

Public Law 108–91  
108th Congress

An Act

Oct. 3, 2003  
[H.R. 659]

To amend section 242 of the National Housing Act regarding the requirements for mortgage insurance under such Act for hospitals.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

Hospital  
Mortgage  
Insurance Act of  
2003.  
12 USC 1701  
note.

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Hospital Mortgage Insurance Act of 2003”.

**SEC. 2. STANDARDS FOR DETERMINING NEED AND FEASIBILITY FOR HOSPITALS.**

(a) **IN GENERAL.**—Paragraph (4) of section 242(d) of the National Housing Act (12 U.S.C. 1715z–7) is amended to read as follows:

“(4)(A) The Secretary shall require satisfactory evidence that the hospital will be located in a State or political subdivision of a State with reasonable minimum standards of licensure and methods of operation for hospitals and satisfactory assurance that such standards will be applied and enforced with respect to the hospital.

“(B) The Secretary shall establish the means for determining need and feasibility for the hospital, if the State does not have an official procedure for determining need for hospitals. If the State has an official procedure for determining need for hospitals, the Secretary shall require that such procedure be followed before the application for insurance is submitted, and the application shall document that need has also been established under that procedure.”.

(b) **EFFECTIVE DATE.**—

(1) **IN GENERAL.**—The amendment made by subsection (a) shall take effect and apply as of the date of the enactment of this Act.

(2) **EFFECT OF REGULATORY AUTHORITY.**—Any authority of the Secretary of Housing and Urban Development to issue regulations to carry out the amendment made by subsection (a) may not be construed to affect the effectiveness or applicability of such amendment under paragraph (1) of this subsection.

**SEC. 3. EXEMPTION FOR CRITICAL ACCESS HOSPITALS.**

(a) **IN GENERAL.**—Section 242 of the National Housing Act (12 U.S.C. 1715z–7) is amended—

(1) in subsection (b)(1)(B), by inserting “, unless the facility is a critical access hospital (as that term is defined in section

12 USC 1715z–7  
note.  
Applicability.

1861(mm)(1) of the Social Security Act (42 U.S.C. 1395x(mm)(1))” after “tuberculosis”; and

(2) by adding at the end the following:

“(i) TERMINATION OF EXEMPTION FOR CRITICAL ACCESS HOSPITALS.—

“(1) IN GENERAL.—The exemption for critical access hospitals under subsection (b)(1)(B) shall have no effect after July 31, 2006.

“(2) REPORT TO CONGRESS.—Not later than 3 years after July 31, 2003, the Secretary shall submit a report to Congress detailing the effects of the exemption of critical access hospitals from the provisions of subsection (b)(1)(B) on—

“(A) the provision of mortgage insurance to hospitals under this section; and

“(B) the General Insurance Fund established under section 519.”.

**SEC. 4. STUDY OF BARRIERS TO RECEIPT OF INSURED MORTGAGES BY FEDERALLY QUALIFIED HEALTH CENTERS.**

(a) IN GENERAL.—The Secretary of Housing and Urban Development shall conduct a study on the barriers to the receipt of mortgage insurance by federally qualified health centers (as defined in section 1905(l)(2)(B) of the Social Security Act (42 U.S.C. 1396d(l)(2)(B))) under section 1101 of the National Housing Act (12 U.S.C. 1749aaa), or other programs under that Act.

(b) REPORT.—Not later than 6 months after the date of enactment of this Act, the Secretary of Housing and Urban Development shall submit a report regarding any appropriate legislative and regulatory changes needed to enable federally qualified health centers to access mortgage insurance under section 1101 of the National Housing Act (12 U.S.C. 1749aaa), or other programs under that Act to—

(1) the Committee on Banking, Housing, and Urban Affairs of the Senate; and

(2) the Committee on Financial Services of the House of Representatives.

Approved October 3, 2003.

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**LEGISLATIVE HISTORY—H.R. 659:**

HOUSE REPORTS: No. 108-27 (Comm. on Financial Services).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Mar. 12, considered and passed House.

Sept. 2, considered and passed Senate, amended.

Sept. 17, House concurred in Senate amendment.