

111TH CONGRESS  
1ST SESSION

# H. R. 2587

To limit the reinvestment by States and localities of profits under the Neighborhood Stabilization Program of the Department of Housing and Urban Development.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 21, 2009

Mrs. CAPITO (for herself and Mr. LEE of New York) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To limit the reinvestment by States and localities of profits under the Neighborhood Stabilization Program of the Department of Housing and Urban Development.

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 “Neighborhood Sta-  
5 bilization Program Reform Act of 2009”.

6 **SEC. 2. REINVESTMENT OF PROFITS.**

7 (a) 2-YEAR REINVESTMENT PERIOD.—Section  
8 2301(d) of the Housing and Economic Recovery Act of  
9 2008, as amended under the heading relating to “Comm-

1 nity Development Fund” in title XII of division A of the  
2 American Recovery and Reinvestment Act of 2009 (Public  
3 Law 111–5; 123 Stat. 218), is amended by inserting after  
4 paragraph (3) the following new paragraph:

5 “(4) REINVESTMENT OF PROFITS.—

6 “(A) PROFITS FROM SALES, RENTALS, AND  
7 REDEVELOPMENT.—

8 “(i) 2-YEAR REINVESTMENT PE-  
9 RIOD.—During the 2-year period beginning  
10 upon the date of the enactment of the  
11 Neighborhood Stabilization Program Re-  
12 form Act of 2009, any revenue generated  
13 from the sale, rental, redevelopment, reha-  
14 bilitation, or any other eligible use that is  
15 in excess of the cost to acquire and rede-  
16 velop (including reasonable development  
17 fees) or rehabilitate an abandoned or fore-  
18 closed upon home or residential property  
19 shall be provided to and used by the State  
20 or unit of general local government in ac-  
21 cordance with, and in furtherance of, the  
22 intent and provisions of this section.

23 “(ii) REDUCTION OF NATIONAL  
24 DEBT.—

1           “(I) PROFITS.—Upon the expira-  
2           tion of the 2-year period set forth  
3           under clause (i), any revenue gen-  
4           erated from the sale, rental, redev-  
5           elopment, rehabilitation, or any other  
6           eligible use that is in excess of the  
7           cost to acquire and redevelop (includ-  
8           ing reasonable development fees) or  
9           rehabilitate an abandoned or fore-  
10          closed upon home or residential prop-  
11          erty shall be transfered to the special  
12          account established by section  
13          3113(d) of title 31, United States  
14          Code, and shall be used only as pro-  
15          vided in such section to reduce the  
16          public debt.

17          “(II) OTHER AMOUNTS.—Upon  
18          the expiration of the 2-year period set  
19          forth under clause (i), any other rev-  
20          enue not described under subclause  
21          (I) generated from the sale, rental, re-  
22          development, rehabilitation, or any  
23          other eligible use of an abandoned or  
24          foreclosed upon home or residential  
25          property shall be transfered to the

1 special account established by section  
2 3113(d) of title 31, United States  
3 Code, and shall be used only as pro-  
4 vided in such section to reduce the  
5 public debt.

6 “(B) OTHER REVENUES.—Any revenue  
7 generated under subparagraphs (A), (C) or (D)  
8 of subsection (c)(3) shall be provided to and  
9 used by the State or unit of general local gov-  
10 ernment in accordance with, and in furtherance  
11 of, the intent and provisions of this section.”.

12 (b) APPLICABILITY TO STIMULUS ACT AMOUNTS.—  
13 Notwithstanding any other provision of law, the amend-  
14 ment made by subsection (a) shall apply with respect to  
15 any amounts made available under the heading relating  
16 to “Community Development Fund” in title XII of divi-  
17 sion A of the American Recovery and Reinvestment Act  
18 of 2009 (Public Law 111–5; 123 Stat. 218).

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