

take any action which the Commission is authorized to take by 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 Act. Upon request of the Chairpersons of the Commission, the head of that department or agency shall furnish that information to the Commission.

(4) GIFTS, BEQUESTS, AND DEVICES.—The Commission may accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Commission. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury and shall be available for disbursement upon order of the Commission.

(5) 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.

(6) 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 responsibilities under this section.

(7) CONTRACT AUTHORITY.—The Commission may contract with and compensate Government and private agencies or persons for services, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(f) REPORT.—The Commission shall submit to the Committees on Banking and Financial Services and Appropriations of the House of Representatives and the Committees on Banking, Housing, and Urban Affairs and Appropriations of the Senate, a final report not later than December 31, 2001. The report shall contain a detailed statement of the findings and conclusions of the Commission with respect to the study conducted under subsection (b), together with its recommendations for legislation, administrative actions, and any other actions the Commission considers appropriate. Deadline.

(g) TERMINATION.—The Commission shall terminate on June 30, 2002. Section 14(a)(2)(B) of the Federal Advisory Committee Act (5 U.S.C. App.; relating to the termination of advisory committees) shall not apply to the Commission.

Subtitle C—Renewal of Expiring Rental Assistance Contracts and Protection of Residents

SEC. 531. RENEWAL OF EXPIRING CONTRACTS AND ENHANCED VOUCHERS FOR PROJECT RESIDENTS.

(a) IN GENERAL.—Section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended to read as follows:

“SEC. 524. RENEWAL OF EXPIRING PROJECT-BASED SECTION 8 CONTRACTS.

“(a) IN GENERAL.—

“(1) RENEWAL.—Subject to paragraph (2), upon termination or expiration of a contract for project-based assistance under section 8 for a multifamily housing project (and notwithstanding section 8(v) of the United States Housing Act of 1937 for loan management assistance), the Secretary shall, at the request of the owner of the project and to the extent sufficient amounts are made available in appropriation Acts, use amounts available for the renewal of assistance under section 8 of such Act to provide such assistance for the project. The assistance shall be provided under a contract having such terms and conditions as the Secretary considers appropriate, subject to the requirements of this section. This section shall not require contract renewal for a project that is eligible under this subtitle for a mortgage restructuring and rental assistance sufficiency plan, if there is no approved plan for the project and the Secretary determines that such an approved plan is necessary.

“(2) PROHIBITION ON RENEWAL.—Notwithstanding part 24 of title 24 of the Code of Federal Regulations, the Secretary may elect not to renew assistance for a project otherwise required to be renewed under paragraph (1) or provide comparable benefits under paragraph (1) or (2) of subsection (e) for a project described in either such paragraph, if the Secretary determines that a violation under paragraphs (1) through (4) of section 516(a) has occurred with respect to the project. For purposes of such a determination, the provisions of section 516 shall apply to a project under this section in the same manner and to the same extent that the provisions of such section apply to eligible multifamily housing projects, except that the Secretary shall make the determination under section 516(a)(4).

“(3) CONTRACT TERM FOR MARK-UP-TO-MARKET CONTRACTS.—In the case of an expiring or terminating contract that has rent levels less than comparable market rents for the market area, if the rent levels under the renewal contract under this section are equal to comparable market rents for the market area, the contract shall have a term of not less than 5 years, subject to the availability of sufficient amounts in appropriation Acts.

“(4) RENEWAL RENTS.—Except as provided in subsection (b), the contract for assistance shall provide assistance at the following rent levels:

“(A) MARKET RENTS.—At the request of the owner of the project, at rent levels equal to the lesser of comparable market rents for the market area or 150 percent of the fair market rents, in the case only of a project that—

“(i) has rent levels under the expiring or terminating contract that do not exceed such comparable market rents;

“(ii) does not have a low- and moderate-income use restriction that can not be eliminated by unilateral action by the owner;

“(iii) is decent, safe, and sanitary housing, as determined by the Secretary;

“(iv) is not—

“(I) owned by a nonprofit entity;

“(II) subject to a contract for moderate rehabilitation assistance under section 8(e)(2) of the United States Housing Act of 1937, as in effect before October 1, 1991; or

“(III) a project for which the public housing agency provided voucher assistance to one or more of the tenants after the owner has provided notice of termination of the contract covering the tenant’s unit; and

“(v) has units assisted under the contract for which the comparable market rent exceeds 110 percent of the fair market rent.

The Secretary may adjust the percentages of fair market rent (as specified in the matter preceding clause (i) and in clause (v)), but only upon a determination and written notification to the Congress within 10 days of making such determination, that such adjustment is necessary to ensure that this subparagraph covers projects with a high risk of nonrenewal of expiring contracts for project-based assistance.

“(B) REDUCTION TO MARKET RENTS.—In the case of a project that has rent levels under the expiring or terminating contract that exceed comparable market rents for the market area, at rent levels equal to such comparable market rents.

“(C) RENTS NOT EXCEEDING MARKET RENTS.—In the case of a project that is not subject to subparagraph (A) or (B), at rent levels that—

“(i) are not less than the existing rents under the terminated or expiring contract, as adjusted by an operating cost adjustment factor established by the Secretary (which shall not result in a negative adjustment), if such adjusted rents do not exceed comparable market rents for the market area; and

“(ii) do not exceed comparable market rents for the market area.

In determining the rent level for a contract under this subparagraph, the Secretary shall approve rents sufficient to cover budget-based cost increases and shall give greater consideration to providing rent at a level up to comparable market rents for the market area based on the number of the criteria under clauses (i) through (iii) of subparagraph (D) that the project meets.

“(D) WAIVER OF 150 PERCENT LIMITATION.—Notwithstanding subparagraph (A), at rent levels up to comparable market rents for the market area, in the case of a project that meets the requirements under clauses (i) through (v) of subparagraph (A) and—

“(i) has residents who are a particularly vulnerable population, as demonstrated by a high percentage of units being rented to elderly families, disabled families, or large families;

“(ii) is located in an area in which tenant-based assistance would be difficult to use, as demonstrated by a low vacancy rate for affordable housing, a high

turnback rate for vouchers, or a lack of comparable rental housing; or

“(iii) is a high priority for the local community, as demonstrated by a contribution of State or local funds to the property.

In determining the rent level for a contract under this subparagraph, the Secretary shall approve rents sufficient to cover budget-based cost increases and shall give greater consideration to providing rent at a level up to comparable market rents for the market area based on the number of the criteria under clauses (i) through (iv) that the project meets.

“(5) COMPARABLE MARKET RENTS AND COMPARISON WITH FAIR MARKET RENTS.—The Secretary shall prescribe the method for determining comparable market rent by comparison with rents charged for comparable properties (as such term is defined in section 512), which may include appropriate adjustments for utility allowances and adjustments to reflect the value of any subsidy (other than section 8 assistance) provided by the Department of Housing and Urban Development.

“(b) EXCEPTION RENTS.—

“(1) RENEWAL.—In the case of a multifamily housing project described in paragraph (2), pursuant to the request of the owner of the project, the contract for assistance for the project pursuant to subsection (a) shall provide assistance at the lesser of the following rent levels:

“(A) ADJUSTED EXISTING RENTS.—The existing rents under the expiring contract, as adjusted by an operating cost adjustment factor established by the Secretary (which shall not result in a negative adjustment).

“(B) BUDGET-BASED RENTS.—Subject to a determination by the Secretary that a rent level under this subparagraph is appropriate for a project, a rent level that provides income sufficient to support a budget-based rent (including a budget-based rent adjustment if justified by reasonable and expected operating expenses).

“(2) PROJECTS COVERED.—A multifamily housing project described in this paragraph is a multifamily housing project that—

“(A) is not an eligible multifamily housing project under section 512(2); or

“(B) is exempt from mortgage restructuring under this subtitle pursuant to section 514(h).

“(3) MODERATE REHABILITATION PROJECTS.—In the case of a project with a contract under the moderate rehabilitation program, other than a moderate rehabilitation contract under section 441 of the Stewart B. McKinney Homeless Assistance Act, pursuant to the request of the owner of the project, the contract for assistance for the project pursuant to subsection (a) shall provide assistance at the lesser of the following rent levels:

“(A) ADJUSTED EXISTING RENTS.—The existing rents under the expiring contract, as adjusted by an operating cost adjustment factor established by the Secretary (which shall not result in a negative adjustment).

“(B) FAIR MARKET RENTS.—Fair market rents (less any amounts allowed for tenant-purchased utilities).

“(C) MARKET RENTS.—Comparable market rents for the market area.

“(c) RENT ADJUSTMENTS AFTER RENEWAL OF CONTRACT.—

“(1) REQUIRED.—After the initial renewal of a contract for assistance under section 8 of the United States Housing Act of 1937 pursuant to subsection (a), (b)(1), or (e)(2), the Secretary shall annually adjust the rents using an operating cost adjustment factor established by the Secretary (which shall not result in a negative adjustment) or, upon the request of the owner and subject to approval of the Secretary, on a budget basis. In the case of projects with contracts renewed pursuant to subsection (a) or pursuant to subsection (e)(2) at rent levels equal to comparable market rents for the market area, at the expiration of each 5-year period, the Secretary shall compare existing rents with comparable market rents for the market area and may make any adjustments in the rent necessary to maintain the contract rents at a level not greater than comparable market rents or to increase rents to comparable market rents.

“(2) DISCRETIONARY.—In addition to review and adjustment required under paragraph (1), in the case of projects with contracts renewed pursuant to subsection (a) or pursuant to subsection (e)(2) at rent levels equal to comparable market rents for the market area, the Secretary may, at the discretion of the Secretary but only once within each 5-year period referred to in paragraph (1), conduct a comparison of rents for a project and adjust the rents accordingly to maintain the contract rents at a level not greater than comparable market rents or to increase rents to comparable market rents.

“(d) ENHANCED VOUCHERS UPON CONTRACT EXPIRATION.—

“(1) IN GENERAL.—In the case of a contract for project-based assistance under section 8 for a covered project that is not renewed under subsection (a) or (b) of this section (or any other authority), to the extent that amounts for assistance under this subsection are provided in advance in appropriation Acts, upon the date of the expiration of such contract the Secretary shall make enhanced voucher assistance under section 8(t) of the United States Housing Act of 1937 (42 U.S.C. 1437f(t)) available on behalf of each low-income family who, upon the date of such expiration, is residing in an assisted dwelling unit in the covered project.

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

“(A) ASSISTED DWELLING UNIT.—The term ‘assisted dwelling unit’ means a dwelling unit that—

“(i) is in a covered project; and

“(ii) is covered by rental assistance provided under the contract for project-based assistance for the covered project.

“(B) COVERED PROJECT.—The term ‘covered project’ means any housing that—

“(i) consists of more than four dwelling units;

“(ii) is covered in whole or in part by a contract for project-based assistance under—

“(I) the new construction or substantial rehabilitation program under section 8(b)(2) of the

United States Housing Act of 1937 (as in effect before October 1, 1983);

“(II) the property disposition program under section 8(b) of the United States Housing Act of 1937;

“(III) the moderate rehabilitation program under section 8(e)(2) of the United States Housing Act of 1937 (as in effect before October 1, 1991);

“(IV) the loan management assistance program under section 8 of the United States Housing Act of 1937;

“(V) section 23 of the United States Housing Act of 1937 (as in effect before January 1, 1975);

“(VI) the rent supplement program under section 101 of the Housing and Urban Development Act of 1965; or

“(VII) section 8 of the United States Housing Act of 1937, following conversion from assistance under section 101 of the Housing and Urban Development Act of 1965,

which contract will (under its own terms) expire during the period consisting of fiscal years 2000 through 2004; and

“(iii) is not housing for which residents are eligible for enhanced voucher assistance as provided, pursuant to the ‘Preserving Existing Housing Investment’ account in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (Public Law 104-204; 110 Stat. 2884) or any other subsequently enacted provision of law, in lieu of any benefits under section 223 of the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (12 U.S.C. 4113).

“(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each of fiscal years 2000, 2001, 2002, 2003, and 2004 such sums as may be necessary for enhanced voucher assistance under this subsection.

“(e) CONTRACTUAL COMMITMENTS UNDER PRESERVATION LAWS.—Except as provided in subsection (a)(2) and notwithstanding any other provision of this subtitle, the following shall apply:

“(1) PRESERVATION PROJECTS.—Upon expiration of a contract for assistance under section 8 for a project that is subject to an approved plan of action under the Emergency Low Income Housing Preservation Act of 1987 (12 U.S.C. 1715l note) or the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (12 U.S.C. 4101 et seq.), to the extent amounts are specifically made available in appropriation Acts, the Secretary shall provide to the owner benefits comparable to those provided under such plan of action, including distributions, rent increase procedures, and duration of low-income affordability restrictions. This paragraph shall apply to projects with contracts expiring before, on, or after the date of the enactment of this section.

“(2) DEMONSTRATION PROJECTS.—

“(A) IN GENERAL.—Upon expiration of a contract for assistance under section 8 for a project entered into pursuant to any authority specified in subparagraph (B) for

Applicability.

which the Secretary determines that debt restructuring is inappropriate, the Secretary shall, at the request of the owner of the project and to the extent sufficient amounts are made available in appropriation Acts, provide benefits to the owner comparable to those provided under such contract, including annual distributions, rent increase procedures, and duration of low-income affordability restrictions. This paragraph shall apply to projects with contracts expiring before, on, or after the date of the enactment of this section.

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“(B) DEMONSTRATION PROGRAMS.—The authority specified in this subparagraph is the authority under—

“(i) section 210 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (Public Law 104-134; 110 Stat. 1321-285; 42 U.S.C. 1437f note);

“(ii) section 212 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (Public Law 104-204; 110 Stat. 2897; 42 U.S.C. 1437f note); and

“(iii) either of such sections, pursuant to any provision of this title.

“(f) PREEMPTION OF CONFLICTING STATE LAWS LIMITING DISTRIBUTIONS.—

“(1) IN GENERAL.—Except as provided in paragraph (2), no State or political subdivision of a State may establish, continue in effect, or enforce any law or regulation that limits or restricts, to an amount that is less than the amount provided for under the regulations of the Secretary establishing allowable project distributions to provide a return on investment, the amount of surplus funds accruing after the date of the enactment of this section that may be distributed from any multifamily housing project assisted under a contract for rental assistance renewed under any provision of this section (except subsection (b)) to the owner of the project.

“(2) EXCEPTION AND WAIVER.—Paragraph (1) shall not apply to any law or regulation to the extent such law or regulation applies to—

“(A) a State-financed multifamily housing project; or

“(B) a multifamily housing project for which the owner has elected to waive the applicability of paragraph (1).

“(3) TREATMENT OF LOW-INCOME USE RESTRICTIONS.—This subsection may not be construed to provide for, allow, or result in the release or termination, for any project, of any low- or moderate-income use restrictions that can not be eliminated by unilateral action of the owner of the project.

“(g) APPLICABILITY.—Except to the extent otherwise specifically provided in this section, this section shall apply with respect to any multifamily housing project having a contract for project-based assistance under section 8 that terminates or expires during fiscal year 2000 or thereafter.”.

(b) DEFINITION OF ELIGIBLE MULTIFAMILY HOUSING PROJECT.—Section 512(2) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended by inserting after and below subparagraph (C) the following:

“Such term does not include any project with an expiring contract described in paragraph (1) or (2) of section 524(e).”

(c) **PROJECTS EXEMPTED FROM RESTRUCTURING AGREEMENTS.**—Section 514(h) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended by inserting before the semicolon at the end the following: “and the financing involves mortgage insurance under the National Housing Act, such that the implementation of a mortgage restructuring and rental assistance sufficiency plan under this subtitle is in conflict with applicable law or agreements governing such financing”.

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

(1) by designating as subsection (v) the sentence added by section 405(c) of The Balanced Budget Downpayment Act, I (Public Law 104-99; 110 Stat. 44); and

(2) by striking subsection (w).

SEC. 532. SECTION 236 ASSISTANCE.

(a) **CONTINUED RECEIPT OF SUBSIDIES UPON REFINANCING.**—Section 236(e) of the National Housing Act (12 U.S.C. 1715z-1(e)) is amended—

(1) by inserting “(1)” after “(e)”; and

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

“(2) A project for which interest reduction payments are made under this section and for which the mortgage on the project has been refinanced shall continue to receive the interest reduction payments under this section under the terms of the contract for such payments, but only if the project owner enters into such binding commitments as the Secretary may require (which shall be applicable to any subsequent owner) to ensure that the owner will continue to operate the project in accordance with all low-income affordability restrictions for the project in connection with the Federal assistance for the project for a period having a duration that is not less than the term for which such interest reduction payments are made plus an additional 5 years.”

(b) **RETENTION OF EXCESS INCOME.**—Section 236(g) of the National Housing Act (12 U.S.C. 1715z-1(g)) is amended—

(1) by inserting “(1)” after “(g)”; and

(2) by striking the last sentence; and

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

“(2) Subject to paragraph (3) and notwithstanding any other requirements of this subsection, a project owner may retain some or all of such excess charges for project use if authorized by the Secretary. Such excess charges shall be used for the project and upon terms and conditions established by the Secretary, unless the Secretary permits the owner to retain funds for non-project use after a determination that the project is well-maintained housing in good condition and that the owner has not engaged in material adverse financial or managerial actions or omissions as described in section 516 of the Multifamily Assisted Housing Reform and Affordability Act of 1997. In connection with the retention of funds for non-project use, the Secretary may require the project owner to enter into a binding commitment (which shall be applicable to any subsequent owner) to ensure that the owner will continue to operate the project in accordance with all low-income affordability restrictions for the project in connection with

the Federal assistance for the project for a period having a duration of not less than the term of the existing affordability restrictions plus an additional 5 years.

“(3) The authority under paragraph (2) to retain and use excess charges shall apply—

Applicability.

“(A) during fiscal year 2000, to all project owners collecting such excess charges; and

“(B) during fiscal year 2001 and thereafter—

“(i) to any owner of: (I) a project with a mortgage insured under this section; (II) a project with a mortgage formerly insured under this section if such mortgage is held by the Secretary and the owner of such project is current with respect to the mortgage obligation; or (III) a project previously assisted under subsection (b) but without a mortgage insured under this section if the project was insured under section 207 of this Act before July 30, 1998, pursuant to section 223(f) of this Act and assisted under subsection (b); and

“(ii) to other project owners not referred to in clause (i) who collect such excess charges, but only to the extent that such retention and use is approved in advance in an appropriation Act.”

(c) PREVIOUSLY OWED EXCESS INCOME.—Section 236(g) of the National Housing Act (12 U.S.C. 1715z-1(g)), as amended by subsection (b) of this section, is further amended by adding at the end the following new paragraph:

“(4) The Secretary shall not withhold approval of the retention by the owner of such excess charges because of the existence of unpaid excess charges if such unpaid amount is being remitted to the Secretary over a period of time in accordance with a workout agreement with the Secretary, unless the Secretary determines that the owner is in violation of the workout agreement.”

(d) FLEXIBILITY REGARDING BASIC RENTS AND MARKET RENTS.—Section 236(f) of the National Housing Act (12 U.S.C. 1715z-1(f)(1)) is amended by striking the subsection designation and all that follows through the end of paragraph (1) and inserting the following:

“(f)(1)(A)(i) For each dwelling unit there shall be established, with the approval of the Secretary, a basic rental charge and fair market rental charge.

“(ii) The basic rental charge shall be—

“(I) the amount needed to operate the project with payments of principal and interest due under a mortgage bearing interest at the rate of 1 percent per annum; or

“(II) an amount greater than that determined under clause (ii)(I), but not greater than the market rent for a comparable unassisted unit, reduced by the value of the interest reduction payments subsidy.

“(iii) The fair market rental charge shall be—

“(I) the amount needed to operate the project with payments of principal, interest, and mortgage insurance premium which the mortgagor is obligated to pay under the mortgage covering the project; or

“(II) an amount greater than that determined under clause (iii)(I), but not greater than the market rent for a comparable unassisted unit.

“(iv) The Secretary may approve a basic rental charge and fair market rental charge for a unit that exceeds the minimum amounts permitted by this subparagraph for such charges only if—

“(I) the approved basic rental charge and fair market rental charges each exceed the applicable minimum charge by the same amount; and

“(II) the project owner agrees to restrictions on project use or mortgage prepayment that are acceptable to the Secretary.

“(v) The Secretary may approve a basic rental charge and fair market rental charge under this paragraph for a unit with assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) that differs from the basic rental charge and fair market rental charge for a unit in the same project that is similar in size and amenities but without such assistance, as needed to ensure equitable treatment of tenants in units without such assistance.

“(B)(i) The rental charge for each dwelling unit shall be at the basic rental charge or such greater amount, not exceeding the fair market rental charge determined pursuant to subparagraph (A), as represents 30 percent of the tenant’s adjusted income, except as otherwise provided in this subparagraph.

“(ii) In the case of a project which contains more than 5000 units, is subject to an interest reduction payments contract, and is financed under a State or local project, the Secretary may reduce the rental charge ceiling, but in no case shall the rental charge be below the basic rental charge set forth in subparagraph (A)(ii)(I).

“(iii) For plans of action approved for capital grants under the Low-Income Housing Preservation and Resident Homeownership Act of 1990 or the Emergency Low Income Housing Preservation Act of 1987, the rental charge for each dwelling unit shall be at the minimum basic rental charge set forth in subparagraph (A)(ii)(I) or such greater amount, not exceeding the lower of: (I) the fair market rental charge set forth in subparagraph (A)(iii)(I); or (II) the actual rent paid for a comparable unit in comparable unassisted housing in the market area in which the housing assisted under this section is located, as represents 30 percent of the tenant’s adjusted income.

“(C) With respect to those projects which the Secretary determines have separate utility metering paid by the tenants for some or all dwelling units, the Secretary may—

“(i) permit the basic rental charge and the fair market rental charge to be determined on the basis of operating the project without the payment of the cost of utility services used by such dwelling units; and

“(ii) permit the charging of a rental for such dwelling units at such an amount less than 30 percent of a tenant’s adjusted income as the Secretary determines represents a proportionate decrease for the utility charges to be paid by such tenant, but in no case shall rental be lower than 25 percent of a tenant’s adjusted income.”

12 USC 1715z-1
note.

(e) EFFECTIVE DATE OF 1998 PROVISIONS.—Section 236(g) of the National Housing Act (12 U.S.C. 1715z-1(g)), as amended by section 227 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999 (Public Law 105-276; 112 Stat. 2490) shall be effective

on the date of the enactment of such Public Law 105-276, and any excess rental charges referred to in such section that have been collected since such date of the enactment with respect to projects with mortgages insured under section 207 of the National Housing Act (12 U.S.C. 1713) may be retained by the project owner unless the Secretary of Housing and Urban Development specifically provides otherwise. The Secretary may return any excess charges remitted to the Secretary since such date of the enactment.

(f) EFFECTIVE DATE.—This section shall take effect, and the amendments made by this section are made and shall apply, on the date of the enactment of this Act.

Applicability.
12 USC 1715z-1
note.

SEC. 533. REHABILITATION OF ASSISTED HOUSING.

(a) REHABILITATION LOANS FROM RECAPTURED IRP AMOUNTS.—Section 236(s) of the National Housing Act (12 U.S.C. 1715z-1(s)) is amended—

(1) by striking the subsection designation and heading and inserting the following:

“(s) GRANTS AND LOANS FOR REHABILITATION OF MULTIFAMILY PROJECTS.—”;

(2) in paragraph (1), by inserting “and loans” after “grants”;

(3) in paragraph (2)—
(A) in the matter preceding subparagraph (A), by striking “capital grant assistance under this subsection” and inserting “capital assistance under this subsection under a grant or loan only”; and

(B) in subparagraph (D)(i), by striking “capital grant assistance” and inserting “capital assistance under this subsection from a grant or loan (as appropriate)”;

(4) in paragraph (3), by striking all of the matter that precedes subparagraph (A) and inserting the following:

“(3) ELIGIBLE USES.—Amounts from a grant or loan under this subsection may be used only for projects eligible under paragraph (2) for the purposes of—”;

(5) in paragraph (4)—

(A) by striking the paragraph heading and inserting “GRANT AND LOAN AGREEMENTS”; and

(B) by inserting “or loan” after “grant”, each place it appears;

(6) in paragraph (5), by inserting “or loan” after “grant”, each place it appears;

(7) in paragraph (6), by adding at the end the following new subparagraph:

“(D) LOANS.—In making loans under this subsection using the amounts that the Secretary has recaptured from contracts for interest reduction payments pursuant to clause (i) or (ii) of paragraph (7)(A)—

“(i) the Secretary may use such recaptured amounts for costs (as such term is defined in section 502 of the Congressional Budget Act of 1974) of such loans; and

“(ii) the Secretary may make loans in any fiscal year only to the extent or in such amounts that amounts are used under clause (i) to cover costs of such loans.”;