Part A

TEXT OF AMENDMENT TO BE CONSIDERED AS ADOPTED

6

AMENDMENT TO H.R. 1852, AS REPORTED

OFFERED BY MS. WATERS OF CALIFORNIA AND MR. FRANK OF MASSACHUSETTS

Page 8, line 5, before the semicolon insert the following: "that will be occupied by the mortgagor as his or her principal residence".

Page 8, strike lines 12 and 13, and insert the following:

1 "(iii)(I) is executed by a mortgagor
2 who has not had any present ownership in-
3 terest in a principal residence, and whose
4 spouse has not had any such interest, dur-
5 ing 12-month period ending upon purchase
6 of the residence with the mortgage to
7 which this paragraph applies, except that
8 this subclause shall be considered a pro-
9 gram to assist first-time homebuyers for
10 purposes of section 956 of the Cranston-
11 Gonzalez National Affordable Housing Act
12 (42 U.S.C. 12713); or
13 "(II)(aa) is made to pay or prepay,
14 and fully extinguish, the outstanding obli-

1 gations under an existing mortgage or
2 mortgages on the same property; and
3 "(bb) involves a principal obligation
4 not exceeding the amount necessary to
5 fully pay or prepay such outstanding obli-
6 gations under the existing mortgage or
7 mortgages, plus any charges and fees in-
8 volved in such transaction and any charges
9 and fees in connection with the payment or
10 prepayment of such outstanding obliga-
11 tions."

Page 24, after line 18, insert the following:

12 **SEC. 11. REFINANCING MORTGAGES.**

13 Section 203 of the National Housing Act (12 U.S.C.
14 1709) is amended by inserting after subsection (k) the fol-
15 lowing new subsection:

16 "(l) REFINANCING MORTGAGES.—

17 "(1) ESTABLISHMENT OF UNDERWRITING
18 STANDARDS.—The Secretary shall establish under-
19 writing standards that provide for insurance under
20 this title of mortgage loans, and take actions to fa-
21 cilitate the availability of mortgage loans insured
22 under this title, for qualified borrowers that are
23 made for the purpose of paying or prepaying out-

1 standing obligations under existing mortgages for
2 borrowers that—
3 "(A) have existing mortgages with adverse
4 terms or rates, or
5 "(B) do not have access to mortgages at
6 reasonable rates and terms for such
7 refinancings due to adverse market conditions.
8 "(2) INSURANCE OF MORTGAGES TO BOR-
9 ROWERS IN DEFAULT OR AT RISK OF DEFAULT.—In
10 facilitating insurance for such mortgages, the Sec-
11 retary may insure mortgages to borrowers who are,
12 currently in default or at imminent risk of being in
13 default, but only if such loans meet reasonable un-
14 derwriting standards established by the Secretary".

Page 38, strike lines 3 and 4, and insert the following:

15 "(1) equal to 1.5 percent of the maximum claim
16 amount of the mortgage, except that the Secretary
17 may adjust the limitation under this paragraph on
18 the basis of an analysis of (A) costs to mortgagors,
19 and (B) the impact on the reverse mortgage mar-
20 ket;".

Page 38, line 7, strike "and".

Page 38, line 10, strike the first period and all that follows and insert "; and".

Page 38, after line 10, insert the following:

1 "(5) apply beginning upon the date that the
2 maximum dollar amount limitation on the benefits of
3 insurance under this section is first increased pursu-
4 ant to the amendments made by section 19(a)(2) of
5 the Expanding American Homeownership Act of
6 2007.".

Page 39, lines 21 and 22, strike ", or mortgage broker, or correspondent lender,".

Page 39, strike lines 23 and 24, and insert the following:

7 "(i) closes a mortgage in its name and
8 underwrites the mortgage, services the
9 mortgage, or both underwrites and services
10 the mortgage;".

Page 40, strike line 7, and insert the following:

11 "(iv) is licensed, under the laws of the
12 State in which the property that is subject
13 to the mortgage is located, to act as a
14 lender in such State; and".

Page 40, line 8, strike "(iv)" and insert "(v)".

Page 40, line 14, insert a comma after "name".

Page 40, line 15, strike "or" and insert "and does not".

Page 40, after line 15, insert the following:

1 "(ii) is licensed, under the laws of the
2 State in which the property that is subject
3 to the mortgage is located, to act as a cor-
4 respondent lender in such State;".

Page 40, line 16, strike "(ii)" and insert "(iii)".

Page 40, line 19, strike "in" and insert "that".

Page 40, line 20, insert "is in" before "a form".

Page 40, line 21, strike "and"

Page 40, line 22, strike "an amount of $75,000" and insert "is in an aggregate amount, to be determined by the Secretary based on the aggregate principal amount of single-family mortgages insured under this title that are placed in a calendar year, which shall not be less than $50,000 or more than $100,000".

Page 40, lines 24 and 25, strike "under regulations of" and insert "by".

Page 41, line 5, strike "and".

Page 41, after line 5, insert the following:

1 "(III) guarantees payment of any
2 liability of the correspondent lender
3 arising from its participation in the
4 program, up to the penal sum of the
5 surety bond; without regard to the
6 number of years the bond remains in
7 effect, the number of claims or claim-
8 ants, and the number of premiums
9 paid, in no event shall the aggregate
10 liability of the surety exceed the penal
11 sum of the bond; and
12 "(IV) may be cancelled by the
13 surety as to future liability by giving
14 30 days notice in writing to the Sec-
15 retary, except that any such cancella-
16 tion shall not alter the liability of the
17 surety for actions of the cor-
18 respondent lender prior to the effec-
19 tive date of the cancellation; and".

Page 41, line 6, strike "(iii)" and insert "(iv)".

Page 41, line 7, before the period insert ", except that the Secretary shall not require any minimum net worth or certified financial statements".

Page 41, strike lines 11 through 13, and insert the following:

1 "(i) closes the mortgage in the name
2 of the lender, and does not underwrite and
3 does not service the mortgage;".

Page 41, line 22, before the period insert ", except that the Secretary shall not require any minimum net worth or certified financial statements".

Page 57, lines 10 and 11, strike "two-year period beginning on the date of the enactment of this Act" and insert "four-year period beginning on the date that the Secretary of Housing and Urban Development first insures any mortgage pursuant to the automated process established under pilot program under section 258 of the National Housing Act (as added by the amendment made by subsection (a) of this section)".

Page 57, strike "the" in line 13 and all that follows through "section)" in line 16 and insert "such automated process".

Page 61, strike lines 3 through 21, and insert the following:

1 **SEC. 28. DISCOUNT SALES OF MULTIFAMILY PROPERTIES.**
2 There is authorized to be appropriated, for discount
3 sales of multifamily real properties under section 207(l)
4 or 246 of the National Housing Act (12 U.S.C. 1713(l),
5 1715z–11), section 203 of the Housing and Community
6 Development Amendments of 1978 (12 U.S.C. 1701z–11),
7 or section 204 of the Departments of Veterans Affairs and
8 Housing and Urban Development, and Independent Agen-
9 cies Appropriations Act, 1997 (12 U.S.C. 1715z–11a),
10 and for discount loan sales under section 207(k) of the
11 National Housing Act (12 U.S.C. 1713(k)), section 203
12 of the Housing and Community Development Amend-
13 ments of 1978 (12 U.S.C. 1701z–11(k)), or section 204(a)
14 of the Departments of Veterans Affairs and Housing and
15 Urban Development, and Independent Agencies Appro-
16 priations Act, 1997 (12 U.S.C. 1715z–11a(a)),
17 $5,000,000, for fiscal year 2008.

Page 62, after line 13, insert the following new section:

1 **SEC. 30. NONCOMPETITIVE SALES BY HUD TO STATES AND**
2 **LOCALITIES.**

3 Subtitle A of title II of the Deficit Reduction Act of
4 2005 (Public Law 109–171; 120 Stat. 7) is amended by
5 adding at the end the following new section:

6 **"SEC. 2004. NONCOMPETITIVE SALES IN FISCAL YEAR 2011.**

7 "Notwithstanding any other provision of law, the Sec-
8 retary may not sell any multifamily real property through
9 any discount sale during fiscal year 2011 under the provi-
10 sions of law referred to in section 2002(a) or any multi-
11 family loan through any discount loan sale during such
12 fiscal year under the provisions referred to in section
13 2002(b), unless the property or loan is sold for an amount
14 that is equal to or greater than 60 percent of the property
15 market value or loan market value, respectively.".

Page 66, after line 25, insert the following new section:

16 **SEC. 33. CIVIL MONEY PENALTIES FOR IMPROPERLY IN-**
17 **FLUENCING APPRAISALS.**

18 Paragraph (2) of section 536(b) of the National
19 Housing Act (12 U.S.C. 1735f-14(b)(2)) is amended—

20 (1) in subparagraph (B), by striking "or" at
21 the end;

22 (2) in subparagraph (C), by striking the period
23 at the end and inserting "; or"; and

1 (3) by adding at the end the following new sub-
2 paragraph:
3 "(D) in the case of an insured mortgage
4 under title II for a 1- to 4-family residence,
5 compensating, instructing, inducing, coercing,
6 or intimidating any person who conducts an ap-
7 praisal of the property in connection with such
8 mortgage, or attempting to compensate, in-
9 struct, induce, coerce, or intimidate such a per-
10 son, for the purpose of causing the appraised
11 value assigned to the property under the ap-
12 praisal to be based on any other factor other
13 than the independent judgment of such person
14 exercised in accordance with applicable profes-
15 sional standards.".