the rules were suspended and the Senate amendments were concurred in.

A motion to reconsider was laid on the table.

## FHA MANUFACTURED HOUSING LOAN MODERNIZATION ACT OF 2006

Mr. GILLMOR. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4804) to modernize the manufactured housing loan insurance program under title I of the National Housing Act, as amended.

The Clerk read as follows:

H.R. 4804

***SECTION 1. SHORT TITLE.***

*This title may be cited as the ''FHA Manufactured Housing Loan Modernization Act of 2006''.*

***SEC. 2. FINDINGS AND PURPOSES.***

*(a) FINDINGS.—The Congress finds that—*

*(1) manufactured housing plays a vital role in providing housing for low- and moderate-income families in the United States;*

*(2) the FHA title I insurance program for manufactured home loans traditionally has been a major provider of mortgage insurance for home-only transactions;*

*(3) the manufactured housing market is in the midst of a prolonged downturn which has resulted in a severe contraction of traditional sources of private lending for manufactured home purchases;*

*(4) during past downturns the FHA title I insurance program for manufactured homes has filled the lending void by providing stability until the private markets could recover;*

*(5) in 1992, during the manufactured housing industry's last major recession, over 30,000 manufactured home loans were insured under title I;*

*(6) in 2004, fewer than 2,000 manufactured housing loans were insured under title I;*

*(7) the loan limits for title I manufactured housing loans have not been adjusted for inflation since 1992; and*

*(8) these problems with the title I program have resulted in an atrophied market for manufactured housing loans, leaving American families who have the most difficulty achieving homeownership without adequate financing options for home-only manufactured home purchases.*

*(b) PURPOSES.—The purposes of this Act are—*

*(1) to provide adequate funding for FHA-insured manufactured housing loans for low- and moderate-income homebuyers during all economic cycles in the manufactured housing industry;*

*(2) to modernize the FHA title I insurance program for manufactured housing loans to enhance participation by Ginnie Mae and the private lending markets; and*

*(3) to adjust the low loan limits for title I manufactured home loan insurance to reflect the increase in costs since such limits were last increased in 1992 and to index the limits to inflation.*

***SEC. 3. EXCEPTION TO LIMITATION ON FINANCIAL INSTITUTION PORTFOLIO.***

*The second sentence of section 2(a) of the National Housing Act (12 U.S.C. 1703(a)) is amended—*

*(1) by striking ''In no case'' and inserting ''Other than in connection with a manufactured home or a lot on which to place such a home (or both), in no case''; and*

*(2) by striking '': Provided, That with'' and inserting ''. With''.*

***SEC. 4. INSURANCE BENEFITS.***

*(a) IN GENERAL.—Subsection (b) of section 2 of the National Housing Act (12 U.S.C. 1703(b)), is amended by adding at the end the following new paragraph:*

*''(8) INSURANCE BENEFITS FOR MANUFACTURED HOUSING LOANS.—Any contract of insurance with respect to loans, advances of credit, or purchases in connection with a manufactured home or a lot on which to place a manufactured home (or both) for a financial institution that is executed under this title after the date of the enactment of the FHA Manufactured Housing Loan Modernization Act of 2006 by the Secretary shall be conclusive evidence of the eligibility of such financial institution for insurance, and the validity of any contract of insurance so executed shall be incontestable in the hands of the bearer from the date of the execution of such contract, except for fraud or misrepresentation on the part of such institution.''.*

*(b) APPLICABILITY.—The amendment made by subsection (a) shall only apply to loans that are registered or endorsed for insurance after the date of the enactment of this Act.*

***SEC. 5. MAXIMUM LOAN LIMITS.***

*(a) DOLLAR AMOUNTS.—Paragraph (1) of section 2(b) of the National Housing Act (12 U.S.C. 1703(b)(1)) is amended—*

*(1) in clause (ii) of subparagraph (A), by striking ''$17,500'' and inserting ''$24,500'';*

*(2) in subparagraph (C) by striking ''$48,600'' and inserting ''$68,040'';*

*(3) in subparagraph (D) by striking ''$64,800'' and inserting ''$90,720'';*

*(4) in subparagraph (E) by striking ''$16,200'' and inserting ''$22,680''; and*

*(5) by realigning subparagraphs (C), (D), and (E) 2 ems to the left so that the left margins of such subparagraphs are aligned with the margins of subparagraphs (A) and (B).*

*(b) ANNUAL INDEXING.—Subsection (b) of section 2 of the National Housing Act (12 U.S.C. 1703(b)), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new paragraph:*

*''(9) ANNUAL INDEXING OF MANUFACTURED HOUSING LOANS.—The Secretary shall develop a method of indexing in order to annually adjust the loan limits established in subparagraphs (A)(ii), (C), (D), and (E) of this subsection. Such index shall be based on the manufactured housing price data collected by the United States Census Bureau. The Secretary shall establish such index no later than one year after the date of the enactment of the FHA Manufactured Housing Loan Modernization Act of 2006.''*

*(c) TECHNICAL AND CONFORMING CHANGES.—Paragraph (1) of section 2(b) of the National Housing Act (12 U.S.C. 1703(b)(1)) is amended—*

*(1) by striking ''No'' and inserting ''Except as provided in the last sentence of this paragraph, no''; and*

*(2) by adding after and below subparagraph (G) the following:*

*''The Secretary shall, by regulation, annually increase the dollar amount limitations in subparagraphs (A)(ii), (C), (D), and (E) (as such limiations may have been previously adjusted under this sentence) in accordance with the index established pursuant to paragraph (9).''.*

***SEC. 6. INSURANCE PREMIUMS.***

*Subsection (f) of section 2 of the National Housing Act (12 U.S.C. 1703(f)) is amended—*

*(1) by inserting ''(1) PREMIUM CHARGES.—'' after ''(f)''; and*

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

*''(2) MANUFACTURED HOME LOANS.—Notwithstanding paragraph (1), in the case of a loan, advance of credit, or purchase in connection with a manufactured home or a lot on which to place such a home (or both), the premium charge for the insurance granted under this section shall be paid by the borrower under the loan or advance of credit, as follows:*

*''(A) At the time of the making of the loan, advance of credit, or purchase, a single premium payment in an amount not to exceed 2.25 percent of the amount of the original insured principal obligation.*

*''(B) In addition to the premium under subparagraph (A), annual premium payments during the term of the loan, advance, or obligation purchased in an amount not exceeding 1.0 percent of the remaining insured principal balance (excluding the portion of the remaining balance attributable to the premium collected under subparagraph (A) and without taking into account delinquent payments or prepayments).*

*''(C) Premium charges under this paragraph shall be established in amounts that are sufficient, but do not exceed the minimum amounts necessary, to maintain a negative credit subsidy for the program under this section for insurance of loans, advances of credit, or purchases in connection with a manufactured home or a lot on which to place such a home (or both), as determined based upon risk to the Federal Government under existing underwriting requirements.*

*''(D) The Secretary may increase the limitations on premium payments to percentages above those set forth in subparagraphs (A) and (B), but only if necessary, and not in excess of the minimum increase necessary, to maintain a negative credit subsidy as described in subparagraph (C).''.*

***SEC. 7. TECHNICAL CORRECTIONS.***

*(a) DATES.—Subsection (a) of section 2 of the National Housing Act (12 U.S.C. 1703(a)) is amended—*

*(1) by striking ''on and after July 1, 1939,'' each place such term appears; and*

*(2) by striking ''made after the effective date of the Housing Act of 1954''.*

*(b) AUTHORITY OF SECRETARY.—Subsection (c) of section 2 of the National Housing Act (12 U.S.C. 1703(c)) is amended to read as follows:*

*''(c) HANDLING AND DISPOSAL OF PROPERTY.—*

*''(1) AUTHORITY OF SECRETARY.—Notwithstanding any other provision of law, the Secretary may—*

*''(A) deal with, complete, rent, renovate, modernize, insure, or assign or sell at public or private sale, or otherwise dispose of, for cash or credit in the Secretary's discretion, and upon such terms and conditions and for such consideration as the Secretary shall determine to be reasonable, any real or personal property conveyed to or otherwise acquired by the Secretary, in connection with the payment of insurance heretofore or hereafter granted under this title, including any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with the payment of insurance heretofore or hereafter granted under this section; and*

*''(B) pursue to final collection, by way of compromise or otherwise, all claims assigned to or held by the Secretary and all legal or equitable rights accruing to the Secretary in connection with the payment of such insurance, including unpaid insurance premiums owed in connection with insurance made available by this title.*

*''(2) ADVERTISEMENTS FOR PROPOSALS.—Section 3709 of the Revised Statutes shall not be construed to apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of such property if the amount thereof does not exceed $25,000.*

*''(3) DELEGATION OF AUTHORITY.—The power to convey and to execute in the name of the Secretary, deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real or personal property or any interest therein heretofore or hereafter acquired by the Secretary pursuant to the provisions of this title may be exercised by an officer appointed by the Secretary without the execution of any express delegation of power or power of attorney. Nothing in this subsection shall be construed to prevent the Secretary from delegating such power by order or by power of attorney, in the Secretary's discretion, to any officer or agent the Secretary may appoint.''.*

***SEC. 8. REVISION OF UNDERWRITING CRITERIA.***

*(a) IN GENERAL.—Subsection (b) of section 2 of the National Housing Act (12 U.S.C. 1703(b)), as*

*amended by the preceding provisions of this Act, is further amended by adding at the end the following new paragraph:*

*"(10) FINANCIAL SOUNDNESS OF MANUFACTURED HOUSING PROGRAM.—The Secretary shall establish such underwriting criteria for loans and advances of credit in connection with a manufactured home or a lot on which to place a manufactured home (or both), including such loans and advances represented by obligations purchased by financial institutions, as may be necessary to ensure that the program under this title for insurance for financial institutions against losses from such loans, advances of credit, and purchases is financially sound.".*

*(b) TIMING.—Not later than the expiration of the 6-month period beginning on the date of the enactment of this Act, the Secretary of Housing and Urban Development shall revise the existing underwriting criteria for the program referred to in paragraph (10) of section 2(b) of the National Housing Act (as added by subsection (a) of this section) in accordance with the requirements of such paragraph.*

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. GILLMOR) and the gentlewoman from California (Ms. WATERS) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio.

Mr. GILLMOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4804, the FHA Manufactured Housing Loan Modernization Act of 2006, which was introduced by my financial services colleague, Congressman PAT TIBERI.

H.R. 4804 would modernize the Federal Housing Administration title I program for manufactured homes and increase the availability of FHA insured manufactured housing loans to low and moderate income consumers who wish to purchase a manufactured home.

Congressman TIBERI's legislation would amend title I of the Federal Housing Administration mortgage insurance program by encouraging more private sector participation in the title I program, increasing the availability of title I loans for manufactured housing and improving title I access to the secondary mortgage market.

To accomplish these goals, the FHA Manufactured Housing Modernization Act of 2006 includes several important reforms to make the title I manufactured housing program more relevant and more meaningful. The bill requires FHA to insure title I manufactured housing loans on a loan by loan basis, similar to what is done in the single-family FHA program, instead of using the current insurance system which insures bundles of loans. This change would pose less risk to the secondary insurer and would encourage the securitization of title I loans.

Since 1992, manufactured home prices have increased over 50 percent while loan limits have not been adjusted for inflation. To address this inequity, H.R. 4804 raises the maximum loan limits for manufactured homes and lots with annual indexing using U.S. Census data.

The manufactured housing industry has evolved in the last decade to deliver a better quality product that saves as much as 25 percent of development costs associated with traditional single-family homes. Recent innovations in design, including multi-stories and attached garages, make manufactured housing a viable, affordable alternative for urban developments.

The problem of housing affordability touches many Americans, young couples with limited incomes, single-parent families and low income households that seek decent shelter at a reasonable price, or retired persons looking for smaller homes with less maintenance.

Many American families are unable to afford a medium priced site-built home. Manufactured housing provides a home ownership option for people who may not be able to afford or choose not to purchase site-built housing.

H.R. 4804 will go a long way to ensure that manufactured housing continues to play an important role in meeting the country's affordable housing needs. I urge my colleagues to support this important piece of legislation.

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

Ms. WATERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Massachusetts (Mr. FRANK) is on his way to the floor, who really is the manager on this legislation, and the one person on our side of the aisle who is an expert on manufactured housing.

I rise in support certainly of the FHA Manufactured Housing Loan Modernization Act of 2006. I would like to thank Mr. TIBERI, the sponsor of this bill, for his hard work and cooperation with the members of the Subcommittee on Housing and Community Opportunity, of which I am ranking member.

The bill is further evidence of the high level of cooperation on housing-related issues within the Committee on Financial Services. The committee marked up this bill that will amend title I of the Federal Housing Administration mortgage insurance program by encouraging more private sector participation in the title I program, increasing the availability of title I loans for manufactured housing and improving access to the secondary mortgage market.

After the devastating events of last year in the gulf region, manufactured housing took on a new importance. Manufactured housing filled a major void in the supply of housing in the aftermath of Hurricanes Rita and Katrina. FEMA has made trailers available in the gulf region, and they still represent the only housing choice for many families who lost their homes.

Manufactured homes continue to serve the housing needs of Americans, as many in the gulf region would attest. However, since the early 1990s, the number of title I personal property loans for manufactured homes dropped from 30,000 to 2,000, primarily because of inefficiencies in the program.

This bill will make a number of improvements to the program: Number one, it removes the 10 percent cap limiting FHA's ability to insure manufactured housing; number two, it insures loans on a case-by-case basis; number three, it increases loan limits; number four, it provides for risk-based premiums; and, number five, it strengthens loan underwriting requirements.

The reforms in this bill will improve FHA manufactured housing programs. The modernization of the program is absolutely essential to its continued existence. As such, I am not only going to ask my colleagues to support this legislation, but I would implore the Members of Congress to look at manufactured housing as alternatives to high-priced housing in some of their own areas where people cannot afford housing, particularly low-income people who cannot afford the housing on the market as we know it.

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

Mr. GILLMOR. Mr. Speaker, I ask unanimous consent to yield the balance of my time to the gentleman from Ohio (Mr. NEY) and that he may be able to yield.

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

There was no objection.

Mr. NEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 4804, the FHA Manufactured Housing Loan Modernization Act of 2006. Right off the bat, I want to congratulate Representative PAT TIBERI from Ohio on his effort to modernize the Federal Housing Administration, known as FHA, title I program for manufactured homes and increase the availability of FHA-insured manufactured housing loans to low and moderate income consumers who wish to purchase a manufactured home.

Increasing loan limits for manufactured housing will assist many people, particularly first-time home buyers who are looking for less expensive options for achieving the dream of homeownership.

Reforms to the title I manufactured housing program in this legislation would remove the current cap limiting FHA's ability to insure manufactured home loans to 10 percent of the FHA portfolio; require FHA to insure title I manufactured housing loans on a loan-by-loan basis; raise the maximum loan limits for manufactured homes and lots, with annual indexing using U.S. Census data. It also would allow risk-based premium pricing and tighten underwriting standards for the title I loans.

I want to thank our ranking member, MAXINE WATERS from California, obviously also our chairman, MIKE OXLEY and BARNEY FRANK, our ranking member for the full committee. Their perseverance on these issues is going to help a lot of people in this country.

I want to thank again the gentlelady from California, Mr. FRANK and also Mr. OXLEY, and, above all, Mr. TIBERI, for pursuing this piece of legislation, which is going to help so many people.

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

Mr. FRANK of Massachusetts. Mr. Speaker, I ask unanimous consent to control the balance of the time on our side.

The SPEAKER pro tempore. Without objection, the gentleman from Massachusetts will control the balance of the time.

There was no objection.

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

Mr. Speaker, I thank my colleague, the ranking member of our Housing Subcommittee, the gentlewoman from California, for filling in for me as I came over.

Mr. Speaker, we have a national goal of increasing homeownership. Homeownership is very important. I always want to make it clear to people that while homeownership is very important, it should not be considered all of our goal in the housing area. A large number of people, for economic reasons and other reasons, will be renters. It is a good thing if we can help people become homeowners, but we should not neglect the legitimate interests of renters.

In this case, however, we are talking not about renters, we will deal with them in some later parts of our program today, we are dealing here with extending the ability to own homes to people who would economically not otherwise be able to make it.

We have gotten to a pretty high percentage of homeownership. But if you look at the economics of land, of zoning, of building, if you look at what people earn, if we do not make manufactured housing more easily available to people, we will not be able to break out of the current percentage levels of homeownership. That is, significantly extending homeownership so we get to maybe an 80 percent range or so requires us to make full use of manufactured housing.

One of the things I am pleased about, when I first came here there was a kind of a war going on, or at least a battle between people of conventional homes, stick-built homes, as they are called, and manufactured housing. I think it is now clear that the demand for housing is such and the economic range is such that these are not competitive entities. There is room for more of the stick-built housing, of the site-built housing; there is room for more of the manufactured housing. We need to give a full range of choices for people.

It is also clear that manufactured housing hits a price range that we have to make available if we are going to extend homeownership.

Now, what we found was, as many of us began to push for this a few years ago, we were pushing, I pushed Fannie Mae and Freddie Mac to do more in manufacturing housing. The gentleman from Ohio is nodding, because he and I have worked together on this. We intend to continue.

□ 1230

Part of our effort with regard to the GSE legislation is to push Fannie Mae and Freddie Mac to do more in manufactured housing. We have worked harder to make sure that manufactured housing is safer. And this goes back to the former chairman of the committee, then called the Banking Committee, the gentleman from Texas (Mr. GONZALEZ) who helped to make sure that we had legislation that made manufactured housing safer, particularly in those areas where there are hurricanes. We have done that.

And then we found that one of our own entities, the Federal Housing Administration, was not as responsive to the manufactured housing issues as they should be. So this bill does that. Obviously, manufactured housing is somewhat different than other forms of housing. The problem is, of course, our laws, our loan procedures, our property laws, our title laws were all drawn up with the model of a site-built home on a piece of land owned by that homeowner.

You need more flexibility when you are dealing with manufactured housing. This provides it. So I am very pleased to join in this bipartisanship effort with my colleagues on the committee to put forward a bill that will be a substantial step forward in making housing available.

I thank the gentleman from Ohio, the chairman of the subcommittee, and the gentleman from Ohio who is the main author of this bill for giving us all a chance to work together on this.

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

Mr. NEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Massachusetts makes a good point. We have struggled for quite a few years to get manufactured housing into the sites through HUD for its utilization for people across this country. So I think this bill and all of the steps we have taken to understand both the urban and the rural settings, I think this bill comes a long way to push it to the forefront.

I want to thank Mr. TIBERI and also to yield to the gentleman such time as he may consume.

Mr. TIBERI. Mr. Speaker, I am excited that we are here today considering this piece of legislation that was passed out of committee unanimously. It has been a bipartisan process from the very beginning. I believe we have a better bill that Members can support because of that process, a bill that will make it easier for Americans to be homeowners. I thank Mr. FRANK. As a former realtor, I want to associate myself with his remarks with respect to the flexibility of this bill, the importance of this bill. We have come a long way in getting here today passing this bill.

I do want to acknowledge his valuable input as a cosponsor of the legislation, a key cosponsor, as well as his work on the Financial Services Committee, and also his aid Scott Olson. This legislation today is better because of the work that you all put into it. I really appreciate and am grateful for that work.

Mr. Speaker, I also want to acknowledge the leadership of Mr. NEY, chairman of the Subcommittee on Housing, and Chairman OXLEY for their work on this legislation, and the key work of committee staff Clinton Jones. Clinton, you have been great on this legislation from the very beginning; Cindy Chetti, Tallman Johnson, Rashmi Puri, along with Lindsay Vogtsberger from my staff as well. This has been a great collaboration. I appreciate the full support from the Members and the committee.

This legislation builds on the past successes of FHA's title I program by increasing the availability of title I loans for manufactured housing, encouraging more private sector participation and increasing access to the ever-important secondary mortgage market.

Manufactured housing has played a critical role in creating homeownership for families both in urban and rural settings across this country, across our State in Ohio. Unfortunately, manufactured housing is in the midst of a downturn, a downturn in housing production levels due in part to tightening of underwriting standards.

Historically, FHA title I programs have provided loans for financing mortgages of manufactured homes, which are homes leased on land. In 1992, FHA title I insured over 30,000 loans nationwide. In 2004, the number fell to 2,000. In Ohio, the chairman's home State and my home State, loans fell from a high in 1992 of 281, to only 15 written in 2004.

This bill incorporates recommendations from HUD's Commission of Independent Agency ''Report to Improve the title I Program.'' The legislation raises the maximum loan limits for manufactured homes on lots with annual indexing using the U.S. Census data. It also makes a number of changes, Mr. Speaker, to ensure the financial soundness of the program by allowing the Secretary of HUD to revise underwriting criteria.

Furthermore, the Congressional Budget Office estimates that implementing this piece of legislation will result in savings of half a million dollars a year.

Mr. Speaker, I am truly proud of the fact that I am the sponsor of this bill with Mr. FRANK and look forward to its passage here in the House and hopefully passage soon in the Senate so that more Americans may achieve the American dream of homeownership.

Mr. FRANK of Massachusetts. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. NEY. Mr. Speaker, I have no further speakers. I just want to again thank the gentlewoman from California, MAXINE WATERS; Mr. BARNEY FRANK of Massachusetts; MIKE OXLEY, the Chair; and PAT TIBERI, of course, the author of the bill.

Mr. FRANK of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. NEY. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Speaker, the chairman of the full committee, the gentleman from Ohio (Mr. OXLEY), is, as has been announced, retiring. I do want to say that I am very proud of the extent to which our committee has worked together cooperatively.

There are obviously points of difference. There are legitimate differences between Democrats and Republicans and liberals and conservatives.

But without subsuming those or without anybody sort of abandoning his or her principles, we have been able to find that area where there is common ground like this. I do think that the chairman of the full committee deserves an enormous amount of credit for creating the atmosphere in which we were able to both pursue our differences in a civil way and then come together where we did not have differences, but had common ground.

Mr. NEY. Mr. Speaker, reclaiming my time, this is a good day for all people throughout the United States that want to achieve homeownership.

Mr. DUNCAN. Mr. Speaker, I am in strong support of H.R. 4804, the FHA Manufactured Housing Loan Modernization Act of 2006.

Manufactured homes play an important role in serving housing needs for many Americans, especially in the district I represent in East Tennessee.

I am very proud to have a leader in the manufactured housing industry, Clayton Homes, headquartered in my district. They are a company of integrity and are now operating in over 40 states across the country .

More and more people each year are moving into my district, which is one of the fastest growing areas in the country. I can understand why so many want to move there. It is a great place to live, raise a family or start a business.

All of this growth is contributing to a crisis in affordable housing. Manured home prices have increased over 50 percent since 1992. In 1992 FHA Title I insured over 30,000 Title I loans. In 2004, that number was below 2,000.

Options for financing manufactured homes are very limited. Today, there are only two private lenders that participate in the FHA program. This bill will encourage more private sector participation, creating more competition with lower interest rates and costs.

The bill increases the amount that can be insured on a loan. It removes a cent portfolio cap that only allows 10 percent of the dollar value of the lender's portfolio to be insured.

Under the proposed system in H.R. 4804, a practical program will encourage more private sector participation and increase accessibility to manufactured home loans. Making these loans more accessible will help many get out of a renting situation.

This bill will allow many a chance to own a home, a very important part of the American dream. I urge my colleagues to support H.R. 4804.

Mr. NEY. 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 Ohio (Mr. GILLMOR) that the House suspend the rules and pass the bill, H.R. 4804, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. NEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this question will be postponed.

## GENERAL LEAVE

Mr. NEY. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks on this legislation and insert extraneous material thereon.

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

There was no objection.

## EXPANDING AMERICAN HOMEOWNERSHIP ACT OF 2006

Mr. NEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5121) to modernize and update the National Housing Act and enable the Federal Housing Administration to use risk-based pricing to more effectively reach underserved borrowers, and for other purposes, as amended.

The Clerk read as follows:

H.R. 5121

*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 ''Expanding American Homeownership Act of 2006''.

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



**SEC. 2. FINDINGS AND PURPOSES.**

(a) FINDINGS.—The Congress finds that—

(1) one of the primary missions of the Federal Housing Administration (FHA) single family mortgage insurance program is to reach borrowers who are underserved, or not served, by the existing conventional mortgage marketplace;

(2) the FHA program has a long history of innovation, which includes pioneering the 30-year self-amortizing mortgage and a safe-to-seniors reverse mortgage product, both of which were once thought too risky to private lenders;

(3) the FHA single family mortgage insurance program traditionally has been a major provider of mortgage insurance for home purchases;

(4) the FHA mortgage insurance premium structure, as well as FHA's product offerings, should be revised to reflect FHA's enhanced ability to determine risk at the loan level and to allow FHA to better respond to changes in the mortgage market;

(5) during past recessions, including the oil-patch downturns in the mid-1980s, FHA remained a viable credit enhancer and was therefore instrumental in preventing a more catastrophic collapse in housing markets and a greater loss of homeowner equity; and

(6) as housing price appreciation slows and interest rates rise, many homeowners and prospective homebuyers will need the less-expensive, safer financing alternative that FHA mortgage insurance provides.

(b) PURPOSES.—The purposes of this Act are—

(1) to provide flexibility to FHA to allow for the insurance of housing loans for low- and moderate-income homebuyers during all economic cycles in the mortgage market;

(2) to modernize the FHA single family mortgage insurance program by making it more reflective of enhancements to loan-level risk assessments and changes to the mortgage market; and

(3) to adjust the loan limits for the single family mortgage insurance program to reflect rising house prices and the increased costs associated with new construction.

**SEC. 3. MAXIMUM PRINCIPAL LOAN OBLIGATION.**

Paragraph (2) of section 203(b) of the National Housing Act (12 U.S.C. 1709(b)(2)) is amended—

(1) by striking subparagraphs (A) and (B) and inserting the following new subparagraphs:

''(A) not to exceed the lesser of—

''(i) in the case of a 1-family residence, the median 1-family house price in the area, as determined by the Secretary; and in the case of a 2-, 3-, or 4-family residence, the percentage of such median price that bears the same ratio to such median price as the dollar amount limitation in effect under section