

118TH CONGRESS  
1ST SESSION

# H. R. 4465

To amend the National Housing Act to authorize insurance of certain mortgages to finance repairs and improvements to condominium projects, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 3, 2023

Ms. WASSERMAN SCHULTZ (for herself and Mr. POSEY) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the National Housing Act to authorize insurance of certain mortgages to finance repairs and improvements to condominium projects, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Making Condos Safer  
5 and Affordable Act of 2023”.

1 **SEC. 2. INSURANCE OF MORTGAGES FOR CONDOMINIUM**  
2 **ASSOCIATIONS TO FINANCE REPAIR AND RE-**  
3 **PLACEMENT OF COMMON FACILITIES OF**  
4 **CONDOMINIUM PROJECTS.**

5 Section 234 of the National Housing Act (12 U.S.C.  
6 1715y) is amended—

7 (1) in subsection (a), by inserting “and pre-  
8 serving” after “increasing”;

9 (2) in the first sentence of subsection (b), by in-  
10 sserting before the period at the end the following: “,  
11 and except that the term ‘mortgage’, for the pur-  
12 poses of subsection (1), includes a loan financing the  
13 costs of a rehabilitation, alteration, repair, improve-  
14 ment, or replacement of any common system, infra-  
15 structure, facility, feature, portion, or area serving a  
16 condominium project and that is secured by future  
17 lien-based mandatory unit owner payments required  
18 pursuant to State statute, a recorded declaration of  
19 covenants, or lawful rule, by-law, or guideline adopt-  
20 ed by the governing body of the condominium  
21 project, real property, or a combination thereof”;

22 (3) by adding at the end the following new sub-  
23 section:

24 “(1) INSURANCE OF MORTGAGES TO FINANCE RE-  
25 PAIRS AND REPLACEMENTS OF COMMON FACILITIES.—

1           “(1) IN GENERAL.—In addition to mortgages  
2 insured under the other provisions of this section,  
3 the Secretary may insure, in the discretion of the  
4 Secretary and under such terms and conditions as  
5 the Secretary may prescribe, a mortgage—

6           “(A) that finances, in the case of condo-  
7 minium projects, the costs of a rehabilitation,  
8 alteration, repair, improvement, or replacement  
9 of any common system, infrastructure, facility,  
10 feature, portion, or area serving the project;  
11 and

12           “(B) under which the mortgagor is the  
13 governing body of the condominium project.

14           “(2) LOAN LIMIT.—To be eligible for insurance  
15 under this subsection, a mortgage may not involve a  
16 principal obligation in an amount exceeding 90 per-  
17 cent of the cost of the proposed rehabilitation, alter-  
18 ation, repair, improvement, or replacement project.”;  
19 and

20           (4) in subsection (h), by inserting “or (l)” after  
21 “subsection (d)”.

1 **SEC. 3. INSURANCE OF MORTGAGES FOR OWNERS OF CON-**  
2 **DOMINIUM UNITS TO FINANCE SPECIAL AS-**  
3 **SESSMENTS.**

4 (a) SECTION 203(k) REHABILITATION LOANS.—Sec-  
5 tion 203(k) of the National Housing Act (12 U.S.C.  
6 1709(k)) is amended—

7 (1) in paragraph (2)—

8 (A) in subparagraph (A)—

9 (i) in clause (ii), by striking “or” at  
10 the end;

11 (ii) in clause (iii), by striking “and”  
12 at the end and inserting “or”; and

13 (iii) by adding at the end the fol-  
14 lowing new clause:

15 “(iv) in the case of a dwelling unit in a  
16 condominium and notwithstanding any other  
17 law, regulation, or guideline of the Secretary,  
18 including subpart C of part II of the FHA Sin-  
19 gle Family Policy Handbook 4000.1 of the De-  
20 partment of Housing and Urban Development,  
21 the payment of a non-regular assessment  
22 charged by the governing body of the condo-  
23 minium project to the unit owner to cover costs  
24 of a future rehabilitation, alteration, repair, im-  
25 provement, or replacement of any common sys-

1           tem, infrastructure, facility, feature, portion, or  
2           area serving the project; and”;

3           (B) in subparagraph (B), by inserting “or  
4           the funding of reserves for future project-level  
5           improvements or repairs,” after “in connection  
6           with a structure,”;

7           (2) in paragraph (3)(A)—

8           (A) by inserting “the greater of (i)” before  
9           “the sum of the estimated cost of rehabilita-  
10          tion”; and

11          (B) by inserting before the semicolon at  
12          the end the following: “, or (ii) the Secretary’s  
13          estimate of the value of the property after reha-  
14          bilitation; except that in no case shall the prin-  
15          cipal obligation exceed 115 percent of the Sec-  
16          retary’s estimate of the value of the property  
17          after rehabilitation”;

18          (3) by redesignating paragraphs (5) and (6) as  
19          paragraphs (6) and (7); and

20          (4) by inserting after paragraph (4) the fol-  
21          lowing new paragraph:

22          “(5) The Secretary shall streamline regulations and  
23          guidelines applicable to verification of rehabilitation and  
24          repair plans, management of rehabilitation work, disburse-  
25          ment of loan proceeds, and certification of work comple-

1 tion for any rehabilitation loan insured under this sub-  
2 section for purposes of payment of a non-regular assess-  
3 ment described in paragraph (2)(A)(iv) or payment of re-  
4 serves for future project-level improvements or repairs de-  
5 scribed in paragraph (2)(B) to account for management  
6 of such rehabilitation work or reserves by the governing  
7 body of the condominium project.”.

8 (b) TITLE I PROPERTY IMPROVEMENT LOANS.—Sec-  
9 tion 2 of the National Housing Act (12 U.S.C. 1703) is  
10 amended—

11 (1) in the first sentence of subsection (a)—

12 (A) by inserting “(iii)” before “financing  
13 the preservation of historic structures”; and

14 (B) by inserting before the period at the  
15 end the following: “; and for the purpose of (iv)  
16 financing, in the case of a dwelling unit in a  
17 condominium and notwithstanding any other  
18 law, regulation, or guideline of the Secretary,  
19 including subpart C of part II of the FHA Sin-  
20 gle Family Policy Handbook 4000.1 of the De-  
21 partment of Housing and Urban Development,  
22 the payment of a non-regular assessment  
23 charged by the governing body of the condo-  
24 minium project to the unit owner to cover costs  
25 of a future rehabilitation, alteration, repair, im-

1           provement, or replacement of any common sys-  
2           tem, infrastructure, facility, feature, portion, or  
3           area serving the project”; and

4           (2) in subsection (b)(1)—

5                 (A) in subparagraph (A)(i)—

6                         (i) by striking “\$25,000” and insert-  
7                         ing “\$55,000”; and

8                         (ii) by inserting before the semicolon  
9                         the following: “or a non-regular assess-  
10                         ment charged by the governing body of the  
11                         condominium project to the unit owner to  
12                         cover costs of rehabilitation, alteration, re-  
13                         pair, improvement, or replacement of any  
14                         common system, infrastructure, facility,  
15                         feature, portion, or area serving the  
16                         project”; and

17                 (B) in the matter after and below subpara-  
18                 graph (G), by adding at the end the following:  
19                 “The Secretary shall, by regulation, annually  
20                 increase the dollar amount limitations in sub-  
21                 paragraphs (A)(i), (B), and (F) (as such limita-  
22                 tions may have been previously adjusted under  
23                 this sentence) in accordance with the Consumer

- 1 Price Index for All Urban Consumers (CPI-
- 2 U).”.

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