

118TH CONGRESS
2D SESSION

S. 3644

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

IN THE SENATE OF THE UNITED STATES

JANUARY 23, 2024

Ms. CORTEZ MASTO (for herself, Ms. SMITH, Mr. FETTERMAN, and Ms. ROSEN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

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

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

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

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

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

Sec. 1. Short title; table of contents.

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

- Sec. 101. Reauthorization of Program.
 Sec. 102. Increase in Program administration resources.
 Sec. 103. Modifications of participating jurisdiction qualification threshold and process for reallocations.
 Sec. 104. Modification of jurisdictions eligible for reallocations.

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

- Sec. 201. Amendments to qualification as affordable housing.
 Sec. 202. Elimination of commitment deadline.
 Sec. 203. Reform of homeownership resale restrictions.
 Sec. 204. Home property inspections.
 Sec. 205. Revisions to strengthen enforcement and penalties for noncompliance.
 Sec. 206. Tenant and participant protections for small-scale affordable housing.
 Sec. 207. Establishment of home loan guarantee program.

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

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

TITLE IV—TECHNICAL CORRECTIONS

- Sec. 401. Technical corrections.

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

5 **SEC. 101. REAUTHORIZATION OF PROGRAM.**

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

9 **“SEC. 205. AUTHORIZATION OF APPROPRIATIONS.**

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

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

13 “(2) \$5,250,000,000 for fiscal year 2025;

14 “(3) \$5,512,500,000 for fiscal year 2026;

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

3 **SEC. 102. INCREASE IN PROGRAM ADMINISTRATION RE-**
4 **SOURCES.**

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

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

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

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

16 (B) by striking paragraph (2).

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

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

22 (1) in paragraph (3)(A)—

23 (A) by striking “(A) Except as provided in
24 paragraph (10), a jurisdiction” and inserting
25 the following:

1 “(A) ELIGIBILITY THRESHOLD.—

2 “(i) IN GENERAL.—Except as pro-
3 vided in subparagraph (B), a jurisdiction”;

4 and

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

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

14 (2) in paragraph (6)—

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

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

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

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

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

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

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

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

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

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

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

9 (1) in subsection (a)—

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

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

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

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

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

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

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

12 “(7) SMALL-SCALE HOUSING.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 (2) by striking paragraph (2);

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

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

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

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

13 (1) in subsection (b)—

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

18 (B) by striking paragraph (3);

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

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

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

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

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

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

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

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

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

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

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

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

19 “(B) when the purchase is for—

20 “(i) the purpose of—

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

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

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

4 “(IV) adding a subsidy; or
5 “(ii) another purpose determined ap-
6 propriate by the Secretary; and

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

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

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

25 “(B) has received—

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

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

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

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

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

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

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

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

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

11 “(2) ON-SITE INSPECTIONS.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 “(a) AUTHORITY.—

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

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

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

15 “(b) LIMITATIONS AND REQUIREMENTS.—

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

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

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

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

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

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

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

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

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

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

2 and

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

4 amount that is increased for inflation as deter-

5 mined by the Secretary.

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

7 a guarantee or commitment to guarantee with respect to

8 any note or other obligation if—

9 “(1) the total outstanding notes or obligations

10 of the issuer guaranteed under this section would

11 thereby exceed an amount equal to 5 times the most

12 recent allocation for the issuer under this title; or

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

14 antee constitutes an unacceptable risk.

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

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

17 a participating jurisdiction allocated funds under this Act

18 may use the funds (including program income derived

19 therefrom) for the payment of principal and interest due

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

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

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

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

24 tion.

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

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

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

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

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

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

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

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

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

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

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

1 “(h) TAXATION OF INTEREST; GRANTS TO ISSUING
2 PARTICIPATING JURISDICTION; HARDSHIP ASSIST-
3 ANCE.—

4 “(1) TAXATION OF INTEREST PAID ON GUARAN-
5 TEED OBLIGATIONS.—For purposes of the Internal
6 Revenue Code of 1986, interest paid on an obliga-
7 tion issued by a participating jurisdiction that is
8 guaranteed under this section shall be included in
9 the gross income of the recipient of the interest.

10 “(2) GRANTS TO ISSUING PARTICIPATING JU-
11 RISDICTION OF TAXABLE OBLIGATIONS FOR NET IN-
12 TEREST COSTS.—The Secretary may make, or con-
13 tract to make, grants, in such amounts as may be
14 approved in appropriation Acts, to or on behalf of
15 the issuing participating jurisdiction to cover not to
16 exceed 30 percent of the net interest cost of obliga-
17 tions issued by the participating jurisdiction that are
18 guaranteed under this section.

19 “(3) ASSISTANCE TO ISSUER IN HARDSHIP
20 CASES.—The Secretary may, to the extent approved
21 in appropriation Acts, assist the issuer of a note or
22 other obligation guaranteed under this section in the
23 payment of all or a portion of the principal and in-
24 terest amount due under the note or other obliga-
25 tion, if the Secretary determines that the issuer is

1 unable to pay the amount because of circumstances
2 of extreme hardship beyond the control of the issuer.

3 “(i) LIMIT ON OUTSTANDING OBLIGATIONS; MONI-
4 TORING USE OF GUARANTEES.—

5 “(1) LIMIT ON OUTSTANDING OBLIGATIONS.—

6 The total amount of outstanding obligations guaran-
7 teed on a cumulative basis by the Secretary under
8 this section may not at any time exceed the greater
9 of—

10 “(A) \$4,500,000,000; or

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

14 “(2) MONITORING USE OF GUARANTEES.—

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

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

23 “(i) provide that a unit of general
24 local government that receives a grant
25 under section 211 may not receive more

1 than \$35,000,000 in guarantees under this
2 section; or

3 “(ii) submit to Congress a request for
4 the enactment of legislation increasing the
5 amount of the aggregate guarantee author-
6 ity.

7 “(j) PURCHASE OF GUARANTEED OBLIGATIONS BY
8 FEDERAL FINANCING BANK.—The Federal Financing
9 Bank may not purchase a note or other obligation guaran-
10 teed under this section.

11 “(k) IMPOSITION OF FEE OR CHARGE.—The Sec-
12 retary shall collect fees from borrowers to result in a credit
13 subsidy cost of zero for guaranteeing notes or other obliga-
14 tions under this section.

15 “(l) GUARANTEE OF OBLIGATIONS BACKED BY
16 LOANS.—

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

22 “(A) offered by the Secretary or by any
23 other offeror approved for purposes of this sub-
24 section by the Secretary; and

1 “(B) based on and backed by a trust or
2 pool composed of notes or other obligations
3 guaranteed or eligible for guarantee by the Sec-
4 retary under this section.

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

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

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

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

1 “(B) the right to enforce any contract de-
 2 scribed in subparagraph (A) by any means de-
 3 termined appropriate by the Secretary; or

4 “(C) any ownership rights of the Sec-
 5 retary, as applicable, in notes, certificates, or
 6 other obligations guaranteed under this section,
 7 or constituting the trust or pool against which
 8 trust certificates, or other obligations guaran-
 9 teed under this section, are offered.”.

10 **TITLE III—REFORMS RELATING**
 11 **TO COMMUNITY HOUSING DE-**
 12 **VELOPMENT ORGANIZATION**
 13 **AND NONPROFIT PARTICIPA-**
 14 **TION**

15 **SEC. 301. MODIFICATION OF RULES RELATED TO COMMU-**
 16 **NITY HOUSING DEVELOPMENT ORGANIZA-**
 17 **TIONS.**

18 (a) DEFINITIONS OF COMMUNITY HOUSING DEVEL-
 19 OPMENT ORGANIZATION AND COMMUNITY LAND
 20 TRUST.—

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

24 (A) in paragraph (6)(B)—

25 (i) by striking “significant”; and

1 (ii) by striking “and otherwise” and
2 inserting “or as otherwise determined ac-
3 ceptable by the Secretary”; and

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

5 “(26) The term ‘community land trust’ means
6 a nonprofit entity or a State or local government or
7 instrumentality thereof that—

8 “(A) is not sponsored by a for-profit orga-
9 nization;

10 “(B) has as a primary purpose the provi-
11 sion and maintenance of housing that provides
12 long-term affordability for low- and moderate-
13 income persons;

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

18 “(i) keeps the housing affordable to
19 low- and moderate-income persons for not
20 less than 30 years; and

21 “(ii) enables low- and moderate-in-
22 come persons to purchase the housing for
23 homeownership; and

24 “(D) maintains preemptive purchase op-
25 tions to purchase the property so the housing

1 remains affordable to low-and moderate-income
2 persons.”.

3 (2) ELIMINATION OF EXISTING DEFINITION OF
4 COMMUNITY LAND TRUST.—Section 233 of the
5 Cranston-Gonzalez National Affordable Housing Act
6 (42 U.S.C. 12773) is amended by striking sub-
7 section (f).

8 (b) SET-ASIDE FOR COMMUNITY HOUSING DEVEL-
9 OPMENT ORGANIZATIONS.—Section 231 of the Cranston-
10 Gonzalez national Affordable Housing Act (42 U.S.C.
11 12771) is amended—

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

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

20 “(b) RECAPTURE AND REUSE.—If any funds re-
21 served under subsection (a) remain uninvested for a period
22 of 24 months, then the Secretary shall make such funds
23 available to the participating jurisdiction for any eligible
24 activities under this title without regard to whether a com-

1 munity housing development organization materially par-
 2 ticipates in the use of the funds.”; and

3 (3) by striking subsection (c).

4 **TITLE IV—TECHNICAL**
 5 **CORRECTIONS**

6 **SEC. 401. TECHNICAL CORRECTIONS.**

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

9 (1) in section 104 (42 U.S.C. 12704)—

10 (A) by redesignating paragraph (23) (re-
 11 lating to the definition of the term “to dem-
 12 onstrate to the Secretary”) as paragraph (22);
 13 and

14 (B) by redesignating paragraph (24) (re-
 15 lating to the definition of the term “insular
 16 area”, as added by section 2(2) of Public Law
 17 102–230) as paragraph (23);

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

19 (A) in paragraph (7), by striking “Stewart
 20 B. McKinney Homeless Assistance Act” and in-
 21 sserting “McKinney-Vento Homeless Assistance
 22 Act”; and

23 (B) in paragraph (8), by striking “sub-
 24 paragraphs” and inserting “paragraphs”;

1 (3) in section 106 (42 U.S.C. 12706), by strik-
2 ing “Stewart B. McKinney Homeless Assistance
3 Act” and inserting “McKinney-Vento Homeless As-
4 sistance Act”;

5 (4) in section 108(a)(1) (42 U.S.C.
6 12708(a)(1)), by striking “section 105(b)(15)” and
7 inserting “section 105(b)(18)”;

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

9 (A) in subsection (a)—

10 (i) in paragraph (3)(A)(ii), by insert-
11 ing “United States” before “Housing Act”;
12 and

13 (ii) by redesignating paragraph (5) as
14 paragraph (4);

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

17 (C) in subsection (e)(1)—

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

20 (ii) by striking “not to exceed 140
21 percent” and inserting “as determined by
22 the Secretary”;

23 (6) in section 215(a)(6)(B) (42 U.S.C. 20
24 12745(a)(6)(B)), by striking “grand children” and
25 inserting “grandchildren”;

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

2 (A) in subsection (a)—

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

5 (ii) by striking paragraph (3), as
6 added by section 211(a)(2)(D) of the
7 Housing and Community Development Act
8 of 1992 (Public Law 102–550; 106 Stat.
9 3756); and

10 (iii) by redesignating the remaining
11 paragraph (3), as added by the matter
12 under the heading “HOME INVESTMENT
13 PARTNERSHIPS PROGRAM” under the head-
14 ing “HOUSING PROGRAMS” in title II of
15 the Departments of Veterans Affairs and
16 Housing and Urban Development, and
17 Independent Agencies Appropriations Act,
18 1993 (Public Law 102–389; 106 Stat.
19 1581), as paragraph (2); and

20 (B) in subsection (b)—

21 (i) in paragraph (1)—

22 (I) in the first sentence of sub-
23 paragraph (A)—

1 (aa) by striking “in regula-
2 tion” and inserting “, by regula-
3 tion,”; and

4 (bb) by striking “eligible ju-
5 risdiction” and inserting “eligible
6 jurisdictions”; and

7 (II) in subparagraph (F)—

8 (aa) in the first sentence—

9 (AA) in clause (i), by
10 striking “Subcommittee on
11 Housing and Urban Affairs”
12 and inserting “Sub-
13 committee on Housing,
14 Transportation, and Com-
15 munity Development”; and

16 (BB) in clause (ii), by
17 striking “Subcommittee on
18 Housing and Community
19 Development of the Com-
20 mittee on Banking, Finance
21 and Urban Affairs” and in-
22 sserting “Subcommittee on
23 Housing and Insurance of
24 the Committee on Financial
25 Services”; and

- 1 (bb) in the second sentence,
2 by striking “the Committee on
3 Banking, Finance and Urban Af-
4 fairs of the House of Representa-
5 tives” and inserting “the Com-
6 mittee on Financial Services of
7 the House of Representatives”;
- 8 (ii) in paragraph (2)(B), by striking
9 “\$500,000” each place that term appears
10 and inserting “\$750,000”;
- 11 (iii) in paragraph (3)—
- 12 (I) by striking “\$500,000” each
13 place that term appears and inserting
14 “\$750,000”; and
- 15 (II) by striking “, except as pro-
16 vided in paragraph (4)”;
- 17 (iv) by striking paragraph (4);
- 18 (8) in section 220(c) (42 U.S.C. 12750(c))—
- 19 (A) in paragraph (3), by striking “Sec-
20 retary” and all that follows and inserting “Sec-
21 retary;”;
- 22 (B) in paragraph (4), by striking “under
23 this title” and all that follows and inserting
24 “under this title;” and

1 (C) by redesignating paragraphs (6), (7),
2 and (8) as paragraphs (5), (6), and (7), respec-
3 tively;

4 (9) in section 225(d)(4)(B) (42 U.S.C.
5 12755(d)(4)(B)), by striking “for” the first place
6 that term appears; and

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

8 (A) in subsection (a), by striking “Bank-
9 ing, Finance and Urban Affairs” and inserting
10 “Financial Services”; and

11 (B) in subsection (b), by striking “General
12 Accounting Office” each place that term ap-
13 pears and inserting “Government Account-
14 ability Office”.

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