108TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPORT
108–247

FHA MULTIFAMILY LOAN LIMIT ADJUSTMENT ACT OF 2003

SEPTEMBER 3, 2003.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. OXLEY, from the Committee on Financial Services, submitted the following

R E P O R T

[To accompany H.R. 1985]

[Including cost estimate of the Congressional Budget Office]

The Committee on Financial Services, to whom was referred the bill (H.R. 1985) to amend the National Housing Act to increase the maximum mortgage amount limit for FHA-insured mortgages for multifamily housing located in high-cost areas, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

CONTENTS

AMENDMENT

The amendment is as follows:

19–006

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "FHA Multifamily Loan Limit Adjustment Act of 2003".

SEC. 2. MAXIMUM MORTGAGE AMOUNT LIMIT FOR MULTIFAMILY HOUSING IN HIGH-COST AREAS.

In the National Housing Act, sections 207(c)(3), 213(b)(2)(B)(i), 220(d)(3)(B)(iii)(II), 221(d)(3)(ii)(II), 221(d)(4)(ii)(II), 231(c)(2)(B), and 234(e)(3)(B) (12 U.S.C. 1713(c)(3), 1715e(b)(2)(B)(i), 1715k(d)(3)(B)(iii)(II), 1715l(d)(3)(ii)(II), 1715l(d)(4)(ii)(II), 1715v(c)(2)(B)), and 1715y(e)(3)(B)) are each amended—

(1) by striking "110 percent" and inserting "170 percent"; and

(2) by striking "140 percent" and inserting "170 percent".

SEC. 3. CATCH-UP ADJUSTMENTS TO CERTAIN MAXIMUM MORTGAGE AMOUNT LIMITS.

(a) SECTION 207 LIMITS.—Section 207(c)(3) of the National Housing Act (12 U.S.C. 1713(c)(3)) is amended by striking "$11,250" and inserting "$17,460".

(b) SECTION 213 LIMITS.—Section 213(b)(2)(A) of the National Housing Act (12 U.S.C. 1715e(b)(2)(A)) is amended—

(1) by striking "$38,025", "$42,120", "$50,310", "$62,010", and "$70,200" and inserting "$41,207", "$47,511", "$57,300", "$73,343", and "$81,708", respectively; and

(2) by striking "$49,140", "$60,255", "$75,465", and "$85,328" and inserting "$49,710", "$60,446", "$78,197", and "$85,836", respectively.

PURPOSE AND SUMMARY

H.R. 1985, the FHA Multifamily Loan Limit Adjustment Act of 2003, amends the National Housing Act to increase the maximum mortgage amount limit for FHA-insured mortgages for multifamily housing located in high-cost areas. It changes the statutory maximum adjustment percentage for geographic areas from 110 to 170 percent, which changes HUD's maximum high cost percentage to 270 percent. Providing the HUD Secretary additional flexibility to increase the maximum loan limits in high cost areas greatly improves the FHA multifamily mortgage insurance programs, particularly in extremely high-cost geographical areas. With severe shortages of affordable rental housing in most of the high cost markets, this change enables developers to provide much-needed new affordable housing to low- and moderate-income families.

BACKGROUND AND NEED FOR LEGISLATION

Since its inception in 1934, the Federal Housing Administration (FHA) has provided vital public services contributing to the health and well-being of individuals and communities through its nationally administered programs. After being consolidated into the Department of Housing and Urban Development's (HUD) Office of Housing in 1965, the FHA continued its core mission of contributing to the building and maintenance of healthy, prosperous neighborhoods and expanding opportunities for affordable home ownership, rental housing and healthcare.

The FHA is one of the most effective programs in helping low-income buyers purchase their first home. It was originally designed to encourage lenders to make credit more readily available and at lower rates. Through the FHA program, HUD insures mortgages and loans made by HUD-approved lenders for a wide variety of purposes, including new construction, rehabilitation, property improvement, and refinancing in connection with a wide variety of types of property. FHA programs include all types of residential property (multifamily, single family, manufactured homes), nonresidential commercial property, hospitals, and certain other healthcare facilities.

Through its numerous multifamily housing programs, HUD is a primary partner in the development of affordable rental housing. FHA provides mortgage insurance to HUD-approved lenders to facilitate the construction, substantial rehabilitation, purchase, and refinancing of multifamily housing projects and healthcare facilities. Mortgage insurance covers the lender if a borrower defaults on the insured loan. Section 221(d)(3), section 221(d)(4) (Mortgage Insurance for Rental and Cooperative Housing), and section 223(f) (Mortgage Insurance for Nursing Homes, Intermediate Care, Board and Care, and Assisted Living Facilities), are multifamily housing's most widely used mortgage insurance programs for the financing and refinancing of apartments and healthcare facilities.

The FHA multifamily mortgage insurance program is a critical source of financing for affordable multifamily rental housing. During the previous two years, Congress supported and implemented improvements to the program, including increasing the base loan limits by 25 percent and indexing the loan limits to inflation, which begins in 2004. As a result, loan volumes have increased significantly in many areas of the country where the program previously was not working.

However, there are a number of high-cost urban markets, such as New York, Boston, San Francisco, Chicago and Los Angeles, where construction costs are significantly higher than in other areas of the country, and the high-cost factors have not been sufficient to allow use of the FHA multifamily mortgage insurance programs.

Under current statute, the HUD Secretary may increase the loan limits in high cost geographic areas up to a maximum that is expressed as a specific percentage (currently 110 percent) above the statute's base limit. The Secretary may also increase the loan limits on a project-by-project basis up to a level that is a specific percentage (currently 140 percent) above the base limit, if it is deemed necessary because of high costs.

HUD publishes high cost percentages that are used to determine FHA multifamily mortgage limits in high cost areas. These high cost percentages are expressed as a percentage of the base limit, as opposed to a percentage above the base limit as expressed in the statute.

HEARINGS

The Subcommittee on Housing and Community Opportunity held a hearing on July 22, 2003 on H.R. 1985, the FHA Multifamily Loan Limit Adjustment Act of 2003. The following witnesses testified: The Honorable John Weicher, Assistant Secretary, Housing/Federal Housing Commissioner, U.S. Department of Housing and Urban Development; Mr. Howard Earl Cohen, President, The Beacon Companies, LLP; Ms. Linda D. Cheatham, Senior Vice President, Berkshire Mortgage Finance on behalf of the Mortgage Bankers Association of America; Mr. Casimir Kolaski, President, Kolaski Housing Advisors, Inc.; and Mr. Gary H. Ruping, President, Ruping Builders, Inc., on behalf of the National Association of Home Builders.

COMMITTEE CONSIDERATION

On July 22, 2003, the Subcommittee on Housing and Community Opportunity met in open session and approved H.R. 1985, the FHA Multifamily Loan Limit Adjustment Act of 2003, for full committee consideration by a voice vote.

On July 23, 2003, the Committee on Financial Services met in open session and considered H.R. 1985 (pursuant to rule 2(b)(4) of the Rules of the Committee on Financial Services for the 108th Congress) and ordered the bill reported to the House, with an amendment, with a favorable recommendation, by a voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report legislation and amendments thereto. No record votes were taken in conjunction with the consideration of this legislation. A motion by Mr. Oxley to report the bill to the House with a favorable recommendation was agreed to by a voice vote.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee made findings that are reflected in this report.

PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee establishes the following performance related goals and objectives for this legislation:

The FHA will use the authority granted in this bill to improve the availability of multifamily housing in the United States.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, August 15, 2003.

Hon. MICHAEL G. OXLEY,
Chairman, Committee on Financial Services,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1985, the FHA Multifamily Loan Limit Adjustment Act of 2003.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Susanne S. Mehlman.

Sincerely,

DOUGLAS HOLTZ-EAKIN,
Director.

Enclosure.

H.R. 1985—FHA Multifamily Loan Limit Adjustment Act of 2003

CBO estimates that implementing H.R. 1985 would have no significant Federal cost and would not affect direct spending or revenues. H.R. 1985 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on State, local, or tribal governments.

Under the National Housing Act, the Federal Housing Administration (FHA) is authorized to insure private loans used to finance certain multifamily homes, subject to certain limitations specified in appropriation acts. H.R. 1985 would increase the current limit on the value of loans that FHA can guarantee in certain high-cost areas of the country under six different loan guarantee programs. (High-cost housing markets include such cities as Boston, San Francisco, and Los Angeles.) FHA would be able to insure loans at higher levels in other parts of the country as well, but on a project-by-project basis.

Under current law, most FHA programs that guarantee multifamily mortgages have a negative subsidy rate as estimated under credit reform procedures, resulting in net offsetting collections to the government. That is, guarantee fees paid to FHA for new mortgages more than offset the cost of expected defaults, resulting in net collections from five of the six loan guarantee programs affected by the bill. (One of the programs that would be affected by the bill—loans to support housing for moderate income and displaced families—is estimated to have a positive subsidy rate of 5.35 percent in 2004). In 2002, FHA insured about $5 billion in loans for multifamily projects. The budgetary impact of those guarantees was recorded as discretionary savings of about $20 million.

If FHA made additional loan guarantees as a result of the higher cap on the value of loans in high-cost areas, the agency would record additional offsetting collections (which would be a reduction is discretionary spending). Based on information from FHA, however, CBO does not expect that demand for multifamily housing guarantees would increase significantly under this bill. In many high-cost areas of the country, additional problems, such as regulatory barriers and market forces (*e.g.,* supply of suitable sites), also contribute to the lack of multifamily housing. Therefore, CBO estimates that any additional collections under the bill would be insignificant over the next five years.

The CBO staff contact for this estimate is Susanne S. Mehlman. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds that the Constitutional Authority of Congress to enact this legislation is provided by Article 1, section 8, clause 1 (relating to the defense and general welfare of the United States), and clause 3 (relating to the power to regulate foreign and interstate commerce).

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

This section establishes the short title of the bill, the "FHA Multifamily Loan Limit Adjustment Act of 2003."

Section 2. Maximum mortgage amount limit for multifamily housing in high-cost areas

This section amends the National Housing Act at (1) section 207(c)(3) (Rental Housing; 12 U.S.C. 1713(c)(3)), (2) section 213(b)(2)(B)(i) (Cooperative Housing; 12 U.S.C. 1715e(b)(2)(B)(i)), (3) section 220(d)(3)(B)(iii)(II) (Rehabilitation and Neighborhood Conservation Housing; 12 U.S.C. 1715k(d)(3)(B)(iii)(II)), (4) sections 221(d)(3)(ii)(II) and 221(d)(4)(ii)(II) (Housing for Moderate Income and Displaced Families; 12 U.S.C. 1715l(d)(3)(ii)(II) and 1715l(d)(4)(ii)(II)), (5) section 231(c)(2)(B) (Housing for Elderly Persons; 12 U.S.C. 1715v(c)(2)(B)), and (6) section 234(e)(3)(B) (Condominiums; 12 U.S.C. 1715y(e)(3)(B)) to grant the Secretary of Housing and Urban Development (HUD) the authority to increase, by regulation, the eligible FHA insurance mortgage dollar amount limits in geographic areas of high cost by up to 170 percent. This updates the current 110 percent limit on the promulgated amount and raises the project-by-project limit from 140 percent to 170 percent. In addition, this raises the baseline unit mortgage insurance limits for cooperative housing to reflect increases in construction costs that have been applied to other multi-family housing programs.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

NATIONAL HOUSING ACT

* * * * * * *

TITLE II—MORTGAGE INSURANCE

* * * * * * *

RENTAL HOUSING INSURANCE

SEC. 207. (a) * * *

* * * * * * *

(c) To be eligible for insurance under this section a mortgage on any property or project shall involve a principal obligation in an amount—

(2) * * *

(3)(A) not to exceed, for such part of the property or projects as may be attributable to dwelling use (excluding exterior and land improvements as defined by the Secretary), $38,025 per family unit without bedroom, $42,120 per family unit with one bedroom, $50,310 per family unit with two bedrooms, $62,010 per family unit with three bedrooms, and $70,200 per family unit with four or more bedrooms, or not to exceed ⟦$11,250⟧ *$17,460* per space; except that as to projects to consist of elevator-type structures the Secretary may, in his discretion, increase the dollar amount limitations per family unit to not to exceed $43,875 per family unit without a bedroom, $49,140 per family unit with one bedroom, $60,255 per family unit with two bedrooms, $75,465 per family unit with three bedrooms, and $85,328 per family unit with four or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator type structures of sound standards of construction and design; and except that the Secretary may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed ⟦110 percent⟧ *170 percent* in any geographical area where the Secretary finds that cost levels so require and not to exceed ⟦140 percent⟧ *170 percent* where the Secretary determines it necessary on a project-by-project basis, but in no case may any such increase exceed 90 percent where the Secretary determines that a mortgage purchased or to be purchased by the Government National Mortgage Association in implementing its special assistance functions under section 305 of this Act (as such section existed immediately before November 30, 1983) is involved.

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COOPERATIVE HOUSING INSURANCE

SEC. 213. (a) * * *

(b) To be eligible for insurance under this section a mortgage on any property or project of a corporation or trust of the character described in paragraph numbered (1) of subsection (a) of this section shall involve a principal obligation in an amount—

(2)(A) not to exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Secretary), ⟦$38,025⟧ *$41,207* per family unit without a bedroom, ⟦$42,120⟧ *$47,511* per family unit with one bedroom, ⟦$50,310⟧ *$57,300* per family unit with two bedrooms, ⟦$62,010⟧ *$73,343* per family unit with three bedrooms, and ⟦$70,200⟧ *$81,708* per family unit with four or more bedrooms, and not to exceed 98 per centum of the amount which the Secretary estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided,* That as to projects to consist of elevator-type structures the Secretary may, in his discretion, increase the dollar amount limitations per family unit to not to exceed $43,875 per family unit without a bedroom, ⟦$49,140⟧ *$49,710* per family unit with one bedroom, ⟦$60,255⟧ *$60,446* per family unit with two bedrooms, ⟦$75,465⟧ *$78,197* per family unit with three bedrooms, and ⟦$85,328⟧ *$85,836* per family unit with four or more bedrooms, as the case may be, to compensate for the higher cost incident to the construction of elevator-type structures of sound standards of construction and design; (B)(i) the Secretary may, by regulation, increase any of the dollar amount limitations in subparagraph (A) (as such limitations may have been adjusted in accordance with section 206A of this Act) by not to exceed ⟦110 percent⟧ *170 percent* in any geographical area where the Secretary finds that cost levels so require and not to exceed ⟦140 percent⟧ *170 percent* where the Secretary determines it necessary on a project-by-project basis, but in no case may any such increase exceed 90 percent where the Secretary determines that a mortgage purchased or to be purchased by the Government National Mortgage Association in implementing its special assistance functions under section 305 of this Act (as such section existed immediately before November 30, 1983) is involved; and (ii) in the case of a mortgagor of the character described in paragraph (3) of subsection (a) the mortgage shall involve a principal obligation in an amount not to exceed 90 per centum of the amount which the Secretary estimates will be the replacement cost of the property or project when the proposed physical improvements are completed; and (iii) upon the sale of a property or project by a mortgagor of the character described in paragraph (3) of subsection (a) to a nonprofit cooperative ownership housing corporation or trust within two years after the completion of such property or project the mortgage given to finance such sale shall involve a principal obligation in an amount not to exceed the maximum amount computed in accordance with this subparagraph (B)(i).

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REHABILITATION AND NEIGHBORHOOD CONSERVATION HOUSING INSURANCE

SEC. 220. (a) * * *

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(d) To be eligible for insurance under this section a mortgage shall meet the following conditions:

(1) * * *

* * * * * * *

(3) The mortgage shall—

(A) * * *

(B)(ii) * * *

(iii)(I) not to exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Secretary), $38,025 per family unit without a bedroom, $42,120 per family unit with one bedroom, $50,310 per family unit with two bedrooms, $62,010 per family unit with three bedrooms, and $70,200 per family unit with four or more bedrooms, except that as to projects to consist of elevator-type structures the Secretary may, in his discretion, increase the dollar amount limitations per family unit not to exceed $43,875 per family unit without a bedroom, $49,140 per family unit with one bedroom, $60,255 per family unit with two bedrooms, $75,465 per family unit with three bedrooms, and $85,328 per family unit with four or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and (II) with respect to rehabilitation projects involving not more than five family units, the Secretary may by regulation increase by 25 per centum any of the dollar amount limitations in subparagraph (B)(iii)(I) (as such limitations may have been adjusted in accordance with section 206A of this Act) which are applicable to units with two, three, or four or more bedrooms with respect to dollar amount limitations applicable to rehabilitation projects described in subclause (II), the Secretary may, by regulation, increase the dollar amount limitations contained in subparagraph (B)(iii)(I) (as such limitations may have been adjusted in accordance with section 206A of this Act)) by not to exceed ⟦110 percent⟧ *170 percent* in any geographical area where the Secretary finds that cost levels so require and by not to exceed ⟦140 percent⟧ *170 percent* where the Secretary determines it necessary on a project-by-project basis, but in no case may any such increase exceed 90 percent where the Secretary determines that a mortgage purchased or to be purchased by the Government National Mortgage Association in implementing its special assistance functions under section 305 of this Act (as such section existed immediately before November 30, 1983) is involved); (III) That nothing contained in this subparagraph (B)(iii)(I) shall preclude the insurance of mortgages covering existing multifamily dwellings to be rehabilitated or reconstructed for the purposes set forth in subsection (a) of this section; (IV) with respect to rehabilitation projects involving not more than five family units, the Secretary may further increase any of the dollar limitations which would otherwise apply to such projects by not to exceed 20 per centum if such increase is necessary to account for the increased cost of the project due to the installation therein of a solar energy system (as defined in subparagraph (3) of the last paragraph of section 2(a) of this Act) or residential energy conservation measures (as defined in section 210(11)(A) through (G) and (I) of Public Law 95–619) in cases where the Secretary determines that such measures are in addition to those required under the minimum property standards and will be cost-effective over the life of the measure; and

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HOUSING FOR MODERATE INCOME AND DISPLACED FAMILIES

SEC. 221. (a) * * *

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(d) To be eligible for insurance under this section, a mortgage shall—

(1) * * *

* * * * * * *

(3) if executed by a mortgagor which is a public body or agency (and, except with respect to a project assisted or to be assisted pursuant to section 8 of the United States Housing Act of 1937, which certifies that it is not receiving financial assistance from the United States exclusively pursuant to such Act), a cooperative (including an investor-sponsor who meets such requirements as the Secretary may impose to assure that the consumer interest is protected), or a limited dividend corporation (as defined by the Secretary), or a private nonprofit corporation or association, or other mortgagor approved by the Secretary, and regulated or supervised under Federal or State laws or by political subdivisions of States, or agencies thereof, or by the Secretary under a regulatory agreement or otherwise, as to rents, charges, and methods of operation, in such form and in such manner as in the opinion of the Secretary will effectuate the purposes of this section—

(ii)(I) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Secretary), $42,048 per family unit without a bedroom, $48,481 per family unit with one bedroom, 58,469 per family unit with two bedrooms, $74,840 per family unit with three bedrooms, and $83,375 per family unit with four or more bedrooms; except that as to projects to consist of elevator-type structures the Secretary may, in his discretion, increase the dollar amount limitations per family unit to not to exceed $44,250 per family unit without a bedroom, $50,724 per family unit with one bedroom, $61,680 per family unit with two bedrooms, $79,793 per family unit with three bedrooms, and $87,588 per family unit with four or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; (II) the Secretary may, by regulation, increase any of the dollar amount limitations in subclause (I) (as such limitations may have been adjusted in accordance with section 206A of this Act) by not to exceed ❲110 percent❳ *170 percent* in any geographical area where the Secretary finds that cost levels so require and by not to exceed ❲140 percent❳ *170 percent* where the Secretary determines it necessary on a project-by-project basis, but in no case may any such increase exceed 90 percent where the Secretary determines that a mortgage purchased or to be purchased by the Government National Mortgage Association in implementing its special assistance functions under section 305 of this Act (as such section existed immediately before November 30, 1983) is involved; and

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(4) if executed by a mortgagor and which is approved by the Secretary—

(ii)(I) not exceed, or such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Secretary), $37,843 per family unit without a bedroom, $42,954 per family unit with one bedroom, $51,920 per family unit with two bedrooms, $65,169 per family unit with three bedrooms, and $73,846 per family unit with four or more bedrooms; except that as to projects to consist of elevator-type structures the Secretary may, in his discretion, increase the dollar amount limitations per family unit to not to exceed $40,876 per family unit without a bedroom, $46,859 per family unit with one bedroom, $56,979 per family unit with two bedrooms, $73,710 per family unit with three bedrooms, and $80,913 per family unit with four or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; (II) the Secretary may, by regulation, increase any of the dollar limitations in subclause (I) (as such limitations may have been adjusted in accordance with section 206A of this Act) by not to exceed ❲110 percent❳ *170 percent* in any geographical area where the Secretary finds that cost levels so require and by not to exceed ❲140 percent❳ *170 percent* where the Secretary determines it necessary on a project-by-project basis, but in no case may any such increase exceed 90 percent where the Secretary determines that a mortgage purchased or to be purchased by the Government National Mortgage Association in implementing its special assistance functions under section 305 of this Act (as such section existed immediately before November 30, 1983) is involved;

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HOUSING FOR ELDERLY PERSONS

SEC. 231. (a) * * *

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(c) To be eligible for insurance under this section, a mortgage to provide housing for elderly persons shall—

(2)(A) not to exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvement as defined by the Secretary), $35,978 per family unit without a bedroom, $40,220 per family unit with one bedroom, $48,029 per family unit with two bedrooms, $57,798 per family unit with three bedrooms, and $67,950 per family unit with four or more bedrooms; except that as to projects to consist of elevator-type structures the Secretary may, in his discretion, increase the dollar amount limitations per family unit to not to exceed $40,876 per family unit without a bedroom, $46,859 per family unit with one bedroom, $56,979 per family unit with two bedrooms, $73,710 per family unit with three bedrooms, and $80,913 per family unit with four or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; (B) the Secretary may, by regulation, increase any of the dollar limitations in subparagraph (A) (as such limitations may have been adjusted in accordance with section 206A of this Act) by not to exceed **[**110 percent**]** *170 percent* in any geographical area where the Secretary finds that cost levels so require and by not to exceed **[**140 percent**]** *170 percent* where the Secretary determines it necessary on a project-by-project basis, but in no case may any such increase exceed 90 percent where the Secretary determines that a mortgage purchased or to be purchased by the Government National Mortgage Association in implementing its special assistance functions under section 305 of this Act (as such section existed immediately before November 30, 1983) is involved; (C) the Secretary may, by regulation, increase any of the dollar limitations in subparagraph (A) (as such limitations may have been adjusted in accordance with section 206A of this Act) by not to exceed 20 per centum if such increase is necessary to account for the increased cost of the project due to the installation therein of a solar energy system (as defined in subparagraph (3) of the last paragraph of section 2(a) of this Act) or residential energy conservation measures (as defined in section 210(11) (A) through (G) and (I) of Public Law 95–619) in cases where the Secretary determines that such measures are in addition to those required under the minimum property standards and will be cost-effective over the life of the measure;

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MORTGAGE INSURANCE FOR CONDOMINIUMS

SEC. 234. (a) * * *

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(e) To be eligible for insurance, a blanket mortgage on any multi-family project of a mortgagor of the character described in subsection (d) shall involve a principal obligation in an amount—

(2) * * *

(3)(A) not to exceed, for such part of the project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Secretary), $42,048 per family unit without a bedroom, $48,481 per family unit with one bedroom, $58,469 per family unit with two bedrooms, $74,840 per family unit with three bedrooms, and $83,375 per family unit with four or more bedrooms; except that as to projects to consist of elevator-type structures the Secretary may, in his discretion, increase the dollar amount limitations per family unit to not to exceed $44,250 per family unit without a bedroom, $50,724 per family unit with one bedroom, $61,680 per family unit with two bedrooms, $79,793 per family unit with three bedrooms, and $87,588 per family unit with four or more bedrooms, as the case may be, to compensate for higher costs incident to the construction of elevator-type structures of sound standards of construction and design; (B) the Secretary may, by regulation, increase any of the dollar limitations in subparagraph (A) (as such limitations may have been adjusted in accordance with section 206A of this Act) by not to exceed ⟦110 percent⟧ *170 percent* in any geographical area where the Secretary finds that cost levels so require and by not to exceed ⟦140 percent⟧ *170 percent* where the Secretary determines it necessary on a project-by-project basis, but in no case may any such increase exceed 90 percent where the Secretary determines that a mortgage purchased or to be purchased by the Government National Mortgage Association in implementing its special assistance functions under section 305 of this Act (as such section existed immediately before November 30, 1983) is involved; and

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