

113TH CONGRESS
1ST SESSION

H. R. 1997

To allow investor participation in the loan rehabilitation program authorized under section 203(k) of the National Housing Act.

IN THE HOUSE OF REPRESENTATIVES

MAY 15, 2013

Mr. MCKEON (for himself and Mr. PETERS of California) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To allow investor participation in the loan rehabilitation program authorized under section 203(k) of the National Housing Act.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Communities Achiev-
5 ing Sustainability Act”.

6 **SEC. 2. INVESTOR PARTICIPATION IN FHA REHABILITA-**
7 **TION PROGRAM.**

8 (a) INVESTOR PARTICIPATION.—

9 (1) IN GENERAL.—The Secretary shall, upon
10 application by a mortgagee and approval of such ap-

1 plication by the Secretary, insure and make commit-
2 ments to insure rehabilitation loans (including ad-
3 vances made during rehabilitation) which are eligible
4 for insurance under section 203(k) of the National
5 Housing Act (12 U.S.C. 1709) made by financial in-
6 stitutions in order to assist in the rehabilitation of
7 1- to 4-family structures used primarily for residen-
8 tial purposes.

9 (2) ELIGIBLE MORTGAGORS.—Notwithstanding
10 any other provision of law or regulation, such reha-
11 bilitation loans insured pursuant to this Act shall in-
12 volve a mortgagor who is an investor.

13 (b) TERMS AND CONDITIONS.—Such commitments to
14 insure and such insurance shall be made upon such terms
15 and conditions which the Secretary may prescribe pursu-
16 ant to this Act and which are consistent with the provi-
17 sions of subsections (b), (c), (e), (i), (j), and (k) of section
18 203 of the National Housing Act (12 U.S.C. 1709 (b),
19 (c), (e), (i), (j), and (k)), except as modified by the provi-
20 sions of this Act.

21 (c) MAXIMUM LOAN COMMITMENT.—To be eligible
22 for insurance under this Act, a mortgage shall not exceed
23 90 percent of the appraised value of the 1- to 4-family
24 structure subject to such mortgage.

1 (d) CALENDAR YEAR LIMITATION.—The Secretary
2 may insure, or enter into a commitment to insure, up to
3 four 1- to 4-family structures for an investor described
4 in subsection (a)(2) during a calendar year.

5 (e) MORTGAGE PREMIUM.—The single premium pay-
6 ment required under section 203(k)(2)(A) of the National
7 Housing Act (12 U.S.C. 1709(k)(2)(A)) shall be increased
8 by 10 basis points for any mortgage insured pursuant to
9 this Act.

10 (f) DEFINITIONS.—In this Act:

11 (1) INVESTOR.—

12 (A) IN GENERAL.—The term “investor”
13 means a person who—

14 (i) obtains a rehabilitation loan for a
15 structure described in subsection (a)(1) for
16 the purpose of appreciation or production
17 of income with respect to such structure;
18 and

19 (ii) does not intend on occupying such
20 structure.

21 (B) PERSON DEFINED.—As used in this
22 subparagraph, the term “person” has the
23 meaning given such term in section 551(2) of
24 title 5, United States Code.

1 (2) MORTGAGEE; MORTGAGOR; MORTGAGE.—
2 The terms “mortgagee”, “mortgagor”, and “mort-
3 gage” have the same meanings as given such terms
4 in section 201 of the National Housing Act (12
5 U.S.C. 1707).

6 **SEC. 3. SUNSET PROVISION.**

7 The provisions of this Act shall terminate on the date
8 that is 2 years following the date of the enactment of this
9 Act and the Secretary shall not approve any application
10 described in section 2(a)(1) submitted after the conclusion
11 of such 2-year period.

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