

over the island of Guam. Over the past 100 years, a lot of things have changed, but Guam's loyalty to the United States has remained steadfast.

To the best of my knowledge, Guam remains the only populated U.S. territory to have been captured and occupied by enemy forces during World War II. Despite the repressive tactics of the Japanese during their three-year occupation of the Island of Guam, the people of Guam remained loyal to the United States, and lost many lives and suffered inhumane treatment simply because they retained this strong loyalty.

The citizens of Guam have in the past and continue to support our military services with high enlistment rates and the loss of local land given up for military based in support of their island and the rest of our nation. Even today, Guam hosts significant naval and air force bases which frequently are the staging point for national military operations in the Pacific. As foreign countries have dictated the removal of our operational stations in the western Pacific, Guam's location in the central Pacific has increased in importance, and today is considered to be of strategic importance.

Despite the support of the U.S. citizens in Guam of the United States over the past century, their desire for increased autonomy has met with resistance in Washington, D.C. I wish to commend Congressman UNDERWOOD for his efforts to fight for increased autonomy for the people of Guam and for his efforts to move this legislation to the floor today.

I also want to recognize Congressman DON YOUNG, Chairman of the Committee on Resources, and Congressman GEORGE MILLER, Senior Democrat on the Committee for their support of today's legislation and their continued support of the U.S. insular areas in general.

Mr. MILLER of California. Mr. Speaker, I yield back the balance of my time.

Mr. YOUNG of Alaska. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alaska (Mr. YOUNG) that the House suspend the rules and agree to the resolution, H. Res. 494.

The question was taken.

Mr. MILLER of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

GENERAL LEAVE

Mr. YOUNG of Alaska. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H. Res. 494, the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alaska?

There was no objection.

AMERICAN HOME OWNERSHIP ACT OF 1998

Mr. LAZIO of New York. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3899) to expand home ownership in the United States, as amended.

The Clerk read as follows:

H.R. 3899

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

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "American Homeownership Act of 1998".

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

Sec. 1. Short title and table of contents.

Sec. 2. Findings and purpose.

TITLE I—REMOVAL OF BARRIERS TO AFFORDABLE HOUSING

Sec. 101. Short title.

Sec. 102. Housing impact analysis.

Sec. 103. Grants for regulatory barrier removal strategies.

Sec. 104. Eligibility for community development block grants.

Sec. 105. Regulatory barriers clearinghouse.

TITLE II—HOMEOWNERSHIP THROUGH MORTGAGE INSURANCE AND LOAN GUARANTEES

Sec. 201. Adjustable rate mortgages.

Sec. 202. Housing inspection study.

Sec. 203. Definition of area.

Sec. 204. Extension of loan term for manufactured home lots.

Sec. 205. Repeal of requirements for approval for insurance prior to start of construction.

Sec. 206. Rehabilitation demonstration grant program.

TITLE III—SECTION 8 HOMEOWNERSHIP OPTION

Sec. 301. Downpayment assistance.

TITLE IV—HOME INVESTMENT PARTNERSHIPS PROGRAM

Sec. 401. Reauthorization.

Sec. 402. Eligibility of limited equity cooperatives and mutual housing associations.

Sec. 403. Leveraging affordable housing investment through local loan pools.

Sec. 404. Loan guarantees.

TITLE V—LOCAL HOMEOWNERSHIP INITIATIVES

Sec. 501. Reauthorization of neighborhood reinvestment corporation.

Sec. 502. Homeownership zones.

Sec. 503. Lease-to-own.

Sec. 504. Local capacity building.

TITLE VI—MANUFACTURED HOUSING IMPROVEMENT

Sec. 601. Short title and references.

Sec. 602. Findings and purposes.

Sec. 603. Definitions.

Sec. 604. Federal manufactured home construction and safety standards.

Sec. 605. Abolishment of national manufactured home advisory council.

Sec. 606. Public information.

Sec. 607. Research, testing, development, and training.

Sec. 608. Fees.

Sec. 609. Elimination of annual report requirement.

Sec. 610. Effective date.

Sec. 611. Savings provision.

TITLE VII—INDIAN HOUSING HOMEOWNERSHIP

Sec. 701. Indian lands title report commission.

TITLE VIII—TRANSFER OF UNOCCUPIED AND SUBSTANDARD HUD-HELD HOUSING TO LOCAL GOVERNMENTS AND COMMUNITY DEVELOPMENT CORPORATIONS

Sec. 801. Transfer of unoccupied and substandard HUD-held housing to local governments and community development corporations.

Sec. 802. Amendment to revitalization area disposition program.

Sec. 803. Report on revitalization zones for HUD-owned single family properties.

Sec. 804. Technical correction to income targeting provisions for project-based assistance.

Sec. 805. Technical corrections to the Multifamily Assisted Housing Reform and Affordability Act of 1997.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) the priorities of our Nation should include expanding homeownership opportunities by providing access to affordable housing that is safe, clean, and healthy;

(2) our Nation has an abundance of conventional capital sources available for homeownership financing; and

(3) experience with local homeownership programs has shown that if flexible capital sources are available, communities possess ample will and creativity to provide opportunities uniquely designed to assist their citizens in realizing the American dream of homeownership.

(b) PURPOSE.—It is the purpose of this Act—

(1) to encourage and facilitate homeownership by families in the United States who are not otherwise able to afford homeownership; and

(2) to expand homeownership through policies that—

(A) promote the ability of the private sector to produce affordable housing without excessive government regulation;

(B) encourage tax incentives, such as the mortgage interest deduction, at all levels of government; and

(C) facilitate the availability of flexible capital for homeownership opportunities.

TITLE I—REMOVAL OF BARRIERS TO AFFORDABLE HOUSING

SEC. 101. SHORT TITLE.

This title may be cited as the "Affordable Housing Barrier Removal Act of 1998".

SEC. 102. HOUSING IMPACT ANALYSIS.

(a) APPLICABILITY.—The requirements of this section shall apply with respect to—

(1) any proposed rule, unless the agency promulgating the rule—

(A) has certified that the proposed rule will not, if given force or effect as a final rule, have a significant deleterious impact on housing affordability; and

(B) has caused such certification to be published in the Federal Register at the time of publication of general notice of proposed rulemaking for the rule, together with a statement providing the factual basis for the certification; and

(2) any final rule, unless the agency promulgating the rule—

(A) has certified that the rule will not, if given force or effect, have a significant deleterious impact on housing affordability; and

(B) has caused such certification to be published in the Federal Register at the time of publication of the final rule, together with a statement providing the factual basis for the certification.

Any agency making a certification under this subsection shall provide a copy of such certification and the statement providing the factual basis for the certification to the Secretary of Housing and Urban Development.

(b) **STATEMENT OF PROPOSED RULEMAKING.**—Whenever an agency publishes general notice of proposed rulemaking for any proposed rule, unless the agency has made a certification under subsection (a), the agency shall—

(1) in the notice of proposed rulemaking—
(A) state with particularity the text of the proposed rule; and

(B) request any interested persons to submit to the agency any written analyses, data, views, and arguments, and any specific alternatives to the proposed rule that—

(i) accomplish the stated objectives of the applicable statutes, in a manner comparable to the proposed rule;

(ii) result in costs to the Federal Government equal to or less than the costs resulting from the proposed rule; and

(iii) result in housing affordability greater than the housing affordability resulting from the proposed rule;

(2) provide an opportunity for interested persons to take the actions specified under paragraph (1)(B) before promulgation of the final rule; and

(3) prepare and make available for public comment an initial housing impact analysis in accordance with the requirements of subsection (c).

(c) **INITIAL HOUSING IMPACT ANALYSIS.**—

(1) **REQUIREMENTS.**—Each initial housing impact analysis shall describe the impact of the proposed rule on housing affordability. The initial housing impact analysis or a summary shall be published in the Federal Register at the same time as, and together with, the publication of general notice of proposed rulemaking for the rule. The agency shall transmit a copy of the initial housing impact analysis to the Secretary of Housing and Urban Development.

(2) **MONTHLY HUD LISTING.**—On a monthly basis, the Secretary of Housing and Urban Development shall cause to be published in the Federal Register, and shall make available through a World Wide Web site of the Department, a listing of all proposed rules for which an initial housing impact analysis was prepared during the preceding month.

(3) **CONTENTS.**—Each initial housing impact analysis required under this subsection shall contain—

(A) a description of the reasons why action by the agency is being considered;

(B) a succinct statement of the objectives of, and legal basis for, the proposed rule;

(C) a description of and, where feasible, an estimate of the extent to which the proposed rule would increase the cost or reduce the supply of housing or land for residential development; and

(D) an identification, to the extent practicable, of all relevant Federal rules which may duplicate, overlap, or conflict with the proposed rule.

(d) **PROPOSAL OF LESS DELETERIOUS ALTERNATIVE RULE.**—

(1) **ANALYSIS.**—The agency publishing a general notice of proposed rulemaking shall review any specific analyses and alternatives to the proposed rule which have been submitted to the agency pursuant to subsection (b)(2) to determine whether any alternative to the proposed rule—

(A) accomplishes the stated objectives of the applicable statutes, in a manner comparable to the proposed rule;

(B) results in costs to the Federal Government equal to or less than the costs resulting from the proposed rule; and

(C) results in housing affordability greater than the housing affordability resulting from the proposed rule.

(2) **NEW NOTICE OF PROPOSED RULEMAKING.**—If the agency determines that an alternative to the proposed rule meets the requirements under subparagraphs (A) through (C) of paragraph (1), unless the agency provides an explanation on the record for the proposed rule as to why the alternative should not be implemented, the agency shall incorporate the alternative into the final rule or, at the agency's discretion, issue a new proposed rule which incorporates the alternative.

(e) **FINAL HOUSING IMPACT ANALYSIS.**—

(1) **REQUIREMENT.**—Whenever an agency promulgates a final rule after publication of a general notice of proposed rulemaking, unless the agency has made the certification under subsection (a), the agency shall prepare a final housing impact analysis.

(2) **CONTENTS.**—Each final housing impact analysis shall contain—

(A) a succinct statement of the need for, and objectives of, the rule;

(B) a summary of the significant issues raised during the public comment period in response to the initial housing impact analysis, a summary of the assessment of the agency of such issues, and a statement of any changes made in the proposed rule as a result of such comments; and

(C) a description of and an estimate of the extent to which the rule will impact housing affordability or an explanation of why no such estimate is available.

(3) **AVAILABILITY.**—The agency shall make copies of the final housing impact analysis available to members of the public and shall publish in the Federal Register such analysis or a summary thereof.

(f) **AVOIDANCE OF DUPLICATIVE OR UNNECESSARY ANALYSES.**—

(1) **DUPLICATION.**—Any Federal agency may perform the analyses required by subsections (c) and (e) in conjunction with or as a part of any other agenda or analysis required by any other law, executive order, directive, or rule if such other analysis satisfies the provisions of such subsections.

(2) **JOINER.**—In order to avoid duplicative action, an agency may consider a series of closely related rules as one rule for the purposes of subsections (c) and (e).

(g) **PREPARATION OF ANALYSES.**—In complying with the provisions of subsections (c) and (e), an agency may provide either a quantifiable or numerical description of the effects of a proposed rule or alternatives to the proposed rule, or more general descriptive statements if quantification is not practicable or reliable.

(h) **EFFECT ON OTHER LAW.**—The requirements of subsections (c) and (e) do not alter in any manner standards otherwise applicable by law to agency action.

(i) **PROCEDURE FOR WAIVER OR DELAY OF COMPLETION.**—

(1) **INITIAL HOUSING IMPACT ANALYSIS.**—An agency head may waive or delay the completion of some or all of the requirements of subsection (c) by publishing in the Federal Register, not later than the date of publication of the final rule, a written finding, with reasons therefor, that the final rule is being promulgated in response to an emergency that makes compliance or timely compliance with the provisions of subsection (a) impracticable.

(2) **FINAL HOUSING IMPACT ANALYSIS.**—An agency head may not waive the requirements of subsection (e). An agency head may delay the completion of the requirements of subsection (e) for a period of not more than 180 days after the date of publication in the Federal Register of a final rule by publishing in the Federal Register, not later than such date of publication, a written finding, with

reasons therefor, that the final rule is being promulgated in response to an emergency that makes timely compliance with the provisions of subsection (e) impracticable. If the agency has not prepared a final housing impact analysis pursuant to subsection (e) within 180 days from the date of publication of the final rule, such rule shall lapse and have no force or effect. Such rule shall not be repromulgated until a final housing impact analysis has been completed by the agency.

(j) **DEFINITIONS.**—For purposes of this section, the following definitions shall apply:

(1) **HOUSING AFFORDABILITY.**—The term "housing affordability" means the quantity of housing that is affordable to families having incomes that do not exceed 150 percent of the median income of families in the area in which the housing is located, with adjustments for smaller and larger families. For purposes of this paragraph, area, median family income for an area, and adjustments for family size shall be determined in the same manner as such factors are determined for purposes of section 3(b)(2) of the United States Housing Act of 1937.

(2) **AGENCY.**—The term "agency" means each authority of the Government of the United States, whether or not it is within or subject to review by another agency, but does not include—

(A) the Congress;

(B) the courts of the United States;

(C) the governments of the territories or possessions of the United States;

(D) the government of the District of Columbia;

(E) agencies composed of representatives of the parties or of representatives of organizations of the parties to the disputes determined by them;

(F) courts-martial and military commissions;

(G) military authority exercised in the field in time of war or in occupied territory; or

(H) functions conferred by—

(i) sections 1738, 1739, 1743, and 1744 of title 12, United States Code;

(ii) chapter 2 of title 41, United States Code;

(iii) subchapter II of chapter 471 of title 49, United States Code; or

(iv) sections 1884, 1891–1902, and former section 1641(b)(2), of title 50, appendix, United States Code.

(3) **FAMILIES.**—The term "families" has the meaning given such term in section 3 of the United States Housing Act of 1937.

(4) **RULE.**—The term "rule" means any rule for which the agency publishes a general notice of proposed rulemaking pursuant to section 553(b) of title 5, United States Code, or any other law, including any rule of general applicability governing grants by an agency to State and local governments for which the agency provides an opportunity for notice and public comment; except that such term does not include a rule of particular applicability relating to rates, wages, corporate or financial structures or reorganizations thereof, prices, facilities, appliances, services, or allowances therefor or to valuations, costs or accounting, or practices relating to such rates, wages, structures, prices, appliances, services, or allowances.

(5) **SIGNIFICANT.**—The term "significant" means increasing consumers' cost of housing by more than \$100,000,000 per year.

(k) **DEVELOPMENT.**—Not later than 1 year after the date of the enactment of this title, the Secretary of Housing and Urban Development shall develop model initial and final housing impact analyses under this section and shall cause such model analyses to be published in the Federal Register. The model analyses shall define the primary elements

of a housing impact analysis to instruct other agencies on how to carry out and develop the analyses required under subsections (a) and (c).

(1) JUDICIAL REVIEW.—

(1) DETERMINATION BY AGENCY.—Except as otherwise provided in paragraph (2), any determination by an agency concerning the applicability of any of the provisions of this title to any action of the agency shall not be subject to judicial review.

(2) OTHER ACTIONS BY AGENCY.—Any housing impact analysis prepared under subsection (c) or (e) and the compliance or non-compliance of the agency with the provisions of this title shall not be subject to judicial review. When an action for judicial review of a rule is instituted, any housing impact analysis for such rule shall constitute part of the whole record of agency action in connection with the review.

(3) EXCEPTION.—Nothing in this subsection bars judicial review of any other impact statement or similar analysis required by any other law if judicial review of such statement or analysis is otherwise provided by law.

SEC. 103. GRANTS FOR REGULATORY BARRIER REMOVAL STRATEGIES.

(a) AUTHORIZATION OF APPROPRIATIONS.—Subsection (a) of section 1204 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705c(a)) is amended to read as follows:

“(a) FUNDING.—There is authorized to be appropriated for grants under subsections (b) and (c) \$15,000,000 for fiscal year 1999 and each fiscal year thereafter through fiscal year 2003.”.

(b) CONSOLIDATION OF STATE AND LOCAL GRANTS.—Subsection (b) of section 1204 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705c(b)) is amended—

(1) in the subsection heading, by striking “STATE GRANTS” and inserting “GRANT AUTHORITY”;

(2) in the matter preceding paragraph (1), by inserting after “States” the following: “and units of general local government (including consortia of such governments)”;

(3) in paragraph (3), by striking “a State program to reduce State and local” and inserting “State, local, or regional programs to reduce”;

(4) in paragraph (4), by inserting “or local” after “State”; and

(5) in paragraph (5), by striking “State”.

(c) REPEAL OF LOCAL GRANTS PROVISION.—Section 1204 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705c) is amended by striking subsection (c).

(d) APPLICATION AND SELECTION.—The last sentence of section 1204(e) of the Housing and Community Development Act of 1992 (42 U.S.C. 12705c(e)) is amended—

(1) by striking “and for the selection of units of general local government to receive grants under subsection (f)(2); and

(2) by inserting before the period at the end the following: “and such criteria shall require that grant amounts be used in a manner consistent with the strategy contained in the comprehensive housing affordability strategy for the jurisdiction pursuant to section 105(b)(4) of the Cranston-Gonzalez National Affordable Housing Act”.

(e) SELECTION OF GRANTEEES.—Subsection (f) of section 1204 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705c(f)) is amended to read as follows:

“(f) SELECTION OF GRANTEEES.—To the extent amounts are made available to carry out this section, the Secretary shall provide grants on a competitive basis to eligible grantees based on the proposed uses of such amounts, as provided in applications under subsection (e).”.

(f) TECHNICAL AMENDMENTS.—Section 107(a)(1) of the Housing and Community De-

velopment Act of 1974 (42 U.S.C. 5307(a)(1)) is amended—

(1) in subparagraph (G), by inserting “and” after the semicolon at the end;

(2) by striking subparagraph (H); and

(3) by redesignating subparagraph (I) as subparagraph (H).

SEC. 104. ELIGIBILITY FOR COMMUNITY DEVELOPMENT BLOCK GRANTS.

(a) IN GENERAL.—Section 104(c)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304(c)(1)) is amended by inserting before the comma the following: “, which shall include making a good faith effort to carry out the strategy established under section 105(b)(4) of such Act by the unit of general local government to remove barriers to affordable housing”.

(b) RULE OF CONSTRUCTION.—The amendment made by subsection (a) may not be construed to create any new private right of action.

SEC. 105. REGULATORY BARRIERS CLEARINGHOUSE.

Section 1205 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705d) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking “receive, collect, process, and assemble” and inserting “serve as a national repository to receive, collect, process, assemble, and disseminate”;

(B) in paragraph (1)—

(i) by striking “, including” and inserting “(including”;

(ii) by inserting before the semicolon at the end the following: “), and the prevalence and effects on affordable housing of such laws, regulations, and policies”;

(C) in paragraph (2), by inserting before the semicolon the following: “, including particularly innovative or successful activities, strategies, and plans”;

(D) in paragraph (3), by inserting before the period at the end the following: “, including particularly innovative or successful strategies, activities, and plans”;

(2) in subsection (b)—

(A) in paragraph (1), by striking “and” at the end;

(B) in paragraph (2), by striking the period at the end and inserting “; and”;

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

“(3) by making available through a World Wide Web site of the Department, by electronic mail, or otherwise, provide to each housing agency of a unit of general local government that serves an area having a population greater than 100,000, an index of all State and local strategies and plans submitted under subsection (a) to the clearinghouse, which—

“(A) shall describe the types of barriers to affordable housing that the strategy or plan was designed to ameliorate or remove; and

“(B) shall, not later than 30 days after submission to the clearinghouse of any new strategy or plan, be updated to include the new strategy or plan submitted.”; and

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

“(c) ORGANIZATION.—The clearinghouse under this section shall be established within the Office of Policy Development of the Department of Housing and Urban Development and shall be under the direction of the Assistant Secretary for Policy Development and Research.

“(d) TIMING.—The clearinghouse under this section (as amended by section 105 of the Affordable Housing Barrier Removal Act of 1998) shall be established and commence carrying out the functions of the clearinghouse under this section not later than 1 year after the date of the enactment of such Act. The

Secretary of Housing and Urban Development may comply with the requirements under this section by reestablishing the clearinghouse that was originally established to comply with this section and updating and improving such clearinghouse to the extent necessary to comply with the requirements of this section as in effect pursuant to the enactment of such Act.”.

TITLE II—HOMEOWNERSHIP THROUGH MORTGAGE INSURANCE AND LOAN GUARANTEES

SEC. 201. ADJUSTABLE RATE MORTGAGES.

Section 251(c) of the National Housing Act (12 U.S.C. 1715z-16(c)) is amended—

(1) by striking “(c) The” and inserting “(c)(1) Except as provided in paragraph (2), the”;

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

“(2)(A) The Secretary may, not less than 30 days after submitting to the Congress a written finding under subparagraph (B), insure under this section in the fiscal year for which the finding is submitted an aggregate number of mortgages and loans not exceeding 40 percent of the aggregate number of mortgages and loans insured by the Secretary under this title during the preceding fiscal year.

“(B) A finding under this subparagraph is a finding that—

“(I) the limitation under paragraph (1) on authority to insure mortgages and loans during a fiscal year will be reached before the end of that fiscal year;

“(II) an increase in such limitation is necessary to meet the demand for insurance under this section during the fiscal year;

“(III) the Mutual Mortgage Insurance Fund is actuarially sound; and

“(IV) an increase in such limitation will not adversely impact the actuarial soundness of the Mutual Mortgage Insurance Fund.”.

SEC. 202. HOUSING INSPECTION STUDY.

The Comptroller General of the United States shall conduct a study regarding the inspection of properties purchased with loans insured under section 203 of the National Housing Act. The study shall evaluate—

(1) the feasibility of requiring inspections of properties purchased with loans insured under such section;

(2) the level of financial losses or savings to the Mutual Mortgage Insurance Fund that are likely to occur if inspections are required on properties purchased with loans insured under such section;

(3) the potential impact on the process of buying a home if inspections of properties purchased with loans insured under such section are required, including the process of buying a home in underserved areas where losses to the Mutual Mortgage Insurance Fund are greatest;

(4) the difference, if any, in the quality of homes purchased with loans insured under such section that are inspected before purchase and such homes that are not inspected before purchase;

(5) the cost to homebuyers of requiring inspections before purchase of properties with loans insured under such section;

(6) the extent, if any, to which requiring inspections of properties purchased with loans insured under such section will result in adverse selection of loans insured under such section; and

(7) homebuyer knowledge regarding property inspections and the extent to which such knowledge affects the decision of homebuyers to opt for or against having a property inspection before purchasing a home.

SEC. 203. DEFINITION OF AREA.

(a) DISCRETION TO ENLARGE AREAS AND MEDIAN PRICE IN MSA'S.—Section 203(b)(2) of

the National Housing Act (12 U.S.C. 1709(b)(2)) is amended, the first sentence after subparagraph (B), by inserting before the period the following: “; except that the Secretary may provide that any county or statistical area, together with any counties contiguous or proximate to such county or statistical area, be treated as a single area for purposes of the preceding sentence; and except that the median 1-family housing price for any metropolitan statistical area shall be equal to the median 1-family housing price of the county within the area that has the highest such median price”.

(b) **MEDIAN PRICE IN EXPANDED MSA'S.**—The first sentence after subparagraph (B) of section 203(b)(2) of the National Housing Act (12 U.S.C. 1709(b)(2)), as amended by subsection (a) of this section, is further amended by inserting before the period at the end the following: “; and except that for fiscal year 1999 the median 1-family housing price for any area (for purposes of the preceding sentence) that consists of a metropolitan statistical area together with the counties contiguous or proximate to such metropolitan statistical area shall be equal to the median 1-family housing price of the county within such area (for purposes of the preceding sentence) that has the highest such median price”.

SEC. 204. EXTENSION OF LOAN TERM FOR MANUFACTURED HOME LOTS.

Section 2(b)(3)(E) of the National Housing Act (12 U.S.C. 1703(b)(3)(E)) is amended by striking “fifteen” and inserting “twenty”.

SEC. 205. REPEAL OF REQUIREMENTS FOR APPROVAL FOR INSURANCE PRIOR TO START OF CONSTRUCTION.

The National Housing Act is amended—

(1) in section 203 (12 U.S.C. 1709)—

(A) in subsection (b)(2), by striking the 4th sentence in the first undesignated paragraph following subparagraph (B); and

(B) in subsection (i), by striking “(or, in any case)” and all that follows through “90 centum”; and

(2) in section 220(d)(3)(A)(i) (12 U.S.C. 1715k(d)(3)(A)(i)), by striking “(but, in any case)” and all that follows through “90 per centum”.

SEC. 206. REHABILITATION DEMONSTRATION GRANT PROGRAM.

(a) **SHORT TITLE.**—Effective immediately after the enactment of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999, section 599G of such Act is amended—

(1) by redesignating subsections (a), (b), (c), (d), (e), (f), and (g) as subsections (b), (c), (d), (e), (f), (g), and (h), respectively; and

(2) by inserting before subsection (b) (as so redesignated) the following new subsection:

“(a) **SHORT TITLE.**—This section may be cited as the ‘Joseph P. Kennedy II Homeownership Rehabilitation Demonstration Grant Act’.”

(b) **AVAILABILITY OF MMIF.**—Section 205 of the National Housing Act (12 U.S.C. 1711) is amended by adding at the end the following new subsection:

“(i) **AVAILABILITY FOR REHABILITATION PROGRAM.**—Amounts in the Mutual Mortgage Insurance Fund shall be available to the Secretary during fiscal year 1999 to carry out the program under section 599G of the Quality Housing and Work Responsibility Act of 1998, except that the Secretary may not use more than an aggregate of \$25,000,000 from the Mutual Mortgage Insurance Fund for such purpose.”.

TITLE III—SECTION 8 HOMEOWNERSHIP OPTION

SEC. 301. DOWNPAYMENT ASSISTANCE.

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

(1) by redesignating paragraph (7) as paragraph (8); and

(2) by inserting after paragraph (6) the following new paragraph:

“(7) **DOWNPAYMENT ASSISTANCE.**—

“(A) **AUTHORITY.**—A public housing agency may, in lieu of providing monthly assistance payments under this subsection on behalf of a family eligible for such assistance and at the discretion of the public housing agency, provide assistance for the family in the form of a single grant to be used only as a contribution toward the downpayment required in connection with the purchase of a dwelling for fiscal year 2000 and each fiscal year thereafter to the extent provided in advance in appropriations Acts.

“(B) **AMOUNT.**—The amount of a downpayment grant on behalf of an assisted family may not exceed the amount that is equal to the sum of the assistance payments that would be made during the first year of assistance on behalf of the family, based upon the income of the family at the time the grant is to be made.”.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall take effect immediately after the amendments made by section 555(c) of the Quality Housing and Work Responsibility Act of 1998 take effect pursuant to such section.

TITLE IV—HOME INVESTMENT PARTNERSHIPS PROGRAM

SEC. 401. REAUTHORIZATION.

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

“SEC. 205. AUTHORIZATION.

“(a) **IN GENERAL.**—There are authorized to be appropriated to carry out this title \$1,600,000,000 for fiscal year 1999 and such sums as may be necessary for each of fiscal years 2000 through 2003, of which—

“(1) not more than \$25,000,000 in each such fiscal year shall be for community housing partnership activities authorized under section 233; and

“(2) not more than \$15,000,000 in each such fiscal year shall be for activities in support of State and local housing strategies authorized under subtitle C.

“(b) **PROHIBITION OF SET-ASIDES.**—Except as provided in subsection (a) of this section and section 217(a)(3), amounts appropriated pursuant to subsection (a) or otherwise to carry out this title shall be used only for formula-based grants allocated pursuant to section 217 and may not be otherwise used unless the provision of law providing for such other use specifically refers to this subsection and specifically states that such provision modifies or supersedes the provisions of this subsection.”.

SEC. 402. ELIGIBILITY OF LIMITED EQUITY COOPERATIVES AND MUTUAL HOUSING ASSOCIATIONS.

(a) **CONGRESSIONAL FINDINGS.**—Section 202(10) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721(10)) is amended by inserting “mutual housing associations,” after “limited equity cooperatives.”.

(b) **DEFINITIONS.**—Section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704) is amended—

(1) by redesignating paragraph (23) as paragraph (22);

(2) by redesignating paragraph (24) (relating to the definition of “insular area”) as paragraph (23); and

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

“(26) The term ‘limited equity cooperative’ means a cooperative housing corporation which, in a manner determined by the Secretary to be acceptable, restricts income eligibility of purchasers of membership shares

of stock in the cooperative corporation or the initial and resale price of such shares, or both, so that the shares remain available and affordable to low-income families.

“(27) The term ‘mutual housing association’ means a private entity that—

“(A) is organized under State law;

“(B) is described in section 501(c) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code;

“(C) owns, manages, and continuously develops affordable housing by providing long-term housing for low- and moderate-income families;

“(D) provides that eligible families who purchase membership interests in the association shall have a right to residence in a dwelling unit in the housing during the period that they hold such membership interest; and

“(E) provides for the residents of such housing to participate in the ongoing management of the housing.”.

(c) **ELIGIBILITY.**—Section 215 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745) is amended—

(1) in subsection (b), by adding after and below paragraph (4) the following:

“Housing that is owned by a limited equity cooperative or a mutual housing association may be considered by a participating jurisdiction to be housing for homeownership for purposes of this title to the extent that ownership or membership in such a cooperative or association, respectively, constitutes homeownership under State or local laws.”; and

(2) in subsection (a), by adding at the end the following new paragraph:

“(6) **LIMITED EQUITY COOPERATIVES AND MUTUAL HOUSING ASSOCIATIONS.**—Housing that is owned by a limited equity cooperative or a mutual housing association may be considered by a participating jurisdiction to be rental housing for purposes of this title to the extent that ownership or membership in such a cooperative or association, respectively, constitutes rental of a dwelling under State or local laws.”.

SEC. 403. LEVERAGING AFFORDABLE HOUSING INVESTMENT THROUGH LOCAL LOAN POOLS.

(a) **ELIGIBLE INVESTMENTS.**—Section 212(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742(b)) is amended by inserting after “interest subsidies” the following: “, advances to provide reserves for loan pools or to provide partial loan guarantees.”.

(b) **TIMELY INVESTMENT OF TRUST FUNDS.**—Section 218(e) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12748) is amended to read as follows:

“(e) **INVESTMENT WITHIN 15 DAYS.**—

“(1) **IN GENERAL.**—The participating jurisdiction shall, not later than 15 days after funds are drawn from the jurisdiction’s HOME Investment Trust Fund, invest such funds, together with any interest earned thereon, in the affordable housing for which the funds were withdrawn.

“(2) **LOAN POOLS.**—In the case of a participating jurisdiction that withdraws Trust Fund amounts for investment in the form of an advance for reserves or partial loan guarantees under a program providing such credit enhancement for loans for affordable housing, the amounts shall be considered to be invested for purposes of paragraph (1) upon the completion of both of the following actions:

“(A) Control of the amounts is transferred to the program.

“(B) The jurisdiction and the entity operating the program enter into a written agreement that—

“(i) provides that such funds may be used only in connection with such program;

“(ii) defines the terms and conditions of the loan pool reserve or partial loan guarantees; and

“(iii) provides that such entity shall ensure that amounts from non-Federal sources have been contributed, or are committed for contribution, to the pool available for loans for affordable housing that will be backed by such reserves or loan guarantees in an amount equal to 10 times the amount invested from Trust Fund amounts.”.

(c) EXPIRATION OF RIGHT TO WITHDRAW FUNDS.—Section 218(g) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12748(g)) is amended to read as follows:

“(g) EXPIRATION OF RIGHT TO DRAW FUNDS.—

“(1) IN GENERAL.—If any funds becoming available to a participating jurisdiction under this title are not placed under binding commitment to affordable housing within 24 months after the last day of the month in which such funds are deposited in the jurisdiction’s HOME Investment Trust Fund, the jurisdiction’s right to draw such funds from the HOME Investment Trust Fund shall expire. The Secretary shall reduce the line of credit in the participating jurisdiction’s HOME Investment Trust Fund by the expiring amount and shall reallocate the funds by formula in accordance with section 217(d).

“(2) LOAN POOLS.—In the case of a participating jurisdiction that withdraws Trust Fund amounts for investment in the manner provided under subsection (e)(2), the amounts shall be considered to be placed under binding commitment to affordable housing for purposes of paragraph (1) of this subsection at the time that the amounts are obligated for use under, and are subject to, a written agreement described in subsection (e)(2)(B).”.

(d) TREATMENT OF MIXED INCOME LOAN POOLS AS AFFORDABLE HOUSING.—

(1) IN GENERAL.—Section 215 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745) is amended by adding at the end the following new subsection:

“(c) LOAN POOLS.—Notwithstanding subsections (a) and (b), housing financed using amounts invested as provided in section 218(e)(2) shall qualify as affordable housing only if the housing complies with the following requirements:

“(1) In the case of housing that is for homeownership—

“(A) of the units financed with amounts so invested—

“(i) not less than 75 percent are principal residences of owners whose families qualify as low-income families—

“(I) in the case of a contract to purchase existing housing, at the time of purchase;

“(II) in the case of a lease-purchase agreement for existing housing or for housing to be constructed, at the time the agreement is signed; or

“(III) in the case of a contract to purchase housing to be constructed, at the time the contract is signed;

“(ii) all are principal residences of owners whose families qualify as moderate-income families—

“(I) in the case of a contract to purchase existing housing, at the time of purchase;

“(II) in the case of a lease-purchase agreement for existing housing or for housing to be constructed, at the time the agreement is signed; or

“(III) in the case of a contract to purchase housing to be constructed, at the time the contract is signed; and

“(iii) all comply with paragraphs (3) and (4) of subsection (b), except that paragraph (3) shall be applied for purposes of this clause by substituting ‘subsection (c)(2)(B)’ and ‘low- and moderate-income homebuyers’ for ‘para-

graph (2)’ and ‘low-income homebuyers’, respectively; and

“(B) units made available for purchase only by families who qualify as low-income families shall have an initial purchase price that complies with the requirements of subsection (b)(1).

“(2) In the case of housing that is for rental, the housing—

“(A) complies with subparagraphs (D) through (F) of subsection (a)(1);

“(B)(i) has not less than 75 percent of the units occupied by households that qualify as low-income families and is occupied only by households that qualify as moderate-income families; or

“(ii) temporarily fails to comply with clause (i) only because of increases in the incomes of existing tenants and actions satisfactory to the Secretary are being taken to ensure that all vacancies in the housing are being filled in accordance with clause (i) until such noncompliance is corrected; and

“(C) bears rents, in the case of units made available for occupancy only by households that qualify as low-income families, that comply with the requirements of subsection (a)(1)(A).

Paragraphs (4) and (5) of subsection (a) shall apply to housing that is subject to this subsection.”.

(2) DEFINITION.—Section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704), as amended by section 402 of this Act, is further amended by adding at the end the following new paragraph:

“(28) The term ‘moderate income families’ means families whose incomes do not exceed the median income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than the median income for the area on the basis of the Secretary’s findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.”.

SEC. 404. LOAN GUARANTEES.

Subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12741 et seq.) is amended by adding at the end the following new section:

“SEC. 227. LOAN GUARANTEES.

“(a) AUTHORITY.—The Secretary may, upon such terms and conditions as the Secretary may prescribe, guarantee and make commitments to guarantee, only to such extent or in such amounts as provided in appropriations Acts, the notes or other obligations issued by eligible participating jurisdictions or by public agencies designated by and acting on behalf of eligible participating jurisdictions for purposes of financing (including credit enhancements and debt service reserves) the acquisition, new construction, reconstruction, or moderate or substantial rehabilitation of affordable housing (including real property acquisition, site improvement, conversion, and demolition), and other related expenses (including financing costs and relocation expenses of any displaced persons, families, businesses, or organizations). Housing funded under this section shall meet the requirements of this subtitle.

“(b) REQUIREMENTS.—Notes or other obligations guaranteed under this section shall be in such form and denominations, have such maturities, and be subject to such conditions as may be prescribed by the Secretary. The Secretary may not deny a guarantee under this section on the basis of the proposed repayment period for the note or other obligation, unless the period is more than 20 years or the Secretary determines that the period otherwise causes the guarantee to constitute an unacceptable financial risk.

“(c) LIMITATION ON TOTAL NOTES AND OBLIGATIONS.—The Secretary may not guarantee or make a commitment to guarantee any note or other obligation if the total outstanding notes or obligations guaranteed under this section on behalf of the participating jurisdiction issuing the note or obligation (excluding any amount defeased under a contract entered into under subsection (e)(1)) would thereby exceed an amount equal to 5 times the amount of the participating jurisdiction’s latest allocation under section 217.

“(d) USE OF PROGRAM FUNDS.—Notwithstanding any other provision of this subtitle, funds allocated to the participating jurisdiction under this subtitle (including program income derived therefrom) are authorized for use in the payment of principal and interest due on the notes or other obligations guaranteed pursuant to this section and the payment of such servicing, underwriting, or other issuance or collection charges as may be specified by the Secretary.

“(e) SECURITY.—To assure the full repayment of notes or other obligations guaranteed under this section, and payment of the issuance or collection charges specified by the Secretary under subsection (d), and as a prior condition for receiving such guarantees, the Secretary shall require the participating jurisdiction (and its designated public agency issuer, if any) to—

“(1) enter into a contract, in a form acceptable to the Secretary, for repayment of such notes or other obligations and the other specified charges;

“(2) pledge as security for such repayment any allocation for which the participating jurisdiction may become eligible under this subtitle; and

“(3) furnish, at the discretion of the Secretary, such other security as may be deemed appropriate by the Secretary in making such guarantees, which may include increments in local tax receipts generated by the housing assisted under this section or disposition proceeds from the sale of land or housing.

“(f) REPAYMENT AUTHORITY.—The Secretary may, notwithstanding any other provision of this subtitle or any other Federal, State, or local law, apply allocations pledged pursuant to subsection (e) to any repayments due the United States as a result of such guarantees.

“(g) FULL FAITH AND CREDIT.—The full faith and credit of the United States is pledged to the payment of all guarantees made under this section. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the notes or other obligations for such guarantee with respect to principal and interest, and the validity of any such guarantee so made shall be incontestable in the hands of a holder of the guaranteed obligations.

“(h) TAX STATUS.—With respect to any obligation guaranteed pursuant to this section, the guarantee and the obligation shall be designed in a manner such that the interest paid on such obligation shall be included in gross income for purposes of the Internal Revenue Code of 1986.

“(i) MONITORING.—The Secretary shall monitor the use of guarantees under this section by eligible participating jurisdictions. If the Secretary finds that 50 percent of the aggregate guarantee authority for any fiscal year has been committed, the Secretary may impose limitations on the amount of guarantees any 1 participating jurisdiction may receive during that fiscal year.

“(j) GUARANTEE OF TRUST CERTIFICATES.—

“(1) AUTHORITY.—The Secretary may, upon such terms and conditions as the Secretary deems appropriate, guarantee the timely payment of the principal of and interest on

such trust certificates or other obligations as may—

“(A) be offered by the Secretary or by any other offeror approved for purposes of this subsection by the Secretary; and

“(B) be based on and backed by a trust or pool composed of notes or other obligations guaranteed or eligible for guarantee by the Secretary under this section.

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

“(3) SUBROGATION.—In the event the Secretary pays a claim under a guarantee issued under this section, the Secretary shall be subrogated fully to the rights satisfied by such payment.

“(4) OTHER POWERS AND RIGHTS.—No State or local law, and no Federal law, shall preclude or limit the exercise by the Secretary of—

“(A) the power to contract with respect to public offerings and other sales of notes, trust certificates, and other obligations guaranteed under this section, upon such terms and conditions as the Secretary deems appropriate;

“(B) the right to enforce, by any means deemed appropriate by the Secretary, any such contract; and

“(C) the Secretary's ownership rights, as applicable, in notes, certificates or other obligations guaranteed under this section, or constituting the trust or pool against which trust certificates or other obligations guaranteed under this section are offered.

“(k) AGGREGATE LIMITATION.—The total amount of outstanding obligations guaranteed on a cumulative basis by the Secretary under this section shall not at any time exceed \$2,000,000,000.”.

TITLE V—LOCAL HOMEOWNERSHIP INITIATIVES

SEC. 501. REAUTHORIZATION OF NEIGHBORHOOD REINVESTMENT CORPORATION.

Section 608(a)(1) of the Neighborhood Reinvestment Corporation Act (42 U.S.C. 8107(a)(1)) is amended by striking the first sentence and inserting the following: “There are authorized to be appropriated to the corporation to carry out this title \$90,000,000 for each of fiscal years 1999 through 2003. Of any amounts made available pursuant to this subsection for fiscal year 1999, \$25,000,000 shall be for a pilot homeownership initiative, including an evaluation by an independent third party to determine its effectiveness.”.

SEC. 502. HOMEOWNERSHIP ZONES.

Section 186 of the Housing and Community Development Act of 1992 (42 U.S.C. 12898a) is amended to read as follows:

“SEC. 186. HOMEOWNERSHIP ZONE GRANTS.

“(a) AUTHORITY.—The Secretary of Housing and Urban Development may make grants to units of general local government to assist homeownership zones. Homeownership zones are contiguous, geographically defined areas, primarily residential in nature, in which large-scale development projects are designed to reclaim distressed neighborhoods by creating homeownership opportunities for low- and moderate-income families. Projects in homeownership zones are intended to serve as a catalyst for private investment, business creation, and neighborhood revitalization.

“(b) ELIGIBLE ACTIVITIES.—Amounts made available under this section may be used for projects that include any of the following activities in the homeownership zone:

“(1) Acquisition, construction, and rehabilitation of housing.

“(2) Site acquisition and preparation, including demolition, construction, recon-

struction, or installation of public and other site improvements and utilities directly related to the homeownership zone.

“(3) Direct financial assistance to homebuyers.

“(4) Homeownership counseling.

“(5) Relocation assistance.

“(6) Marketing costs, including affirmative marketing activities.

“(7) Other project-related costs.

“(8) Reasonable administrative costs (up to 5 percent of the grant amount).

“(9) Other housing-related activities proposed by the applicant as essential to the success of the homeownership zone and approved by the Secretary.

“(c) APPLICATION.—To be eligible for a grant under this section, a unit of general local government shall submit an application for a homeownership zone grant in such form and in accordance with such procedures as the Secretary shall establish.

“(d) SELECTION CRITERIA.—The Secretary shall select applications for funding under this section through a national competition, using selection criteria established by the Secretary, which shall include—

“(1) the degree to which the proposed activities will result in the improvement of the economic, social, and physical aspects of the neighborhood and the lives of its residents through the creation of new homeownership opportunities;

“(2) the levels of distress in the homeownership zone as a whole, and in the immediate neighborhood of the project for which assistance is requested;

“(3) the financial soundness of the plan for financing homeownership zone activities;

“(4) the leveraging of other resources; and

“(5) the capacity to successfully carry out the plan.

“(e) GRANT APPROVAL AMOUNTS.—The Secretary may establish a maximum amount for any grant for any funding round under this section. A grant may not be made in an amount that exceeds the amount that the Secretary determines is necessary to fund the project for which the application is made.

“(f) PROGRAM REQUIREMENTS.—A homeownership zone proposal shall—

“(1) provide for a significant number of new homeownership opportunities that will make a visible improvement in an immediate neighborhood;

“(2) not be inconsistent with such planning and design principles as may be prescribed by the Secretary;

“(3) be designed to stimulate additional investment in that area;

“(4) provide for partnerships with persons or entities in the private and nonprofit sectors;

“(5) incorporate a comprehensive approach to revitalization of the neighborhood;

“(6) establish a detailed time-line for commencement and completion of construction activities; and

“(7) provide for affirmatively furthering fair housing.

“(g) INCOME TARGETING.—At least 51 percent of the homebuyers assisted with funds under this section shall have household incomes at or below 80 percent of median income for the area, as determined by the Secretary.

“(h) ENVIRONMENTAL REVIEW.—For purposes of environmental review, decision-making, and action pursuant to the National Environmental Policy Act of 1969 and other provisions of law that further the purposes of such Act, a grant under this section shall be treated as assistance under the HOME Investment Partnerships Act and shall be subject to the regulations issued by the Secretary to implement section 288 of such Act.

“(i) REVIEW, AUDIT, AND REPORTING.—The Secretary shall make such reviews and au-

ditions and establish such reporting requirements as may be necessary or appropriate to determine whether the grantee has carried out its activities in a timely manner and in accordance with the requirements of this section. The Secretary may adjust, reduce, or withdraw amounts made available, or take other action as appropriate, in accordance with the Secretary's performance reviews and audits under this section.

“(j) AUTHORIZATION.—There are authorized to be appropriated to carry out this section \$25,000,000 for fiscal year 1999 and such sums as may be necessary for fiscal year 2000, to remain available until expended.”.

SEC. 503. LEASE-TO-OWN.

(a) SENSE OF CONGRESS.—It is the sense of the Congress that residential tenancies under lease-to-own provisions can facilitate homeownership by low- and moderate-income families and provide opportunities for homeownership for such families who might not otherwise be able to afford homeownership.

(b) REPORT.—Not later than the expiration of the 3-month period beginning on the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit a report to the Congress—

(1) analyzing whether lease-to-own provisions can be effectively incorporated within the HOME investment partnerships program, the public housing program, the tenant-based rental assistance program under section 8 of the United States Housing Act of 1937, or any other programs of the Department to facilitate homeownership by low- or moderate-income families; and

(2) any legislative or administrative changes necessary to alter or amend such programs to allow the use of lease-to-own options to provide homeownership opportunities.

SEC. 504. LOCAL CAPACITY BUILDING.

Section 4 of the HUD Demonstration Act of 1993 (42 U.S.C. 9816 note) is amended—

(1) in subsection (a), by inserting “National Association of Housing Partnerships,” after “Humanity,”; and

(2) in subsection (e), by striking “\$25,000,000” and all that follows and inserting “, for each fiscal year, such sums as may be necessary to carry out this section.”.

TITLE VI—MANUFACTURED HOUSING IMPROVEMENT

SEC. 601. SHORT TITLE AND REFERENCES.

(a) SHORT TITLE.—This title may be cited as the “Manufactured Housing Improvement Act”.

(b) REFERENCES.—Whenever in this title an amendment is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to that section or other provision of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5401 et seq.).

SEC. 602. FINDINGS AND PURPOSES.

Section 602 (42 U.S.C. 5401) is amended to read as follows:

“FINDINGS AND PURPOSES

“SEC. 602. (a) FINDINGS.—The Congress finds that—

“(1) manufactured housing plays a vital role in meeting the housing needs of the Nation; and

“(2) manufactured homes provide a significant resource for affordable homeownership and rental housing accessible to all Americans.

“(b) PURPOSES.—The purposes of this title are—

“(1) to facilitate the acceptance of the quality, durability, safety, and affordability of manufactured housing within the Department of Housing and Urban Development;

"(2) to facilitate the availability of affordable manufactured homes and to increase homeownership for all Americans;

"(3) to provide for the establishment of practical, uniform, and, to the extent possible, performance-based Federal construction standards;

"(4) to encourage innovative and cost-effective construction techniques;

"(5) to protect owners of manufactured homes from unreasonable risk of personal injury and property damage;

"(6) to establish a balanced consensus process for the development, revision, and interpretation of Federal construction and safety standards for manufactured homes and related regulations for the enforcement of such standards;

"(7) to ensure uniform and effective enforcement of Federal construction and safety standards for manufactured homes; and

"(8) to ensure that the public interest in, and need for, affordable manufactured housing is duly considered in all determinations relating to the Federal standards and their enforcement."

SEC. 603. DEFINITIONS.

(a) IN GENERAL.—Section 603 (42 U.S.C. 5402) is amended—

(1) in paragraph (2), by striking "dealer" and inserting "retailer";

(2) in paragraph (12), by striking "and" at the end;

(3) in paragraph (13), by striking the period at the end and inserting a semicolon; and

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

"(14) 'administering organization' means the recognized, voluntary, private sector, consensus standards body with specific experience in developing model residential building codes and standards involving all disciplines regarding construction and safety that administers the consensus standards development process;

"(15) 'consensus committee' means the committee established under section 604(a)(3);

"(16) 'consensus standards development process' means the process by which additions, revisions, and interpretations to the Federal manufactured home construction and safety standards and enforcement regulations shall be developed and recommended to the Secretary by the consensus committee;

"(17) 'primary inspection agency' means a State agency or private organization that has been approved by the Secretary to act as a design approval primary inspection agency or a production inspection primary inspection agency, or both;

"(18) 'design approval primary inspection agency' means a State agency or private organization that has been approved by the Secretary to evaluate and either approve or disapprove manufactured home designs and quality control procedures;

"(19) 'production inspection primary inspection agency' means a State agency or private organization that has been approved by the Secretary to evaluate the ability of manufactured home manufacturing plants to comply with approved quality control procedures and with the Federal manufactured home construction and safety standards promulgated hereunder; and

"(20) 'monitoring'—

"(A) means the process of periodic review of the primary inspection agencies, by the Secretary or by a State agency under an approved State plan pursuant to section 623, in accordance with regulations recommended by the consensus committee and promulgated in accordance with section 604(b), which process shall be for the purpose of ensuring that the primary inspection agencies

are discharging their duties under this title; and

"(B) may include the periodic inspection of retail locations for transit damage, label tampering, and retailer compliance with this title."

(b) CONFORMING AMENDMENTS.—The National Manufactured Housing Construction and Safety Standards Act of 1974 is amended—

(1) in section 613 (42 U.S.C. 5412), by striking "dealer" each place it appears and inserting "retailer";

(2) in section 614(f) (42 U.S.C. 5413(f)), by striking "dealer" each place it appears and inserting "retailer";

(3) in section 615 (42 U.S.C. 5414)—

(A) in subsection (b)(1), by striking "dealer" and inserting "retailer";

(B) in subsection (b)(3), by striking "dealer or dealers" and inserting "retailer or retailers"; and

(C) in subsections (d) and (f), by striking "dealers" each place it appears and inserting "retailers";

(4) in section 616 (42 U.S.C. 5415), by striking "dealer" and inserting "retailer"; and

(5) in section 623(c)(9), by striking "dealers" and inserting "retailers".

SEC. 604. FEDERAL MANUFACTURED HOME CONSTRUCTION AND SAFETY STANDARDS.

Section 604 (42 U.S.C. 5304) is amended—

(1) by striking subsections (a) and (b) and inserting the following new subsections:

"(a) ESTABLISHMENT.—

"(1) AUTHORITY.—The Secretary shall establish, by order, appropriate Federal manufactured home construction and safety standards, each of which—

"(A) shall—

"(i) be reasonable and practical;

"(ii) meet high standards of protection consistent with the enumerated purposes of this title; and

"(iii) where appropriate, be performance-based and stated objectively; and

"(B) except as provided in subsection (b), shall be established in accordance with the consensus standards development process.

"(2) CONSENSUS STANDARDS AND REGULATORY DEVELOPMENT PROCESS.—

"(A) INITIAL AGREEMENT.—Not later than 180 days after the date of enactment of the Manufactured Housing Improvement Act, the Secretary shall enter into a contract with an administering organization. The contractual agreement shall—

"(i) terminate on the date on which a contract is entered into under subparagraph (B); and

"(ii) require the administering organization to—

"(I) appoint the initial members of the consensus committee under paragraph (3);

"(II) administer the consensus standards development process until the termination of that agreement; and

"(III) administer the consensus development and interpretation process for procedural and enforcement regulations and regulations specifying the permissible scope and conduct of monitoring until the termination of that agreement.

"(B) COMPETITIVELY PROCURED CONTRACT.—Upon the expiration of the 4-year period beginning on the date on which all members of the consensus committee are appointed under paragraph (3), the Secretary shall, using competitive procedures (as such term is defined in section 4 of the Office of Federal Procurement Policy Act), enter into a competitively awarded contract with an administering organization. The administering organization shall administer the consensus process for the development and interpretation of the Federal standards, the procedural and enforcement regulations and regulations

specifying the permissible scope and conduct of monitoring in accordance with this title.

"(C) PERFORMANCE REVIEW.—The Secretary—

"(i) shall periodically review the performance of the administering organization; and

"(ii) may replace the administering organization with another qualified technical or building code organization, pursuant to competitive procedures, if the Secretary determines in writing that the administering organization is not fulfilling the terms of the agreement or contract to which the administering organization is subject or upon the expiration of the agreement or contract.

"(3) CONSENSUS COMMITTEE.—

"(A) PURPOSE.—There is established a committee to be known as the 'consensus committee', which shall, in accordance with this title—

"(i) provide periodic recommendations to the Secretary to adopt, revise, and interpret the Federal manufactured housing construction and safety standards in accordance with this subsection;

"(ii) provide periodic recommendations to the Secretary to adopt, revise, and interpret the procedural and enforcement regulations, including regulations specifying the permissible scope and conduct of monitoring in accordance with this subsection; and

"(iii) be organized and carry out its business in a manner that guarantees a fair opportunity for the expression and consideration of various positions and for public participation.

"(B) MEMBERSHIP.—The consensus committee shall be composed of—

"(i) 25 voting members appointed, subject to approval by the Secretary, by the administering organization from among individuals who are qualified by background and experience to participate in the work of the consensus committee; and

"(ii) 1 member appointed by the Secretary to represent the Secretary on the consensus committee, who shall be a nonvoting member.

"(C) DISAPPROVAL.—The Secretary may disapprove, in writing with the reasons set forth, the appointment of an individual under subparagraph (B)(i).

"(D) SELECTION PROCEDURES AND REQUIREMENTS.—Each member shall be appointed in accordance with the selection procedures, which shall be established by the Secretary and which shall be based on the procedures for consensus committees promulgated by the American National Standards Institute (or successor organization), except that the American National Standards Institute interest categories shall be modified for purposes of this paragraph to ensure equal representation on the consensus committee of the following interest categories:

"(i) HOME PRODUCERS.—Five persons representing manufacturers of manufactured homes.

"(ii) OTHER BUSINESS INTERESTS.—Five persons representing other business interests involved in the manufactured housing industry such as retailers, installers, lenders, insurers, suppliers of products, and community owners. The business interests represented in this category shall not be owned or controlled by manufacturers represented under clause (i).

"(iii) CONSUMERS.—Five persons representing homeowners and consumer interests, such as consumer organizations, community organizations, recognized consumer leaders, and manufactured homeowners owners and occupants.

"(iv) PUBLIC OFFICIALS.—Five persons who are State or local officials such as building code enforcement or inspection officials, fire marshals, and including representatives of State administrative agencies.

“(v) GENERAL INTEREST.—Five persons representing the public such as architects, engineers, homebuilders, academicians, and developers.

“(E) ADDITIONAL QUALIFICATIONS.—An individual appointed under clause (iii), (iv), or (v) of subparagraph (D) shall not have—

“(i) a significant financial interest in any segment of the manufactured housing industry; or

“(ii) a significant relationship to any person engaged in the manufactured housing industry.

“(F) MEETINGS.—

“(i) NOTICE; OPEN TO PUBLIC.—The consensus committee shall provide advance notice of each meeting of the consensus committee to the Secretary and publish advance notice of each such meeting in the Federal Register. All meetings of the consensus committee shall be open to the public.

“(ii) REIMBURSEMENT.—Members of the consensus committee in attendance at the meetings shall be reimbursed for their actual expenses as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in Government service.

“(G) INAPPLICABILITY OF OTHER LAWS.—

“(i) ADVISORY COMMITTEE ACT.—The consensus committee shall not be considered to be an advisory committee for purposes of the Federal Advisory Committee Act.

“(ii) TITLE 18.—The members of the consensus committee shall not be subject to section 203, 205, 207, or 208 of title 18, United States Code, to the extent of their proper participation as members of the consensus committee.

“(iii) ETHICS IN GOVERNMENT ACT OF 1978.—The Ethics in Government Act of 1978 shall not apply to members of the consensus committee to the extent of their proper participation as members of the consensus committee.

“(H) ADMINISTRATION.—The consensus committee and the administering organization shall—

“(i) operate in conformance with the procedures established by the American National Standards Institute for the development and coordination of American National Standards; and

“(ii) apply to the American National Standards Institute and take such other actions as may be necessary to obtain accreditation from the American National Standards Institute.

“(I) STAFF.—The administering organization shall, upon the request of the consensus committee, provide reasonable staff resources to the consensus committee. Upon a showing of need, the Secretary shall furnish technical support to any of the various interest categories on the consensus committee.

“(J) DATE OF INITIAL APPOINTMENTS.—The initial appointments of all of the members of the consensus committee shall be completed not later than 90 days after the date on which an administration agreement under paragraph (2)(A) is completed with the administering organization.

“(4) REVISIONS OF STANDARDS.—

“(A) IN GENERAL.—Beginning on the date on which all members of the consensus committee are appointed under paragraph (3), the consensus committee shall, not less than once during each 2-year period—

“(i) consider revisions to the Federal manufactured home construction and safety standards; and

“(ii) submit proposed revised standards and regulations to the Secretary in the form of a proposed rule, including an economic analysis.

“(B) PUBLICATION OF PROPOSED REVISED STANDARDS.—

“(i) PUBLICATION BY SECRETARY.—The consensus committee shall provide a proposed revised standard under subparagraph (A)(ii) to the Secretary who shall, not later than 30 days after receipt, publish such proposed revised standard in the Federal Register for notice and comment. Unless clause (ii) applies, the Secretary shall provide an opportunity for public comment on such proposed revised standard and any such comments shall be submitted directly to the consensus committee without delay.

“(ii) PUBLICATION OF REJECTED PROPOSED REVISED STANDARDS.—If the Secretary rejects the proposed revised standard, the Secretary shall publish the rejected proposed revised standard in the Federal Register with the reasons for rejection and any recommended modifications set forth.

“(C) PRESENTATION OF PUBLIC COMMENTS; PUBLICATION OF RECOMMENDED REVISIONS.—

“(i) PRESENTATION.—Any public comments, views, and objections to a proposed revised standard published under subparagraph (B) shall be presented by the Secretary to the consensus committee upon their receipt and in the manner received, in accordance with procedures established by the American National Standards Institute.

“(ii) PUBLICATION BY THE SECRETARY.—The consensus committee shall provide to the Secretary any revisions proposed by the consensus committee, which the Secretary shall, not later than 7 calendar days after receipt, cause to be published in the Federal Register as a notice of the recommended revisions of the consensus committee to the standard, a notice of the submission of the recommended revisions to the Secretary, and a description of the circumstances under which the proposed revised standards could become effective.

“(iii) PUBLICATION OF REJECTED PROPOSED REVISED STANDARDS.—If the Secretary rejects the proposed revised standard, the Secretary shall publish the rejected proposed revised standard in the Federal Register with the reasons for rejection and any recommended modifications set forth.

“(5) REVIEW BY THE SECRETARY.—

“(A) IN GENERAL.—The Secretary shall either adopt, modify, or reject a standard, as submitted by the consensus committee under paragraph (4)(A).

“(B) TIMING.—Not later than 12 months after the date on which a standard is submitted to the Secretary by the consensus committee, the Secretary shall take action regarding such standard under subparagraph (C).

“(C) PROCEDURES.—If the Secretary—

“(i) adopts a standard recommended by the consensus committee, the Secretary shall—

“(I) issue a final order without further rulemaking; and

“(II) cause the final order to be published in the Federal Register;

“(ii) determines that any standard should be rejected, the Secretary shall—

“(I) reject the standard; and

“(II) cause to be published in the Federal Register a notice to that effect, together with the reason or reasons for rejecting the proposed standard; or

“(iii) determines that a standard recommended by the consensus committee should be modified, the Secretary shall—

“(I) cause the proposed modified standard to be published in the Federal Register, together with an explanation of the reason or reasons for the determination of the Secretary; and

“(II) provide an opportunity for public comment in accordance with section 553 of title 5, United States Code.

“(D) FINAL ORDER.—Any final standard under this paragraph shall become effective pursuant to subsection (c).

“(6) FAILURE TO ACT.—If the Secretary fails to take final action under paragraph (5) and to publish notice of the action in the Federal Register before the expiration of the 12-month period beginning on the date on which the proposed standard is submitted to the Secretary under paragraph (4)(A)—

“(A) the recommendations of the consensus committee—

“(i) shall be considered to have been adopted by the Secretary; and

“(ii) shall take effect upon the expiration of the 180-day period that begins upon the conclusion of such 12-month period; and

“(B) not later than 10 days after the expiration of such 12-month period, the Secretary shall cause to be published in the Federal Register a notice of the failure of the Secretary to act, the revised standard, and the effective date of the revised standard, which notice shall be deemed to be an order of the Secretary approving the revised standards proposed by the consensus committee.

“(b) OTHER ORDERS.—

“(1) REGULATIONS.—The Secretary may issue procedural and enforcement regulations as necessary to implement the provisions of this title. The consensus committee may submit to the Secretary proposed procedural and enforcement regulations and recommendations for the revision of such regulations.

“(2) INTERPRETATIVE BULLETINS.—The Secretary may issue interpretative bulletins to clarify the meaning of any Federal manufactured home construction and safety standard or procedural and enforcement regulation. The consensus committee may submit to the Secretary proposed interpretative bulletins to clarify the meaning of any Federal manufactured home construction and safety standard or procedural and enforcement regulation.

“(3) REVIEW BY CONSENSUS COMMITTEE.—Before issuing a procedural or enforcement regulation or an interpretative bulletin—

“(A) the Secretary shall—

“(i) submit the proposed procedural or enforcement regulation or interpretative bulletin to the consensus committee; and

“(ii) provide the consensus committee with a period of 120 days to submit written comments to the Secretary on the proposed procedural or enforcement regulation or the interpretative bulletin; and

“(B) if the Secretary rejects any significant comment provided by the consensus committee under subparagraph (A), the Secretary shall provide a written explanation of the reasons for the rejection to the consensus committee; and

“(C) following compliance with subparagraphs (A) and (B), the Secretary shall—

“(i) cause the proposed regulation or interpretative bulletin and the consensus committee's written comments along with the Secretary's response thereto to be published in the Federal Register; and

“(ii) provide an opportunity for public comment in accordance with section 553 of title 5, United States Code.

“(4) REQUIRED ACTION.—The Secretary shall act on any proposed regulation or interpretative bulletin submitted by the consensus committee by approving or rejecting the proposal within 120 days from the date the proposal is received by the Secretary. The Secretary shall either—

“(A) approve the proposal and cause the proposed regulation or interpretative bulletin to be published for public comment in accordance with section 553 of title 5, United States Code; or

“(B) reject the proposed regulation or interpretative bulletin and—

“(i) provide a written explanation of the reasons for rejection to the consensus committee; and

"(ii) cause the proposed regulation and the written explanation for the rejection to be published in the Federal Register.

"(5) EMERGENCY ORDERS.—If the Secretary determines, in writing, that such action is necessary in order to respond to an emergency which jeopardizes the public health or safety, or to address an issue on which the Secretary determines that the consensus committee has not made a timely recommendation, following a request by the Secretary, the Secretary may issue an order that is not developed under the procedures set forth in subsection (a) or in this subsection, if the Secretary—

"(A) provides to the consensus committee a written description and sets forth the reasons why emergency actions are necessary and all supporting documentation; and

"(B) issues and publishes the order in the Federal Register.

"(6) CHANGES.—Any statement of policies, practices, or procedures relating to construction and safety standards, inspections, monitoring, or other enforcement activities which constitutes a statement of general or particular applicability and future offset and decisions to implement, interpret, or prescribe law of policy by the Secretary is subject to the provisions of subsection (a) or (b) of this subsection. Any change adopted in violation of the provisions of subsection (a) or (b) of this subsection is void."

"(7) TRANSITION.—Until the date that the consensus committee is appointed pursuant to section 704(a)(3), the Secretary may issue proposed orders that are not developed under the procedures set forth in this section for new and revised standards.

(2) in subsection (d), by adding at the end the following: "Federal preemption under this subsection shall be broadly and liberally construed to ensure that disparate State or local requirements or standards do not affect the uniformity and comprehensiveness of the standards promulgated hereunder.

(3) by striking subsection (e);

(4) in subsection (f), by striking the matter preceding paragraph (1) and inserting the following:

"(e) CONSIDERATIONS IN ESTABLISHING AND INTERPRETING STANDARDS AND REGULATIONS.—The consensus committee, in recommending standards, regulations, and interpretations, and the Secretary, in establishing standards or regulations, or issuing interpretations under this section, shall—"

(5) by striking subsection (g);

(6) in the first sentence of subsection (j), by striking "subsection (f)" and inserting "subsection (e)"; and

(7) by redesignating subsections (h), (i), and (j), as subsections (f), (g), and (h), respectively.

SEC. 605. ABOLISHMENT OF NATIONAL MANUFACTURED HOME ADVISORY COUNCIL.

Section 605 (42 U.S.C. 5404) is hereby repealed.

SEC. 606. PUBLIC INFORMATION.

Section 607 (42 U.S.C. 5406) is amended—

(1) in subsection (a)—

(A) by inserting "to the Secretary" after "submit"; and

(B) by adding at the end the following: "The Secretary shall submit such cost and other information to the consensus committee for evaluation."

(2) in subsection (d), by inserting ", the consensus committee," after "public"; and

(3) by striking subsection (c) and redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

SEC. 607. RESEARCH, TESTING, DEVELOPMENT, AND TRAINING.

(a) IN GENERAL.—Section 608(a) (42 U.S.C. 5407(a)) is amended—

(1) in paragraph (2), by striking "and" at the end;

(2) in paragraph (3), by striking the period at the end and inserting a semicolon; and

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

"(4) encouraging the government sponsored housing entities to actively develop and implement secondary market securitization programs for FHA manufactured home loans and those of other loan programs, as appropriate, thereby promoting the availability of affordable manufactured homes to increase homeownership for all people in the United States; and

"(5) reviewing the programs for FHA manufactured home loans and developing any changes to such programs to promote the affordability of manufactured homes, including changes in loan terms, amortization periods, regulations, and procedures."

(b) DEFINITIONS.—Section 608 (42 U.S.C. 5407) is amended by adding at the end the following new subsection:

"(c) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

"(1) GOVERNMENT SPONSORED HOUSING ENTITIES.—The term 'government sponsored housing entities' means the Government National Mortgage Association of the Department of Housing and Urban Development, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation.

"(2) FHA MANUFACTURED HOME LOANS.—The term 'FHA manufactured home loan' means a loan that—

"(A) is insured under title I of the National Housing Act and is made for the purpose of financing alterations, repairs, or improvements on or in connection with an existing manufactured home, the purchase of a manufactured home and a lot on which to place the home, or the purchase only of a lot on which to place a manufactured home; or

"(B) otherwise insured under the National Housing Act and made for or in connection with a manufactured home."

SEC. 608. FEES.

Section 620 (42 U.S.C. 5419) is amended to read as follows:

"AUTHORITY TO ESTABLISH FEES

"SEC. 620. (a) IN GENERAL.—In carrying out inspections under this title, in developing standards and regulations pursuant to section 604, and in facilitating the acceptance of the affordability and availability of manufactured housing within the Department, the Secretary may—

"(1) establish and collect from manufactured home manufacturers such reasonable fees as may be necessary to offset the expenses incurred by the Secretary in connection with carrying out the responsibilities of the Secretary under this title, including—

"(A) conducting inspections and monitoring;

"(B) providing funding to States for the administration and implementation of approved State plans under section 623, including reasonable funding for cooperative educational and training programs designed to facilitate uniform enforcement under this title; these funds may be paid directly to the States or may be paid or provided to any person or entity designated to receive and disburse such funds by cooperative agreements among participating States, provided that such person or entity is not otherwise an agent of the Secretary under this title;

"(C) providing the funding for a noncareer administrator and Federal staff personnel for the manufactured housing program;

"(D) administering the consensus committee as set forth in section 604; and

"(E) facilitating the acceptance of the quality, durability, safety, and affordability of manufactured housing within the Department; and

"(2) use any fees collected under paragraph (1) to pay expenses referred to in paragraph (1), which shall be exempt and separate from any limitations on the Department of Housing and Urban Development regarding full-time equivalent positions and travel.

"(b) When using fees under this section, the Secretary shall ensure that separate and independent contractors are retained to carry out monitoring and inspection work and any other work that may be delegated to a contractor under this title.

"(c) PROHIBITED USE.—Fees collected under subsection (a) shall not be used for any purpose or activity not specifically authorized by this title unless such activity was already engaged in by the Secretary prior to the date of enactment of this title.

"(d) MODIFICATION.—Any fee established by the Secretary under this section shall only be modified pursuant to rulemaking in accordance with section 553 of title 5, United States Code.

"(e) APPROPRIATION AND DEPOSIT OF FEES.—

"(1) IN GENERAL.—There is established in the Treasury of the United States a fund to be known as the 'Manufactured Housing Fees Trust Fund' for deposit of all fees collected pursuant to subsection (a). These fees shall be held in trust for use only as provided in this title.

"(2) APPROPRIATION.—Such fees shall be available for expenditure only to the extent approved in an annual appropriation Act."

SEC. 609. ELIMINATION OF ANNUAL REPORT REQUIREMENT.

The National Manufactured Housing Construction and Safety Standards Act of 1974 is amended—

(1) by striking section 626 (42 U.S.C. 5425); and

(2) by redesignating sections 627 and 628 (42 U.S.C. 5426, 5401 note) as sections 626 and 627, respectively.

SEC. 610. EFFECTIVE DATE.

The amendments made by this title shall take effect on the date of enactment of this Act, except that the amendments shall have no effect on any order or interpretive bulletin that is published as a proposed rule pursuant to section 553 of title 5, United States Code, on or before such date.

SEC. 611. SAVINGS PROVISION.

(a) STANDARDS AND REGULATIONS.—The Federal manufactured home construction and safety standards (as such term is defined in section 603 of the National Manufactured Housing Construction and Safety Standards Act of 1974) and all regulations pertaining thereto in effect immediately before the date of the enactment of this Act shall apply until the effective date of a standard or regulation modifying or superseding the existing standard or regulation which is promulgated under subsection (a) or (b) of section 604 of the National Manufactured Housing Construction and Safety Standards Act of 1974, as amended by this title.

(b) CONTRACTS.—Any contract awarded pursuant to a Request for Proposal issued before the date of enactment of this Act shall remain in effect for a period of 2 years from the date of enactment of this Act or for the remainder of the contract term, whichever period is shorter.

TITLE VII—INDIAN HOUSING HOMEOWNERSHIP

SEC. 701. INDIAN LANDS TITLE REPORT COMMISSION.

(a) ESTABLISHMENT.—Subject to sums being provided in advance in appropriations Acts, there is established a Commission to be known as the Indian Lands Title Report Commission (hereafter in this section referred to as the "Commission").

(b) MEMBERSHIP.—

(1) **APPOINTMENT.**—The Commission shall be composed of 12 members, appointed not later than 90 days after the date of the enactment of this Act as follows:

(A) 4 members shall be appointed by the President.

(B) 4 members shall be appointed by the Chairman of the Committee on Banking and Financial Services of the House of Representatives.

(C) 4 members shall be appointed by the Chairman of the Committee on Banking, Housing, and Urban Affairs of the Senate.

(2) **QUALIFICATIONS.**—

(A) **MEMBERS OF TRIBES.**—At all times, not less than 7 of the members of the Commission shall be members of federally recognized Indian tribes.

(B) **EXPERIENCE IN LAND TITLE MATTERS.**—All members of the Commission shall have experience in and knowledge of land title matters relating to Indian trust lands.

(3) **CHAIRMAN.**—The Chairman of the Commission shall be one of the members of the Commission appointed under paragraph (1)(C), as elected by the members of the Commission.

(4) **VACANCIES.**—Any vacancy on the Commission shall not affect its powers, but shall be filled in the manner in which the original appointment was made.

(5) **TRAVEL EXPENSES.**—Members of the Commission shall serve without pay, but each member shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(c) **FUNCTIONS.**—The Commission shall analyze the system of the Bureau of Indian Affairs of the Department of the Interior for maintaining land ownership records and title documents and issuing certified title status reports relating to Indian trust lands and, pursuant to such analysis, determine how best to improve or replace the system—

(1) to ensure prompt and accurate responses to requests for title status reports;

(2) to eliminate any backlog of requests for title status reports; and

(3) to ensure that the administration of the system will not in any way impair or restrict the ability of Native Americans to obtain conventional loans for purchase of residences located on Indian trust lands, including any actions necessary to ensure that the system will promptly be able to meet future demands for certified title status reports, taking into account the anticipated complexity and volume of such requests.

(d) **REPORT.**—Not later than the date of the termination of the Commission under subsection (g), the Commission shall submit a report to the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate describing the analysis and determinations made under subsection (c).

(e) **POWERS.**—

(1) **HEARINGS AND SESSIONS.**—The Commission may, for the purpose of carrying out this section, hold hearings, sit and act at times and places, take testimony, and receive evidence as the Commission considers appropriate.

(2) **STAFF OF FEDERAL AGENCIES.**—Upon request of the Commission, the head of any Federal department or agency may detail, on a reimbursable basis, any of the personnel of that department or agency to the Commission to assist it in carrying out its duties under 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 section. Upon request of the Chairperson of the Commission, the head of that depart-

ment or agency shall furnish that information to the Commission.

(4) **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.

(5) **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.

(6) **STAFF.**—The Commission may appoint personnel as it considers appropriate, subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall pay such personnel in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates.

(f) **AUTHORIZATION OF APPROPRIATIONS.**—To carry out this title, there is authorized to be appropriated \$500,000. Such sums shall remain available until expended.

(g) **TERMINATION.**—The Commission shall terminate upon the expiration of the 1-year period beginning upon the completion of the appointment of all the members of the Commission under subsection (b)(1).

TITLE VIII—TRANSFER OF UNOCCUPIED AND SUBSTANDARD HUD-HELD HOUSING TO LOCAL GOVERNMENTS AND COMMUNITY DEVELOPMENT CORPORATIONS

SEC. 801. TRANSFER OF UNOCCUPIED AND SUBSTANDARD HUD-HELD HOUSING TO LOCAL GOVERNMENTS AND COMMUNITY DEVELOPMENT CORPORATIONS.

Section 204 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (12 U.S.C. 1715z-11a) is amended—

(1) by striking “FLEXIBLE AUTHORITY” and inserting “DISPOSITION OF HUD-OWNED PROPERTIES. (a) FLEXIBLE AUTHORITY FOR MULTIFAMILY PROJECTS.—”; and

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

“(b) **TRANSFER OF UNOCCUPIED AND SUBSTANDARD HOUSING TO LOCAL GOVERNMENTS AND COMMUNITY DEVELOPMENT CORPORATIONS.**—

“(1) **TRANSFER AUTHORITY.**—Notwithstanding the authority under subsection (a) and the last sentence of section 204(g) of the National Housing Act (12 U.S.C. 1710(g)), the Secretary of Housing and Urban Development shall, to the maximum extent practicable (in the determination of the Secretary), transfer ownership of any qualified HUD property to a unit of general local government having jurisdiction for the area in which the property is located or to a community development corporation which operates within such a unit of general local government in accordance with this subsection, but only in the determination of the Secretary—

“(A) to the extent that units of general local government and community development corporations consent to transfer;

“(B) in the case of single family property, to the extent that costs to the Federal Government under this subsection do not exceed the costs to the Federal Government of disposing of similar property under the procedures for single family property under section 204 of the National Housing Act (12 U.S.C. 1710) (as added by sections 601 and 602 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999), or under such other procedures as are in effect immediately before the enactment of this title, as applicable; and

“(C) in the case of multifamily property, to the extent that costs to the Federal Government under this subsection do not exceed the costs to the Federal Government of disposing of similar property under the procedures for disposition of such properties as are in effect immediately before the enactment of this title.

“(2) **QUALIFIED HUD PROPERTIES.**—For purposes of this subsection, the term ‘qualified HUD property’ means any property that is owned by the Secretary and is—

“(A) an unoccupied multifamily housing project;

“(B) a substandard multifamily housing project; or

“(C) an unoccupied single family property that—

“(i) has been determined by the Secretary not to be an eligible property under section 204(h) of the National Housing Act (12 U.S.C. 1710(h)); or

“(ii) is an eligible property under such section 204(h), but—

“(I) is not subject to a specific sale agreement under such section; and

“(II) has been determined by the Secretary to be inappropriate for continued inclusion in the program under such section 204(h) pursuant to paragraph (10) of such section.

“(3) **TIMING.**—The Secretary shall establish procedures that provide for—

“(A) time deadlines for transfers under this subsection;

“(B) notification to units of general local government and community development corporations of qualified HUD properties in their jurisdictions;

“(C) such units and corporations to express interest in the transfer under this subsection of such properties;

“(D) a right of first refusal for transfer of qualified HUD properties to such units and corporations, under which that the Secretary shall accept an offer to purchase such a property made by such a unit or corporation during a period established by the Secretary, but in the case of an offer made by a community development corporation only if the offer provides for purchase on a cost recovery basis; and

“(E) a written explanation, to any unit of general local government or community development corporation making an offer to purchase a qualified HUD property under this subsection that is not accepted, of such offer was not acceptable.

“(4) **OTHER DISPOSITION.**—With respect to any qualified HUD property, if the Secretary does not receive an acceptable offer to purchase the property pursuant to the procedure established under paragraph (3), the Secretary shall dispose of the property to the unit of general local government in which property is located or to community development corporations located in such unit of general local government on a negotiated, competitive bid, or other basis, on such terms as the Secretary deems appropriate.

“(5) **SATISFACTION OF INDEBTEDNESS.**—Before transferring ownership of any qualified HUD property pursuant to this subsection, the Secretary shall satisfy any indebtedness incurred in connection with the property to be transferred, by canceling the indebtedness.

“(6) **DETERMINATION OF STATUS OF PROPERTIES.**—To ensure compliance with the requirements of this subsection, the Secretary shall take the following actions:

“(A) **UPON ENACTMENT.**—Upon the enactment of the American Homeownership Act of 1998, the Secretary shall promptly assess each residential property owned by the Secretary to determine whether such property is a qualified HUD property.

“(B) **UPON ACQUISITION.**—Upon acquiring any residential property, the Secretary shall

promptly determine whether the property is a qualified HUD property.

“(C) UPDATES.—The Secretary shall periodically reassess the residential properties owned by the Secretary to determine whether any such properties have become qualified HUD properties.

“(7) TENANT LEASES.—This subsection shall not affect the terms or the enforceability of any contract or lease entered into with respect to any residential property before the date that such property becomes a qualified HUD property.

“(8) USE OF PROPERTY.—Property transferred under this subsection shall be used only for appropriate neighborhood revitalization efforts, including homeownership, rental units, commercial space, and parks, consistent with local zoning regulations, local building codes, and subdivision regulations and restrictions of record.

“(9) INAPPLICABILITY TO PROPERTIES MADE AVAILABLE FOR HOMELESS.—Notwithstanding any other provision of this subsection, this subsection shall not apply to any properties that the Secretary determines are to be made available for use by the homeless pursuant to subpart E of part 291 of title 24, Code of Federal Regulations, during the period that the properties are so available.

“(10) PROTECTION OF EXISTING CONTRACTS.—This subsection may not be construed to alter, affect, or annul any legally binding obligations entered into with respect to a qualified HUD property before the property becomes a qualified HUD property.

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

“(A) COMMUNITY DEVELOPMENT CORPORATION.—The term ‘community development corporation’ means a nonprofit organization whose primary purpose is to promote community development by providing housing opportunities for low-income families.

“(B) COST RECOVERY BASIS.—The term ‘cost recovery basis’ means, with respect to any sale of a residential property by the Secretary, that the purchase price paid by the purchaser is equal to or greater than or equal to the costs incurred by the Secretary in connection with such property during the period beginning on the date on which the Secretary acquires title to the property and ending on the date on which the sale is consummated.

“(C) MULTIFAMILY HOUSING PROJECT.—The term ‘multifamily housing project’ has the meaning given the term in section 203 of the Housing and Community Development Amendments of 1978.

“(D) RESIDENTIAL PROPERTY.—The term ‘residential property’ means a property that is a multifamily housing project or a single family property.

“(E) SECRETARY.—The term ‘Secretary’ means the Secretary of Housing and Urban Development.

“(F) SEVERE PHYSICAL PROBLEMS.—The term ‘severe physical problems’ means, with respect to a dwelling unit, that the unit—

“(i) lacks hot or cold piped water, a flush toilet, or both a bathtub and a shower in the unit, for the exclusive use of that unit;

“(ii) on not less than 3 separate occasions during the preceding winter months, was uncomfortably cold for a period of more than 6 consecutive hours due to a malfunction of the heating system for the unit;

“(iii) has no functioning electrical service, exposed wiring, any room in which there is not a functioning electrical outlet, or has experienced 3 or more blown fuses or tripped circuit breakers during the preceding 90-day period;

“(iv) is accessible through a public hallway in which there are no working light fixtures,

loose or missing steps or railings, and no elevator; or

“(v) has severe maintenance problems, including water leaks involving the roof, windows, doors, basement, or pipes or plumbing fixtures, holes or open cracks in walls or ceilings, severe paint peeling or broken plaster, and signs of rodent infestation.

“(G) SINGLE FAMILY PROPERTY.—The term ‘single family property’ means a 1- to 4-family residence.

“(H) SUBSTANDARD.—The term ‘substandard’ means, with respect to a multifamily housing project, that 25 percent or more of the dwelling units in the project have severe physical problems.

“(I) UNIT OF GENERAL LOCAL GOVERNMENT.—The term ‘unit of general local government’ has the meaning given such term in section 102(a) of the Housing and Community Development Act of 1974.

“(J) UNOCCUPIED.—The term ‘unoccupied’ means, with respect to a residential property, that the unit of general local government having jurisdiction over the area in which the project is located has certified in writing that the property is not inhabited.

“(12) REGULATIONS.—

“(A) INTERIM.—Not later than 30 days after the date of the enactment of the American Homeownership Act of 1998, the Secretary shall issue such interim regulations as are necessary to carry out this subsection.

“(B) FINAL.—Not later than 60 days after the date of the enactment of the American Homeownership Act of 1998, the Secretary shall issue such final regulations as are necessary to carry out this subsection.”.

SEC. 802. AMENDMENT TO REVITALIZATION AREA DISPOSITION PROGRAM.

Effective immediately after the enactment of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999, section 204(h) of the National Housing Act (12 U.S.C. 1710(h)) (as added by section 602(2) of such Act) is amended—

(1) by redesignating paragraph (10) as paragraph (11); and

(2) by inserting after paragraph (9) the following new paragraph:

“(10) PROPERTIES FOR WHICH NO INTEREST IS EXPRESSED.—Notwithstanding any other provision of this subsection, if the Secretary determines that continued inclusion of an eligible property in the program under this subsection is inappropriate because of a failure over time of any prospective purchasers to express interest in purchasing the property or in entering into a sale agreement covering properties in the area in which the property is located, the Secretary may determine that such property shall be subject to the provisions of section 204(b) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999 (12 U.S.C. 1715z–11a(b)).”.

SEC. 803. REPORT ON REVITALIZATION ZONES FOR HUD-OWNED SINGLE FAMILY PROPERTIES.

Not later than 6 months after the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit a report to the Congress identifying—

(1) any areas that have been designated as revitalization areas pursuant to section 204(h)(3) of the National Housing Act (as added by section 602(2) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999);

(2) any areas for which such designation has been requested;

(3) any areas for which such designation is being considered by the Secretary; and

(4) the eligible properties in designated revitalization areas for which the Secretary has a reasonable expectation of successfully

transferring ownership pursuant to section 204(h) of the National Housing Act.

SEC. 804. TECHNICAL CORRECTION TO INCOME TARGETING PROVISIONS FOR PROJECT-BASED ASSISTANCE.

Effective immediately after the enactment of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999, section 16(c)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437n(c)(3)) (as added by section 513(a) of such Appropriations Act), is amended by inserting after “40 percent” the following: “shall be available for leasing only by families whose incomes at the time of commencement of occupancy do not exceed 30 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families.”.

SEC. 805. TECHNICAL CORRECTIONS TO THE MULTIFAMILY ASSISTED HOUSING REFORM AND AFFORDABILITY ACT OF 1997.

(a) SECTION 8 CONTRACT RENEWAL POLICY FOR FISCAL YEAR 1999 AND SUBSEQUENT YEARS.—Section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437 note; 111 Stat. 1408-1409) is amended—

(1) in subsection (a)(2), by inserting after “Notwithstanding paragraph (1)” the following: “and subject to section 516 of this subtitle”;

(2) in subsection (a)(2)(B), by striking “and financing” and inserting “and the primary financing”;

(3) by inserting at the end the following new subsections:

“(b) INAPPLICABILITY TO PROJECTS SUBJECT TO RESTRUCTURING.—This section shall not apply to projects restructured under this subtitle.

“(c) SAVINGS PROVISIONS.—Upon the repeal of this subtitle pursuant to section 579, the provisions of sections 512(2) and 516 (as in effect immediately before such repeal) shall apply with respect to this section.”.

(b) REPEAL OF CONTRACT RENEWAL AUTHORITY UNDER SECTION 405(a).—Section 405(a) of the Balanced Budget Downpayment Act, I (42 U.S.C. 1437f note; 110 Stat. 44-45), is hereby repealed.

(c) EXEMPTIONS FROM RESTRUCTURING.—Section 514(h)(1) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437 note; 111 Stat. 1396) is amended to read as follows:

“(1) the primary financing for the project was provided by a unit of State government or a unit of general local government (or an agency or instrumentality of either) and the primary financing involves mortgage insurance under the National Housing Act, such that implementation of a mortgage restructuring and rental assistance sufficiency plan under this Act would be in conflict with applicable law or agreements governing such financing”.

(d) MANDATORY RENEWAL OF PROJECT-BASED ASSISTANCE.—Section 515(c)(1) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437 note; 111 Stat. 1397) is amended by inserting “or” after the semicolon at the end of subparagraph (B).

(e) PARTIAL PAYMENTS OF CLAIMS.—Section 541 of the National Housing Act (12 U.S.C. 1735f-19) is amended—

(1) by striking “1978 or” and inserting “(1978) or”;

(2) by striking “(1)”)” and inserting “(1)”)”.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. LAZIO) and the gentleman from Massachusetts (Mr. KENNEDY) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. LAZIO).

Mr. LAZIO of New York. Mr. Speaker, I yield myself 6 minutes.

Mr. Speaker, I rise today in support of the American Home Ownership Act of 1998. Today the House of Representatives completes a triple crown in improving housing for America.

Our first victory for housing was this Congress' passage of legislation to help the homeless of America get off the streets and into warm, stable homes. Just last week the House and Senate overwhelmingly passed the second crown, the Quality Housing and Work Responsibility Act, a landmark bill which transforms public housing into dynamic neighborhoods where opportunity and hope abounds.

Mr. Speaker, we have helped the homeless. We have empowered public housing residents. Today we will grab that triple crown for American housing. We will give more Americans what they need to own their own homes. We say it is the American dream, owning your own home. All over America, families are working hard and saving their money to make this dream a reality.

For millions of Americans, the price of a home is still unaffordable. No matter how much some low income families work and save, quality affordable housing remains beyond their reach. Today, we can give those families the tools that they need to buy their first homes. We can expand homeownership opportunities by giving meaningful mortgage assistance, by removing the barriers to affordable housing, and by working together with the successful private sector. The American Homeownership Act will do all of these things.

This bill has support from both sides of the aisle, and I want to compliment the gentleman from Massachusetts (Mr. KENNEDY), and I want to say a few things later on about the gentleman.

The Subcommittee on Housing and Community Opportunity reported this bill out on a vote of 17 to nothing, and the administration supports this bill as well.

First let me go through the six central provisions of this legislation. First we will empower local housing authorities so that they can be more flexible and creative. Local authorities will be allowed to let their public housing residents apply their monthly public housing assistance toward buying their own home.

We also create a home loan guarantee program so that local communities can tap into future home grants by use for better long-term affordable housing development. We provide more homeownership opportunities by allowing local officials to create needed loan pools made up of both private and public funds.

This bill expands homeownership in a second vital way, by reducing the excessive regulations which drastically increase the cost of housing production. According to recent estimates, unnecessary governmental regulation adds 20 to 35 percent to the cost of a

new home, placing it beyond the reach of many Americans. That is thousands of dollars being used for housing fees, money that could be instead used for housing improvement, education or savings.

We are going to reduce those unnecessary regulatory barriers by requiring that all Federal agencies include a housing impact analysis with any proposed regulation. I want to thank the gentleman from California for his work on this.

By doing this, local nonprofits and community development groups can offer less expensive alternatives and the home buyer will pay less for a new home.

Mr. Speaker, the manufactured housing industry has come a long way since this industry first began to fill a gap in our Nation's housing needs. Millions of Americans now live in this affordable alternative. In fact, one-third of new homeowners in Texas are manufactured housing owners, but because HUD has been unable to keep up with changing times, the manufactured housing industry operates under outdated and truly dangerous standards and codes. We must do something for the families living in manufactured housing whose personal safety and security is in imminent danger.

This brings me to the third provision of this bill, which is to modernize the way the manufactured housing industry is overseen. Ensuring national uniform standards and codes for the construction of manufactured homes will make the families living there feel safe and comfortable while still keeping these homes affordable.

Mr. Speaker, modernizing oversight of the manufactured housing industry cannot wait any longer.

The fourth major provision of the American Homeownership Act will give underserved Americans a chance to own their own home. We will take homes which HUD has seized through foreclosure and transfer them to nonprofit housing organizations which are efficient and community minded, and I want to thank the gentleman from Oklahoma (Mr. WATTS) and the gentleman from Missouri (Mr. TALENT).

These nonprofits will then be able to pass these homes on to low income families. This program will help many low income urban families realize their dream of having their own homes.

Briefly, Mr. Speaker, a fifth critical provision of this bill, we asked the GAO to do a study of the feasibility of requiring pre-purchase inspections of single family homes which have been financed with an FHA loan. We hear these nightmare stories of home buyers finding hidden problems only after they have signed the papers and put their savings into a home.

We hope that this study can help us decide whether mandatory inspections could protect home buyers, including those who are the most vulnerable.

A sixth provision of the American Homeownership Act will empower pub-

lic/private housing partnerships. In our recently-passed public housing reform legislation, we extended the authority for Habitat for Humanity. Now we will encourage even more local capacity building by self-help housing organizations so that we may have even more organizations like Habitat for Humanity in our Nation's communities.

Let me close, Mr. Speaker, by saying this: The American Homeownership Act will be a critical tool in our efforts to empower more Americans, especially low income families, to buy their own homes. Homeownership is so valuable because it can positively uplift so many lives in our communities. Homeowners feel satisfied because they are taking care of their families. Homeowners feel financial and personal independence because they have a solid asset. Homeowners will take more care in improving the safety and upkeep of their neighborhoods because they have a stake in the area. Finally, homeowners will contribute to their communities since they have gained personal security for their families.

Let me say finally, if I can, to the gentleman from Massachusetts (Mr. KENNEDY), this may be the last opportunity I have on this floor to tell him what a pleasure it has been to work with him. I think this may be the last bill that we have been able to work with jointly. He has been certainly a credit to the State of Massachusetts, the Commonwealth of Massachusetts, his party and the House of Representatives, and I wish him well.

Mr. Speaker, I reserve the balance of my time.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 3899, the Lazio homeownership bill or whatever name he just came up with for this. I would have stuck with the original.

Before I talk about the merits of the bill, I want to express my deep appreciation for all the hard work the gentleman from Long Island, New York (Mr. LAZIO) has put into this bill.

Mr. Speaker, the gentleman from New York (Mr. LAZIO) and I do not agree on a lot of policy issues that come before this chamber but one thing we do agree on is the importance of homeownership to the American people. Those who seek to climb the ladder of the American dream have a real champion in the gentleman from New York (Mr. LAZIO), who believes passionately, as I do, in the role of homeownership in lifting working families toward some pleasure of prosperity and security.

I want to return the compliment that the gentleman from New York (Mr. LAZIO) gave and say what a pleasure it has been to work with him over the course of these last several years.

I also want to take a brief moment to express my appreciation and support to the ranking democrat on the Committee on Banking and Financial Services,

the gentleman from New York (Mr. LA-FALCE), who has done yeomen's work not just on banking and securities and insurance issues but on housing issues as well, and his leadership even on this bill was critical to being able to see the legislation come before the House floor this morning with the bipartisan support that it has.

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I also want to thank the gentleman from Minnesota (Mr. VENTO), who has been such a stalwart supporter of the FHA program and making certain that the FHA program survives and is around and is in healthy shape as we enter the 21st century.

This bill also should receive great credit because of the very hard work of the gentleman from Indiana (Mr. ROEMER). There is not anybody in this Chamber who has worked harder to make sure that the manufactured housing industry's concerns about the lack of adjustments by HUD on new rules and regulations that are critically necessary for the industry to move forward, there is not anyone who has done a better job of bringing those issues forward than the gentleman from Indiana (Mr. ROEMER). He has done it, despite very, very great odds at certain points throughout the last year or so. I hope people understand what a tremendous job he has done on this legislation.

Mr. Speaker, I support this bill. It is a bipartisan measure to make the dream of homeownership more real for millions of Americans looking for a way to provide for their families and their futures. The bill authorizes HUD's Home Bank to allow communities to borrow funds against the future home receipts to create affordable housing.

It authorizes HUD's Homeownership Zone Proposal for fiscal 1999, creating affordable home opportunities in distressed neighborhoods. The bill provides more funding for the Single-family Home Rehabilitation Demonstration Program, an innovative strategy to help nonprofits and local governments leverage private sector rehab loans to expand homeownership opportunities.

It also expands the FHA low down payment single-family opportunities by increasing the FHA loan limit in counties around urban centers and increasing the availability of adjustable rate mortgages.

Mr. Speaker, we have seen in Boston the key to the renaissance of older neighborhoods is homeownership. Residents who own a piece of the block care more deeply about their neighborhoods and are more likely to vote, are more likely to organize block watches and demand an equitable share of city services.

The bill takes important steps towards achieving those goals. At the same time, we have seen included in this legislation updates to the manufactured housing standards in ways

that manage both industry and consumer concerns. The most important provision negotiated over the last few days gives HUD the ultimate authority over this process. We have also taken care of potential problems in the property disposition and barriers section of the bill.

Mr. Speaker, the bill builds on the tremendous record this administration has compiled in promoting homeownership opportunities. Under President Clinton's leadership, our national homeownership rate has hit a record level of over 67 percent. Some 6 million more American families now own homes than when President Clinton took office.

Mr. Speaker, we ought to give credit to the President as well as his HUD Secretary, Andrew Cuomo, for these gains. But we also have to recognize our role in stimulating the growth of homeownership. And I just want to again say that I believe that Secretary Cuomo's leadership in reviving FHA and giving people around the country the sense that HUD is moving forward into the future with new management techniques, downsizing considerably and just using those resources towards providing homeownership, is a demonstration of the key leadership role he has played. This bill provides for young families even greater opportunities and we ought to pass it.

Mr. Speaker, I reserve the balance of my time.

Mr. LAZIO of New York. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Iowa (Mr. LEACH), the chairman of the Committee on Banking and Financial Services. Without his work and leadership, we would not be at this point today on any of these housing initiatives.

Mr. LEACH. Mr. Speaker, I thank the gentleman from New York (Mr. LAZIO) for yielding me this time.

Mr. Speaker, today we have an opportunity to redemonstrate our commitment to giving every American the opportunity to own their own home. The American Homeownership Act, fashioned by the able chairman of the Subcommittee on Housing and Community Opportunity, the gentleman from New York (Mr. LAZIO), facilitates homeownership for all Americans, including families that would not otherwise be able to afford homes, by removing barriers to affordable housing, improving FHA mortgage insurance, reauthorizing the home investment partnership program, and increasing local homeownership initiatives as well as improving manufactured housing. I would like to comment on two specific aspects of the bill.

First, at the State and local level, the creation of the Homeownership Investment Partnership program will leverage affordable housing through local loan pools and the Home Loan Guarantee program. In addition, the bill authorizes Homeownership Zone Grants to serve as a catalyst for private investment.

Second, the bill helps to eliminate excessive regulations that can add thousands of dollars to the cost of a new home. All Federal agencies were required to include a housing impact analysis with any proposed regulations in order to detect any significant negative impact on the availability of affordable housing.

Homeownership is a fundamental aspect of the American dream. It is advanced in many ways, from lower interest rates made possible by a restrained monetary policy, to more constrained budgets, to direct infusions of governmental assistance, to less costly regulation. This bill is modest, but it is part and parcel of a comprehensive commitment of this Congress to increase homeownership in America.

In this context, I urge its approval and would particularly like to thank the gentleman from New York (Mr. LA-FALCE), ranking member of the full committee, and the gentleman from Massachusetts (Mr. KENNEDY), ranking member of the subcommittee.

Finally, in this regard I would like to pay particular tribute to the gentleman from Massachusetts (Mr. KENNEDY), who is retiring, for his many contributions to the country through his work in the Committee on Banking and Financial Services and for being such a strong advocate of consumers and the disadvantaged in our society. His leadership will be missed.

Mr. Speaker, today we have an opportunity to redemonstrate our commitment to giving every American the opportunity to own their own home. The "American Homeownership Act of 1998," fashioned by the able Chairman of the Subcommittee on Housing and Community Opportunity, Mr. LAZIO, facilitates homeownership for all Americans, including families that would not otherwise be able to afford homes by removing barriers to affordable housing, improving FHA mortgage insurance, reauthorizing the HOME Investment Partnership Program, increasing local homeownership initiatives and improving manufactured housing.

I'd like to comment on two specific aspects of this bill.

First, at the state and local level, the creation of the HOME investment partnership program will leverage affordable housing through local loan pools and a HOME loan guarantee program. In addition, the bill authorizes homeownership zone grants to serve as a catalyst for private investment, business creation, and neighborhood revitalization.

Second, the bill helps to eliminate excessive regulations that add thousands of dollars to the cost of a new home. All Federal agencies will be required to include a housing impact analysis with any proposed regulations in order to detect any significant negative impact on the availability of affordable housing.

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In this context I urge approval of H.R. 3899 and again want to thank Mr. LAZIO for his hard work on this and other housing legislation this session, as well as note the contributions of the ranking minority Member of the Committee, Mr. LAFALCE and the Housing Subcommittee, Mr. KENNEDY, for their roles in making this such a historic session in terms of housing and community development.

Finally, I'd like to join my colleagues in paying tribute to Mr. KENNEDY, who is retiring after this session, for his many contributions to this country through his work on the Banking Committee, where he has been such a committed spokesman for consumers and the disadvantaged in our society. His leadership will be missed.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. LAFALCE), the ranking member of the committee.

(Mr. LAFALCE asked and was given permission to revise and extend his remarks.)

Mr. LAFALCE. Mr. Speaker, I too would like to congratulate the gentleman from New York (Mr. LAZIO), chairman of the subcommittee, and the distinguished gentleman from Massachusetts (Mr. KENNEDY), ranking member, for the fine work they have done on the American Homeownership Act of 1998.

There were eight titles within the bill. On six of the titles, I had no qualms whatsoever because of the cooperative relationship we have had in working those difficulties out. I did have reservations, though, as of last Friday, on two of the titles, one dealing with manufactured housing and one dealing with the Talent-Watts bill.

I also have some qualms about the fact that we are bypassing the committee process, going from subcommittee to the floor, bypassing the full ranking committee. However, since it is the end of the session and since the bill does so many very good things, I did not think it totally inappropriate for us to use this short circuit process, so long as some difficulties I had with those two titles could be accommodated.

Mr. Speaker, I am pleased that over a weekend-long process, we were able to accommodate it. With respect to Talent-Watts, I thought there were some inconsistencies between the approach that was taken in the VA-HUD bill and the approach that is taken in the Talent-Watts bill. However, we have been able to include language saying that the Secretary of HUD has the power not to implement it if it would increase costs to the FHA Mutual Mortgage Insurance Fund, and that has adequately satisfied my concerns enough to go forward.

With respect to the Manufactured Housing Institute section, we have a difficulty here. We must proceed much more expeditiously in the future than we have in the past, both in articulating and promulgating standards and enforcing those standards, and we have not proceeded quickly enough. By the same token, I was not too pleased with the composition of the consensus com-

mittee nor with the right of the consensus committee on its own to publish its recommendations in the Federal Register.

We have, therefore, negotiated an amendment that makes it clear that it is the prerogative of the Secretary to publish those and he has the right also in publishing them to, at the same time, simultaneously put down each and every reservation or qualm he might have with those consensus committee recommendations.

Though I do think there are other provisions that still need to be worked on before we can enact this into law, finally, I do think that we have come very, very far on a very good bill, enough to go forward and send this on to the Senate.

Mr. LAZIO of New York. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Nebraska (Mr. BEREUTER), a member of the Committee on Banking and Financial Services.

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, I rise in strong support of this legislation. I want to thank our distinguished colleagues, the gentleman from New York (Mr. LAZIO) and the gentleman from Massachusetts (Mr. KENNEDY), the chairman and ranking member of the subcommittee, for their great work, as well as that of the gentleman from Iowa (Mr. LEACH) and the gentleman from New York (Mr. LAFALCE).

Mr. Speaker, there are four specific provisions among many others that I want to commend to my colleagues. First of all, this act has a provision which applies a common median one-family housing price to the entire metropolitan statistical area (MSA) together with the counties contiguous or proximate to such SMA which is equal to the median price in the county within the area that has the highest such median price. This will cause a very positive change in the non-metropolitan areas' housing programs in those counties adjacent to those metropolitan areas as well as all areas within the MSA.

Number two, I am pleased about the Manufactured Housing Improvement Act provisions which establish a consensus committee of consumers, industry experts, and government officials to advise the Department of Housing and Urban Development on safety standards and regulations in the enforcement of manufactured homes.

Three, there is a provision which also creates the Indian Lands Title Report Commission to improve the procedures of the Bureau of Indian Affairs and the way they conduct title reviews in connection with the sale of Indian lands, especially as it relates to home mortgages. This Member has a special interest in making sure this works because of the Section 504 Native American Loan Guarantee Program, and I think those changes will help solve a current bureaucratic problem that is delaying

the implementation of the Section 504 program in the home areas of our country.

Fourth and finally, I want to thank the distinguished gentleman from Massachusetts (Mr. KENNEDY) for his role in working with me in establishing some grant approval of selection standards with respect to the Rehabilitation Demonstration Grant program, which is his initiative. I think that the criteria we developed together will ensure a more equitable use of these funds across the whole country with these appropriate standards, and I thank him for his effort to work with me on this language.

In closing, Mr. Speaker, I think this is an excellent bill. It needs to become law, with its many important provisions. I urge support.

Mr. KENNEDY of Massachusetts. I yield 3 minutes to the gentleman from Minnesota (Mr. VENTO).

(Mr. VENTO asked and was given permission to revise and extend his remarks.)

Mr. VENTO. Mr. Speaker, I rise in somewhat qualified support. I know that some provisions in this have received a lot of work. I think it is obvious when we are not going regular order, it makes it very difficult to, in fact, try to digest all of the aspects of a measure like this. I think there have been hearings on this, but we have not moved this through the regular procedure. It is not unusual at the end of a session, in fact, Mr. Speaker, to move on measures that have passed the House and Senate and are the product of work between them. I guess we are sending it to the Senate with the hope that they will accept it, this product hasn't passed either Chamber.

There are some provisions in this bill that are very important, like the reauthorization and the Neighborhood Reinvestment Corporation, the Home Investment Partnership block grant, the HOME funds and other reauthorizations of known programs. So, I think that many of us that support housing have a lively interest in this bill.

I remain concerned about the feasibility, of other provisions in this bill, and it is my understanding that there have been some qualifications put in with regard to drawing on various types of FHA funding programs. It was not too many years ago, Mr. Speaker, that there was a lot of concern and there were alarm bells going off with various reports from the Price Waterhouse accounting firm concerning the status of the FHA funds. I know, as a defender of the FHA program at that time, that that criticism had a pretty sharp edge, and I think we have to be cognizant today of that History as we begin to spread those dollars out from within the fund and the reserve to make certain that it does fulfill the mission of insurance that it is intended to provide in terms of low down payment FHA program.

There are also some concerns with this bill because many of the provisions that are dealt with in this bill,

especially those dealing with manufactured housing, had raised opposition from some of the powerful groups that had long been involved with the issues of manufactured housing and have often stood up and spoken out for the consumer. And at this time, because of the last-minute agreement with regards such provisions these advocates have not had the opportunity to review those provisions. I hope, obviously, when they have that opportunity, they will recognize that while they certainly did not get everything they wanted, there is a balance that was struck, here that is workable and will safeguard and ensure the goals that we all share, and that is to make manufactured housing a bigger and better part of meeting homeownership opportunities into the future.

But as we look at those that live in manufactured housing, a lot of them are the elderly, a lot are low-income families, so we want to make certain that they get the value that is intended in terms of purchasing or making a decision with regard to manufactured housing ownership.

Mr. Speaker, I rise in qualified support for H.R. 3899. As a Member with long service on the Banking Committee and the Housing Subcommittee, I am, of course, highly supportive of efforts to increase home ownership opportunities. The Federal government needs to be a strong partner by developing and maintaining viable programs that meet market place tests and that also serve real consumer and community needs. That is why I am a strong supporter of FHA mortgage insurance, pre- and post-purchase home ownership counseling, the secondary market entities, Freddie Mac and Fannie Mae, Mortgage Revenue Bonds, and of course, the Mortgage Interest Deduction.

Included in this bill are the reauthorizations other housing programs like Neighborhood Housing Services at the Neighborhood Reinvestment Corporation, and the Home Investment Partnership Block Grant. I worked on restructuring and modernizing Neighborhood Reinvestment several years back with my then Colleague, Chalmers Wylie. Twin Cities Neighborhood Housing Services are among the most effective organizations in the St. Paul-Minneapolis area. They are the embodiment of using resources and partnerships to increase homeownership and to weave together neighborhood and communities for our futures.

So there are some important basis to support this bill today. One of those reasons should be because the regulation of safety and other marketplace changes of manufactured housing has become out-dated. The process needs to be improved. I have worked with some of my other colleagues in the past on trying to get more staffing at HUD to accomplish that objective along with other recommendations of the Manufactured Housing Commission set up by law several years back. We have been

close to solving this public policy dilemma, but close only counts in horse shoe and hand grenades. This bill attempts to insure that the fees will go to help with the staffing expenses.

I remain concerned, however, especially at this time of year, it is important to have as much consensus as possible on policy changes that are being sought. In this instance, some changes sought to help update the manufactured housing code remain an uneasy agreement finalized within the last hours, consequently groups representing consumers: the AARP and the Consumer's Union haven't had the opportunity to review such modifications. AARP reminds us in a letter, over two million persons aged 65 and over live in manufacture homes. Over a third of the purchasers of manufactured housing are age 50 and older. Additionally, as a long-time participant in the manufactured housing arena, their views and position should be given weight and consideration, but given the time frame and changes they and we are handicapped in evaluating this final product.

Not going regular order has also left these key players, and likely the States who have a role in the regulation and enforcement of manufactured housing standards in the dark as to what changes are still being made, with little opportunity to voice concerns about proposals and how the policy path being forged with affect them. Some of their issues, such as the important warranty initiative, have been left by the wayside. That is an unfortunate way to make important public policy that could affect millions of consumers around this country.

While there have been some modifications made, up until today, they are limited and strained in addressing the concerns regarding the composition of the consensus committee and the proper role of the Secretary and the Department of Housing and Urban Development in setting regulations for safety and for enforcement of those standards. However, the new changes to allow a 30 day period by HUD to review, and then publish, alter, or not publish proposed regulations with explanation for any changes is a step in the right direction. I was concerned that this bill would tip the appropriate balance between the private and public sectors and ultimately tie the hands of this or a future Secretary of HUD, even as it turned the federal regulatory process on its head in an unprecedented manner. This change was crucial to gaining my support for this bill, despite my strong reservations about the process.

As a supporter of manufactured housing, I do regret that we are in this forced position here today with this bill. As this bill will pass, I only hope we can work this out going forward so that we will indeed achieve a "win win" for all—the industry, consumers and the regulators—for more modernized manufactured housing federal

standards that are affordable and safe for consumers and home purchase—the most important transaction most families ever make.

Further, I understand that although the Administration supports the objective of H.R. 3899, the official Statement of Administration Policy indicates that the Administration has several remaining concerns about this bill, including the transfer of ownership of certain FHA multi- and single-family properties to community development corporations or units of local government, raising the ARM cap to 40% (with an increased premium for mortgages over 30%), adding specialized analytical requirements to the Federal rule making process, allowing PHAs to capitalize Section 8 subsidies for downpayment assistance without requirements that families otherwise qualify for a mortgage or if may families subsequently default, relaxing the income targeting requirements of the HOME program, and authorizing a new HOME loan guarantee program that is inconsistent with existing Federal credit program standards. I do indeed hope that we can continue to work to perfect this legislation, if not in this session then as soon as the 106th Congress convenes in a regular order process and trust that some differences are attributed to the lack of regular order that too often prevails at the end of the session.

Finally, there are many provisions in the bill, but I want to commend Secretary Cuomo, the Members of Congress, the gentleman from New York (Chairman LAZIO) and the gentleman from Massachusetts (Mr. KENNEDY), ranking member, especially, who will be regrettably completing his service in the House this year. The gentleman from Massachusetts has been a catalyst for change, a voice of the disenfranchised in this society for all the years he has served. I wish him well. He has served us well, and the people of this Nation.

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Mr. LAZIO of New York. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California (Mr. CAMPBELL), who is responsible for large sections of this bill. I want to thank him publicly for his work on this.

Mr. CAMPBELL. Mr. Speaker, no one deserves credit more than the gentleman from New York (Mr. LAZIO), chairman of our subcommittee, not only because he knows this field so well and his heart is so strongly in the right place, but also because of his tenacity. We would not be here today except for him. He deserves the credit.

I do want to draw attention to the part of the bill that deals with lowering barriers that are created by government. This is an unusual topic because those of us who serve in government try to think we are doing the right thing, with clean heart and pure motives. Sometimes, however, we add to

the cost of affordable housing so much by what we do that the housing is no longer affordable. That is true at the State and local level and true at the Federal level.

At the Federal level we can do a little bit more, and what this bill does is to provide that whenever a Federal decision is made, such as the closing of a military base or siting an interstate or helping to build an airport, the federal agency involved must bear in mind that there is going to be an effect on affordable housing. And if somebody can propose a way of accomplishing the legitimate Federal goal with less deleterious effect on affordable housing, then the federal agency is obliged to consider that alternative and adopt it. That is in this bill, and I think it is an improvement in the Federal regulatory system, benefiting public housing.

We cannot and should not, directly affect the State and local governments, but we, in the Federal Government, can and do set aside \$15 million, not by an increase in taxes to pay for it but from funds already in the law, for those State and local units of government that undertake steps to make their barriers less.

A classic example here is a State that will impose a fee on home building on the basis of the children that a new housing development will put into the school system. A state ought to make that fee less, if it is affordable housing, and make it higher, if it is a higher priced house. I think that is a fair approach that would accomplish both objectives of education and affordable housing.

We cannot mandate that, but we can reward those States that undertake a system like that on their own. And we do that in this bill. I am proud to support this bill. I want to repeat thanks to my good friend the gentleman from New York (Mr. LAZIO), but for whom we would not have this bill, or its title I, in which I have invested so much of my time.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield 3 minutes and 30 seconds to the gentleman from Indiana (Mr. ROEMER), who has done such a great job on bringing this bill forward.

Mr. ROEMER. Mr. Speaker, I want to thank the gentleman from New York (Mr. LAZIO) for his tenacity in getting a bill. I want to thank my good friends the gentleman from Minnesota (Mr. VENTO) and the gentleman from New York (Mr. LAFALCE) for their support in getting more people into more affordable homes, and I want to especially point out my thanks and gratitude for a member who has decided to go back home, the gentleman from Massachusetts (Mr. JOE KENNEDY), a friend of mine, somebody who has been very gracious to me in my service here in the House, somebody whose dad was a hero to me and whose dad once said, when one of us prospers, all of us prosper. When one of us falters, so do we all. I think his dad is very proud of JOE KENNEDY standing up for the homeless

and the voiceless throughout his career in the House of Representatives.

Mr. Speaker, I rise today in support of this bill, H.R. 3899, which has one goal in mind, to put the dream of homeownership within the reach of more Americans. Study after study has shown that homeownership strengthens the family unit and contributes greatly to the stability of our society. H.R. 3899 will alleviate problems in part by helping more people get mortgages through government programs. However, the real key to this legislation is the commitment it makes to bolster the manufactured housing industry and increase the supply of this vital source to affordable housing.

Manufactured housing is already one of the fastest growing sources of housing in America. The industry provides nearly one-third of the single family homes sold each year in America. With an average cost of about \$40,000, manufactured homes provide a real opportunity for first-time home buyers, young families and senior citizens to realize the American dream of owning a home.

There was a time when manufactured housing consisted primarily of trailers and mobile homes. Mr. Speaker, those days are gone.

With the development of new technology and safety innovations, the manufactured housing industry today produces top quality homes which are comparable in every respect as site-built homes. Unfortunately, Mr. Speaker, and the reason we are here, is the Federal rules governing the manufactured housing industry have not kept pace with this technology. Indeed, the industry is operating under rules that were put forward in 1974. Let us bring those rules forward with some badly needed common sense and fairness to the HUD code.

I have participated in many of these talks to bring this bill forward. I want to personally thank Secretary Cuomo, who has worked so assiduously on this bill, and Bill Apgar for their personal involvement and commitment to the drafting of this bill.

This bill will create a consensus committee to work with HUD to help improve the management of the Federal manufactured housing program. This bill also seeks to encourage uniform and effective enforcement of Federal construction and safety standards for manufactured homes, while reserving the regulation of installation standards and enforcement to the States.

Mr. Speaker, I have a large manufactured housing industry in my district, and I know that is true throughout the United States. Support this good bill to provide more housing opportunities for more Americans.

Mr. LAZIO of New York. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California (Mr. CALVERT), cochairman of the Manufactured Housing Caucus.

Mr. CALVERT. Mr. Speaker, I rise in strong support of the American Home-

ownership Act, and I yield to the gentleman from Indiana (Mr. MCINTOSH).

Mr. MCINTOSH. Mr. Speaker, let me first say thanks to the chairman for this. This bill is excellent. The chairman deserves a lot of commendation for bringing it to the floor, especially with regard to manufactured housing.

Let me ask two questions: Does the preemption language in this bill change or alter in any way any existing duty or responsibility of the manufacturer with respect to the installation of the home?

Mr. LAZIO of New York. Mr. Speaker, will the gentleman yield?

Mr. CALVERT. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Speaker, no, this does not change any aspect of installation.

Mr. MCINTOSH. Mr. Speaker, if the gentleman will continue to yield, and as I understand it, the law today, under the law today the manufacturer's responsibility with respect to the installation of the home is determined by State law?

Mr. LAZIO of New York. Yes, that is correct. It will continue to be the case under the provisions of this law.

Mr. MCINTOSH. Mr. Speaker, I strongly support this legislation.

Mr. CALVERT. Mr. Speaker, let me first thank the gentleman from New York (Mr. LAZIO), the subcommittee chairman, for his hard work on this bill. As cochairman of the House Manufactured Housing Caucus, I can assure you of his dedication to improving our Nation's housing supply and giving all Americans the chance to own a home.

Mr. Speaker, two of our Nation's largest social problems are the need for greater access to affordable homes and the need to move people away from the dependency on subsidized housing. Manufactured housing, the fastest growing segment of the housing industry, helps solve these problems. The affordability of these homes allows senior citizens, young families and single parents to realize the American dream of homeownership.

Congress must help people reach this goal by considering the positive impact of manufactured homes when making housing policy. By improving the quality, safety and affordability of these homes, the American Homeownership Act does just this.

A yes vote on this bill is a yes vote for seniors, single parents, and young home buyers who want a place to call their own. It is a vote for the American dream. I urge a yes vote.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield 2 minutes to the gentlewoman from North Carolina (Mrs. CLAYTON).

(Mrs. CLAYTON asked and was given permission to revise and extend her remarks.)

Mrs. CLAYTON. Mr. Speaker, I also wanted to compliment the gentleman from New York (Mr. LAZIO) and the gentleman from Massachusetts (Mr. KENNEDY) for bringing this bill and

their leadership. I also want to say our appreciation on behalf of all those who care about housing, care about the poor and for his leadership and his service not only to Congress but to this Nation.

Mr. Speaker, I rise in support of H.R. 3899, the American Homeownership Act. Although I know there are provisions that every item in there is not picture perfect, but nevertheless this is indeed a big step in the right direction if we want to make sure that the American people have the opportunity for the American dream, to afford a home of their own.

There are many hard working citizens whose income does not stretch far enough to fulfill the dream of homeownership. Despite their efforts, their dreams and hopes are shattered. They work as hard as other citizens but the cost of homeownership is out of reach. Therefore, H.R. 3899 will begin the process of restoring hope to those in our society who are not looking for a free ride but are hoping for freedom of choice so they may live and have the opportunity to afford a decent place.

Passage of this bill will be a demonstration that hard work is not in vain. It also is important to recognize that the American Homeownership Act will have a positive impact on future generations of working families. Millions of children are witnesses to the hard work performed by their parents. Many of these children are living in substandard apartments or houses because their working parents have been denied an opportunity to own the home that they would hope to have to live in and to raise their families.

Therefore, H.R. 3899 provides many opportunities, many provisions that speak to that, not only in terms of the mobile homes or what we called manufactured housing. In North Carolina, unfortunately or fortunately, we have more manufactured homes. So obviously having standards would allow them to have it and the requirement opportunities.

I commend my colleagues to vote for this.

Mr. LAZIO of New York. Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. METCALF), a member of the Committee on Banking and Financial Services and also chairman of the Housing Caucus.

(Mr. METCALF asked and was given permission to revise and extend his remarks.)

Mr. METCALF. Mr. Speaker, I rise in support of H.R. 3899.

H.R. 3899 provides greater opportunities for homeownership by increasing the FHA adjustable rate mortgages, the ARMs, while protecting the FHA program. The Secretary of HUD will have the discretion to increase the number of ARMs to make homeownership a reality for more people.

This is a very popular program, especially when interest rates are low. I want to thank my colleague the gentleman from California (Mr. CAMPBELL)

for his leadership in reducing Federal barriers to homeownership. His provisions are included in this legislation.

For the past 3 years Congress has transferred decisions and responsibilities to local communities. This process, however, is not simply about giving local communities funds through block grants, it is equally important to provide communities the flexibility from Federal mandates and regulations. Much of this can be achieved by identifying government imposed barriers and their impact on the cost and supply of housing.

Lastly, this legislation creates a consensus committee for developing standards in the manufacturing housing industry. Manufactured housing is often underutilized, but is a very feasible opportunity for increasing homeownership, especially for first time home buyers.

Today we take a step forward in helping make homeownership a reality for more people. I want to thank the gentleman from Iowa (Mr. LEACH) and the gentleman from New York (Mr. LAZIO) for their efforts in bringing this legislation to the floor.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield 2 minutes to the gentleman from Rhode Island (Mr. WEYGAND).

(Mr. WEYGAND asked and was given permission to revise and extend his remarks.)

Mr. WEYGAND. Mr. Speaker, I want to thank my good friend the gentleman from Massachusetts (Mr. JOE KENNEDY) for his outstanding leadership and work on this bill and so many others. He has always been there to help those less fortunate and his tenure here in Congress will be sorely missed. He has really been a leader in this and I thank him.

I also want to thank the gentleman from New York (Mr. LAZIO) for helping us on a couple of issues that were sticking points and that we wanted to work out.

One of the most important things about this bill is that we are trying to increase the amount of homeownership in distressed areas. This bill helps do that. Section 8 funding for such things as a down payment, allowing the one year of section 8 assistance to go to a down payment, is an important part to provide some assistance to people who have ownership in distressed areas.

Another part is the removal of barriers that would preclude many of the things that we want to do in these areas being included. The gentleman from Nebraska (Mr. BEREUTER) had mentioned that it is so important that we push away some of the Federal barriers that presently preclude affordable housing from being a true part of our cities and towns.

The other part is something that we came up with in committee. That was the horrific stories that we read and heard about with regard to housing inspections. So many people came to us in committee and said that they want-

ed homeownership, they went and they worked very hard to provide the down payment, finally had their dream home, only to walk into that home and find out that it was not habitable.

We worked and struggled very hard on the issue of inspections to be sure that loans, the people that took out loans would have the housing that they wanted and would be habitable. The gentleman from New York (Mr. LAZIO) and I have worked on the issue about housing inspections and I know that we are working with HUD on this so that we will have a system that does not duplicate the existing requirements that we have in place in cities and towns and States but also have a Federal system that is reasonable and that does not take away some of the present requirements that we have in cities and towns and State government.

I want to thank the gentleman from New York (Mr. LAZIO) for allowing us to have this study and look forward to working with him in the future. Lastly, again I would like to thank the gentleman from Massachusetts (Mr. KENNEDY) for his tremendous leadership on this bill.

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Mr. KENNEDY of Massachusetts. Mr. Speaker, I ask the Chair to clarify how much time is remaining on the debate.

The SPEAKER pro tempore (Mr. SHIMKUS). The gentleman from Massachusetts (Mr. KENNEDY) has 1 minute remaining. The gentleman from New York (Mr. LAZIO) has 4 minutes remaining.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I reserve the balance of my time.

Mr. LAZIO of New York. Mr. Speaker, I yield 1 minute to the distinguished gentleman from New York (Mr. GILMAN), one of our leaders of our State, the dean of the New York delegation, the chairman of the Committee on International Relations.

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I rise today in support of H.R. 3899, the American Homeownership Act, introduced by the distinguished gentleman from New York (Mr. LAZIO) and the gentleman from Massachusetts (Mr. KENNEDY), who we will soon miss for his premature retirement. We thank him for his good works over the years.

I commend both gentlemen's efforts in bringing this legislation to the floor today to help expand homeownership opportunities for all Americans as we approach the next century.

This bill will allow families to benefit from the availability of flexible capital for homeownership and to be able to use Federal housing vouchers for the payment of monthly mortgages for a new home and will cut through the red tape and regulations that have prevented Americans from purchasing homes in the past.

This measure also promotes the ability of the private sector to produce affordable housing without excessive government regulation.

Accordingly, I urge my colleagues to support this measure to help all American families to pursue the American dream and be able to own their own homes.

Mr. LAZIO of New York. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New Jersey (Mrs. ROUKEMA), a member of the Committee on Banking and Financial Services.

(Mrs. ROUKEMA asked and was given permission to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Speaker, I rise in strong support of this legislation. Our colleague, the gentleman from New York (Mr. GILMAN), took the words out of my mouth. This is expanding the American dream for millions of Americans. I want to thank the gentleman from New York (Mr. LAZIO) and the gentleman from Massachusetts (Mr. KENNEDY).

Mr. Speaker, I rise in strong support of HR 3899, the American Home ownership Act of 1998. I have cosponsored this legislation which enjoys wide bipartisan support.

A good job at a good wage. The ability to raise a family in comfort. Sending your children to college so that they make their own way in the world. These are major components of the Great American Dream. Integral to this dream—owning the roof over your family's head—owning a house to call a home.

My Colleagues, in one of the richest nations on earth, owning your own home should be more than just a dream. That is why it is important for us to continue to seek ways to make home ownership more affordable and more accessible. This legislation takes a significant step forward in helping hard-working Americans obtain that dream of owning their own home.

The American Home ownership Act allows families receiving federal rental vouchers to use the assistance toward monthly mortgage payments. Local housing authorities are given authority to provide residents with down payment assistance in lieu of monthly public housing assistance. I am particularly pleased to see that this bill does not include provisions requiring mandatory FHA home inspections. Instead, it includes a GAO study that will investigate the need for mandatory inspections.

In addition, it creates a HOME Loan Guarantee program to allow communities to tap into future HOME grants for affordable housing development. The Act also provides grant authority for use in "Home ownership Zones"—designed areas where large scale development projects are designed to reclaim distressed neighborhoods by creating Home ownership opportunities for low and moderate income families.

By some estimates, unnecessary government regulation adds 20 to 35 percent to the cost of a new home. For many hard working families, this 20 to 35 percent represents the difference between owning a house or continuing to reside in rental property. This legislation recognizes this difficult fact and requires all Federal agencies to include a housing impact analysis with any proposed regulation to

certify such regulation have no significant negative impact on the availability of affordable housing.

Finally, this legislation includes provisions that will promote the quality, safety and affordability of manufactured homes by ensuring uniform standards and codes for construction across the country.

I want to commend the Chairman of the Housing Subcommittee, Mr. LAZIO, for his hard work on this important legislation—I urge my colleagues to support this important bill.

I yield back the balance of my time.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield the final minute of the debate to the gentleman from Chicago, Illinois (Mr. DAVIS).

(Mr. DAVIS of Illinois asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Illinois. Mr. Speaker, let me commend and congratulate the gentleman from New York (Mr. LAZIO) and the gentleman from Massachusetts (Mr. KENNEDY), the ranking member, and all of the members of the committee for bringing this important legislation to us.

The American dream, for many, have not been realized because they have not been able to experience the ownership of a home. This legislation opens up opportunities for individuals to receive mortgage assistance, but also for manufactured housing to really come on-line. I think it is one of the most important pieces of legislation that we have seen and will see.

I represent a district that has 175,000 people who live at or below the poverty level. This will go a long ways, Mr. Speaker, towards providing them with opportunities to experience homeownership.

Again, I commend the chairman, the gentleman from New York (Mr. LAZIO) and certainly the ranking member and say that we are going to miss the voice of the gentleman from Massachusetts (Mr. KENNEDY) as a voice for the underrepresented, the dispossessed, and all of those in America who are still looking for the American dream. Go with peace.

Mr. LAZIO of New York. Mr. Speaker, I yield myself such time as I may consume.

(Mr. LAZIO of New York asked and was given permission to revise and extend his remarks and include extraneous material).

Mr. LAZIO of New York. Mr. Speaker, in yesterday's New York Times, an editorial was published which was entitled "A Win-Win On Housing." It was really written about the public housing bill that had been passed by the House and the Senate and was on its way to the President for signature, but it could well have been written about this bill as well, because this is indeed a win-win on housing.

We have worked closely with the gentleman from Massachusetts (Mr. KENNEDY) and the gentleman from New York (Mr. LAFALCE). We have incorporated ideas from many people, ranging from the administration.

I want to particularly salute Bill Apgar, who is the FHA Commissioner, for his constructive work with this committee, with the gentleman from Iowa (Mr. LEACH), the chairman of the full committee, the gentleman from Ohio (Mr. NEY) and the gentleman from Louisiana (Mr. BAKER), two important members of our committee, and the gentleman from New Mexico (Mr. REDMOND), who had input and helped draft provisions that dealt with native American housing, all of whom were very significant in terms of moving this forward.

I would just say to the Members of this body, if we can think back and remember the first time we went to a closing when somebody put the keys of our first house in our hand how we felt; that sense of pride, that sense of having the satisfaction of knowing that we can provide for our family, the peace of mind of knowing that we will not be going through a series of unstable housing situations, but in fact we are going to have something of our very own, a place where we can put our roots down in, a place that we can raise our children in or just appreciate and grasp the greatest ambition that we have had.

This bill I think does that. It will bring that promise of homeownership, what has been referred to many times as the dream of homeownership for America to countless Americans whose names we will never remember or never hear, but people who will have more satisfying lives, will have a greater peace of mind, will be able to raise their family and provide them the greatest fruits of life because of the dream of homeownership.

It is a uniquely American institution in the sense that we have the highest rate of homeownership of any of our industrialized neighbors. It is very much a part of the growth of America.

What we do with this bill is we try to look to creative tools to enhance that, especially for low-income Americans to try to get them into their first home, to share in the fruit of homeownership. It would not have been possible without the cooperation of many people.

I want to, again, thank the gentleman from Massachusetts (Mr. KENNEDY) for his friendship, he is an easy person to get along with, for his hard work and for his dedication.

If I can, I just want to again point to the attention of the House to what will be the Joseph P. Kennedy, II Homeownership Rehabilitation Demonstration Grant Act, which is the brainchild of the gentleman from Massachusetts (Mr. KENNEDY), to try to help those people who have their own home but struggle to try to find and way to rehab their own place, whether it is a new roof or a new boiler. Keep them in those neighborhoods. Give them the peace of mind to that there is an outlet out there in order to finance these basic needs.

It is typical of the interest of the gentleman from Massachusetts (Mr.

KENNEDY) of low-income Americans that he would have authored that. I urge my colleagues to support this important bill.

The New York Times editorial referred to and additional material are as follows:

[From the New York Times, Oct. 13, 1998]

A WIN-WIN ON HOUSING

Ever since the Republicans took control of Congress, the new majority has struggled with the Clinton Administration over the issue of low-income housing. Last week the two sides came together and passed a measure that blends conservative and liberal concerns. It is a major achievement for both the Administration and Congress.

Republicans have long wanted to give low-income working people a greater share of subsidized housing, while Democrats wanted to favor the poorest of the poor, who have no resources to obtain shelter at market rates. Both sides have a point. Housing projects need to include stable families with working adults who can serve as role models for other residents. When homelessness exploded in the 1980's too many apartments in some projects were turned over to extremely indigent families, tipping the community balance.

But the Republicans' proposed solutions went too far. One particularly bad idea was to change the income mix eligible for rent subsidy vouchers, a program that does not suffer from the same problems as traditional housing projects. Unlike public housing residents, who live in a closed community, people who receive the vouchers are dispersed throughout the private housing market. To the delight of housing advocates, the final bill creates 90,000 much-needed new vouchers and requires that 75 percent go to the poorest of the poor. The bill relaxes some of the income limits for housing project to make room for more of the working poor, although many units must still be reserved for the very poor. In New York City, 40 percent of project residents would have to have incomes at or below \$15,000, but other residents would be able to make up to \$40,150.

Other compromises were equally sensible. The Republicans got concessions aimed at rewarding effort, including very modest community service requirements. Democrats got additional controls to make sure that allowing more high-income families does not lead to racial or economic segregation. The bill bows to the animal lobby's demand that all public housing residents be allowed to keep animals, but officials in cities like New York, where vicious dogs have long terrorized residents of some large projects, will now apparently be able to impose reasonable restrictions.

Housing Secretary Andrew Cuomo and Representative Rick Lazio of Long Island, the Republican point man on housing issues, have represented two poles in this long struggle. This bill is a win for both men. Mr. Cuomo, and his predecessor Henry Cisneros, have given what was known as the Federal Government's worst-run bureaucracy some credibility with Congress. Mr. Lazio has finally won his long battle to make public housing a bipartisan issue. While some Republicans will always have an ideological objection to Federal housing subsidies, Mr. Lazio has always argued that many others can be brought around, once they are convinced that the system is well run and aimed at encouraging self-sufficiency. We believe he is right, and this bill may be a big step in that direction.

H.R. 3899, THE "AMERICAN HOMEOWNERSHIP ACT OF 1998"

SECTION-BY-SECTION ANALYSIS

Section 1. Short Title and Table of Contents.

States that the act may be cited as the "American Homeownership Act of 1998."

Section 2. Findings and purpose.

Congressional findings are that expanding homeownership opportunities should be a national priority, that there is an abundance of conventional capital available, and that communities possess ample will and creativity to provide opportunities uniquely designed to assist their citizens to achieve homeownership. Purposes of the act are to encourage homeownership by families not otherwise able to afford homeownership, to promote the ability of the private sector to produce affordable housing without excessive government regulation, to expand homeownership through tax incentives such as the home mortgage-interest deduction, and to facilitate the availability of capital for homeownership opportunities.

Title I: Removal of Barriers to Affordable Housing

Section 101. Short title.

This title may be referred to as the "Affordable Housing Barrier Removal Act of 1998."

Section 102. Housing impact analysis.

Requires that all proposed federal regulations include a housing impact analysis so that a federal agency can certify that a proposed regulation would have no significant deleterious impact upon housing affordability. If a proposed rule would have a negative impact, then an opportunity is given to groups to offer an alternative that achieves the stated objectives with a less deleterious impact on housing. HUD is directed to create model impact analyses that other agencies can use for these purposes.

Section 103. Grants for regulatory barrier removal strategies.

Authorizes \$15 million through FY 2003 for grants to States, local governments, and eligible consortia for regulatory barrier removal strategies. This is reauthorization of the same amount under an already existing CDBG setaside (Section 107(a)(1)(H)). Grants provided for these purposes must be used in coordination with the local comprehensive housing affordability strategy ("CHAS").

Section 104. Eligibility for community development block grants.

Requires a jurisdiction as a condition of eligibility under the CDBG program to make a good faith effort to reduce barriers to affordable housing identified in the CHAS submitted by the jurisdiction to HUD, without creating any new private right of action.

Section 105. Regulatory barriers clearinghouse.

Creates within HUD's Office of Policy Development and Research a "Regulatory Barriers Clearinghouse" to collect and disseminate information on, among other things, the prevalence of regulatory barriers and their effects on availability of affordable housing, and successful barrier removal strategies.

Title II: Homeownership Through FHA Mortgage Insurance

Section 201. Adjustable rate mortgages.

Provides the Secretary with discretion, upon submitting to Congress a written findings of unmet demand, to increase the number of adjustable rate mortgages ("ARMs") the Department insures by an amount not to exceed 40% of the prior year's number of mortgages. The Secretary must report to Congress, prior to taking such action, that such increase shall not adversely affect the actuarial soundness of the FHA fund.]

Section 202. Housing inspection study.

Requires a GAO study of the inspection process for FHA properties, comparing or estimating the potential financial losses and savings to the Mutual Mortgage Insurance Fund between a system that would require a mandatory FHA inspection and the current optional inspection. The study would also review the potential impact of a mandatory FHA system on the homebuying process, particularly including underserved area where FHA losses are the greatest and whether there is a housing quality and/or financial difference in inspected homes and those without inspections. The study would also review the current option practice and report whether consumers understand the availability of independent inspections, financed by FHA and whether their choices for an inspection are affected or pressured by market or economic forces.

Section 203. Definition of area.

Provides the Secretary of HUD with discretion to provide that any county or statistical area, together with any counties proximate or contiguous with such area, may be treated as a single area for purposes of determining the FHA limit for such area by using the highest limit within the newly defined area. This allows the Secretary the discretion to rationalize FHA limits in areas where strict adherence to existing metropolitan statistical areas limit homeownership opportunities.

Sec. 204. Extension of Loan Term for Manufactured Home Lots.

Extends the loan terms for manufactured home lots financed by insured financial institutions from 15 years, 32 days to 20 years, 32 days.

Sec. 205. Repeal of Requirements for Approval for Insurance Prior to Start of Construction.

This section would repeal FHA requirements that required newly constructed homes to be insured at a 90% Loan-to-Value ratio unless it was approved before construction or met consumer protection or warranty plans or was completed more than one year before insurance was requested. After enactment, newly constructed homes would be subject to the same requirements as older homes, which would allow higher loan-to-value ratios up to 97%.

Sec. 206. Rehabilitation Demonstration Grant Program.

Makes available funding for a rehabilitation grant program established in the Quality Housing and Work Responsibility Act of 1998 (Section 599G), for fiscal year 1999, from funds in the Mutual Mortgage Insurance Fund in an amount not to exceed \$25 million. Renames the legislation establishing the program the "Joseph P. Kennedy II Homeownership Rehabilitation Demonstration Grant Act."

Title III: Section 8 Homeownership Option

Section 301. Down-payment assistance.

PHAs are authorized to provide down-payment assistance in the form of a single grant, in lieu of monthly assistance. Such down-payment assistance shall not exceed the total amount of monthly assistance received by the tenant for the first year of assistance. For FY 2000 and thereafter, assistance under this section shall be available to the extent sums are appropriated.

Title IV: HOME Investment Partnership Program

Section 401. Reauthorization.

Reauthorizes the HOME Investment Partnerships Program through FY 2003, at \$1.6 billion for FY 99, and thereafter at such sums as appropriated.

Section 402. Eligibility of limited equity cooperatives and mutual housing associations.

Amends HOME to make eligible mutual housing associations and limited equity cooperatives.

Section 403. Leveraging affordable housing investment through local loan pools.

Allows HOME funds to be used as leverage in connection with the creation of greater "loan pools" (ten times the amount of the HOME funds invested in such a pool) without imposing the HOME income restrictions on the entire pool (i.e. allows "mixed-income" pools.)

Section 404. Loan guarantees.

Creates a HOME Loan Guarantee program, by adding a provision allowing the Secretary to guarantee (similar to CDBG loan guarantees) the obligations of participating jurisdictions made in connection with affordable housing efforts by pledging as security a participating jurisdiction's future HOME allocations (up to five times the latest allocation).

Title V: Local Home Ownership Initiatives

Section 501. Reauthorization of Neighborhood Reinvestment Corporation.

Reauthorizes the Neighborhood Reinvestment Corporation at \$90 million for FY 99 (including \$25 million for a pilot homeowner initiative) and at \$90 million thereafter through FY 2003.

Section 502. Homeownership zones.

Provides grants for use in "Homeownership Zones", which are designated areas in which large scale development projects are designed to reclaim distressed neighborhoods by creating homeownership opportunities for low and moderate income families. Authorizes \$25 million in grants for FY 1999 through FY 2000, to remain available until expended.

Sections 503. Lease-to-own.

Provides for a sense of the Congress that residential tenancies under lease to own provisions can facilitate homeownership by low and moderate income families. Requires the Secretary to provide a report to Congress within 3 months after enactment of the act, analyzing whether lease to own provision can be incorporated within the HOME investment partnerships program, the public housing program, and other federally-assisted housing programs.

Section 504. Local capacity building.

Amends Section 4 of Public Law 103-120 (the "HUD Demonstration Act"), to add the National Association of Housing Partnerships as an intermediary organization eligible for federal grants to develop the capacity and ability of community development corporations and community housing development organizations to undertake community development and affordable housing projects.

Title VI: Manufactured Housing Improvement

Section 601. Short Title and references.

States that this title may be cited as the "Manufactured Housing Improvement Act."

Section 602. Findings and purposes.

Current law provisions are replaced with a more positive, detailed statement of the original intent of Congress when it enacted the Federal Manufactured Home Construction and Safety Standards Act. Adds a consensus standards development process to the purpose of the Act. Expresses the continuing need to facilitate the availability of affordable manufactured homes as well as the need for objective, performance-based standards and enhanced consumer protection.

Section 603—Definitions.

Adds several definitions to Section 603 of current law concerning the consensus com-

mittee and the consensus standards development process set forth in Section 604 of this bill. Adds a definition for the monitoring function and related definitions for primary inspection agency and design approval primary inspection agency duties, which had not been previously defined. Consensus committee recommends specific regulations regarding these functions to the Secretary of HUD. The term "dealer" has been replaced throughout with the term "retailer."

Section 604. Federal manufactured home construction and safety standards.

Section 604 of the existing manufactured housing regulation is revised to establish a "Consensus Committee" that would submit recommendations to the Secretary of HUD for developing, amending and revising both the Federal Manufactured Home Construction and Safety Standards and the enforcement regulations. Establishes requirements as to when recommendations made by the Consensus Committee to the Secretary are to be published by the Secretary in the Federal Register for public comment.

The members of the Consensus Committee will be appointed, subject to approval by the Secretary, by an administering organization, which shall be a recognized, voluntary, private consensus standards body with specific experience in developing model residential building codes. The committee shall be composed of 25 qualified individuals including general interest groups such as academicians, researchers, architects, and homeowners.

The revisions to section 604 would also clarify the scope of federal preemption to ensure that disparate state or local requirements do not affect the uniformity and comprehensive nature of the federal standards. At the same time, the bill would reinforce the proposition that installation standards and regulations remain under the exclusive authority of each state.

Section 605. Abolishment of the National Manufactured Home Advisory Council.

Section 605 of existing law would be repealed, abolishing the National Manufactured Home Advisory Council, which is replaced by the consensus committee formed under Section 604.

Section 606. Public information.

Amends current requirements governing cost information of any new standards submitted by manufacturers to the Secretary by requiring the Secretary to submit such cost information to the consensus committee for evaluation.

Sec. 607. Research, testing, development, and training.

Requires HUD Secretary to conduct research, testing, development and training necessary to carry out the purposes of facilitating manufactured housing, including encouraging GSE's to develop and implement secondary market securitization programs for FHA manufactured home loans, and reviewing the programs for FHA manufactured home loans and developing any changes to such programs to promote the affordability of manufactured homes.

Section 608. Fees.

Amends current section 620 by allowing the Secretary to use industry label fees for current activities, conducting inspections and monitoring, providing funding to states for administration and implementation of approved state plans under existing section 623, hiring additional program staff, for additional travel funding, funding of a non-career administrator to oversee the program, and for the costs of administration of the consensus committee. Prohibits the use of label fees to fund any activity not expressly au-

thorized by the act, makes expenditure of label fees subject to annual Congressional appropriations review, and eliminates HUD's annual report requirement. Requires HUD to be accountable for any fee increase by requiring notice and comment rulemaking.

Section 609. Elimination of annual report requirement.

Eliminates existing annual reporting by the Secretary to Congress on manufactured housing standards.

Section 610. Effective date.

Effective date of the legislation is the date of enactment, except that interpretive bulletins or orders published as a proposed rule prior to the date of enactment shall be unaffected.

Section 611. Savings provision.

Existing manufactured housing standards are maintained in effect until the effective date of the Federal manufactured home construction and safety standards pursuant to the amendments made by this act.

Title VII: Indian Housing Homeownership

Section 701. Indian Lands Title Report Commission.

Subject to amounts appropriated, creates an Indian Lands Title Report Commission to develop recommended approaches to improving how the Bureau of Indian Affairs conducts title reviews in connection with the sale of Indian lands. Receipt of a certificate from BIA is a prerequisite to any sales transaction on Indian lands, and the current procedure is overly burdensome and presents a regulatory barrier to increasing homeownership on Indian lands.

The Commission is composed of 12 members with knowledge of Indian land title issues (4 appointed by the President, 4 by the President from recommendations made by the Chairman of the Senate Committee on Banking, Housing and Urban Affairs Committee, and 4 by President from recommendations made by the Chairman of the House Committee on Banking and Financial Services). Authorized at \$500,000.

Title VIII. Transfer of Unoccupied and Substandard HUD-Held Housing to Local Governments and Community Development Corporations.

Section 801. Amends Section 204 of the VA, HUD and Independent Agencies Act of 1997, which sets forth the authority of the HUD Secretary to engage in property disposition activities. Requires the HUD Secretary to transfer, to the maximum extent practicable, ownership of eligible properties (HUD-owned substandard multifamily, unoccupied multifamily, or unoccupied single-family properties to a unit of local government having jurisdiction for the area where the property is located, or to a community development corporation within such jurisdiction, on certain terms and conditions. Eligible properties do not include any property subject to a specific sale agreement under section 204(h) of the National Housing Act, as amended by Section 602 of the FY 99 VA, HUD and Independent Agencies Appropriations Act. Requires the HUD Secretary to issue a report within 6 months of enactment of the Act identifying any communities designated as "revitalization communities" pursuant to section 204(h) of the National Housing Act, as amended. HUD shall be required to implement the provisions of this section to the extent their implementation do not increase the costs to the federal government under existing current HUD disposition programs.

Sec. 802. Amendment to Revitalization Area Disposition Program.

Properties eligible for disposition under Section 602 of the FY 99 VA, HUD and Independent Agencies Appropriations Act for

which the Secretary determines continued inclusion is inappropriate because of a failure of any prospective purchaser to express an interest in such property, may be eligible for disposition under the program set forth in this Title.

Sec. 803. Report on Revitalization Zones for HUD-Owned Single Family Properties.

Requires the Secretary of HUD, no later than 6 months after enactment of this Act, to provide a report to Congress identifying the revitalization areas designated by the Secretary in accordance with the disposition program established under Section 602 of the FY 99 VA, HUD and Independent Agencies Appropriations Act, areas which have requested such designation or which the Secretary is considering designating as such areas, and eligible properties in such revitalization areas for which the Secretary has a reasonable expectation of transferring to other entities.

Sec. 804. Technical Corrections to Income Targeting Provisions for Project-Based Assistance.

Makes a technical corrections to public housing reform legislation included in the VA, HUD FY 99 Appropriations Act regarding targeting of Section 8 project-based assistance.

Sec. 805. Technical Corrections to Title V of the VA, HUD, and Independent Agencies Appropriations Act of 1997.

Makes certain technical and clarifying corrections to the HUD Section 8 Portfolio Restructuring program established under Title V of the VA, HUD, and Independent Agencies Appropriations Act of 1997.

Mr. DAVIS of Illinois. Mr. Speaker, I rise in support of the American Homeownership Act; but first of all, let me commend and congratulate Chairman LAZIO, Ranking Member KENNEDY and all Members of the Committee for bringing this important legislation to the floor.

Home ownership is a real part of the American dream. Unfortunately, thousands of low and moderate income citizens have not been able to experience the joy and the benefits of home ownership.

I represent a district where 175,000 people live at or below the poverty-level: therefore, for many of them home ownership has not been an option.

This bill provides greatly needed resources and puts manufactured housing full square in the mix of housing development, especially in low and moderate income communities. Again, I commend and congratulate Chairman LAZIO and Ranking Member KENNEDY. In addition, as Mr. KENNEDY prepares to leave us, JOE, you have given your voice and your talents to the needs of the poor, helpless and hopeless members of our society.

We're going to miss your voice and your passion and as you leave, go in peace.

Mr. ETHERIDGE. Mr. Speaker, I rise today in strong support of manufactured housing in America and H.R. 3899, the American Homeownership Act of 1998. As the co-chairman of the House Manufactured Housing Caucus and as an original cosponsor of H.R. 3634, the Manufactured Housing Improvement Act of 1998, I am pleased that a negotiated version of H.R. 3634 is included in Title VII of H.R. 3899 that we consider today.

Manufactured housing is a large and growing component of our efforts to address the shortage of affordable housing across North Carolina and the nation. The economic impact of the manufactured housing industry in North Carolina is remarkable: over 15,000 people

are employed by the industry in manufacturing facilities and retail operations, providing a total economic pact of over \$3 billion each year.

The manufactured housing industry also generates hundreds of good paying jobs at about one dozen plants in my district alone, perhaps the most of any Congressional District in the country. This industry's economic presence is an essential component of many North Carolina communities, and makes a big difference in our quality of life.

The experience of North Carolina mirrors that of communities across America. Manufactured housing represents one-third of all new single-family homes sold in the U.S., and it is the fastest growing segment of the housing industry. The manufactured housing industry provides quality homes at a price that is within reach of almost every American family, about \$38,300, without land.

At a time when home ownership is becoming harder to obtain, when more than 5.3 million Americans are paying over 50% of their incomes on rent, and when we have a renewed focus on transferring people away from dependency on public housing, it just makes sense to support the manufactured housing industry.

However, the industry is being regulated by the Department of Housing and Urban Development (HUD) under a 24-year old Federal manufactured housing program statute. Manufactured homes have changed tremendously during this period and in many cases are virtually indistinguishable from other types of homes.

I am pleased that officials at HUD and the manufactured housing industry have negotiated acceptable language in H.R. 3899 that will help revitalize the federal manufactured housing industry program at HUD, address impediments to growth of this vital industry, and help achieve our national priority of increasing home ownership opportunities for many more Americans.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. LAZIO) that the House suspend the rules and pass the bill, H.R. 3899, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LAZIO of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 3899.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

FEDERAL REPORTS ELIMINATION ACT OF 1998

Mr. HORN. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1364) to eliminate unnecessary

and wasteful Federal reports, as amended.

The Clerk read as follows:

S. 1364

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

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Federal Reports Elimination Act of 1998".

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

Sec. 1. Short title and table of contents.

TITLE I—DEPARTMENT OF AGRICULTURE

Sec. 101. Reports eliminated.

TITLE II—NOAA

Sec. 201. Reports eliminated.

TITLE III—EDUCATION

Sec. 301. Report eliminated.

TITLE IV—DEPARTMENT OF ENERGY

Sec. 401. Reports eliminated.

Sec. 402. Reports modified.

TITLE V—ENVIRONMENTAL PROTECTION AGENCY

Sec. 501. Reports eliminated.

TITLE VI—DEPARTMENT OF HEALTH AND HUMAN SERVICES

Sec. 601. Reports eliminated.

Sec. 602. Reports modified.

TITLE VII—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Sec. 701. Reports eliminated.

TITLE VIII—INDIAN AFFAIRS

Sec. 801. Reports eliminated.

TITLE IX—DEPARTMENT OF THE INTERIOR

Sec. 901. Reports eliminated.

Sec. 902. Reports modified.

TITLE X—DEPARTMENT OF JUSTICE

Sec. 1001. Reports eliminated.

TITLE XI—NASA

Sec. 1101. Reports eliminated.

TITLE XII—NUCLEAR REGULATORY COMMISSION

Sec. 1201. Reports eliminated.

Sec. 1202. Reports modified.

TITLE XIII—OMB AND OPM

Sec. 1301. OMB.

Sec. 1302. OPM.

TITLE XIV—TRADE

Sec. 1401. Reports eliminated.

TITLE XV—DEPARTMENT OF TRANSPORTATION

Sec. 1501. Reports eliminated.

Sec. 1502. Reports modified.

TITLE I—DEPARTMENT OF AGRICULTURE

SEC. 101. REPORTS ELIMINATED.

(a) SECONDARY MARKET OPERATIONS.—Section 338(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1988(b)) is amended—

(1) by striking paragraph (4); and

(2) by redesignating paragraph (5) as paragraph (4).

(b) ESTIMATE OF SECOND PRECEDING MONTH'S EXPENDITURES UNDER FOOD STAMP PROGRAM.—Section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking the third and fourth sentences.

(c) ADVISORY COMMITTEES.—Section 1804 of the Food and Agriculture Act of 1977 (7 U.S.C. 2284) is repealed.

(d) FARMER-TO-CONSUMER DIRECT MARKETING ACT OF 1976.—