford opportunities for housing.

In our communities today, there is still the great divide of homeownership. The lack of homeownership falls upon those who have the least amount of income. It would be terrible to take away this umbrella, this boat, if you will, from these individuals, to give them the opportunity, the working poor, to own homes.

Whenever one goes into communities, what they ask for most is I would like to be a homeowner, to raise my family. So it is appropriate that we keep the income level so that those people who suffer in the least of the economic areas can as well provide, have the opportunity for housing.

Ms. WATERS. Mr. Chairman, may I inquire how much time is remaining.

The CHAIRMAN. The gentlewoman from California (Ms. WATERS) has 2½ minutes remaining. The gentleman from New York (Mr. LAZIO) has 7½ minutes remaining.

Ms. WATERS. Mr. Chairman, do I have the right to close on this debate?

The CHAIRMAN. No. The gentleman from New York (Mr. LAZIO) has the right to close.

Ms. WATERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me just then make my closing of this side of the argument by saying that I really do understand the dilemma that my colleagues find themselves in, particularly the gentleman from Massachusetts (Mr. CAPUANO), who has spent some time helping me to understand his dilemma.

I am very appreciative for the cost of housing and how it is increasing. I also understand that this great economic boom that we have has increased the cost of housing. There is less housing on the market, and something must be done about that.

But I want to say to the gentleman from New York (Mr. LAZIO), my good friend, who is in the very privileged position of chairing the Subcommittee on Housing and Community Opportunity of our Committee on Banking and Financial Services that it is incumbent upon us, when we recognize these problems, to take serious and substantial action to do something about it.

I do believe we should have authorized additional funds in CDBG. We should go to the Committee on Appropriations to expand the pot so that we can take care of those who find themselves in this new situation.

What is very, very troubling is that we have still the masses of poor people and people who are working for very low wages who need desperately to have access to resources that are offered in some cities only by CDBG and other very limited opportunities to have housing.

These people, many are homeless, many of them are living two, three, four, and five families to a house. In California, we have people living in garages without running water, and they are in desperate need.

So it is very, very troubling to talk about taking this very limited pot, this pot of money, and having to spread it even with those who may need it, but who make substantially more money, and have the opportunity to purchase something while we have so many people who do not have, can never dream of having a down payment, who can never dream of homeownership without some assistance from their government.

While I am certainly going to work with my colleagues in every way that I possibly can to try and satisfy all of our concerns, I would say to those who are in the leadership, who are in power now, let us do the right thing and expand the amount of dollars that are available.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentlewoman yield?

Ms. WATERS. Yes, I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I want to say some of these programs, which are very important programs, CDBG, HOME, they have been well run for years, they have been frozen, they have been level-funded, the need has increased. I hope out of this comes an increased recognition that we need to increase the funds.

Ms. WATERS. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from California?

Mr. COBURN. Mr. Chairman, reserving the right to object, I believe the gentlewoman from California makes a great point. The reason that I am going to object to her unanimous consent is I believe the House ought to have a separate vote on moving the income requirement from 80 percent.

Mr. FRANK of Massachusetts. Mr. Chairman, I object to the unanimous

consent request. The gentleman from Oklahoma is going to object anyway, so I object now.

The CHAIRMAN. Objection is heard.

The gentleman from New York (Mr. LAZIO) has 7½ minutes remaining.

Mr. LAZIO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would address this now with this amendment obviously going forward. I appreciate the gentlewoman from California for making the request to withdraw this amendment. It would be better, I think, if the House could move forward to the other amendments. But let me just address this for a moment.

We are trying to give local communities the authority to rebuild their own backyards. We are trying to give local mayors the ability to use new housing tools to build social capital. Do we believe in that, or do we not?

Do we think that police officers and fire fighters and teachers should live in the communities that they serve in because, in many of America's communities, they cannot own a home because they cannot afford to get into a home because the cost of housing is too much.

In Oklahoma City, in Dallas, in Portland, in Boston, in Chicago and Philadelphia and Pittsburgh, if one is a starting entry-level worker who enters into the teaching profession or enters into the profession of being a fire fighter or a police officer, one is going to get boxed out. One will not be eligible for that little bit of help, not from Washington, D.C., but from a mayor that wants to provide or a local not-for-profit wants to provide, or the local community, in trying to build a strategy for revitalization, for rebuilding that community, for bringing in role models and mentors and folks that serve that community.

That is what we are trying to do here, help those communities that, from a distance, look like they are high-income communities; but when one looks a little bit closer from a relative basis, they are also very high-cost communities.

So if one is from a State that is a low-income State, one may or may not want to do this. One may or may not need to do this. But there are other communities, and the community of the gentleman from Massachusetts (Mr. CAPUANO) is one of those, perhaps where their mayor in their community wants to rebuild the infrastructure of their community by getting police officers and getting fire fighters and getting teachers and getting municipal workers to live in the community that they are supposed to serve.

□ 1330

And what is wrong with that?

Mrs. MEEK of Florida. Mr. Chairman, will the gentleman yield?

Mr. LAZIO. I yield to the gentlewoman from Florida.

Mrs. MEEK of Florida. Mr. Chairman, with great respect to the housing

chairperson, I would want to know, since the gentleman is the chairman of the authorizing committee, and the gentleman from Massachusetts (Mr. CAPUANO) and the gentlewoman from California (Ms. WATERS) both have very, very strong and valid arguments, why will the gentleman not lead the effort to authorize a program to fit the needs of the people everyone is trying to get under CDBG? In that way the gentleman will authorize it, and he will get monies and resources to do it.

But if the gentleman rides on the back of other programs, he is going to have problems.

Mr. LAZIO. Reclaiming my time, Mr. Chairman, I would say that is exactly what this bill does. This bill allows local communities to borrow against future revenue sources so they can rebuild not just one house at a time but an entire block at a time.

This bill provides the flexibility to create loan pools so people can borrow, so many, many more low-income Americans can borrow against that money to overcome the transactional barriers of downpayment or of closing costs. This bill does it. This bill does what the gentlewoman is talking about.

Mr. COBURN. Mr. Chairman, will the gentleman yield?

Mr. LAZIO. I yield to the gentleman from Oklahoma.

Mr. COBURN. Mr. Chairman, I just want to continue the point related to this amendment, which is that the vast majority of the people I think in this House are going to want to increase this limit.

The point the gentlewoman from California made is there is not enough money to go around if, in fact, we increase the limit. My reason for objecting is we ought to have a vote of the House if we are going to do that, and that was the purpose.

Mr. LAZIO. Reclaiming my time, I would just respond that I understand the gentleman's point.

And, again, I would say if we believe that local communities ought to have more control, more tools at their disposal, we will defeat this amendment. If we understand and if we embrace the idea that different parts of the country have different needs and we need to respect those needs, we will defeat this amendment.

I want to again reiterate and thank the gentlewoman for trying to withdraw this amendment.

Mr. CAPUANO. Mr. Chairman, will the gentleman yield?

Mr. LAZIO. I yield to the gentleman from Massachusetts.

Mr. CAPUANO. Mr. Chairman, I thank the gentleman for yielding.

I find this to be unfortunate. The people who are proposing the amendment are working with us to try to come to a mutual agreement, and the people who really do not do much about housing do not want us to.

I want to make two points. Number one, this amendment does not do any-

thing to take the decisions out of local control. It simply allows the director of HUD to designate some communities, only some, that are high cost areas. That is all it does. That is all it does. Nobody has to do this. If a local community does not want to do it, they do not do it.

I will tell my colleagues that not more than 15 months ago I was the mayor of a city that is an entitlement community under a block grant. I did this. This is what I did.

Mrs. MEEK of Florida. Mr. Chairman, will the gentleman yield?

Mr. LAZIO. I yield to the gentlewoman from Florida.

Mrs. MEEK of Florida. I would simply say to the gentleman from Massachusetts that he does not need a Federal statute.

Mr. CAPUANO. Well, Mr. Chairman, if the gentleman will continue to yield, I would just say to the gentlewoman, not with a 150 percent income. We do need those standards.

Mr. GREEN of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. LAZIO. I yield to the gentleman from Wisconsin.

Mr. GREEN of Wisconsin. Mr. Chairman, I thank the gentleman for yielding to me.

Too much of this discussion, I think, is looking at the only benefit derived from this bill and from this program as being the family that is enrolled in it and actually utilizing the loan. It is ignoring the fact that there is a public good in stabilizing neighborhoods.

Neighborhoods are stabilized by creating mixed-use, mixed-income homeownership. That is how we stabilize deteriorating neighborhoods. That is how we stop the core of deterioration from spreading outward.

The part of the goal here is to stabilize neighborhoods; to give local officials the ability to stabilize and to protect and to solidify the good that is going on in so many communities. It is a great idea that I think the gentleman from Massachusetts (Mr. CAPUANO) has had. It allows more local officials greater flexibility in the tools that they need, that they need to manage the good that is going on in the communities all across the Nation.

I strongly support it, and I do oppose the gentlewoman's amendment.

Mr. LAZIO. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from California (Ms. WATERS).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. COBURN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to House Resolution 460, further proceedings on the amendment offered by the gentlewoman from California (Ms. WATERS) will be postponed.

The point of no quorum is considered withdrawn.

The CHAIRMAN. It is now in order to consider amendment No. 8, printed in House Report 106-562.

AMENDMENT NO. 8 OFFERED BY MR. SHAYS

Mr. SHAYS. Mr. Chairman, I offer amendment No. 8, made in order under the rule.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 8 offered by Mr. SHAYS:  
Page 78, line 18, strike "\$260,000,000" and insert "\$292,000,000".

The CHAIRMAN. Pursuant to House Resolution 460, the gentleman from Connecticut (Mr. SHAYS) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from Connecticut (Mr. SHAYS).

Mr. SHAYS. Mr. Chairman, I yield myself such time as I may consume, and since this amendment is sponsored by myself, as well as the gentleman from New York (Mr. NADLER), the gentleman from New York (Mr. CROWLEY), and the gentlewoman from Maryland (Mrs. MORELLA), I will be yielding to those three colleagues as well.

What this amendment does is it increases the fiscal year 2001 funding authorization for the Housing Opportunity for Persons With AIDS, HOPWA, program from \$260 million to \$292 million, the minimum level determined necessary by the HIV/AIDS community to meet the needs of people living with HIV/AIDS. HOPWA is now funded at about \$232 million.

There is a housing crisis for individuals living with AIDS. Many will face a housing crisis at some point during their illness as a result of the increased medical expenses and lost wages. HOPWA was created to address this growing problem. It is one of the most cost-effective ways to ensure that people living with HIV/AIDS have adequate and affordable housing.

Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. NADLER).

Mr. NADLER. Mr. Chairman, I rise to urge the Members of this House to vote for the Shays-Nadler-Crowley-Morella amendment, and I want to commend the gentleman from Connecticut (Mr. SHAYS) for his leadership on this amendment.

Mr. Chairman, at any given time, one-third to one-half of all Americans with AIDS are either homeless or in imminent danger of losing their homes. These are people who face discrimination or have lost their jobs because of illness or, most cruelly, are placed in the untenable position of choosing between expensive lifesaving medications and other necessities, such as shelter.

This is where HOPWA comes in. HOPWA is the only Federal housing programming that specifically provides cities and States with the resources to address the housing crisis faced by people living with AIDS. It is a locally controlled program that provides maximum flexibility to States and communities to design and implement the

strategies that best respond to local housing needs.

Currently, fiscal year 2000 funds are serving people in over 67 cities across 34 States. This is a well-run, far-reaching, and successful program. But as the success of HOPWA grows, so too does the need for funding. Ironically, as a result of the recent advances in medical science and in care and treatment, the people currently being housed are living longer and the waiting list for these programs are growing even longer.

On top of these strains on funding, new geographic areas join HOPWA every year. Without a significant increase in funding, it will be unable to serve those already in the program, not to mention those who now seek to join it. Without proper funding for HOPWA, people with HIV and AIDS will continue to die prematurely and perhaps unnecessarily in hospital rooms, in shelters, and on the streets of our cities.

I urge the adoption of this amendment.

Mr. SHAYS. Mr. Chairman, I yield 2 minutes to the gentlewoman from Maryland (Mrs. MORELLA).

Mrs. MORELLA. Mr. Chairman, I rise in strong support of the Shays-Nadler-Crowley-Morella amendment, which would increase the fiscal year 2001 authorization for the Housing Opportunities for People with AIDS program from \$260 million to \$292 million, which is the amount identified by a number of national HIV/AIDS coalitions as the minimum level needed to adequately meet the needs of those living with HIV/AIDS.

I also want to thank the gentleman from Connecticut (Mr. SHAYS) particularly for his leadership on this issue.

This HOPWA program has strong bipartisan support. It is the only Federal housing program that specifically provides cities and States hardest hit by the AIDS epidemic with the resources to address the housing crisis felt by people who are faced by people who are living with AIDS.

It is true that the number of AIDS-related deaths has begun to decline, thanks to dramatic new treatments and improvements in care. However, HIV/AIDS remains the major killer of young people and is the leading cause of death for African and Hispanic Americans between the ages of 25 and 44.

The high cost of new treatments has often forced people to decide between essential medications and other necessities, such as housing. Further, stable housing is critical to the success of the drug regimen. The medication often must be refrigerated and taken on a rigid time schedule. So without adequate housing, people with HIV/AIDS may not only be unable to adhere to the strict regimen but also premature death may result from poor nutrition, exposure to other diseases, and lack of Medicare.

At any given time, one-third to one-half of all people with AIDS are either

homeless or on the verge of losing their homes. HOPWA addresses this need by providing reasonably priced housing for thousands of individuals, and yet the demand far outstrips the supply.

I just want to point out that at a daily cost of \$1,085 per day under Medicaid, acute care facilities are more expensive than HOPWA community housing, which averages \$55 to \$110 per day.

This is a good amendment. I strongly support it.

Mr. SHAYS. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. CROWLEY).

Mr. CROWLEY. Mr. Chairman, I am a strong supporter of H.R. 1776 and commend my colleagues, the chairman of the committee, the gentleman from Iowa (Mr. LEACH); and my friend, the gentleman from New York (Mr. LA-FALCE); along with my other good friend and colleague, the gentleman from New York (Mr. LAZIO) for their hard work on this bill which will expand housing opportunities for all Americans.

While I support H.R. 1776 and its intentions to make affordable homeownership available to more Americans, I think we can make this bill a little better. I am pleased to join my colleagues, the gentleman from Connecticut (Mr. SHAYS), the gentleman from New York (Mr. NADLER), and the gentlewoman from Maryland (Mrs. MORELLA) in offering an amendment to authorize the Housing Opportunities for People With AIDS, also known as the HOPWA program, from \$260 million to \$292 million.

While new breakthrough drugs have extended the life of people living with HIV and AIDS, there are still many affected by this disease who are unable to work and who are too sick to provide for themselves. These people have to make the decision to take life-extending and lifesaving drugs or pay for a roof over their heads.

It is estimated that 60 percent of the people living with HIV/AIDS require some sort of assistance during their course of illness. People with HIV/AIDS have continually experienced housing discrimination, from being thrown out of their current living situations to outright being denied housing by some landlords. In my Congressional district, a group called Steinway Child and Family Services provides what is one of the largest confidential housing programs for people with AIDS that is funded in part with HOPWA funding.

We cannot throw families out on the street, Mr. Chairman. HOPWA saves taxpayers' money by allowing people to live in their own house or apartment in a healthy, safe setting. We save money that would be spent on acute care facilities to treat the same people.

This is what the gentlewoman from Maryland (Mrs. MORELLA) was talking about. It costs the taxpayers over \$1,000 a day to pay for Medicaid treatment for homeless persons in a nursing home who are sick with AIDS. That adds up to almost \$400,000 a year. It costs the

taxpayers only \$55 to a \$110 a day to keep the same person in their own home or a group care facility under the HOPWA program.

HOPWA makes sense. I urge my colleagues to support the Shays-Nadler-Crowley-Morella amendment.

Mr. SHAYS. Mr. Chairman, I yield 30 seconds to the gentleman from California (Mr. CUNNINGHAM), our distinguished Vietnam veteran.

Mr. CUNNINGHAM. Mr. Chairman, as a conservative Republican I rise in strong support of the Shays-Nadler-Crowley-Morella amendment.

I am a member of the Subcommittee on Labor, Health and Human Services, and Education of the Committee on Appropriations, and we recently went to NIH. We saw a young man that had contracted HIV in 1989. Because of medicines, he has bought a home, he has hope in his life, he has bought stocks and bonds, but he still has a difficult time.

I think this is a noteworthy amendment, and I think fiscal conservatives and people that care about people will realize this is a well-intentioned amendment. I strongly support it.

Mr. SHAYS. Mr. Chairman, I yield 30 seconds to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the gentleman for yielding me this time, and I want to give my wholehearted support for this outstanding amendment and to all those who have authored it.

There is nothing that lessens the lifetime of those with active HIV/AIDS than not to have housing. In my own community of Houston, we know there are at least 10,000 homeless persons on the streets every night. Some of those, unfortunately, are suffering from HIV/AIDS.

To give clean, safe, secure housing in our communities and to provide non-profits who work with these individuals suffering from HIV/AIDS in all of our communities, but particularly in the communities where it is growing among our minority populations, Hispanics and Africans Americans, this is a great opportunity. And I support the amendment, and ask my colleagues to vote for it.

Mr. SHAYS. Mr. Chairman, may I ask how much time we have remaining?

The CHAIRMAN. The gentleman from Connecticut (Mr. SHAYS) has 2½ minutes left.

Mr. SHAYS. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Is there a Member in opposition?

Mr. LAZIO. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. Is the gentleman opposed to the amendment?

Mr. LAZIO. Yes, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from New York (Mr. LAZIO) is recognized for 10 minutes.

Mr. LAZIO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I do not think there is a Member of this House that is a better or more sincere advocate for the homeless or for people who have housing needs and who also suffer with AIDS than my good friend from Connecticut (Mr. SHAYS), and I have enormous respect for him and what he is trying to accomplish here.

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There is no doubt, there is no doubt that there is significant unmet demand for housing opportunities for people who are living with AIDS, and the need for supportive services, the need for those type of life-sustaining supportive services, I think, for most of the folks who are involved in the housing community without question.

I would say to the gentleman from Connecticut (Mr. SHAYS) that my concern is only with the magnitude of the request in this amendment. What I try to do and what I advocate for and what I think the House generally does is to provide guidance in an authorization vehicle for appropriators, but reasonable guidance, so that we will have the credibility to actually get to where we want to go.

In this case, the authorization that is in the underlying bill is an increase over existing dollars for HOPWA, meets the President's budget request, and while there is a good case which has been made by the gentleman from Connecticut (Mr. SHAYS) and others for increase, I am concerned about the size of the increase, and the fact that we need to live within our means.

I am wondering if I can enter into a colloquy with the gentleman from Connecticut (Mr. SHAYS) on this because, again, while I have the utmost respect not only for the gentleman, but what the gentleman is doing here, I also am trying to keep in mind the fact that we have to offer an authorization bill that is sustainable, not just this year or next year, but over the years that follow through the appropriations process.

I know the gentleman from Connecticut (Mr. SHAYS) has been a great fiscal conservative, and the gentleman is also an advocate for this program and for other housing programs.

I am wondering if there is some way that we can reach a reasonable understanding that would meet our dual goals, if we can try and compromise on this, which I do not think is a dirty word; I think it is an honorable word.

Mr. SHAYS. Mr. Chairman, if the gentleman will yield, I would love to respond by first saying the gentleman from New York (Chairman LAZIO) is very gracious in his words about me. This is an amendment truly offered by the gentleman from New York (Mr. NADLER), the gentleman from New York (Mr. CROWLEY) and the gentleman from Maryland (Mrs. MORELLA); and they have been working on these issues for a number of years. I know the gentleman from New York (Mr. NADLER), in particular, as well as the

gentlewoman from Maryland (Mrs. MORELLA), are aware of the gentleman's concern that the appropriators may not provide the funds necessary to meet the authorization.

Mr. Chairman, I would suggest that if my colleague thought that if we were to reduce this amendment somewhat that the gentleman could be supportive, the gentleman's support and obviously the support of the gentleman from New York (Mr. WALSH) ultimately, while he cannot commit to that now, would obviously be essential.

I am prepared without objection from my colleagues in this amendment to offer a unanimous consent request.

MODIFICATION TO AMENDMENT NO. 8 OFFERED  
BY MR. SHAYS

Mr. SHAYS. Mr. Chairman, I ask unanimous consent that our amendment be modified in the form that I have placed at the desk.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification to Amendment No. 8 offered by Mr. SHAYS:

In lieu of the matter proposed to be inserted, insert "\$275,000,000".

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. NADLER. Mr. Chairman, reserving the right to object, let me say that we have worked with the gentleman from Connecticut (Mr. SHAYS) and the gentlewoman from Maryland (Mrs. MORELLA); and they both have been very active on this and very accommodating, and we on this side agree with the modification. We have no objection.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. LAZIO. Mr. Chairman, reserving the right to object, I would like to yield to the gentleman from Connecticut (Mr. SHAYS), and I appreciate the fact that he has made this unanimous consent request which I support, and I think it is a very responsible and reasonable suggestion that meets our dual imperatives of helping those most in need, but also doing it in a fiscally responsible way.

I would support the amendment with the unanimous consent request.

Mr. SHAYS. Mr. Chairman, will the gentleman yield?

Mr. LAZIO. Further reserving the right to object, I yield to the gentleman from Connecticut.

Mr. SHAYS. Mr. Chairman, I would feel out of place if I did not mention my predecessor, Stuart B. McKinney, died of AIDS-related pneumonia, and his wife, Lucy, has carried on his work as chairman of the Stuart B. McKinney Foundation dedicated to helping people living with AIDS.

In his memory, I feel very motivated to offer this amendment and appreciate my colleague for accepting the modified version of the amendment and,

particularly, appreciate my colleagues, the gentleman from New York (Mr. NADLER), the gentleman from New York (Mr. CROWLEY) and the gentlewoman from Maryland (Mrs. MORELLA), for their participation.

Mr. LAZIO. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The CHAIRMAN. The amendment is modified.

The Committee will rise informally.

The SPEAKER pro tempore (Mrs. MORELLA) assumed the chair.

#### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Ms. Wanda Evans, one of his secretaries.

#### REQUEST TO INCLUDE EXTRANEOUS MATERIAL IN COMMITTEE OF THE WHOLE ON H.R. 1776, AMERICAN HOMEOWNERSHIP AND ECONOMIC OPPORTUNITY ACT OF 2000

Mr. FRANK of Massachusetts. Madam Speaker, could I ask unanimous consent to include subsequent to my remarks on the general debate extraneous material?

The SPEAKER pro tempore. The Committee rose only informally, and the Chair will not entertain that request at this time.

The Committee will resume its sitting.

#### AMERICAN HOMEOWNERSHIP AND ECONOMIC OPPORTUNITY ACT OF 2000

The Committee resumed its sitting.

Ms. PELOSI. Mr. Chairman, I strongly support the Shays/Nadler/Crowley/Morella amendment to increase authorized HOPWA funding to \$292 million for FY2001. This increase will allow the HOPWA program to meet current needs and bring additional newly eligible communities into this effective program.

The need for housing assistance among those living with HIV/AIDS is greater now than ever. As new treatments allow infected individuals to live longer, new HIV infections are continuing at a steady rate. This means that the overall number of people living with HIV/AIDS has grown to its highest level ever. The new treatments that are extending so many lives involve a complicated regimen of medications, requiring certain medications to be taken at certain times, certain medications to be taken after eating, and still others on an empty stomach. This makes adherence very difficult, and nearly impossible with stable housing.

More than 200,000 people with HIV/AIDS are currently in need of housing assistance, and 60% of those living with this disease will need housing assistance at some point during their illness. HIV prevalence within the homeless population is estimated to be ten times greater than infection rates in the general population. In addition, homeless individuals are