

111TH CONGRESS  
1ST SESSION

# S. 896

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## AN ACT

To prevent mortgage foreclosures and enhance mortgage  
credit availability.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the  
 3 “Helping Families Save Their Homes Act of 2009”.

4 (b) **TABLE OF CONTENTS.**—The table of contents of  
 5 this Act is the following:

Sec. 1. Short title; table of contents.

**TITLE I—PREVENTION OF MORTGAGE FORECLOSURES**

Sec. 101. Guaranteed rural housing loans.

Sec. 102. Modification of housing loans guaranteed by the Department of Veterans Affairs.

Sec. 103. Additional funding for HUD programs to assist individuals to better withstand the current mortgage crisis.

Sec. 104. Mortgage modification data collecting and reporting.

Sec. 105. Neighborhood Stabilization Program Refinements.

**TITLE II—FORECLOSURE MITIGATION AND CREDIT AVAILABILITY**

Sec. 201. Servicer safe harbor for mortgage loan modifications.

Sec. 202. Changes to HOPE for Homeowners Program.

Sec. 203. Requirements for FHA-approved mortgagees.

Sec. 204. Enhancement of liquidity and stability of insured depository institutions to ensure availability of credit and reduction of foreclosures.

Sec. 205. Application of GSE conforming loan limit to mortgages assisted with TARP funds.

Sec. 206. Mortgages on certain homes on leased land.

Sec. 207. Sense of Congress regarding mortgage revenue bond purchases.

**TITLE III—MORTGAGE FRAUD TASK FORCE**

Sec. 301. Sense of the Congress on establishment of a Nationwide Mortgage Fraud Task Force.

**TITLE IV—FORECLOSURE MORATORIUM PROVISIONS**

Sec. 401. Sense of the Congress on foreclosures.

Sec. 402. Public-Private Investment Program; Additional Appropriations for the Special Inspector General for the Troubled Asset Relief Program.

Sec. 403. Removal of requirement to liquidate warrants under the TARP.

Sec. 404. Notification of sale or transfer of mortgage loans.

**TITLE V—FARM LOAN RESTRUCTURING**

Sec. 501. Congressional Oversight Panel special report.

**TITLE VI—ENHANCED OVERSIGHT OF THE TROUBLED ASSET RELIEF PROGRAM**

Sec. 601. Enhanced oversight of the Troubled Asset Relief Program.

TITLE VII—PROTECTING TENANTS AT FORECLOSURE ACT

Sec. 701. Short title.

Sec. 702. Effect of foreclosure on preexisting tenancy.

Sec. 703. Effect of foreclosure on section 8 tenancies.

Sec. 704. Sunset.

TITLE VIII—COMPTROLLER GENERAL ADDITIONAL AUDIT  
AUTHORITIES

Sec. 801. Comptroller General additional audit authorities.

1           **TITLE I—PREVENTION OF**  
2           **MORTGAGE FORECLOSURES**

3   **SEC. 101. GUARANTEED RURAL HOUSING LOANS.**

4           (a) GUARANTEED RURAL HOUSING LOANS.—Section  
5 502(h) of the Housing Act of 1949 (42 U.S.C. 1472(h))  
6 is amended—

7           (1) by redesignating paragraphs (13) and (14)  
8 as paragraphs (16) and (17), respectively; and

9           (2) by inserting after paragraph (12) the fol-  
10 lowing new paragraphs:

11           “(13) LOSS MITIGATION.—Upon default or im-  
12 minent default of any mortgage guaranteed under  
13 this subsection, mortgagees shall engage in loss miti-  
14 gation actions for the purpose of providing an alter-  
15 native to foreclosure (including actions such as spe-  
16 cial forbearance, loan modification, pre-foreclosure  
17 sale, deed in lieu of foreclosure, as required, support  
18 for borrower housing counseling, subordinate lien  
19 resolution, and borrower relocation), as provided for  
20 by the Secretary.

1           “(14) PAYMENT OF PARTIAL CLAIMS AND  
2 MORTGAGE MODIFICATIONS.—The Secretary may  
3 authorize the modification of mortgages, and estab-  
4 lish a program for payment of a partial claim to a  
5 mortgagee that agrees to apply the claim amount to  
6 payment of a mortgage on a 1- to 4-family resi-  
7 dence, for mortgages that are in default or face im-  
8 minent default, as defined by the Secretary. Any  
9 payment under such program directed to the mort-  
10 gagee shall be made at the sole discretion of the Sec-  
11 retary and on terms and conditions acceptable to the  
12 Secretary, except that—

13           “(A) the amount of the partial claim pay-  
14 ment shall be in an amount determined by the  
15 Secretary, and shall not exceed an amount  
16 equivalent to 30 percent of the unpaid principal  
17 balance of the mortgage and any costs that are  
18 approved by the Secretary;

19           “(B) the amount of the partial claim pay-  
20 ment shall be applied first to any outstanding  
21 indebtedness on the mortgage, including any ar-  
22 rearage, but may also include principal reduc-  
23 tion;

24           “(C) the mortgagor shall agree to repay  
25 the amount of the partial claim to the Secretary

1 upon terms and conditions acceptable to the  
2 Secretary;

3 “(D) expenses related to a partial claim or  
4 modification are not to be charged to the bor-  
5 rower;

6 “(E) the Secretary may authorize com-  
7 pensation to the mortgagee for lost income on  
8 monthly mortgage payments due to interest  
9 rate reduction;

10 “(F) the Secretary may reimburse the  
11 mortgagee from the appropriate guaranty fund  
12 in connection with any activities that the mort-  
13 gagee is required to undertake concerning re-  
14 payment by the mortgagor of the amount owed  
15 to the Secretary;

16 “(G) the Secretary may authorize pay-  
17 ments to the mortgagee on behalf of the bor-  
18 rower, under such terms and conditions as are  
19 defined by the Secretary, based on successful  
20 performance under the terms of the mortgage  
21 modification, which shall be used to reduce the  
22 principal obligation under the modified mort-  
23 gage; and

1           “(H) the Secretary may authorize the  
2 modification of mortgages with terms extended  
3 up to 40 years from the date of modification.

4           “(15) ASSIGNMENT.—

5           “(A) PROGRAM AUTHORITY.—The Sec-  
6 retary may establish a program for assignment  
7 to the Secretary, upon request of the mort-  
8 gagee, of a mortgage on a 1- to 4-family resi-  
9 dence guaranteed under this chapter.

10          “(B) PROGRAM REQUIREMENTS.—

11           “(i) IN GENERAL.—The Secretary  
12 may encourage loan modifications for eligi-  
13 ble delinquent mortgages or mortgages fac-  
14 ing imminent default, as defined by the  
15 Secretary, through the payment of the  
16 guaranty and assignment of the mortgage  
17 to the Secretary and the subsequent modi-  
18 fication of the terms of the mortgage ac-  
19 cording to a loan modification approved  
20 under this section.

21           “(ii) ACCEPTANCE OF ASSIGNMENT.—

22 The Secretary may accept assignment of a  
23 mortgage under a program under this sub-  
24 section only if—

1                   “(I) the mortgage is in default or  
2                   facing imminent default;

3                   “(II) the mortgagee has modified  
4                   the mortgage or qualified the mort-  
5                   gage for modification sufficient to  
6                   cure the default and provide for mort-  
7                   gage payments the mortgagor is rea-  
8                   sonably able to pay, at interest rates  
9                   not exceeding current market interest  
10                  rates; and

11                  “(III) the Secretary arranges for  
12                  servicing of the assigned mortgage by  
13                  a mortgagee (which may include the  
14                  assigning mortgagee) through proce-  
15                  dures that the Secretary has deter-  
16                  mined to be in the best interests of  
17                  the appropriate guaranty fund.

18                  “(C) PAYMENT OF GUARANTY.—Under the  
19                  program under this paragraph, the Secretary  
20                  may pay the guaranty for a mortgage, in the  
21                  amount determined in accordance with para-  
22                  graph (2), without reduction for any amounts  
23                  modified, but only upon the assignment, trans-  
24                  fer, and delivery to the Secretary of all rights,  
25                  interest, claims, evidence, and records with re-

1           spect to the mortgage, as defined by the Sec-  
2           retary.

3           “(D) DISPOSITION.—After modification of  
4           a mortgage pursuant to this paragraph, and as-  
5           signment of the mortgage, the Secretary may  
6           provide guarantees under this subsection for the  
7           mortgage. The Secretary may subsequently—

8                   “(i) re-assign the mortgage to the  
9                   mortgagee under terms and conditions as  
10                  are agreed to by the mortgagee and the  
11                  Secretary;

12                  “(ii) act as a Government National  
13                  Mortgage Association issuer, or contract  
14                  with an entity for such purpose, in order  
15                  to pool the mortgage into a Government  
16                  National Mortgage Association security; or

17                  “(iii) re-sell the mortgage in accord-  
18                  ance with any program that has been es-  
19                  tablished for purchase by the Federal Gov-  
20                  ernment of mortgages insured under this  
21                  title, and the Secretary may coordinate  
22                  standards for interest rate reductions  
23                  available for loan modification with inter-  
24                  est rates established for such purchase.

1           “(E) LOAN SERVICING.—In carrying out  
2           the program under this subsection, the Sec-  
3           retary may require the existing servicer of a  
4           mortgage assigned to the Secretary under the  
5           program to continue servicing the mortgage as  
6           an agent of the Secretary during the period  
7           that the Secretary acquires and holds the mort-  
8           gage for the purpose of modifying the terms of  
9           the mortgage. If the mortgage is resold pursu-  
10          ant to subparagraph (D)(iii), the Secretary may  
11          provide for the existing servicer to continue to  
12          service the mortgage or may engage another en-  
13          tity to service the mortgage.”.

14          (b) TECHNICAL AMENDMENTS.—Subsection (h) of  
15          section 502 of the Housing Act of 1949 (42 U.S.C.  
16          1472(h)) is amended—

17                (1) in paragraph (5)(A), by striking “(as de-  
18                fined in paragraph (13))” and inserting “(as defined  
19                in paragraph (17))”; and

20                (2) in paragraph (18)(E)(as so redesignated by  
21                subsection (a)(2)), by—

22                        (A) striking “paragraphs (3), (6), (7)(A),  
23                        (8), and (10))” and inserting “paragraphs (3),  
24                        (6), (7)(A), (8), (10), (13), and (14))”; and

1 (B) striking “paragraphs (2) through  
2 (13)” and inserting “paragraphs (2) through  
3 (15)”.

4 (c) PROCEDURE.—

5 (1) IN GENERAL.—The promulgation of regula-  
6 tions necessitated and the administration actions re-  
7 quired by the amendments made by this section shall  
8 be made without regard to—

9 (A) the notice and comment provisions of  
10 section 553 of title 5, United States Code;

11 (B) the Statement of Policy of the Sec-  
12 retary of Agriculture effective July 24, 1971  
13 (36 Fed. Reg. 13804), relating to notices of  
14 proposed rulemaking and public participation in  
15 rulemaking; and

16 (C) chapter 35 of title 44, United States  
17 Code (commonly known as the “Paperwork Re-  
18 duction Act”).

19 (2) CONGRESSIONAL REVIEW OF AGENCY RULE-  
20 MAKING.—In carrying out this section, and the  
21 amendments made by this section, the Secretary  
22 shall use the authority provided under section 808 of  
23 title 5, United States Code.

1 **SEC. 102. MODIFICATION OF HOUSING LOANS GUARAN-**  
2 **TEED BY THE DEPARTMENT OF VETERANS**  
3 **AFFAIRS.**

4 (a) MATURITY OF HOUSING LOANS.—Section  
5 3703(d)(1) of title 38, United States Code, is amended  
6 by inserting “at the time of origination” after “loan”.

7 (b) IMPLEMENTATION.—The Secretary of Veterans  
8 Affairs may implement the amendments made by this sec-  
9 tion through notice, procedure notice, or administrative  
10 notice.

11 **SEC. 103. ADDITIONAL FUNDING FOR HUD PROGRAMS TO**  
12 **ASSIST INDIVIDUALS TO BETTER WITHSTAND**  
13 **THE CURRENT MORTGAGE CRISIS.**

14 (a) ADDITIONAL APPROPRIATIONS FOR ADVERTISING  
15 TO INCREASE PUBLIC AWARENESS OF MORTGAGE SCAMS  
16 AND COUNSELING ASSISTANCE.—In addition to any  
17 amounts that may be appropriated for each of the fiscal  
18 years 2010 and 2011 for such purpose, there is authorized  
19 to be appropriated to the Secretary of Housing and Urban  
20 Development, to remain available until expended,  
21 \$10,000,000 for each of the fiscal years 2010 and 2011  
22 for purposes of providing additional resources to be used  
23 for advertising to raise awareness of mortgage fraud and  
24 to support HUD programs and approved counseling agen-  
25 cies, provided that such amounts are used to advertise in  
26 the 100 metropolitan statistical areas with the highest

1 rate of home foreclosures, and provided, further that up  
2 to \$5,000,000 of such amounts are used for advertise-  
3 ments designed to reach and inform broad segments of  
4 the community.

5 (b) ADDITIONAL APPROPRIATIONS FOR THE HOUS-  
6 ING COUNSELING ASSISTANCE PROGRAM.—In addition to  
7 any amounts that may be appropriated for each of the  
8 fiscal years 2010 and 2011 for such purpose, there is au-  
9 thorized to be appropriated to the Secretary of Housing  
10 and Urban Development, to remain available until ex-  
11 pended, \$50,000,000 for each of the fiscal years 2010 and  
12 2011 to carry out the Housing Counseling Assistance Pro-  
13 gram established within the Department of Housing and  
14 Urban Development, provided that such amounts are used  
15 to fund HUD-certified housing-counseling agencies lo-  
16 cated in the 100 metropolitan statistical areas with the  
17 highest rate of home foreclosures for the purpose of assist-  
18 ing homeowners with inquiries regarding mortgage-modi-  
19 fication assistance and mortgage scams.

20 (c) ADDITIONAL APPROPRIATIONS FOR PERSONNEL  
21 AT THE OFFICE OF FAIR HOUSING AND EQUAL OPPOR-  
22 TUNITY.—In addition to any amounts that may be appro-  
23 priated for each of the fiscal years 2010 and 2011 for  
24 such purpose, there is authorized to be appropriated to  
25 the Secretary of Housing and Urban Development, to re-

1 main available until expended, \$5,000,000 for each of the  
2 fiscal years 2010 and 2011 for purposes of hiring addi-  
3 tional personnel at the Office of Fair Housing and Equal  
4 Opportunity within the Department of Housing and  
5 Urban Development, provided that such amounts are used  
6 to hire personnel at the local branches of such Office lo-  
7 cated in the 100 metropolitan statistical areas with the  
8 highest rate of home foreclosures.

9 **SEC. 104. MORTGAGE MODIFICATION DATA COLLECTING**  
10 **AND REPORTING.**

11 (a) REPORTING REQUIREMENTS.—Not later than  
12 120 days after the date of the enactment of this Act, and  
13 quarterly thereafter, the Comptroller of the Currency and  
14 the Director of the Office of Thrift Supervision, shall  
15 jointly submit a report to the Committee on Banking,  
16 Housing, and Urban Affairs of the Senate, the Committee  
17 on Financial Services of the House of Representatives on  
18 the volume of mortgage modifications reported to the Of-  
19 fice of the Comptroller of the Currency and the Office of  
20 Thrift Supervision, under the mortgage metrics program  
21 of each such Office, during the previous quarter, including  
22 the following:

23 (1) A copy of the data collection instrument  
24 currently used by the Office of the Comptroller of

1 the Currency and the Office of Thrift Supervision to  
2 collect data on loan modifications.

3 (2) The total number of mortgage modifications  
4 resulting in each of the following:

5 (A) Additions of delinquent payments and  
6 fees to loan balances.

7 (B) Interest rate reductions and freezes.

8 (C) Term extensions.

9 (D) Reductions of principal.

10 (E) Deferrals of principal.

11 (F) Combinations of modifications de-  
12 scribed in subparagraph (A), (B), (C), (D), or  
13 (E).

14 (3) The total number of mortgage modifications  
15 in which the total monthly principal and interest  
16 payment resulted in the following:

17 (A) An increase.

18 (B) Remained the same.

19 (C) Decreased less than 10 percent.

20 (D) Decreased between 10 percent and 20  
21 percent.

22 (E) Decreased 20 percent or more.

23 (4) The total number of loans that have been  
24 modified and then entered into default, where the  
25 loan modification resulted in—

1 (A) higher monthly payments by the home-  
2 owner;

3 (B) equivalent monthly payments by the  
4 homeowner;

5 (C) lower monthly payments by the home-  
6 owner of up to 10 percent;

7 (D) lower monthly payments by the home-  
8 owner of between 10 percent to 20 percent; or

9 (E) lower monthly payments by the home-  
10 owner of more than 20 percent.

11 (b) DATA COLLECTION.—

12 (1) REQUIRED.—

13 (A) IN GENERAL.—Not later than 60 days  
14 after the date of the enactment of this Act, the  
15 Comptroller of the Currency and the Director  
16 of the Office of Thrift Supervision, shall issue  
17 mortgage modification data collection and re-  
18 porting requirements to institutions covered  
19 under the reporting requirement of the mort-  
20 gage metrics program of the Comptroller or the  
21 Director.

22 (B) INCLUSIVENESS OF COLLECTIONS.—  
23 The requirements under subparagraph (A) shall  
24 provide for the collection of all mortgage modi-  
25 fication data needed by the Comptroller of the

1           Currency and the Director of the Office of  
2           Thrift Supervision to fulfill the reporting re-  
3           quirements under subsection (a).

4           (2) REPORT.—The Comptroller of the Currency  
5           shall report all requirements established under para-  
6           graph (1) to each committee receiving the report re-  
7           quired under subsection (a).

8   **SEC. 105. NEIGHBORHOOD STABILIZATION PROGRAM RE-**  
9                                   **FINEMENTS.**

10          (a) IN GENERAL.—Section 2301 of the Foreclosure  
11          Prevention Act of 2008 (42 U.S.C. 5301 note) is amend-  
12          ed—

13                 (1) in subsection (b), by adding at the end the  
14          following:

15                 “(5) DISTRIBUTION OF FUNDS IN CERTAIN  
16          STATES; COMPETITION FOR FUNDS.—Each State  
17          that receives the minimum allocation of amounts  
18          pursuant to the requirement under section 2302  
19          shall be permitted to use such amounts to address  
20          statewide concerns, provided that such amounts are  
21          made available for an eligible use described under  
22          paragraphs (3) and (4) of subsection (c).”; and

23                 (2) in subsection (c), by adding at the end the  
24          following:

1           “(4) FORECLOSURE PREVENTION AND MITIGA-  
2           TION.—

3           “(A) IN GENERAL.—Each State and unit  
4           of general local government that receives an al-  
5           location of any covered amounts, as such  
6           amounts are distributed pursuant to section  
7           2302, may use up to 10 percent of such  
8           amounts for foreclosure prevention programs,  
9           activities, and services, foreclosure mitigation  
10          programs, activities, and services, or both, as  
11          such programs, activities, and services are de-  
12          fined by the Secretary.

13          “(B) DEFINITION OF COVERED  
14          AMOUNTS.—For purposes of this paragraph,  
15          the term ‘covered amount’ means any amounts  
16          appropriated—

17                 “(i) under this section as in effect on  
18                 the date of enactment of this section; and

19                 “(ii) under the heading ‘Community  
20                 Development Fund’ of title XII of division  
21                 A of the American Recovery and Reinvest-  
22                 ment Act of 2009 (Public Law 111–5; 123  
23                 Stat. 217).”.

24          (b) RETROACTIVE EFFECTIVE DATE.—The amend-  
25          ment made by subsection (a) shall take effect as if enacted

1 on the date of enactment of the Foreclosure Prevention  
2 Act of 2008 (Public Law 110–289).

3 **TITLE II—FORECLOSURE MITI-**  
4 **GATION AND CREDIT AVAIL-**  
5 **ABILITY**

6 **SEC. 201. SERVICER SAFE HARBOR FOR MORTGAGE LOAN**  
7 **MODIFICATIONS.**

8 (a) CONGRESSIONAL FINDINGS.—Congress finds the  
9 following:

10 (1) Increasing numbers of mortgage fore-  
11 closures are not only depriving many Americans of  
12 their homes, but are also destabilizing property val-  
13 ues and negatively affecting State and local econo-  
14 mies as well as the national economy.

15 (2) In order to reduce the number of fore-  
16 closures and to stabilize property values, local econo-  
17 mies, and the national economy, servicers must be  
18 given—

19 (A) authorization to—

20 (i) modify mortgage loans and engage  
21 in other loss mitigation activities consistent  
22 with applicable guidelines issued by the  
23 Secretary of the Treasury or his designee  
24 under the Emergency Economic Stabiliza-  
25 tion Act of 2008; and

1 (ii) refinance mortgage loans under  
2 the Hope for Homeowners program; and  
3 (B) a safe harbor to enable such servicers  
4 to exercise these authorities.

5 (b) SAFE HARBOR.—Section 129A of the Truth in  
6 Lending Act (15 U.S.C. 1639a) is amended to read as  
7 follows:

8 **“SEC. 129. DUTY OF SERVICERS OF RESIDENTIAL MORT-**  
9 **GAGES.**

10 “(a) IN GENERAL.—Notwithstanding any other pro-  
11 vision of law, whenever a servicer of residential mortgages  
12 agrees to enter into a qualified loss mitigation plan with  
13 respect to 1 or more residential mortgages originated be-  
14 fore the date of enactment of the Helping Families Save  
15 Their Homes Act of 2009, including mortgages held in  
16 a securitization or other investment vehicle—

17 “(1) to the extent that the servicer owes a duty  
18 to investors or other parties to maximize the net  
19 present value of such mortgages, the duty shall be  
20 construed to apply to all such investors and parties,  
21 and not to any individual party or group of parties;  
22 and

23 “(2) the servicer shall be deemed to have satis-  
24 fied the duty set forth in paragraph (1) if, before  
25 December 31, 2012, the servicer implements a quali-

1       fied loss mitigation plan that meets the following cri-  
2       teria:

3               “(A) Default on the payment of such mort-  
4               gage has occurred, is imminent, or is reason-  
5               ably foreseeable, as such terms are defined by  
6               guidelines issued by the Secretary of the Treas-  
7               ury or his designee under the Emergency Eco-  
8               nomic Stabilization Act of 2008.

9               “(B) The mortgagor occupies the property  
10              securing the mortgage as his or her principal  
11              residence.

12              “(C) The servicer reasonably determined,  
13              consistent with the guidelines issued by the Sec-  
14              retary of the Treasury or his designee, that the  
15              application of such qualified loss mitigation  
16              plan to a mortgage or class of mortgages will  
17              likely provide an anticipated recovery on the  
18              outstanding principal mortgage debt that will  
19              exceed the anticipated recovery through fore-  
20              closures.

21              “(b) NO LIABILITY.—A servicer that is deemed to be  
22              acting in the best interests of all investors or other parties  
23              under this section shall not be liable to any party who is  
24              owed a duty under subsection (a)(1), and shall not be sub-  
25              ject to any injunction, stay, or other equitable relief to

1 such party, based solely upon the implementation by the  
2 servicer of a qualified loss mitigation plan.

3 “(c) STANDARD INDUSTRY PRACTICE.—The quali-  
4 fied loss mitigation plan guidelines issued by the Secretary  
5 of the Treasury under the Emergency Economic Stabiliza-  
6 tion Act of 2008 shall constitute standard industry prac-  
7 tice for purposes of all Federal and State laws.

8 “(d) SCOPE OF SAFE HARBOR.—Any person, includ-  
9 ing a trustee, issuer, and loan originator, shall not be lia-  
10 ble for monetary damages or be subject to an injunction,  
11 stay, or other equitable relief, based solely upon the co-  
12 operation of such person with a servicer when such co-  
13 operation is necessary for the servicer to implement a  
14 qualified loss mitigation plan that meets the requirements  
15 of subsection (a).

16 “(e) REPORTING.—Each servicer that engages in  
17 qualified loss mitigation plans under this section shall reg-  
18 ularly report to the Secretary of the Treasury the extent,  
19 scope, and results of the servicer’s modification activities.  
20 The Secretary of the Treasury shall prescribe regulations  
21 or guidance specifying the form, content, and timing of  
22 such reports.

23 “(f) DEFINITIONS.—As used in this section—

24 “(1) the term ‘qualified loss mitigation plan’  
25 means—

1           “(A) a residential loan modification, work-  
2           out, or other loss mitigation plan, including to  
3           the extent that the Secretary of the Treasury  
4           determines appropriate, a loan sale, real prop-  
5           erty disposition, trial modification, pre-fore-  
6           closure sale, and deed in lieu of foreclosure,  
7           that is described or authorized in guidelines  
8           issued by the Secretary of the Treasury or his  
9           designee under the Emergency Economic Sta-  
10          bilization Act of 2008; and

11           “(B) a refinancing of a mortgage under  
12          the Hope for Homeowners program;

13           “(2) the term ‘servicer’ means the person re-  
14          sponsible for the servicing for others of residential  
15          mortgage loans(including of a pool of residential  
16          mortgage loans); and

17           “(3) the term ‘securitization vehicle’ means a  
18          trust, special purpose entity, or other legal structure  
19          that is used to facilitate the issuing of securities,  
20          participation certificates, or similar instruments  
21          backed by or referring to a pool of assets that in-  
22          cludes residential mortgages (or instruments that  
23          are related to residential mortgages such as credit-  
24          linked notes).”.

1 **SEC. 202. CHANGES TO HOPE FOR HOMEOWNERS PRO-**  
2 **GRAM.**

3 (a) PROGRAM CHANGES.—Section 257 of the Na-  
4 tional Housing Act (12 U.S.C. 1715z–23) is amended—

5 (1) in subsection (c)—

6 (A) in the heading for paragraph (1), by  
7 striking “THE BOARD” and inserting “SEC-  
8 RETARY”;

9 (B) in paragraph (1), by striking “Board”  
10 inserting “Secretary, after consultation with the  
11 Board,”;

12 (C) in paragraph (1)(A), by inserting  
13 “consistent with section 203(b) to the max-  
14 imum extent possible” before the semicolon;  
15 and

16 (D) by adding after paragraph (2) the fol-  
17 lowing:

18 “(3) DUTIES OF BOARD.—The Board shall ad-  
19 vise the Secretary regarding the establishment and  
20 implementation of the HOPE for Homeowners Pro-  
21 gram.”;

22 (2) by striking “Board” each place such term  
23 appears in subsections (e), (h)(1), (h)(3), (j), (l),  
24 (n), (s)(3), and (v) and inserting “Secretary”;

25 (3) in subsection (e)—

1 (A) by striking paragraph (1) and insert-  
2 ing the following:

3 “(1) BORROWER CERTIFICATION.—

4 “(A) NO INTENTIONAL DEFAULT OR  
5 FALSE INFORMATION.—The mortgagor shall  
6 provide a certification to the Secretary that the  
7 mortgagor has not intentionally defaulted on  
8 the existing mortgage or mortgages or any  
9 other substantial debt within the last 5 years  
10 and has not knowingly, or willfully and with ac-  
11 tual knowledge, furnished material information  
12 known to be false for the purpose of obtaining  
13 the eligible mortgage to be insured and has not  
14 been convicted under Federal or State law for  
15 fraud during the 10-year period ending upon  
16 the insurance of the mortgage under this sec-  
17 tion.

18 “(B) LIABILITY FOR REPAYMENT.—The  
19 mortgagor shall agree in writing that the mort-  
20 gagor shall be liable to repay to the Secretary  
21 any direct financial benefit achieved from the  
22 reduction of indebtedness on the existing mort-  
23 gage or mortgages on the residence refinanced  
24 under this section derived from misrepresenta-  
25 tions made by the mortgagor in the certifi-

1 cations and documentation required under this  
2 paragraph, subject to the discretion of the Sec-  
3 retary.

4 “(C) CURRENT BORROWER DEBT-TO-IN-  
5 COME RATIO.—As of the date of application for  
6 a commitment to insure or insurance under this  
7 section, the mortgagor shall have had, or there-  
8 after is likely to have, due to the terms of the  
9 mortgage being reset, a ratio of mortgage debt  
10 to income, taking into consideration all existing  
11 mortgages of that mortgagor at such time,  
12 greater than 31 percent (or such higher amount  
13 as the Secretary determines appropriate).”;

14 (B) in paragraph (4)—

15 (i) in subparagraph (A), by striking “,  
16 subject to standards established by the  
17 Board under subparagraph (B),”;

18 (ii) in subparagraph (B)(i), by strik-  
19 ing “shall” and inserting “may”; and

20 (C) in paragraph (7), by striking “; and  
21 provided that” and all that follows through  
22 “new second lien”;

23 (D) in paragraph (9)—

24 (i) by striking “by procuring (A) an  
25 income tax return transcript of the income

1 tax return of the mortgagor, or (B)” and  
2 inserting “in accordance with procedures  
3 and standards that the Secretary shall es-  
4 tablish (provided that such procedures and  
5 standards are consistent with section  
6 203(b) to the maximum extent possible)  
7 which may include requiring the mortgagee  
8 to procure”; and

9 (ii) by striking “and by any other  
10 method, in accordance with procedures and  
11 standards that the Board shall establish”;  
12 (E) in paragraph (10)—

13 (i) by striking “The mortgagor shall  
14 not” and inserting the following:

15 “(A) PROHIBITION.—The mortgagor shall  
16 not”; and

17 (ii) by adding at the end the fol-  
18 lowing:

19 “(B) DUTY OF MORTGAGEE.—The duty of  
20 the mortgagee to ensure that the mortgagor is  
21 in compliance with the prohibition under sub-  
22 paragraph (A) shall be satisfied if the mort-  
23 gagee makes a good faith effort to determine  
24 that the mortgagor has not been convicted

1 under Federal or State law for fraud during the  
2 period described in subparagraph (A).”;

3 (F) in paragraph (11), by inserting before  
4 the period at the end the following: “, except  
5 that the Secretary may provide exceptions to  
6 such latter requirement (relating to present  
7 ownership interest) for any mortgagor who has  
8 inherited a property”; and

9 (G) by adding at the end:

10 “(12) BAN ON MILLIONAIRES.—The mortgagor  
11 shall not have a net worth, as of the date the mort-  
12 gator first applies for a mortgage to be insured  
13 under the Program under this section, that exceeds  
14 \$1,000,000.”;

15 (4) in subsection (h)(2), by striking “The  
16 Board shall prohibit the Secretary from paying” and  
17 inserting “The Secretary shall not pay”; and

18 (5) in subsection (i)—

19 (A) by redesignating paragraphs (1) and  
20 (2) as subparagraphs (A) and (B), respectively,  
21 and adjusting the margins accordingly;

22 (B) in the matter preceding subparagraph  
23 (A), as redesignated by this paragraph, by  
24 striking “For each” and inserting the following:

25 “(1) PREMIUMS.—For each”;

1 (C) in subparagraph (A), as redesignated  
2 by this paragraph, by striking “equal to 3 per-  
3 cent” and inserting “not more than 3 percent”;  
4 and

5 (D) in subparagraph (B), as redesignated  
6 by this paragraph, by striking “equal to 1.5  
7 percent” and inserting “not more than 1.5 per-  
8 cent”;

9 (E) by adding at the end the following:

10 “(2) CONSIDERATIONS.—In setting the pre-  
11 mium under this subsection, the Secretary shall con-  
12 sider—

13 “(A) the financial integrity of the HOPE  
14 for Homeowners Program; and

15 “(B) the purposes of the HOPE for Home-  
16 owners Program described in subsection (b).”;

17 (6) in subsection (k)—

18 (A) by striking the subsection heading and  
19 inserting “EXIT FEE”;

20 (B) in paragraph (1), in the matter pre-  
21 ceding subparagraph (A), by striking “such sale  
22 or refinancing” and inserting “the mortgage  
23 being insured under this section”; and

24 (C) in paragraph (2), by striking “and the  
25 mortgagor” and all that follows through the

1 end and inserting “may, upon any sale or dis-  
2 position of the property to which the mortgage  
3 relates, be entitled to up to 50 percent of ap-  
4 preciation, up to the appraised value of the  
5 home at the time when the mortgage being refi-  
6 nanced under this section was originally made.  
7 The Secretary may share any amounts received  
8 under this paragraph with the holder of the ex-  
9 isting senior mortgage on the eligible mortgage,  
10 the holder of any existing subordinate mortgage  
11 on the eligible mortgage, or both.”;

12 (7) in the heading for subsection (n), by strik-  
13 ing “THE BOARD” and inserting “SECRETARY”;

14 (8) in subsection (p), by striking “Under the di-  
15 rection of the Board, the” and inserting “The”;

16 (9) in subsection (s)—

17 (A) in the first sentence of paragraph (2),  
18 by striking “Board of Directors of” and insert-  
19 ing “Advisory Board for”; and

20 (B) in paragraph (3)(A)(ii), by striking  
21 “subsection (e)(1)(B) and such other” and in-  
22 serting “such”;

23 (10) in subsection (v), by inserting after the pe-  
24 riod at the end the following: “The Secretary shall  
25 conform documents, forms, and procedures for mort-

1 gages insured under this section to those in place for  
2 mortgages insured under section 203(b) to the max-  
3 imum extent possible consistent with the require-  
4 ments of this section.”; and

5 (11) by adding at the end the following new  
6 subsections:

7 “(x) PAYMENTS TO SERVICERS AND ORIGINATORS.—  
8 The Secretary may establish a payment to the—

9 “(1) servicer of the existing senior mortgage for  
10 every loan insured under the HOPE for Home-  
11 owners Program; and

12 “(2) originator of each new loan insured under  
13 the HOPE for Homeowners Program.

14 “(y) AUCTIONS.—The Secretary, with the concur-  
15 rence of the Board, shall, if feasible, establish a structure  
16 and organize procedures for an auction to refinance eligi-  
17 ble mortgages on a wholesale or bulk basis.”.

18 (b) REDUCING TARP FUNDS TO OFFSET COSTS OF  
19 PROGRAM CHANGES.—Paragraph (3) of section 115(a) of  
20 the Emergency Economic Stabilization Act of 2008 (12  
21 U.S.C. 5225) is amended by inserting “, as such amount  
22 is reduced by \$2,316,000,000,” after  
23 “\$700,000,000,000”.

24 (c) TECHNICAL CORRECTION.—The second section  
25 257 of the National Housing Act (Public Law 110–289;

1 122 Stat. 2839; 12 U.S.C. 1715z-24) is amended by strik-  
2 ing the section heading and inserting the following:

3 **“SEC. 258. PILOT PROGRAM FOR AUTOMATED PROCESS**  
4 **FOR BORROWERS WITHOUT SUFFICIENT**  
5 **CREDIT HISTORY.”.**

6 **SEC. 203. REQUIREMENTS FOR FHA-APPROVED MORTGA-**  
7 **GEES.**

8 (a) MORTGAGEE REVIEW BOARD.—

9 (1) IN GENERAL.—Section 202(c)(2) of the Na-  
10 tional Housing Act (12 U.S.C. 1708(c)) is amend-  
11 ed—

12 (A) in subparagraph (E), by inserting  
13 “and” after the semicolon;

14 (B) in subparagraph (F), by striking “;  
15 and” and inserting “or their designees.”; and

16 (C) by striking subparagraph (G).

17 (2) PROHIBITION AGAINST LIMITATIONS ON  
18 MORTGAGEE REVIEW BOARD’S POWER TO TAKE AC-  
19 TION AGAINST MORTGAGEES.—Section 202(c) of the  
20 National Housing Act (12 U.S.C. 1708(c)) is  
21 amended by adding at the end the following new  
22 paragraph:

23 “(9) PROHIBITION AGAINST LIMITATIONS ON  
24 MORTGAGEE REVIEW BOARD’S POWER TO TAKE AC-  
25 TION AGAINST MORTGAGEES.—No State or local law,

1 and no Federal law (except a Federal law enacted  
2 expressly in limitation of this subsection after the ef-  
3 fective date of this sentence), shall preclude or limit  
4 the exercise by the Board of its power to take any  
5 action authorized under paragraphs (3) and (6) of  
6 this subsection against any mortgagee.”.

7 (b) LIMITATIONS ON PARTICIPATION AND MORT-  
8 GAGEE APPROVAL AND USE OF NAME.—Section 202 of  
9 the National Housing Act (12 U.S.C. 1708) is amended—

10 (1) by redesignating subsections (d), (e), and  
11 (f) as subsections (e), (f), and (g), respectively;

12 (2) by inserting after subsection (c) the fol-  
13 lowing new subsection:

14 “(d) LIMITATIONS ON PARTICIPATION IN ORIGINA-  
15 TION AND MORTGAGEE APPROVAL.—

16 “(1) REQUIREMENT.—Any person or entity  
17 that is not approved by the Secretary to serve as a  
18 mortgagee, as such term is defined in subsection  
19 (c)(7), shall not participate in the origination of an  
20 FHA-insured loan except as authorized by the Sec-  
21 retary.

22 “(2) ELIGIBILITY FOR APPROVAL.—In order to  
23 be eligible for approval by the Secretary, an appli-  
24 cant mortgagee shall not be, and shall not have any  
25 officer, partner, director, principal, manager, super-

1 visor, loan processor, loan underwriter, or loan origi-  
2 nator of the applicant mortgagee who is—

3 “(A) currently suspended, debarred, under  
4 a limited denial of participation (LDP), or oth-  
5 erwise restricted under part 25 of title 24 of  
6 the Code of Federal Regulations, 2 Code of  
7 Federal Regulations, part 180 as implemented  
8 by part 2424, or any successor regulations to  
9 such parts, or under similar provisions of any  
10 other Federal agency;

11 “(B) under indictment for, or has been  
12 convicted of, an offense that reflects adversely  
13 upon the applicant’s integrity, competence or  
14 fitness to meet the responsibilities of an ap-  
15 proved mortgagee;

16 “(C) subject to unresolved findings con-  
17 tained in a Department of Housing and Urban  
18 Development or other governmental audit, in-  
19 vestigation, or review;

20 “(D) engaged in business practices that do  
21 not conform to generally accepted practices of  
22 prudent mortgagees or that demonstrate irre-  
23 sponsibility;

24 “(E) convicted of, or who has pled guilty  
25 or nolo contendere to, a felony related to partici-

1           pation in the real estate or mortgage loan in-  
2           dustry—

3                   “(i) during the 7-year period pre-  
4                   ceding the date of the application for li-  
5                   censing and registration; or

6                   “(ii) at any time preceding such date  
7                   of application, if such felony involved an  
8                   act of fraud, dishonesty, or a breach of  
9                   trust, or money laundering;

10                   “(F) in violation of provisions of the  
11                   S.A.F.E. Mortgage Licensing Act of 2008 (12  
12                   U.S.C. 5101 et seq.) or any applicable provision  
13                   of State law; or

14                   “(G) in violation of any other requirement  
15                   as established by the Secretary.

16                   “(3) RULEMAKING AND IMPLEMENTATION.—  
17                   The Secretary shall conduct a rulemaking to carry  
18                   out this subsection. The Secretary shall implement  
19                   this subsection not later than the expiration of the  
20                   60-day period beginning upon the date of the enact-  
21                   ment of this subsection by notice, mortgagee letter,  
22                   or interim final regulations, which shall take effect  
23                   upon issuance.”; and

24                   (3) by adding at the end the following new sub-  
25                   section:

1       “(h) USE OF NAME.—The Secretary shall, by regula-  
2 tion, require each mortgagee approved by the Secretary  
3 for participation in the FHA mortgage insurance pro-  
4 grams of the Secretary—

5           “(1) to use the business name of the mortgagee  
6 that is registered with the Secretary in connection  
7 with such approval in all advertisements and pro-  
8 motional materials, as such terms are defined by the  
9 Secretary, relating to the business of such mort-  
10 gagee in such mortgage insurance programs; and

11           “(2) to maintain copies of all such advertise-  
12 ments and promotional materials, in such form and  
13 for such period as the Secretary requires.”.

14       (c) PAYMENT FOR LOSS MITIGATION.—Section  
15 204(a)(2) of the National Housing Act (12 U.S.C.  
16 1710(a)(2)) is amended—

17           (1) by inserting “or faces imminent default, as  
18 defined by the Secretary” after “default”;

19           (2) by inserting “support for borrower housing  
20 counseling, partial claims, borrower incentives,  
21 preforeclosure sale,” after “loan modification,”; and

22           (3) by striking “204(a)(1)(A)” and inserting  
23 “subsection (a)(1)(A) or section 203(c)”.

24       (d) PAYMENT OF FHA MORTGAGE INSURANCE BEN-  
25 EFITS.—

1           (1) ADDITIONAL LOSS MITIGATION ACTIONS.—  
2           Section 230(a) of the National Housing Act (12  
3           U.S.C. 1715u(a)) is amended—

4                   (A) by inserting “or imminent default, as  
5                   defined by the Secretary” after “default”;

6                   (B) by striking “loss” and inserting  
7                   “loan”;

8                   (C) by inserting “preforeclosure sale, sup-  
9                   port for borrower housing counseling, subordi-  
10                  nate lien resolution, borrower incentives,” after  
11                  “loan modification,”;

12                  (D) by inserting “as required,” after  
13                  “deeds in lieu of foreclosure,”; and

14                  (E) by inserting “or section 230(e),” be-  
15                  fore “as provided”.

16           (2) AMENDMENT TO PARTIAL CLAIM AUTHOR-  
17           ITY.—Section 230(b) of the National Housing Act  
18           (12 U.S.C. 1715u(b)) is amended to read as follows:

19           “(b) PAYMENT OF PARTIAL CLAIM.—

20                   “(1) ESTABLISHMENT OF PROGRAM.—The Sec-  
21                   retary may establish a program for payment of a  
22                   partial claim to a mortgagee that agrees to apply the  
23                   claim amount to payment of a mortgage on a 1- to  
24                   4-family residence that is in default or faces immi-  
25                   nent default, as defined by the Secretary.

1           “(2) PAYMENTS AND EXCEPTIONS.—Any pay-  
2           ment of a partial claim under the program estab-  
3           lished in paragraph (1) to a mortgagee shall be  
4           made in the sole discretion of the Secretary and on  
5           terms and conditions acceptable to the Secretary, ex-  
6           cept that—

7                   “(A) the amount of the payment shall be  
8                   in an amount determined by the Secretary, not  
9                   to exceed an amount equivalent to 30 percent  
10                  of the unpaid principal balance of the mortgage  
11                  and any costs that are approved by the Sec-  
12                  retary;

13                  “(B) the amount of the partial claim pay-  
14                  ment shall first be applied to any arrearage on  
15                  the mortgage, and may also be applied to  
16                  achieve principal reduction;

17                  “(C) the mortgagor shall agree to repay  
18                  the amount of the insurance claim to the Sec-  
19                  retary upon terms and conditions acceptable to  
20                  the Secretary;

21                  “(D) the Secretary may permit compensa-  
22                  tion to the mortgagee for lost income on month-  
23                  ly payments, due to a reduction in the interest  
24                  rate charged on the mortgage;

1           “(E) expenses related to the partial claim  
2 or modification may not be charged to the bor-  
3 rower;

4           “(F) loans may be modified to extend the  
5 term of the mortgage to a maximum of 40  
6 years from the date of the modification; and

7           “(G) the Secretary may permit incentive  
8 payments to the mortgagee, on the borrower’s  
9 behalf, based on successful performance of a  
10 modified mortgage, which shall be used to re-  
11 duce the amount of principal indebtedness.

12           “(3) PAYMENTS IN CONNECTION WITH CERTAIN  
13 ACTIVITIES.—The Secretary may pay the mortgagee,  
14 from the appropriate insurance fund, in connection  
15 with any activities that the mortgagee is required to  
16 undertake concerning repayment by the mortgagor  
17 of the amount owed to the Secretary.”.

18           (3) ASSIGNMENT.—Section 230(c) of the Na-  
19 tional Housing Act (12 U.S.C. 1715u(c)) is amend-  
20 ed—

21                   (A) by inserting “(1)” after “(c)”;

22                   (B) by redesignating paragraphs (1), (2),  
23 and (3) as subparagraphs (A), (B), and (C), re-  
24 spectively;

1 (C) in paragraph (1)(B) (as so redesign-  
2 nated)—

3 (i) by redesignating subparagraphs  
4 (A), (B), and (C) as clauses (i), (ii), and  
5 (iii), respectively;

6 (ii) in the matter preceding clause (i)  
7 (as so redesignated), by striking “under a  
8 program under this subsection” and insert-  
9 ing “under this paragraph”; and

10 (iii) in clause (i) (as so redesignated),  
11 by inserting “or facing imminent default,  
12 as defined by the Secretary” after “de-  
13 fault”;

14 (D) in paragraph (1)(C) (as so redesign-  
15 nated), by striking “under a program under  
16 this subsection” and inserting “under this para-  
17 graph”; and

18 (E) by adding at the end the following:

19 “(2) ASSIGNMENT AND LOAN MODIFICATION.—

20 “(A) AUTHORITY.—The Secretary may en-  
21 courage loan modifications for eligible delin-  
22 quent mortgages or mortgages facing imminent  
23 default, as defined by the Secretary, through  
24 the payment of insurance benefits and assign-  
25 ment of the mortgage to the Secretary and the

1 subsequent modification of the terms of the  
2 mortgage according to a loan modification ap-  
3 proved by the mortgagee.

4 “(B) PAYMENT OF BENEFITS AND ASSIGN-  
5 MENT.—In carrying out this paragraph, the  
6 Secretary may pay insurance benefits for a  
7 mortgage, in the amount determined in accord-  
8 ance with section 204(a)(5), without reduction  
9 for any amounts modified, but only upon the  
10 assignment, transfer, and delivery to the Sec-  
11 retary of all rights, interest, claims, evidence,  
12 and records with respect to the mortgage speci-  
13 fied in clauses (i) through (iv) of section  
14 204(a)(1)(A).

15 “(C) DISPOSITION.—After modification of  
16 a mortgage pursuant to this paragraph, the  
17 Secretary may provide insurance under this  
18 title for the mortgage. The Secretary may sub-  
19 sequently—

20 “(i) re-assign the mortgage to the  
21 mortgagee under terms and conditions as  
22 are agreed to by the mortgagee and the  
23 Secretary;

24 “(ii) act as a Government National  
25 Mortgage Association issuer, or contract

1 with an entity for such purpose, in order  
2 to pool the mortgage into a Government  
3 National Mortgage Association security; or

4 “(iii) re-sell the mortgage in accord-  
5 ance with any program that has been es-  
6 tablished for purchase by the Federal Gov-  
7 ernment of mortgages insured under this  
8 title, and the Secretary may coordinate  
9 standards for interest rate reductions  
10 available for loan modification with inter-  
11 est rates established for such purchase.

12 “(D) LOAN SERVICING.—In carrying out  
13 this paragraph, the Secretary may require the  
14 existing servicer of a mortgage assigned to the  
15 Secretary to continue servicing the mortgage as  
16 an agent of the Secretary during the period  
17 that the Secretary acquires and holds the mort-  
18 gage for the purpose of modifying the terms of  
19 the mortgage, provided that the Secretary com-  
20 pensates the existing servicer appropriately, as  
21 such compensation is determined by the Sec-  
22 retary consistent, to the maximum extent pos-  
23 sible, with section 203(b). If the mortgage is re-  
24 sold pursuant to subparagraph (C)(iii), the Sec-  
25 retary may provide for the existing servicer to

1 continue to service the mortgage or may engage  
2 another entity to service the mortgage.”.

3 (4) IMPLEMENTATION.—The Secretary of  
4 Housing and Urban Development may implement  
5 the amendments made by this subsection through  
6 notice or mortgagee letter.

7 (e) CHANGE OF STATUS.—The National Housing Act  
8 is amended by striking section 532 (12 U.S.C. 1735f–10)  
9 and inserting the following new section:

10 **“SEC. 532. CHANGE OF MORTGAGEE STATUS.**

11 “(a) NOTIFICATION.—Upon the occurrence of any ac-  
12 tion described in subsection (b), an approved mortgagee  
13 shall immediately submit to the Secretary, in writing, noti-  
14 fication of such occurrence.

15 “(b) ACTIONS.—The actions described in this sub-  
16 section are as follows:

17 “(1) The debarment, suspension or a Limited  
18 Denial of Participation (LDP), or application of  
19 other sanctions, other exclusions, fines, or penalties  
20 applied to the mortgagee or to any officer, partner,  
21 director, principal, manager, supervisor, loan proc-  
22 essor, loan underwriter, or loan originator of the  
23 mortgagee pursuant to applicable provisions of State  
24 or Federal law.

1           “(2) The revocation of a State-issued mortgage  
2           loan originator license issued pursuant to the  
3           S.A.F.E. Mortgage Licensing Act of 2008 (12  
4           U.S.C. 5101 et seq.) or any other similar declaration  
5           of ineligibility pursuant to State law.”.

6           (f) CIVIL MONEY PENALTIES.—Section 536 of the  
7           National Housing Act (12 U.S.C. 1735f–14) is amend-  
8           ed—

9                   (1) in subsection (b)—

10                           (A) in paragraph (1)—

11                                   (i) in the matter preceding subpara-  
12                                   graph (A), by inserting “or any of its own-  
13                                   ers, officers, or directors” after “mort-  
14                                   gagee or lender”;

15                                   (ii) in subparagraph (H), by striking  
16                                   “title I” and all that follows through  
17                                   “under this Act.” and inserting “title I or  
18                                   II of this Act, or any implementing regula-  
19                                   tion, handbook, or mortgagee letter that is  
20                                   issued under this Act.”; and

21                                   (iii) by inserting after subparagraph  
22                                   (J) the following:

23                                   “(K) Violation of section 202(d) of this  
24                                   Act (12 U.S.C. 1708(d)).

1           “(L) Use of ‘Federal Housing Administra-  
2           tion’, ‘Department of Housing and Urban De-  
3           velopment’, ‘Government National Mortgage  
4           Association’, ‘Ginnie Mae’, the acronyms  
5           ‘HUD’, ‘FHA’, or ‘GNMA’, or any official seal  
6           or logo of the Department of Housing and  
7           Urban Development, except as authorized by  
8           the Secretary.”;

9           (B) in paragraph (2)—

10           (i) in subparagraph (B), by striking  
11           “or” at the end;

12           (ii) in subparagraph (C), by striking  
13           the period at the end and inserting “; or”;  
14           and

15           (iii) by adding at the end the fol-  
16           lowing new subparagraph:

17           “(D) causing or participating in any of the  
18           violations set forth in paragraph (1) of this sub-  
19           section.”; and

20           (C) by amending paragraph (3) to read as  
21           follows:

22           “(3) PROHIBITION AGAINST MISLEADING USE  
23           OF FEDERAL ENTITY DESIGNATION.—The Secretary  
24           may impose a civil money penalty, as adjusted from  
25           time to time, under subsection (a) for any use of

1 ‘Federal Housing Administration’, ‘Department of  
2 Housing and Urban Development’, ‘Government Na-  
3 tional Mortgage Association’, ‘Ginnie Mae’, the acro-  
4 nyms ‘HUD’, ‘FHA’, or ‘GNMA’, or any official seal  
5 or logo of the Department of Housing and Urban  
6 Development, by any person, party, company, firm,  
7 partnership, or business, including sellers of real es-  
8 tate, closing agents, title companies, real estate  
9 agents, mortgage brokers, appraisers, loan cor-  
10 respondents, and dealers, except as authorized by  
11 the Secretary.”; and

12 (2) in subsection (g), by striking “The term”  
13 and all that follows through the end of the sentence  
14 and inserting “For purposes of this section, a person  
15 acts knowingly when a person has actual knowledge  
16 of acts or should have known of the acts.”.

17 (g) EXPANDED REVIEW OF FHA MORTGAGEE AP-  
18 PPLICANTS AND NEWLY APPROVED MORTGAGEES.—Not  
19 later than the expiration of the 3-month period beginning  
20 upon the date of the enactment of this Act, the Secretary  
21 of Housing and Urban Development shall—

22 (1) expand the existing process for reviewing  
23 new applicants for approval for participation in the  
24 mortgage insurance programs of the Secretary for  
25 mortgages on 1- to 4-family residences for the pur-

1 pose of identifying applicants who represent a high  
 2 risk to the Mutual Mortgage Insurance Fund; and

3 (2) implement procedures that, for mortgagees  
 4 approved during the 12-month period ending upon  
 5 such date of enactment—

6 (A) expand the number of mortgages origi-  
 7 nated by such mortgagees that are reviewed for  
 8 compliance with applicable laws, regulations,  
 9 and policies; and

10 (B) include a process for random reviews  
 11 of such mortgagees and a process for reviews  
 12 that is based on volume of mortgages originated  
 13 by such mortgagees.

14 **SEC. 204. ENHANCEMENT OF LIQUIDITY AND STABILITY OF**  
 15 **INSURED DEPOSITORY INSTITUTIONS TO EN-**  
 16 **SURE AVAILABILITY OF CREDIT AND REDUC-**  
 17 **TION OF FORECLOSURES.**

18 (a) TEMPORARY INCREASE IN DEPOSIT INSURANCE  
 19 EXTENDED.—Section 136 of the Emergency Economic  
 20 Stabilization Act of 2008 (12 U.S.C. 5241) is amended—

21 (1) in subsection (a)—

22 (A) in paragraph (1), by striking “Decem-  
 23 ber 31, 2009” and inserting “December 31,  
 24 2013”;

25 (B) by striking paragraph (2);

1 (C) by redesignating paragraph (3) as  
2 paragraph (2); and

3 (D) in paragraph (2), as so redesignated,  
4 by striking “December 31, 2009” and inserting  
5 “December 31, 2013”; and  
6 (2) in subsection (b)—

7 (A) in paragraph (1), by striking “Decem-  
8 ber 31, 2009” and inserting “December 31,  
9 2013”;

10 (B) by striking paragraph (2);

11 (C) by redesignating paragraph (3) as  
12 paragraph (2); and

13 (D) in paragraph (2), as so redesignated,  
14 by striking “December 31, 2009” and inserting  
15 “December 31, 2013”; and

16 (b) EXTENSION OF RESTORATION PLAN PERIOD.—  
17 Section 7(b)(3)(E)(ii) of the Federal Deposit Insurance  
18 Act (12 U.S.C. 1817(b)(3)(E)(ii)) is amended by striking  
19 “5-year period” and inserting “8-year period”.

20 (c) FDIC AND NCUA BORROWING AUTHORITY.—

21 (1) FDIC.—Section 14(a) of the Federal De-  
22 posit Insurance Act (12 U.S.C. 1824(a)) is amend-  
23 ed—

24 (A) by striking “\$30,000,000,000” and in-  
25 serting “\$100,000,000,000”;

1           (B) by striking “The Corporation is au-  
2           thorized” and inserting the following:

3           “(1) IN GENERAL.—The Corporation is author-  
4           ized”;

5           (C) by striking “There are hereby” and in-  
6           serting the following:

7           “(2) FUNDING.—There are hereby”; and

8           (D) by adding at the end the following:

9           “(3) TEMPORARY INCREASES AUTHORIZED.—

10           “(A) RECOMMENDATIONS FOR IN-  
11           CREASE.—During the period beginning on the  
12           date of enactment of this paragraph and ending  
13           on December 31, 2010, if, upon the written rec-  
14           ommendation of the Board of Directors (upon  
15           a vote of not less than two-thirds of the mem-  
16           bers of the Board of Directors) and the Board  
17           of Governors of the Federal Reserve System  
18           (upon a vote of not less than two-thirds of the  
19           members of such Board), the Secretary of the  
20           Treasury (in consultation with the President)  
21           determines that additional amounts above the  
22           \$100,000,000,000 amount specified in para-  
23           graph (1) are necessary, such amount shall be  
24           increased to the amount so determined to be  
25           necessary, not to exceed \$500,000,000,000.

1           “(B) REPORT REQUIRED.—If the bor-  
2           rowing authority of the Corporation is increased  
3           above \$100,000,000,000 pursuant to subpara-  
4           graph (A), the Corporation shall promptly sub-  
5           mit a report to the Committee on Banking,  
6           Housing, and Urban Affairs of the Senate and  
7           the Committee on Financial Services of the  
8           House of Representatives describing the reasons  
9           and need for the additional borrowing authority  
10          and its intended uses.

11          “(C) RESTRICTION ON USAGE.—The Cor-  
12          poration may not borrow pursuant to subpara-  
13          graph (A) to fund obligations of the Corpora-  
14          tion incurred as a part of a program established  
15          by the Secretary of the Treasury pursuant to  
16          the Emergency Economic Stabilization Act of  
17          2008 to purchase or guarantee assets.”.

18          (2) NCUA.—Section 203(d)(1) of the Federal  
19          Credit Union Act (12 U.S.C. 1783(d)(1)) is amend-  
20          ed to read as follows:

21               “(1) If, in the judgment of the Board, a loan  
22               to the insurance fund, or to the stabilization fund  
23               described in section 217 of this title, is required at  
24               any time for purposes of this subchapter, the Sec-  
25               retary of the Treasury shall make the loan, but

1 loans under this paragraph shall not exceed in the  
2 aggregate \$6,000,000,000 outstanding at any one  
3 time. Except as otherwise provided in this sub-  
4 section, section 217, and in subsection (e) of this  
5 section, each loan under this paragraph shall be  
6 made on such terms as may be fixed by agreement  
7 between the Board and the Secretary of the Treas-  
8 ury.”.

9 (3) TEMPORARY INCREASES OF BORROWING AU-  
10 THORITY FOR NCUA.—Section 203(d) of the Federal  
11 Credit Union Act (12 U.S.C. 1783(d)) is amended  
12 by adding at the end the following:

13 “(4) TEMPORARY INCREASES AUTHORIZED.—

14 “(A) RECOMMENDATIONS FOR IN-  
15 CREASE.—During the period beginning on the  
16 date of enactment of this paragraph and ending  
17 on December 31, 2010, if, upon the written rec-  
18 ommendation of the Board (upon a vote of not  
19 less than two-thirds of the members of the  
20 Board) and the Board of Governors of the Fed-  
21 eral Reserve System (upon a vote of not less  
22 than two-thirds of the members of such Board),  
23 the Secretary of the Treasury (in consultation  
24 with the President) determines that additional  
25 amounts above the \$6,000,000,000 amount

1 specified in paragraph (1) are necessary, such  
2 amount shall be increased to the amount so de-  
3 termined to be necessary, not to exceed  
4 \$30,000,000,000.

5 “(B) REPORT REQUIRED.—If the bor-  
6 rowing authority of the Board is increased  
7 above \$6,000,000,000 pursuant to subpara-  
8 graph (A), the Board shall promptly submit a  
9 report to the Committee on Banking, Housing,  
10 and Urban Affairs of the Senate and the Com-  
11 mittee on Financial Services of the House of  
12 Representatives describing the reasons and need  
13 for the additional borrowing authority and its  
14 intended uses.”.

15 (d) EXPANDING SYSTEMIC RISK SPECIAL ASSESS-  
16 MENTS.—Section 13(c)(4)(G)(ii) of the Federal Deposit  
17 Insurance Act (12 U.S.C. 1823(c)(4)(G)(ii)) is amended  
18 to read as follows:

19 “(ii) REPAYMENT OF LOSS.—

20 “(I) IN GENERAL.—The Corpora-  
21 tion shall recover the loss to the De-  
22 posit Insurance Fund arising from  
23 any action taken or assistance pro-  
24 vided with respect to an insured de-  
25 pository institution under clause (i)

1 from 1 or more special assessments on  
2 insured depository institutions, depository  
3 institution holding companies  
4 (with the concurrence of the Secretary  
5 of the Treasury with respect to hold-  
6 ing companies), or both, as the Cor-  
7 poration determines to be appropriate.

8 “(II) TREATMENT OF DEPOSI-  
9 TORY INSTITUTION HOLDING COMPA-  
10 NIES.—For purposes of this clause,  
11 sections 7(c)(2) and 18(h) shall apply  
12 to depository institution holding com-  
13 panies as if they were insured depository  
14 institutions.

15 “(III) REGULATIONS.—The Cor-  
16 poration shall prescribe such regula-  
17 tions as it deems necessary to imple-  
18 ment this clause. In prescribing such  
19 regulations, defining terms, and set-  
20 ting the appropriate assessment rate  
21 or rates, the Corporation shall estab-  
22 lish rates sufficient to cover the losses  
23 incurred as a result of the actions of  
24 the Corporation under clause (i) and  
25 shall consider: the types of entities

1 that benefit from any action taken or  
 2 assistance provided under this sub-  
 3 paragraph; economic conditions, the  
 4 effects on the industry, and such  
 5 other factors as the Corporation  
 6 deems appropriate and relevant to the  
 7 action taken or the assistance pro-  
 8 vided. Any funds so collected that ex-  
 9 ceed actual losses shall be placed in  
 10 the Deposit Insurance Fund.”.

11 (e) ESTABLISHMENT OF A NATIONAL CREDIT UNION  
 12 SHARE INSURANCE FUND RESTORATION PLAN PE-  
 13 RIOD.—Section 202(c)(2) of the Federal Credit Union Act  
 14 (12 U.S.C. 1782(c)(2)) is amended by adding at the end  
 15 the following new subparagraph:

16 “(D) FUND RESTORATION PLANS.—

17 “(i) IN GENERAL.—Whenever—

18 “(I) the Board projects that the  
 19 equity ratio of the Fund will, within 6  
 20 months of such determination, fall  
 21 below the minimum amount specified  
 22 in subparagraph (C); or

23 “(II) the equity ratio of the Fund  
 24 actually falls below the minimum  
 25 amount specified in subparagraph (C)

1                   without any determination under sub-  
2                   clause (I) having been made,  
3                   the Board shall establish and implement a  
4                   restoration plan within 90 days that meets  
5                   the requirements of clause (ii) and such  
6                   other conditions as the Board determines  
7                   to be appropriate.

8                   “(ii) REQUIREMENTS OF RESTORA-  
9                   TION PLAN.—A restoration plan meets the  
10                  requirements of this clause if the plan pro-  
11                  vides that the equity ratio of the Fund will  
12                  meet or exceed the minimum amount speci-  
13                  fied in subparagraph (C) before the end of  
14                  the 8-year period beginning upon the im-  
15                  plementation of the plan (or such longer  
16                  period as the Board may determine to be  
17                  necessary due to extraordinary cir-  
18                  cumstances).

19                  “(iii) TRANSPARENCY.—Not more  
20                  than 30 days after the Board establishes  
21                  and implements a restoration plan under  
22                  clause (i), the Board shall publish in the  
23                  Federal Register a detailed analysis of the  
24                  factors considered and the basis for the ac-  
25                  tions taken with regard to the plan.”.

1 (f) TEMPORARY CORPORATE CREDIT UNION STA-  
2 BILIZATION FUND.—

3 (1) ESTABLISHMENT OF STABILIZATION  
4 FUND.—Title II of the Federal Credit Union Act  
5 (12 U.S.C. 1781 et seq.) is amended by adding at  
6 the end the following new section:

7 **“SEC. 217. TEMPORARY CORPORATE CREDIT UNION STA-  
8 BILIZATION FUND.**

9 “(a) ESTABLISHMENT OF STABILIZATION FUND.—  
10 There is hereby created in the Treasury of the United  
11 States a fund to be known as the ‘Temporary Corporate  
12 Credit Union Stabilization Fund.’ The Board will admin-  
13 ister the Stabilization Fund as prescribed by section 209.

14 “(b) EXPENDITURES FROM STABILIZATION FUND.—  
15 Money in the Stabilization Fund shall be available upon  
16 requisition by the Board, without fiscal year limitation, for  
17 making payments for the purposes described in section  
18 203(a), subject to the following additional limitations:

19 “(1) All payments other than administrative  
20 payments shall be connected to the conservatorship,  
21 liquidation, or threatened conservatorship or liquida-  
22 tion, of a corporate credit union.

23 “(2) Prior to authorizing each payment the  
24 Board shall—

1           “(A) certify that, absent the existence of  
2           the Stabilization Fund, the Board would have  
3           made the identical payment out of the National  
4           Credit Union Share Insurance Fund (Insurance  
5           Fund); and

6           “(B) report each such certification to the  
7           Committee on Banking, Housing, and Urban  
8           Affairs of the Senate and the Committee on Fi-  
9           nancial Services of the House of Representa-  
10          tives.

11          “(c) AUTHORITY TO BORROW.—

12           “(1) IN GENERAL.—The Stabilization Fund is  
13           authorized to borrow from the Secretary of the  
14           Treasury from time-to-time as deemed necessary by  
15           the Board. The maximum outstanding amount of all  
16           borrowings from the Treasury by the Stabilization  
17           Fund and the National Credit Union Share Insur-  
18           ance Fund, combined, is limited to the amount pro-  
19           vided for in section 203(d)(1), including any author-  
20           ized increases in that amount.

21          “(2) REPAYMENT OF ADVANCES.—

22           “(A) IN GENERAL.—The advances made  
23           under this section shall be repaid by the Sta-  
24           bilization Fund, and interest on such advance

1 shall be paid, to the General fund of the Treas-  
2 ury.

3 “(B) VARIABLE RATE OF INTEREST.—The  
4 Secretary of the Treasury shall make the first  
5 rate determination at the time of the first ad-  
6 vance under this section and shall reset the rate  
7 again for all advances on each anniversary of  
8 the first advance. The interest rate shall be  
9 equal to the average market yield on out-  
10 standing marketable obligations of the United  
11 States with remaining periods to maturity equal  
12 to 12 months.

13 “(3) REPAYMENT SCHEDULE.—The Stabiliza-  
14 tion Fund shall repay the advances on a first-in,  
15 first-out basis, with interest on the amount repaid,  
16 at times and dates determined by the Board at its  
17 discretion. All advances shall be repaid not later  
18 than the date of the seventh anniversary of the first  
19 advance to the Stabilization Fund, unless the Board  
20 extends this final repayment date. The Board shall  
21 obtain the concurrence of the Secretary of the  
22 Treasury on any proposed extension, including the  
23 terms and conditions of the extended repayment.

24 “(d) ASSESSMENT TO REPAY ADVANCES.—At least  
25 90 days prior to each repayment described in subsection

1 (c)(3), the Board shall set the amount of the upcoming  
2 repayment and determine if the Stabilization Fund will  
3 have sufficient funds to make the repayment. If the Sta-  
4 bilization Fund might not have sufficient funds to make  
5 the repayment, the Board shall assess each federally in-  
6 sured credit union a special premium due and payable  
7 within 60 days in an aggregate amount calculated to en-  
8 sure the Stabilization Fund is able to make the repay-  
9 ment. The premium charge for each credit union shall be  
10 stated as a percentage of its insured shares as represented  
11 on the credit union's previous call report. The percentage  
12 shall be identical for each credit union. Any credit union  
13 that fails to make timely payment of the special premium  
14 is subject to the procedures and penalties described under  
15 subsections (d), (e), and (f) of section 202.

16       “(e) DISTRIBUTIONS FROM INSURANCE FUND.—At  
17 the end of any calendar year in which the Stabilization  
18 Fund has an outstanding advance from the Treasury, the  
19 Insurance Fund is prohibited from making the distribu-  
20 tion to insured credit unions described in section  
21 202(c)(3). In lieu of the distribution described in that sec-  
22 tion, the Insurance Fund shall make a distribution to the  
23 Stabilization Fund of the maximum amount possible that  
24 does not reduce the Insurance Fund's equity ratio below

1 the normal operating level and does not reduce the Insur-  
2 ance Fund's available assets ratio below 1.0 percent.

3       “(f) INVESTMENT OF STABILIZATION FUND AS-  
4 SETS.—The Board may request the Secretary of the  
5 Treasury to invest such portion of the Stabilization Fund  
6 as is not, in the Board's judgment, required to meet the  
7 current needs of the Stabilization Fund. Such investments  
8 shall be made by the Secretary of the Treasury in public  
9 debt securities, with maturities suitable to the needs of  
10 the Stabilization Fund, as determined by the Board, and  
11 bearing interest at a rate determined by the Secretary of  
12 the Treasury, taking into consideration current market  
13 yields on outstanding marketable obligations of the United  
14 States of comparable maturity.

15       “(g) REPORTS.—The Board shall submit an annual  
16 report to Congress on the financial condition and the re-  
17 sults of the operation of the Stabilization Fund. The re-  
18 port is due to Congress within 30 days after each anniver-  
19 sary of the first advance made under subsection (c)(1).  
20 Because the Fund will use advances from the Treasury  
21 to meet corporate stabilization costs with full repayment  
22 of borrowings to Treasury at the Board's discretion not  
23 due until 7 years from the initial advance, to the extent  
24 operating expenses of the Fund exceed income, the finan-  
25 cial condition of the Fund may reflect a deficit. With

1 planned and required future repayments, the Board shall  
 2 resolve all deficits prior to termination of the Fund.

3 “(h) CLOSING OF STABILIZATION FUND.—Within 90  
 4 days following the seventh anniversary of the initial Sta-  
 5 bilization Fund advance, or earlier at the Board’s discre-  
 6 tion, the Board shall distribute any funds, property, or  
 7 other assets remaining in the Stabilization Fund to the  
 8 Insurance Fund and shall close the Stabilization Fund.  
 9 If the Board extends the final repayment date as per-  
 10 mitted under subsection (c)(3), the mandatory date for  
 11 closing the Stabilization Fund shall be extended by the  
 12 same number of days.”.

13 (2) CONFORMING AMENDMENT.—Section  
 14 202(c)(3)(A) of the Federal Credit Union Act (12  
 15 U.S.C. 1782(c)(3)(A)) is amended by inserting “,  
 16 subject to the requirements of section 217(e),” after  
 17 “The Board shall”.

18 **SEC. 205. APPLICATION OF GSE CONFORMING LOAN LIMIT**  
 19 **TO MORTGAGES ASSISTED WITH TARP**  
 20 **FUNDS.**

21 In making any assistance available to prevent and  
 22 mitigate foreclosures on residential properties, including  
 23 any assistance for mortgage modifications, using any  
 24 amounts made available to the Secretary of the Treasury  
 25 under title I of the Emergency Economic Stabilization Act

1 of 2008, the Secretary shall provide that the limitation  
2 on the maximum original principal obligation of a mort-  
3 gage that may be modified, refinanced, made, guaranteed,  
4 insured, or otherwise assisted, using such amounts shall  
5 not be less than the dollar amount limitation on the max-  
6 imum original principal obligation of a mortgage that may  
7 be purchased by the Federal Home Loan Mortgage Cor-  
8 poration that is in effect, at the time that the mortgage  
9 is modified, refinanced, made, guaranteed, insured, or oth-  
10 erwise assisted using such amounts, for the area in which  
11 the property involved in the transaction is located.

12 **SEC. 206. MORTGAGES ON CERTAIN HOMES ON LEASED**  
13 **LAND.**

14 Section 255(b)(4) of the National Housing Act (12  
15 U.S.C. 1715z-20(b)(4)) is amended by striking subpara-  
16 graph (B) and inserting:

17 “(B) under a lease that has a term that  
18 ends no earlier than the minimum number of  
19 years, as specified by the Secretary, beyond the  
20 actuarial life expectancy of the mortgagor or co-  
21 mortgagor, whichever is the later date.”.

22 **SEC. 207. SENSE OF CONGRESS REGARDING MORTGAGE**  
23 **REVENUE BOND PURCHASES.**

24 It is the sense of the Congress that the Secretary of  
25 the Treasury should use amounts made available in this

1 Act to purchase mortgage revenue bonds for single-family  
2 housing issued through State housing finance agencies  
3 and through units of local government and agencies there-  
4 of.

5 **TITLE III—MORTGAGE FRAUD**  
6 **TASK FORCE**

7 **SEC. 301. SENSE OF CONGRESS ON ESTABLISHMENT OF A**  
8 **NATIONWIDE MORTGAGE FRAUD TASK**  
9 **FORCE.**

10 (a) IN GENERAL.—It is the sense of the Congress  
11 that the Department of Justice establish a Nationwide  
12 Mortgage Fraud Task Force (hereinafter referred to in  
13 this section as the “Task Force”) to address mortgage  
14 fraud in the United States.

15 (b) SUPPORT.—If the Department of Justice estab-  
16 lishes the Task Force referred to in subsection (a), it is  
17 the sense of the Congress that the Attorney General  
18 should provide the Task Force with the appropriate staff,  
19 administrative support, and other resources necessary to  
20 carry out the duties of the Task Force.

21 (c) MANDATORY FUNCTIONS.—If the Department of  
22 Justice establishes the Task Force referred to in sub-  
23 section (a), it is the sense of the Congress that the Attor-  
24 ney General should—

1           (1) establish coordinating entities, and solicit  
2           the voluntary participation of Federal, State, and  
3           local law enforcement and prosecutorial agencies in  
4           such entities, to organize initiatives to address mort-  
5           gage fraud, including initiatives to enforce State  
6           mortgage fraud laws and other related Federal and  
7           State laws;

8           (2) provide training to Federal, State, and local  
9           law enforcement and prosecutorial agencies with re-  
10          spect to mortgage fraud, including related Federal  
11          and State laws;

12          (3) collect and disseminate data with respect to  
13          mortgage fraud, including Federal, State, and local  
14          data relating to mortgage fraud investigations and  
15          prosecutions; and

16          (4) perform other functions determined by the  
17          Attorney General to enhance the detection of, pre-  
18          vention of, and response to mortgage fraud in the  
19          United States.

20          (d) **OPTIONAL FUNCTIONS.**—If the Department of  
21          Justice establishes the Task Force referred to in sub-  
22          section (a), it is the sense of the Congress that the Task  
23          Force should—

24                 (1) initiate and coordinate Federal mortgage  
25                 fraud investigations and, through the coordinating

1 entities described under subsection (c), State and  
2 local mortgage fraud investigations;

3 (2) establish a toll-free hotline for—

4 (A) reporting mortgage fraud;

5 (B) providing the public with access to in-  
6 formation and resources with respect to mort-  
7 gage fraud; and

8 (C) directing reports of mortgage fraud to  
9 the appropriate Federal, State, and local law  
10 enforcement and prosecutorial agency, including  
11 to the appropriate branch of the Task Force es-  
12 tablished under subsection (d);

13 (3) create a database with respect to suspen-  
14 sions and revocations of mortgage industry licenses  
15 and certifications to facilitate the sharing of such in-  
16 formation by States;

17 (4) make recommendations with respect to the  
18 need for and resources available to provide the  
19 equipment and training necessary for the Task  
20 Force to combat mortgage fraud; and

21 (5) propose legislation to Federal, State, and  
22 local legislative bodies with respect to the elimination  
23 and prevention of mortgage fraud, including meas-  
24 ures to address mortgage loan procedures and prop-

1 erty appraiser practices that provide opportunities  
2 for mortgage fraud.

3 **TITLE IV—FORECLOSURE**  
4 **MORATORIUM PROVISIONS**

5 **SEC. 401. SENSE OF THE CONGRESS ON FORECLOSURES.**

6 (a) IN GENERAL.—It is the sense of the Congress  
7 that mortgage holders, institutions, and mortgage  
8 servicers should not initiate a foreclosure proceeding or  
9 a foreclosure sale on any homeowner until the foreclosure  
10 mitigation provisions, like the Hope for Homeowners pro-  
11 gram, as required under title II, and the President’s  
12 “Homeowner Affordability and Stability Plan” have been  
13 implemented and determined to be operational by the Sec-  
14 retary of Housing and Urban Development and the Sec-  
15 retary of the Treasury.

16 (b) SCOPE OF MORATORIUM.—The foreclosure mora-  
17 torium referred to in subsection (a) should apply only for  
18 first mortgages secured by the owner’s principal dwelling.

19 (c) FHA-REGULATED LOAN MODIFICATION AGREE-  
20 MENTS.—If a mortgage holder, institution, or mortgage  
21 servicer to which subsection (a) applies reaches a loan  
22 modification agreement with a homeowner under the aus-  
23 pices of the Federal Housing Administration before any  
24 plan referred to in such subsection takes effect, subsection

1 (a) shall cease to apply to such institution as of the effective date of the loan modification agreement.

3 (d) DUTY OF CONSUMER TO MAINTAIN PROPERTY.—Any homeowner for whose benefit any foreclosure proceeding or sale is barred under subsection (a) from being instituted, continued, or consummated with respect to any homeowner mortgage should not, with respect to any property securing such mortgage, destroy, damage, or impair such property, allow the property to deteriorate, or commit waste on the property.

11 (e) DUTY OF CONSUMER TO RESPOND TO REASONABLE INQUIRIES.—Any homeowner for whose benefit any foreclosure proceeding or sale is barred under subsection (a) from being instituted, continued, or consummated with respect to any homeowner mortgage should respond to reasonable inquiries from a creditor or servicer during the period during which such foreclosure proceeding or sale is barred.

19 **SEC. 402. PUBLIC-PRIVATE INVESTMENT PROGRAM; ADDITIONAL APPROPRIATIONS FOR THE SPECIAL INSPECTOR GENERAL FOR THE TROUBLED ASSET RELIEF PROGRAM.**

23 (a) SHORT TITLE.—This section may be cited as the “Public-Private Investment Program Improvement and Oversight Act of 2009”.

1 (b) PUBLIC-PRIVATE INVESTMENT PROGRAM.—

2 (1) IN GENERAL.—Any program established by  
3 the Federal Government to create a public-private  
4 investment fund shall—

5 (A) in consultation with the Special In-  
6 spector General of the Trouble Asset Relief  
7 Program (in this section referred to as the  
8 “Special Inspector General”), impose strict con-  
9 flict of interest rules on managers of public-pri-  
10 vate investment funds to ensure that securities  
11 bought by the funds are purchased in arms-  
12 length transactions, that fiduciary duties to  
13 public and private investors in the fund are not  
14 violated, and that there is full disclosure of rel-  
15 evant facts and financial interests (which con-  
16 flict of interest rules shall be implemented by  
17 the manager of a public-private investment fund  
18 prior to such fund receiving Federal Govern-  
19 ment financing);

20 (B) require each public-private investment  
21 fund to make a quarterly report to the Sec-  
22 retary of the Treasury (in this section referred  
23 to as the “Secretary”) that discloses the 10  
24 largest positions of such fund (which reports  
25 shall be publicly disclosed at such time as the

1 Secretary of the Treasury determines that such  
2 disclosure will not harm the ongoing business  
3 operations of the fund);

4 (C) allow the Special Inspector General ac-  
5 cess to all books and records of a public-private  
6 investment fund, including all records of finan-  
7 cial transactions in machine readable form, and  
8 the confidentiality of all such information shall  
9 be maintained by the Special Inspector General;

10 (D) require each manager of a public-pri-  
11 vate investment fund to retain all books, docu-  
12 ments, and records relating to such public-pri-  
13 vate investment fund, including electronic mes-  
14 sages;

15 (E) require each manager of a public-pri-  
16 vate investment fund to acknowledge, in writ-  
17 ing, a fiduciary duty to both the public and pri-  
18 vate investors in such fund;

19 (F) require each manager of a public-pri-  
20 vate investment fund to develop a robust ethics  
21 policy that includes methods to ensure compli-  
22 ance with such policy;

23 (G) require strict investor screening proce-  
24 dures for public-private investment funds; and

1 (H) require each manager of a public-pri-  
2 vate investment fund to identify for the Sec-  
3 retary each investor that, individually or to-  
4 gether with its affiliates, directly or indirectly  
5 holds equity interests in the fund acquired as a  
6 result of—

7 (i) any investment by such investor or  
8 any of its affiliates in a vehicle formed for  
9 the purpose of directly or indirectly invest-  
10 ing in the fund; or

11 (ii) any other investment decision by  
12 such investor or any of its affiliates to di-  
13 rectly or indirectly invest in the fund that,  
14 in the aggregate, equal at least 10 percent  
15 of the equity interests in such fund.

16 (2) INTERACTION BETWEEN PUBLIC-PRIVATE  
17 INVESTMENT FUNDS AND THE TERM-ASSET BACKED  
18 SECURITIES LOAN FACILITY.—The Secretary shall  
19 consult with the Special Inspector General and shall  
20 issue regulations governing the interaction of the  
21 Public-Private Investment Program, the Term-Asset  
22 Backed Securities Loan Facility, and other similar  
23 public-private investment programs. Such regula-  
24 tions shall address concerns regarding the potential

1 for excessive leverage that could result from inter-  
2 actions between such programs.

3 (3) REPORT.—Not later than 60 days after the  
4 date of the establishment of a program described in  
5 paragraph (1), the Special Inspector General shall  
6 submit a report to Congress on the implementation  
7 of this section.

8 (c) ADDITIONAL APPROPRIATIONS FOR THE SPECIAL  
9 INSPECTOR GENERAL.—

10 (1) IN GENERAL.—Of amounts made available  
11 under section 115(a) of the Emergency Economic  
12 Stabilization Act of 2008 (Public Law 110–343),  
13 \$15,000,000 shall be made available to the Special  
14 Inspector General, which shall be in addition to  
15 amounts otherwise made available to the Special In-  
16 spector General.

17 (2) PRIORITIES.—In utilizing funds made avail-  
18 able under this section, the Special Inspector Gen-  
19 eral shall prioritize the performance of audits or in-  
20 vestigations of recipients of non-recourse Federal  
21 loans made under the Public Private Investment  
22 Program established by the Secretary of the Treas-  
23 ury or the Term Asset Loan Facility established by  
24 the Board of Governors of the Federal Reserve Sys-  
25 tem (including any successor thereto or any other

1 similar program established by the Secretary or the  
2 Board), to the extent that such priority is consistent  
3 with other aspects of the mission of the Special In-  
4 spector General. Such audits or investigations shall  
5 determine the existence of any collusion between the  
6 loan recipient and the seller or originator of the  
7 asset used as loan collateral, or any other conflict of  
8 interest that may have led the loan recipient to de-  
9 liberately overstate the value of the asset used as  
10 loan collateral.

11 (d) RULE OF CONSTRUCTION.—Notwithstanding any  
12 other provision of law, nothing in this section shall be con-  
13 strued to apply to any activity of the Federal Deposit In-  
14 surance Corporation in connection with insured depository  
15 institutions, as described in section 13(c)(2)(B) of the  
16 Federal Deposit Insurance Act.

17 (e) DEFINITION.—In this section, the term “public-  
18 private investment fund” means a financial vehicle that  
19 is—

20 (1) established by the Federal Government to  
21 purchase pools of loans, securities, or assets from a  
22 financial institution described in section 101(a)(1) of  
23 the Emergency Economic Stabilization Act of 2008  
24 (12 U.S.C. 5211(a)(1)); and



1           “(1) IN GENERAL.—In addition to other disclo-  
2           sures required by this title, not later than 30 days  
3           after the date on which a mortgage loan is sold or  
4           otherwise transferred or assigned to a third party,  
5           the creditor that is the new owner or assignee of the  
6           debt shall notify the borrower in writing of such  
7           transfer, including—

8                   “(A) the identity, address, telephone num-  
9                   ber of the new creditor;

10                   “(B) the date of transfer;

11                   “(C) how to reach an agent or party hav-  
12                   ing authority to act on behalf of the new cred-  
13                   itor;

14                   “(D) the location of the place where trans-  
15                   fer of ownership of the debt is recorded; and

16                   “(E) any other relevant information re-  
17                   garding the new creditor.

18           “(2) DEFINITION.—As used in this subsection,  
19           the term ‘mortgage loan’ means any consumer credit  
20           transaction that is secured by the principal dwelling  
21           of a consumer.”.

22           (b) PRIVATE RIGHT OF ACTION.—Section 130(a) of  
23           the Truth in Lending Act (15 U.S.C. 1640(a)) is amended  
24           by inserting “subsection (f) or (g) of section 131,” after  
25           “section 125,”.

1                   **TITLE V—FARM LOAN**  
2                   **RESTRUCTURING**

3   **SEC. 501. CONGRESSIONAL OVERSIGHT PANEL SPECIAL RE-**  
4                   **PORT.**

5           Section 125(b) of the Emergency Economic Stabiliza-  
6   tion Act of 2008 (12 U.S.C. 5233(b)) is amended by add-  
7   ing at the end the following:

8                   “(3) SPECIAL REPORT ON FARM LOAN RE-  
9           STRUCTURING.—Not later than 60 days after the  
10   date of enactment of this paragraph, the Oversight  
11   Panel shall submit a special report on farm loan re-  
12   structuring that—

13                   “(A) analyzes the state of the commercial  
14           farm credit markets and the use of loan re-  
15           structuring as an alternative to foreclosure by  
16           recipients of financial assistance under the  
17           Troubled Asset Relief Program; and

18                   “(B) includes an examination of and rec-  
19           ommendation on the different methods for farm  
20           loan restructuring that could be used as part of  
21           a foreclosure mitigation program for farm loans  
22           made by recipients of financial assistance under  
23           the Troubled Asset Relief Program, including  
24           any programs for direct loan restructuring or  
25           modification carried out by the Farm Service

1 Agency of the Department of Agriculture, the  
 2 farm credit system, and the Making Home Af-  
 3 fordable Program of the Department of the  
 4 Treasury.”.

5 **TITLE VI—ENHANCED OVER-**  
 6 **SIGHT OF THE TROUBLED**  
 7 **ASSET RELIEF PROGRAM**

8 **SEC. 601. ENHANCED OVERSIGHT OF THE TROUBLED**  
 9 **ASSET RELIEF PROGRAM.**

10 Section 116 of the Emergency Economic Stabilization  
 11 Act of 2008 (12 U.S.C. 5226) is amended—

12 (1) in subsection (a)(1)(A)—

13 (A) in clause (iii), by striking “and” at the  
 14 end;

15 (B) in clause (iv), by striking the period at  
 16 the end and inserting “; and”; and

17 (C) by adding at the end the following:

18 “(v) public accountability for the exer-  
 19 cise of such authority, including with re-  
 20 spect to actions taken by those entities  
 21 participating in programs established  
 22 under this Act.”; and

23 (2) in subsection (a)(2)—

24 (A) by redesignating subparagraph (C) as  
 25 subparagraph (F); and

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

3 “(A) DEFINITION.—In this paragraph, the  
4 term ‘governmental unit’ has the meaning given  
5 under section 101(27) of title 11, United States  
6 Code, and does not include any insured deposi-  
7 tory institution as defined under section 3 of  
8 the Federal Deposit Insurance Act (12 U.S.C.  
9 8113).

10 “(B) GAO PRESENCE.—The Secretary  
11 shall provide the Comptroller General with ap-  
12 propriate space and facilities in the Department  
13 of the Treasury as necessary to facilitate over-  
14 sight of the TARP until the termination date  
15 established in section 5230 of this title.

16 “(C) ACCESS TO RECORDS.—

17 “(i) IN GENERAL.—Notwithstanding  
18 any other provision of law, and for pur-  
19 poses of reviewing the performance of the  
20 TARP, the Comptroller General shall have  
21 access, upon request, to any information,  
22 data, schedules, books, accounts, financial  
23 records, reports, files, electronic commu-  
24 nications, or other papers, things, or prop-  
25 erty belonging to or in use by the TARP,

1 any entity established by the Secretary  
2 under this Act, any entity that is estab-  
3 lished by a Federal reserve bank and re-  
4 ceives funding from the TARP, or any en-  
5 tity (other than a governmental unit) par-  
6 ticipating in a program established under  
7 the authority of this Act, and to the offi-  
8 cers, employees, directors, independent  
9 public accountants, financial advisors and  
10 any and all other agents and representa-  
11 tives thereof, at such time as the Comp-  
12 troller General may request.

13 “(ii) VERIFICATION.—The Comp-  
14 troller General shall be afforded full facili-  
15 ties for verifying transactions with the bal-  
16 ances or securities held by, among others,  
17 depositories, fiscal agents, and custodians.

18 “(iii) COPIES.—The Comptroller Gen-  
19 eral may make and retain copies of such  
20 books, accounts, and other records as the  
21 Comptroller General determines appro-  
22 priate.

23 “(D) AGREEMENT BY ENTITIES.—Each  
24 contract, term sheet, or other agreement be-  
25 tween the Secretary or the TARP (or any

1 TARP vehicle, officer, director, employee, inde-  
2 pendent public accountant, financial advisor, or  
3 other TARP agent or representative) and an  
4 entity (other than a governmental unit) partici-  
5 pating in a program established under this Act  
6 shall provide for access by the Comptroller Gen-  
7 eral in accordance with this section.

8 “(E) RESTRICTION ON PUBLIC DISCLO-  
9 SURE.—

10 “(i) IN GENERAL.—The Comptroller  
11 General may not publicly disclose propri-  
12 etary or trade secret information obtained  
13 under this section.

14 “(ii) EXCEPTION FOR CONGRES-  
15 SIONAL COMMITTEES.—This subparagraph  
16 does not limit disclosures to congressional  
17 committees or members thereof having ju-  
18 risdiction over a private or public entity re-  
19 ferred to under subparagraph (C).

20 “(iii) RULE OF CONSTRUCTION.—  
21 Nothing in this section shall be construed  
22 to alter or amend the prohibitions against  
23 the disclosure of trade secrets or other in-  
24 formation prohibited by section 1905 of  
25 title 18, United States Code, section

1                   714(c) of title 31, United States Code, or  
 2                   other applicable provisions of law.”.

3                   **TITLE VII—PROTECTING**  
 4                   **TENANTS AT FORECLOSURE ACT**

5                   **SEC. 701. SHORT TITLE.**

6                   This title may be cited as the “Protecting Tenants  
 7 at Foreclosure Act of 2009”.

8                   **SEC. 702. EFFECT OF FORECLOSURE ON PREEXISTING TEN-**  
 9                   **ANCY.**

10                  (a) IN GENERAL.—In the case of any foreclosure on  
 11 a federally-related mortgage loan or on any dwelling or  
 12 residential real property after the date of enactment of  
 13 this title, any immediate successor in interest in such  
 14 property pursuant to the foreclosure shall assume such in-  
 15 terest subject to—

16                   (1) the provision, by such successor in interest  
 17 of a notice to vacate to any bona fide tenant at least  
 18 90 days before the effective date of such notice; and

19                   (2) the rights of any bona fide tenant, as of the  
 20 date of such notice of foreclosure—

21                   (A) under any bona fide lease entered into  
 22 before the notice of foreclosure to occupy the  
 23 premises until the end of the remaining term of  
 24 the lease, except that a successor in interest  
 25 may terminate a lease effective on the date of

1 sale of the unit to a purchaser who will occupy  
2 the unit as a primary residence, subject to the  
3 receipt by the tenant of the 90 day notice under  
4 paragraph (1); or

5 (B) without a lease or with a lease ter-  
6 minable at will under State law, subject to the  
7 receipt by the tenant of the 90 day notice under  
8 subsection (1),

9 except that nothing under this section shall affect  
10 the requirements for termination of any Federal- or  
11 State-subsidized tenancy or of any State or local law  
12 that provides longer time periods or other additional  
13 protections for tenants.

14 (b) BONA FIDE LEASE OR TENANCY.—For purposes  
15 of this section, a lease or tenancy shall be considered bona  
16 fide only if—

17 (1) the mortgagor under the contract is not the  
18 tenant;

19 (2) the lease or tenancy was the result of an  
20 arms-length transaction; or

21 (3) the lease or tenancy requires the receipt of  
22 rent that is not substantially less than fair market  
23 rent for the property.

24 (c) DEFINITION.—For purposes of this section, the  
25 term “federally-related mortgage loan” has the same

1 meaning as in section 3 of the Real Estate Settlement  
2 Procedures Act of 1974 (12 U.S.C. 2602).

3 **SEC. 703. EFFECT OF FORECLOSURE ON SECTION 8 TENAN-**  
4 **CIES.**

5 Section 8(o)(7) of the United States Housing Act of  
6 1937 (42 U.S.C. 1437f(o)(7)) is amended—

7 (1) by inserting before the semicolon in sub-  
8 paragraph (C) the following: “and in the case of an  
9 owner who is an immediate successor in interest  
10 pursuant to foreclosure during the initial term of the  
11 lease vacating the property prior to sale shall not  
12 constitute other good cause, except that the owner  
13 may terminate the tenancy effective on the date of  
14 transfer of the unit to the owner if the owner—

15 “(i) will occupy the unit as a primary  
16 residence; and

17 “(ii) has provided the tenant a notice  
18 to vacate at least 90 days before the effec-  
19 tive date of such notice.”; and

20 (2) by inserting at the end of subparagraph (F)  
21 the following: “In the case of any foreclosure on any  
22 federally-related mortgage loan (as that term is de-  
23 fined in section 3 of the Real Estate Settlement Pro-  
24 cedures Act of 1974 (12 U.S.C. 2602)) or on any  
25 residential real property in which a recipient of as-

1       sistance under this subsection resides, the immediate  
 2       successor in interest in such property pursuant to  
 3       the foreclosure shall assume such interest subject to  
 4       the lease between the prior owner and the tenant  
 5       and to the housing assistance payments contract be-  
 6       tween the prior owner and the public housing agency  
 7       for the occupied unit, except that this provision and  
 8       the provisions related to foreclosure in subparagraph  
 9       (C) shall not shall not affect any State or local law  
 10      that provides longer time periods or other additional  
 11      protections for tenants.”.

12 **SEC. 704. SUNSET.**

13       This title, and any amendments made by this title  
 14      are repealed, and the requirements under this title shall  
 15      terminate, on December 31, 2012.

16 **TITLE VIII—COMPTROLLER GEN-**  
 17 **ERAL ADDITIONAL AUDIT AU-**  
 18 **THORITIES**

19 **SEC. 801. COMPTROLLER GENERAL ADDITIONAL AUDIT AU-**  
 20 **THORITIES.**

21       (a) BOARD OF GOVERNORS OF THE FEDERAL RE-  
 22      SERVE SYSTEM.—Section 714 of title 31, United States  
 23      Code, is amended—

24               (1) in subsection (a), by striking “Federal Re-  
 25      serve Board,” and inserting “Board of Governors of

1 the Federal Reserve System (in this section referred  
2 to as the ‘Board’),”;

3 (2) in subsection (b)—

4 (A) in the matter preceding paragraph (1),  
5 by striking “Federal Reserve Board,” and in-  
6 serting “Board”; and

7 (B) in paragraph (4), by striking “of Gov-  
8 ernors”.

9 (b) CONFIDENTIAL INFORMATION.—Section 714(c)  
10 of title 31, United States Code, is amended by striking  
11 paragraph (3) and inserting the following:

12 “(3) Except as provided under paragraph (4),  
13 an officer or employee of the Government Account-  
14 ability Office may not disclose to any person outside  
15 the Government Accountability Office information  
16 obtained in audits or examinations conducted under  
17 subsection (e) and maintained as confidential by the  
18 Board or the Federal reserve banks.

19 “(4) This subsection shall not—

20 “(A) authorize an officer or employee of an  
21 agency to withhold information from any com-  
22 mittee or subcommittee of jurisdiction of Con-  
23 gress, or any member of such committee or sub-  
24 committee; or

1           “(B) limit any disclosure by the Govern-  
2           ment Accountability Office to any committee or  
3           subcommittee of jurisdiction of Congress, or  
4           any member of such committee or sub-  
5           committee.”.

6           (c) ACCESS TO RECORDS.—Section 714(d) of title 31,  
7           United States Code, is amended—

8           (1) in paragraph (1), by inserting “The Comp-  
9           troller General shall have access to the officers, em-  
10          ployees, contractors, and other agents and represent-  
11          atives of an agency and any entity established by an  
12          agency at any reasonable time as the Comptroller  
13          General may request. The Comptroller General may  
14          make and retain copies of such books, accounts, and  
15          other records as the Comptroller General determines  
16          appropriate.” after the first sentence;

17          (2) in paragraph (2), by inserting “, copies of  
18          any record,” after “records”; and

19          (3) by adding at the end the following:

20               “(3)(A) For purposes of conducting audits and  
21               examinations under subsection (e), the Comptroller  
22               General shall have access, upon request, to any in-  
23               formation, data, schedules, books, accounts, financial  
24               records, reports, files, electronic communications, or

1 other papers, things or property belonging to or in  
2 use by—

3 “(i) any entity established by any action  
4 taken by the Board described under subsection  
5 (e);

6 “(ii) any entity receiving assistance from  
7 any action taken by the Board described under  
8 subsection (e), to the extent that the access and  
9 request relates to that assistance; and

10 “(iii) the officers, directors, employees,  
11 independent public accountants, financial advi-  
12 sors and any and all representatives of any en-  
13 tity described under clause (i) or (ii); to the ex-  
14 tent that the access and request relates to that  
15 assistance;

16 “(B) The Comptroller General shall have access  
17 as provided under subparagraph (A) at such time as  
18 the Comptroller General may request.

19 “(C) Each contract, term sheet, or other agree-  
20 ment between the Board or any Federal reserve  
21 bank (or any entity established by the Board or any  
22 Federal reserve bank) and an entity receiving assist-  
23 ance from any action taken by the Board described  
24 under subsection (e) shall provide for access by the

1 Comptroller General in accordance with this para-  
2 graph.”.

3 (d) AUDITS OF CERTAIN ACTIONS OF THE BOARD  
4 OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.—  
5 Section 714 of title 31, United States Code, is amended  
6 by adding at the end the following:

7 “(e) Notwithstanding subsection (b), the Comptroller  
8 General may conduct audits, including onsite examina-  
9 tions when the Comptroller General determines such au-  
10 dits and examinations are appropriate, of any action taken  
11 by the Board under the third undesignated paragraph of  
12 section 13 of the Federal Reserve Act (12 U.S.C. 343);  
13 with respect to a single and specific partnership or cor-  
14 poration.”.

15 **DIVISION B—HOMELESSNESS**  
16 **REFORM**

17 **SEC. 1001. SHORT TITLE; TABLE OF CONTENTS.**

18 (a) SHORT TITLE.—This division may be cited as the  
19 “Homeless Emergency Assistance and Rapid Transition  
20 to Housing Act of 2009”.

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

DIVISION B—HOMELESSNESS REFORM

Sec. 1001. Short title; table of contents.

Sec. 1002. Findings and purposes.

Sec. 1003. Definition of homelessness.

Sec. 1004. United States Interagency Council on Homelessness.

TITLE I—HOUSING ASSISTANCE GENERAL PROVISIONS

- Sec. 1101. Definitions.
- Sec. 1102. Community homeless assistance planning boards.
- Sec. 1103. General provisions.
- Sec. 1104. Protection of personally identifying information by victim service providers.
- Sec. 1105. Authorization of appropriations.

#### TITLE II—EMERGENCY SOLUTIONS GRANTS PROGRAM

- Sec. 1201. Grant assistance.
- Sec. 1202. Eligible activities.
- Sec. 1203. Participation in Homeless Management Information System.
- Sec. 1204. Administrative provision.
- Sec. 1205. GAO study of administrative fees.

#### TITLE III—CONTINUUM OF CARE PROGRAM

- Sec. 1301. Continuum of care.
- Sec. 1302. Eligible activities.
- Sec. 1303. High performing communities.
- Sec. 1304. Program requirements.
- Sec. 1305. Selection criteria, allocation amounts, and funding.
- Sec. 1306. Research.

#### TITLE IV—RURAL HOUSING STABILITY ASSISTANCE PROGRAM

- Sec. 1401. Rural housing stability assistance.
- Sec. 1402. GAO study of homelessness and homeless assistance in rural areas.

#### TITLE V—REPEALS AND CONFORMING AMENDMENTS

- Sec. 1501. Repeals.
- Sec. 1502. Conforming amendments.
- Sec. 1503. Effective date.
- Sec. 1504. Regulations.
- Sec. 1505. Amendment to table of contents.

### 1 **SEC. 1002. FINDINGS AND PURPOSES.**

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

3 (1) a lack of affordable housing and limited  
4 scale of housing assistance programs are the pri-  
5 mary causes of homelessness; and

6 (2) homelessness affects all types of commu-  
7 nities in the United States, including rural, urban,  
8 and suburban areas.

9 (b) PURPOSES.—The purposes of this division are—

1           (1) to consolidate the separate homeless assist-  
2           ance programs carried out under title IV of the  
3           McKinney-Vento Homeless Assistance Act (con-  
4           sisting of the supportive housing program and re-  
5           lated innovative programs, the safe havens program,  
6           the section 8 assistance program for single-room oc-  
7           cupancy dwellings, and the shelter plus care pro-  
8           gram) into a single program with specific eligible ac-  
9           tivities;

10           (2) to codify in Federal law the continuum of  
11           care planning process as a required and integral  
12           local function necessary to generate the local strate-  
13           gies for ending homelessness; and

14           (3) to establish a Federal goal of ensuring that  
15           individuals and families who become homeless return  
16           to permanent housing within 30 days.

17 **SEC. 1003. DEFINITION OF HOMELESSNESS.**

18           (a) IN GENERAL.—Section 103 of the McKinney-  
19           Vento Homeless Assistance Act (42 U.S.C. 11302) is  
20           amended—

21           (1) by redesignating subsections (b) and (c) as  
22           subsections (c) and (d); and

23           (2) by striking subsection (a) and inserting the  
24           following:

1       “(a) IN GENERAL.—For purposes of this Act, the  
2 terms ‘homeless’, ‘homeless individual’, and ‘homeless per-  
3 son’ means—

4           “(1) an individual or family who lacks a fixed,  
5 regular, and adequate nighttime residence;

6           “(2) an individual or family with a primary  
7 nighttime residence that is a public or private place  
8 not designed for or ordinarily used as a regular  
9 sleeping accommodation for human beings, including  
10 a car, park, abandoned building, bus or train sta-  
11 tion, airport, or camping ground;

12           “(3) an individual or family living in a super-  
13 vised publicly or privately operated shelter des-  
14 ignated to provide temporary living arrangements  
15 (including hotels and motels paid for by Federal,  
16 State, or local government programs for low-income  
17 individuals or by charitable organizations, con-  
18 gregate shelters, and transitional housing);

19           “(4) an individual who resided in a shelter or  
20 place not meant for human habitation and who is  
21 exiting an institution where he or she temporarily  
22 resided;

23           “(5) an individual or family who—

24           “(A) will imminently lose their housing, in-  
25 cluding housing they own, rent, or live in with-

1 out paying rent, are sharing with others, and  
2 rooms in hotels or motels not paid for by Fed-  
3 eral, State, or local government programs for  
4 low-income individuals or by charitable organi-  
5 zations, as evidenced by—

6 “(i) a court order resulting from an  
7 eviction action that notifies the individual  
8 or family that they must leave within 14  
9 days;

10 “(ii) the individual or family having a  
11 primary nighttime residence that is a room  
12 in a hotel or motel and where they lack the  
13 resources necessary to reside there for  
14 more than 14 days; or

15 “(iii) credible evidence indicating that  
16 the owner or renter of the housing will not  
17 allow the individual or family to stay for  
18 more than 14 days, and any oral statement  
19 from an individual or family seeking home-  
20 less assistance that is found to be credible  
21 shall be considered credible evidence for  
22 purposes of this clause;

23 “(B) has no subsequent residence identi-  
24 fied; and

1           “(C) lacks the resources or support net-  
2           works needed to obtain other permanent hous-  
3           ing; and

4           “(6) unaccompanied youth and homeless fami-  
5           lies with children and youth defined as homeless  
6           under other Federal statutes who—

7           “(A) have experienced a long term period  
8           without living independently in permanent  
9           housing,

10           “(B) have experienced persistent instability  
11           as measured by frequent moves over such pe-  
12           riod, and

13           “(C) can be expected to continue in such  
14           status for an extended period of time because of  
15           chronic disabilities, chronic physical health or  
16           mental health conditions, substance addiction,  
17           histories of domestic violence or childhood  
18           abuse, the presence of a child or youth with a  
19           disability, or multiple barriers to employment.

20           “(b) DOMESTIC VIOLENCE AND OTHER DANGEROUS  
21           OR LIFE-THREATENING CONDITIONS.—Notwithstanding  
22           any other provision of this section, the Secretary shall con-  
23           sider to be homeless any individual or family who is flee-  
24           ing, or is attempting to flee, domestic violence, dating vio-  
25           lence, sexual assault, stalking, or other dangerous or life-

1 threatening conditions in the individual’s or family’s cur-  
2 rent housing situation, including where the health and  
3 safety of children are jeopardized, and who have no other  
4 residence and lack the resources or support networks to  
5 obtain other permanent housing.”.

6 (b) REGULATIONS.—Not later than the expiration of  
7 the 6-month period beginning upon the date of the enact-  
8 ment of this division, the Secretary of Housing and Urban  
9 Development shall issue regulations that provide sufficient  
10 guidance to recipients of funds under title IV of the  
11 McKinney-Vento Homeless Assistance Act to allow uni-  
12 form and consistent implementation of the requirements  
13 of section 103 of such Act, as amended by subsection (a)  
14 of this section. This subsection shall take effect on the  
15 date of the enactment of this division.

16 (c) CLARIFICATION OF EFFECT ON OTHER LAWS.—  
17 This section and the amendments made by this section  
18 to section 103 of the McKinney-Vento Homeless Assist-  
19 ance Act (42 U.S.C. 11302) may not be construed to af-  
20 fect, alter, limit, annul, or supersede any other provision  
21 of Federal law providing a definition of “homeless”,  
22 “homeless individual”, or “homeless person” for purposes  
23 other than such Act, except to the extent that such provi-  
24 sion refers to such section 103 or the definition provided  
25 in such section 103.

1 **SEC. 1004. UNITED STATES INTERAGENCY COUNCIL ON**  
2 **HOMELESSNESS.**

3 (a) IN GENERAL.—Title II of the McKinney-Vento  
4 Homeless Assistance Act (42 U.S.C. 11311 et seq.) is  
5 amended—

6 (1) in section 201 (42 U.S.C. 11311), by insert-  
7 ing before the period at the end the following  
8 “whose mission shall be to coordinate the Federal  
9 response to homelessness and to create a national  
10 partnership at every level of government and with  
11 the private sector to reduce and end homelessness in  
12 the nation while maximizing the effectiveness of the  
13 Federal Government in contributing to the end of  
14 homelessness”;

15 (2) in section 202 (42 U.S.C. 11312)—

16 (A) in subsection (a)—

17 (i) by redesignating paragraph (16) as  
18 paragraph (22); and

19 (ii) by inserting after paragraph (15)  
20 the following:

21 “(16) The Commissioner of Social Security, or  
22 the designee of the Commissioner.

23 “(17) The Attorney General of the United  
24 States, or the designee of the Attorney General.

25 “(18) The Director of the Office of Manage-  
26 ment and Budget, or the designee of the Director.

1           “(19) The Director of the Office of Faith-Based  
2           and Community Initiatives, or the designee of the  
3           Director.

4           “(20) The Director of USA FreedomCorps, or  
5           the designee of the Director.”;

6                   (B) in subsection (c), by striking “annu-  
7                   ally” and inserting “four times each year, and  
8                   the rotation of the positions of Chairperson and  
9                   Vice Chairperson required under subsection (b)  
10                  shall occur at the first meeting of each year”;  
11                  and

12                  (C) by adding at the end the following:

13                  “(e) ADMINISTRATION.—The Executive Director of  
14                  the Council shall report to the Chairman of the Council.”;

15                  (3) in section 203(a) (42 U.S.C. 11313(a))—

16                   (A) by redesignating paragraphs (1), (2),  
17                   (3), (4), (5), (6), and (7) as paragraphs (2),  
18                   (3), (4), (5), (9), (10), and (11), respectively;

19                   (B) by inserting before paragraph (2), as  
20                   so redesignated by subparagraph (A), the fol-  
21                   lowing:

22                  “(1) not later than 12 months after the date of  
23                  the enactment of the Homeless Emergency Assist-  
24                  ance and Rapid Transition to Housing Act of 2009,  
25                  develop, make available for public comment, and

1 submit to the President and to Congress a National  
2 Strategic Plan to End Homelessness, and shall up-  
3 date such plan annually;”;

4 (C) in paragraph (5), as redesignated by  
5 subparagraph (A), by striking “at least 2, but  
6 in no case more than 5” and inserting “not less  
7 than 5, but in no case more than 10”;

8 (D) by inserting after paragraph (5), as so  
9 redesignated by subparagraph (A), the fol-  
10 lowing:

11 “(6) encourage the creation of State Inter-  
12 agency Councils on Homelessness and the formula-  
13 tion of jurisdictional 10-year plans to end homeless-  
14 ness at State, city, and county levels;

15 “(7) annually obtain from Federal agencies  
16 their identification of consumer-oriented entitlement  
17 and other resources for which persons experiencing  
18 homelessness may be eligible and the agencies’ iden-  
19 tification of improvements to ensure access; develop  
20 mechanisms to ensure access by persons experi-  
21 encing homelessness to all Federal, State, and local  
22 programs for which the persons are eligible, and to  
23 verify collaboration among entities within a commu-  
24 nity that receive Federal funding under programs  
25 targeted for persons experiencing homelessness, and

1 other programs for which persons experiencing  
2 homelessness are eligible, including mainstream pro-  
3 grams identified by the Government Accountability  
4 Office in the reports entitled ‘Homelessness: Coordi-  
5 nation and Evaluation of Programs Are Essential’,  
6 issued February 26, 1999, and ‘Homelessness: Bar-  
7 riers to Using Mainstream Programs’, issued July 6,  
8 2000;

9 “(8) conduct research and evaluation related to  
10 its functions as defined in this section;

11 “(9) develop joint Federal agency and other ini-  
12 tiatives to fulfill the goals of the agency;”;

13 (E) in paragraph (10), as so redesignated  
14 by subparagraph (A), by striking “and” at the  
15 end;

16 (F) in paragraph (11), as so redesignated  
17 by subparagraph (A), by striking the period at  
18 the end and inserting a semicolon;

19 (G) by adding at the end the following new  
20 paragraphs:

21 “(12) develop constructive alternatives to crim-  
22 inalizing homelessness and eliminate laws and poli-  
23 cies that prohibit sleeping, feeding, sitting, resting,  
24 or lying in public spaces when there are no suitable  
25 alternatives, result in the destruction of a homeless

1 person's property without due process, or are selec-  
2 tively enforced against homeless persons; and

3 “(13) not later than the expiration of the 6-  
4 month period beginning upon completion of the  
5 study requested in a letter to the Acting Comptroller  
6 General from the Chair and Ranking Member of the  
7 House Financial Services Committee and several  
8 other members regarding various definitions of  
9 homelessness in Federal statutes, convene a meeting  
10 of representatives of all Federal agencies and com-  
11 mittees of the House of Representatives and the  
12 Senate having jurisdiction over any Federal program  
13 to assist homeless individuals or families, local and  
14 State governments, academic researchers who spe-  
15 cialize in homelessness, nonprofit housing and serv-  
16 ice providers that receive funding under any Federal  
17 program to assist homeless individuals or families,  
18 organizations advocating on behalf of such nonprofit  
19 providers and homeless persons receiving housing or  
20 services under any such Federal program, and home-  
21 less persons receiving housing or services under any  
22 such Federal program, at which meeting such rep-  
23 resentatives shall discuss all issues relevant to  
24 whether the definitions of ‘homeless’ under para-  
25 graphs (1) through (4) of section 103(a) of the

1 McKinney-Vento Homeless Assistance Act, as  
2 amended by section 1003 of the Homeless Emer-  
3 gency Assistance and Rapid Transition to Housing  
4 Act of 2009, should be modified by the Congress, in-  
5 cluding whether there is a compelling need for a uni-  
6 form definition of homelessness under Federal law,  
7 the extent to which the differences in such defini-  
8 tions create barriers for individuals to accessing  
9 services and to collaboration between agencies, and  
10 the relative availability, and barriers to access by  
11 persons defined as homeless, of mainstream pro-  
12 grams identified by the Government Accountability  
13 Office in the two reports identified in paragraph (7)  
14 of this subsection; and shall submit transcripts of  
15 such meeting, and any majority and dissenting rec-  
16 ommendations from such meetings, to each com-  
17 mittee of the House of Representatives and the Sen-  
18 ate having jurisdiction over any Federal program to  
19 assist homeless individuals or families not later than  
20 the expiration of the 60-day period beginning upon  
21 conclusion of such meeting.”.

22 (4) in section 203(b)(1) (42 U.S.C.  
23 11313(b))—

24 (A) by striking “Federal” and inserting  
25 “national”;

1 (B) by striking “; and” and inserting “and  
2 pay for expenses of attendance at meetings  
3 which are concerned with the functions or ac-  
4 tivities for which the appropriation is made;”;

5 (5) in section 205(d) (42 U.S.C. 11315(d)), by  
6 striking “property.” and inserting “property, both  
7 real and personal, public and private, without fiscal  
8 year limitation, for the purpose of aiding or facili-  
9 tating the work of the Council.”; and

10 (6) by striking section 208 (42 U.S.C. 11318)  
11 and inserting the following:

12 **“SEC. 208. AUTHORIZATION OF APPROPRIATIONS.**

13 “There are authorized to be appropriated to carry out  
14 this title \$3,000,000 for fiscal year 2010 and such sums  
15 as may be necessary for fiscal years 2011. Any amounts  
16 appropriated to carry out this title shall remain available  
17 until expended.”.

18 (b) **EFFECTIVE DATE.**—The amendments made by  
19 subsection (a) shall take effect on, and shall apply begin-  
20 ning on, the date of the enactment of this division.

1 **TITLE I—HOUSING ASSISTANCE**  
 2 **GENERAL PROVISIONS**

3 **SEC. 1101. DEFINITIONS.**

4 Subtitle A of title IV of the McKinney-Vento Home-  
 5 less Assistance Act (42 U.S.C. 11361 et seq.) is amend-  
 6 ed—

7 (1) by striking the subtitle heading and insert-  
 8 ing the following:

9 **“Subtitle A—General Provisions”;**

10 (2) by redesignating sections 401 and 402 (42  
 11 U.S.C. 11361, 11362) as sections 403 and 406, re-  
 12 spectively; and

13 (3) by inserting before section 403 (as so redес-  
 14 igned by paragraph (2) of this section) the fol-  
 15 lowing new section:

16 **“SEC. 401. DEFINITIONS.**

17 “For purposes of this title:

18 “(1) **AT RISK OF HOMELESSNESS.**—The term  
 19 ‘at risk of homelessness’ means, with respect to an  
 20 individual or family, that the individual or family—

21 “(A) has income below 30 percent of me-  
 22 dian income for the geographic area;

23 “(B) has insufficient resources immediately  
 24 available to attain housing stability; and

1           “(C)(i) has moved frequently because of  
2 economic reasons;

3           “(ii) is living in the home of another be-  
4 cause of economic hardship;

5           “(iii) has been notified that their right to  
6 occupy their current housing or living situation  
7 will be terminated;

8           “(iv) lives in a hotel or motel;

9           “(v) lives in severely overcrowded housing;

10          “(vi) is exiting an institution; or

11          “(vii) otherwise lives in housing that has  
12 characteristics associated with instability and  
13 an increased risk of homelessness.

14          Such term includes all families with children  
15 and youth defined as homeless under other  
16 Federal statutes.

17          “(2) CHRONICALLY HOMELESS.—

18           “(A) IN GENERAL.—The term ‘chronically  
19 homeless’ means, with respect to an individual  
20 or family, that the individual or family—

21           “(i) is homeless and lives or resides in  
22 a place not meant for human habitation, a  
23 safe haven, or in an emergency shelter;

24           “(ii) has been homeless and living or  
25 residing in a place not meant for human

1 habitation, a safe haven, or in an emer-  
2 gency shelter continuously for at least 1  
3 year or on at least 4 separate occasions in  
4 the last 3 years; and

5 “(iii) has an adult head of household  
6 (or a minor head of household if no adult  
7 is present in the household) with a  
8 diagnosable substance use disorder, serious  
9 mental illness, developmental disability (as  
10 defined in section 102 of the Develop-  
11 mental Disabilities Assistance and Bill of  
12 Rights Act of 2000 (42 U.S.C. 15002)),  
13 post traumatic stress disorder, cognitive  
14 impairments resulting from a brain injury,  
15 or chronic physical illness or disability, in-  
16 cluding the co-occurrence of 2 or more of  
17 those conditions.

18 “(B) RULE OF CONSTRUCTION.—A person  
19 who currently lives or resides in an institutional  
20 care facility, including a jail, substance abuse or  
21 mental health treatment facility, hospital or  
22 other similar facility, and has resided there for  
23 fewer than 90 days shall be considered chron-  
24 ically homeless if such person met all of the re-

1            requirements described in subparagraph (A) prior  
2            to entering that facility.

3            “(3) COLLABORATIVE APPLICANT.—The term  
4            ‘collaborative applicant’ means an entity that—

5                    “(A) carries out the duties specified in sec-  
6                    tion 402;

7                    “(B) serves as the applicant for project  
8                    sponsors who jointly submit a single application  
9                    for a grant under subtitle C in accordance with  
10                   a collaborative process; and

11                   “(C) if the entity is a legal entity and is  
12                   awarded such grant, receives such grant di-  
13                   rectly from the Secretary.

14            “(4) COLLABORATIVE APPLICATION.—The term  
15            ‘collaborative application’ means an application for a  
16            grant under subtitle C that—

17                    “(A) satisfies section 422; and

18                    “(B) is submitted to the Secretary by a  
19                    collaborative applicant.

20            “(5) CONSOLIDATED PLAN.—The term ‘Con-  
21            solidated Plan’ means a comprehensive housing af-  
22            fordability strategy and community development  
23            plan required in part 91 of title 24, Code of Federal  
24            Regulations.

1           “(6) ELIGIBLE ENTITY.—The term ‘eligible en-  
2           tity’ means, with respect to a subtitle, a public enti-  
3           ty, a private entity, or an entity that is a combina-  
4           tion of public and private entities, that is eligible to  
5           directly receive grant amounts under such subtitle.

6           “(7) FAMILIES WITH CHILDREN AND YOUTH  
7           DEFINED AS HOMELESS UNDER OTHER FEDERAL  
8           STATUTES.—The term ‘families with children and  
9           youth defined as homeless under other Federal stat-  
10          utes’ means any children or youth that are defined  
11          as ‘homeless’ under any Federal statute other than  
12          this subtitle, but are not defined as homeless under  
13          section 103, and shall also include the parent, par-  
14          ents, or guardian of such children or youth under  
15          subtitle B of title VII this Act (42 U.S.C. 11431 et  
16          seq.).

17          “(8) GEOGRAPHIC AREA.—The term ‘geo-  
18          graphic area’ means a State, metropolitan city,  
19          urban county, town, village, or other nonentitlement  
20          area, or a combination or consortia of such, in the  
21          United States, as described in section 106 of the  
22          Housing and Community Development Act of 1974  
23          (42 U.S.C. 5306).

24          “(9) HOMELESS INDIVIDUAL WITH A DIS-  
25          ABILITY.—

1           “(A) IN GENERAL.—The term ‘homeless  
2 individual with a disability’ means an individual  
3 who is homeless, as defined in section 103, and  
4 has a disability that—

5                   “(i)(I) is expected to be long-con-  
6 tinuing or of indefinite duration;

7                   “(II) substantially impedes the indi-  
8 vidual’s ability to live independently;

9                   “(III) could be improved by the provi-  
10 sion of more suitable housing conditions;  
11 and

12                   “(IV) is a physical, mental, or emo-  
13 tional impairment, including an impair-  
14 ment caused by alcohol or drug abuse, post  
15 traumatic stress disorder, or brain injury;

16                   “(ii) is a developmental disability, as  
17 defined in section 102 of the Develop-  
18 mental Disabilities Assistance and Bill of  
19 Rights Act of 2000 (42 U.S.C. 15002); or

20                   “(iii) is the disease of acquired im-  
21 munodeficiency syndrome or any condition  
22 arising from the etiologic agency for ac-  
23 quired immunodeficiency syndrome.

24           “(B) RULE.—Nothing in clause (iii) of  
25 subparagraph (A) shall be construed to limit

1 eligibility under clause (i) or (ii) of subpara-  
2 graph (A).

3 “(10) LEGAL ENTITY.—The term ‘legal entity’  
4 means—

5 “(A) an entity described in section  
6 501(c)(3) of the Internal Revenue Code of 1986  
7 (26 U.S.C. 501(c)(3)) and exempt from tax  
8 under section 501(a) of such Code;

9 “(B) an instrumentality of State or local  
10 government; or

11 “(C) a consortium of instrumentalities of  
12 State or local governments that has constituted  
13 itself as an entity.

14 “(11) METROPOLITAN CITY; URBAN COUNTY;  
15 NONENTITLEMENT AREA.—The terms ‘metropolitan  
16 city’, ‘urban county’, and ‘nonentitlement area’ have  
17 the meanings given such terms in section 102(a) of  
18 the Housing and Community Development Act of  
19 1974 (42 U.S.C. 5302(a)).

20 “(12) NEW.—The term ‘new’ means, with re-  
21 spect to housing, that no assistance has been pro-  
22 vided under this title for the housing.

23 “(13) OPERATING COSTS.—The term ‘operating  
24 costs’ means expenses incurred by a project sponsor

1 operating transitional housing or permanent housing  
2 under this title with respect to—

3 “(A) the administration, maintenance, re-  
4 pair, and security of such housing;

5 “(B) utilities, fuel, furnishings, and equip-  
6 ment for such housing; or

7 “(C) coordination of services as needed to  
8 ensure long-term housing stability.

9 “(14) OUTPATIENT HEALTH SERVICES.—The  
10 term ‘outpatient health services’ means outpatient  
11 health care services, mental health services, and out-  
12 patient substance abuse services.

13 “(15) PERMANENT HOUSING.—The term ‘per-  
14 manent housing’ means community-based housing  
15 without a designated length of stay, and includes  
16 both permanent supportive housing and permanent  
17 housing without supportive services.

18 “(16) PERSONALLY IDENTIFYING INFORMA-  
19 TION.—The term ‘personally identifying information’  
20 means individually identifying information for or  
21 about an individual, including information likely to  
22 disclose the location of a victim of domestic violence,  
23 dating violence, sexual assault, or stalking, includ-  
24 ing—

25 “(A) a first and last name;

1           “(B) a home or other physical address;

2           “(C) contact information (including a post-  
3 al, e-mail or Internet protocol address, or tele-  
4 phone or facsimile number);

5           “(D) a social security number; and

6           “(E) any other information, including date  
7 of birth, racial or ethnic background, or reli-  
8 gious affiliation, that, in combination with any  
9 other non-personally identifying information,  
10 would serve to identify any individual.

11           “(17) PRIVATE NONPROFIT ORGANIZATION.—

12           The term ‘private nonprofit organization’ means an  
13 organization—

14           “(A) no part of the net earnings of which  
15 inures to the benefit of any member, founder,  
16 contributor, or individual;

17           “(B) that has a voluntary board;

18           “(C) that has an accounting system, or has  
19 designated a fiscal agent in accordance with re-  
20 quirements established by the Secretary; and

21           “(D) that practices nondiscrimination in  
22 the provision of assistance.

23           “(18) PROJECT.—The term ‘project’ means,  
24 with respect to activities carried out under subtitle  
25 C, eligible activities described in section 423(a), un-

1       dertaken pursuant to a specific endeavor, such as  
 2       serving a particular population or providing a par-  
 3       ticular resource.

4           “(19) PROJECT-BASED.—The term ‘project-  
 5       based’ means, with respect to rental assistance, that  
 6       the assistance is provided pursuant to a contract  
 7       that—

8           “(A) is between—

9           “(i) the recipient or a project sponsor;

10          and

11          “(ii) an owner of a structure that ex-  
 12       ists as of the date the contract is entered  
 13       into; and

14          “(B) provides that rental assistance pay-  
 15       ments shall be made to the owner and that the  
 16       units in the structure shall be occupied by eligi-  
 17       ble persons for not less than the term of the  
 18       contract.

19          “(20) PROJECT SPONSOR.—The term ‘project  
 20       sponsor’ means, with respect to proposed eligible ac-  
 21       tivities, the organization directly responsible for car-  
 22       rying out the proposed eligible activities.

23          “(21) RECIPIENT.—Except as used in subtitle  
 24       B, the term ‘recipient’ means an eligible entity  
 25       who—

1           “(A) submits an application for a grant  
2           under section 422 that is approved by the Sec-  
3           retary;

4           “(B) receives the grant directly from the  
5           Secretary to support approved projects de-  
6           scribed in the application; and

7           “(C)(i) serves as a project sponsor for the  
8           projects; or

9           “(ii) awards the funds to project sponsors  
10          to carry out the projects.

11          “(22) SECRETARY.—The term ‘Secretary’  
12          means the Secretary of Housing and Urban Develop-  
13          ment.

14          “(23) SERIOUS MENTAL ILLNESS.—The term  
15          ‘serious mental illness’ means a severe and per-  
16          sistent mental illness or emotional impairment that  
17          seriously limits a person’s ability to live independ-  
18          ently.

19          “(24) SOLO APPLICANT.—The term ‘solo appli-  
20          cant’ means an entity that is an eligible entity, di-  
21          rectly submits an application for a grant under sub-  
22          title C to the Secretary, and, if awarded such grant,  
23          receives such grant directly from the Secretary.

24          “(25) SPONSOR-BASED.—The term ‘sponsor-  
25          based’ means, with respect to rental assistance, that

1 the assistance is provided pursuant to a contract  
2 that—

3 “(A) is between—

4 “(i) the recipient or a project sponsor;

5 and

6 “(ii) an independent entity that—

7 “(I) is a private organization;

8 and

9 “(II) owns or leases dwelling  
10 units; and

11 “(B) provides that rental assistance pay-  
12 ments shall be made to the independent entity  
13 and that eligible persons shall occupy such as-  
14 sisted units.

15 “(26) STATE.—Except as used in subtitle B,  
16 the term ‘State’ means each of the several States,  
17 the District of Columbia, the Commonwealth of  
18 Puerto Rico, the United States Virgin Islands,  
19 Guam, American Samoa, the Commonwealth of the  
20 Northern Mariana Islands, the Trust Territory of  
21 the Pacific Islands, and any other territory or pos-  
22 session of the United States.

23 “(27) SUPPORTIVE SERVICES.—The term ‘sup-  
24 portive services’ means services that address the spe-  
25 cial needs of people served by a project, including—

1           “(A) the establishment and operation of a  
2 child care services program for families experi-  
3 encing homelessness;

4           “(B) the establishment and operation of an  
5 employment assistance program, including pro-  
6 viding job training;

7           “(C) the provision of outpatient health  
8 services, food, and case management;

9           “(D) the provision of assistance in obtain-  
10 ing permanent housing, employment counseling,  
11 and nutritional counseling;

12           “(E) the provision of outreach services, ad-  
13 vocacy, life skills training, and housing search  
14 and counseling services;

15           “(F) the provision of mental health serv-  
16 ices, trauma counseling, and victim services;

17           “(G) the provision of assistance in obtain-  
18 ing other Federal, State, and local assistance  
19 available for residents of supportive housing  
20 (including mental health benefits, employment  
21 counseling, and medical assistance, but not in-  
22 cluding major medical equipment);

23           “(H) the provision of legal services for  
24 purposes including requesting reconsiderations  
25 and appeals of veterans and public benefit claim

1 denials and resolving outstanding warrants that  
2 interfere with an individual’s ability to obtain  
3 and retain housing;

4 “(I) the provision of—

5 “(i) transportation services that facili-  
6 tate an individual’s ability to obtain and  
7 maintain employment; and

8 “(ii) health care; and

9 “(J) other supportive services necessary to  
10 obtain and maintain housing.

11 “(28) TENANT-BASED.—The term ‘tenant-  
12 based’ means, with respect to rental assistance, as-  
13 sistance that—

14 “(A) allows an eligible person to select a  
15 housing unit in which such person will live  
16 using rental assistance provided under subtitle  
17 C, except that if necessary to assure that the  
18 provision of supportive services to a person par-  
19 ticipating in a program is feasible, a recipient  
20 or project sponsor may require that the person  
21 live—

22 “(i) in a particular structure or unit  
23 for not more than the first year of the par-  
24 ticipation;

1           “(ii) within a particular geographic  
2           area for the full period of the participation,  
3           or the period remaining after the period  
4           referred to in subparagraph (A); and

5           “(B) provides that a person may receive  
6           such assistance and move to another structure,  
7           unit, or geographic area if the person has com-  
8           plied with all other obligations of the program  
9           and has moved out of the assisted dwelling unit  
10          in order to protect the health or safety of an in-  
11          dividual who is or has been the victim of domes-  
12          tic violence, dating violence, sexual assault, or  
13          stalking, and who reasonably believed he or she  
14          was imminently threatened by harm from fur-  
15          ther violence if he or she remained in the as-  
16          sisted dwelling unit.

17          “(29) TRANSITIONAL HOUSING.—The term  
18          ‘transitional housing’ means housing the purpose of  
19          which is to facilitate the movement of individuals  
20          and families experiencing homelessness to permanent  
21          housing within 24 months or such longer period as  
22          the Secretary determines necessary.

23          “(30) UNIFIED FUNDING AGENCY.—The term  
24          ‘unified funding agency’ means a collaborative appli-

1 cant that performs the duties described in section  
2 402(g).

3 “(31) UNDERSERVED POPULATIONS.—The  
4 term ‘underserved populations’ includes populations  
5 underserved because of geographic location, under-  
6 served racial and ethnic populations, populations un-  
7 derserved because of special needs (such as language  
8 barriers, disabilities, alienage status, or age), and  
9 any other population determined to be underserved  
10 by the Secretary, as appropriate.

11 “(32) VICTIM SERVICE PROVIDER.—The term  
12 ‘victim service provider’ means a private nonprofit  
13 organization whose primary mission is to provide  
14 services to victims of domestic violence, dating vio-  
15 lence, sexual assault, or stalking. Such term includes  
16 rape crisis centers, battered women’s shelters, do-  
17 mestic violence transitional housing programs, and  
18 other programs.

19 “(33) VICTIM SERVICES.—The term ‘victim  
20 services’ means services that assist domestic vio-  
21 lence, dating violence, sexual assault, or stalking vic-  
22 tims, including services offered by rape crisis centers  
23 and domestic violence shelters, and other organiza-  
24 tions, with a documented history of effective work

1 concerning domestic violence, dating violence, sexual  
2 assault, or stalking.”.

3 **SEC. 1102. COMMUNITY HOMELESS ASSISTANCE PLANNING**  
4 **BOARDS.**

5 Subtitle A of title IV of the McKinney-Vento Home-  
6 less Assistance Act (42 U.S.C. 11361 et seq.) is amended  
7 by inserting after section 401 (as added by section  
8 1101(3) of this division) the following new section:

9 **“SEC. 402. COLLABORATIVE APPLICANTS.**

10 “(a) ESTABLISHMENT AND DESIGNATION.—A col-  
11 laborative applicant shall be established for a geographic  
12 area by the relevant parties in that geographic area to—

13 “(1) submit an application for amounts under  
14 this subtitle; and

15 “(2) perform the duties specified in subsection  
16 (f) and, if applicable, subsection (g).

17 “(b) NO REQUIREMENT TO BE A LEGAL ENTITY.—  
18 An entity may be established to serve as a collaborative  
19 applicant under this section without being a legal entity.

20 “(c) REMEDIAL ACTION.—If the Secretary finds that  
21 a collaborative applicant for a geographic area does not  
22 meet the requirements of this section, or if there is no  
23 collaborative applicant for a geographic area, the Sec-  
24 retary may take remedial action to ensure fair distribution  
25 of grant amounts under subtitle C to eligible entities with-

1 in that area. Such measures may include designating an-  
2 other body as a collaborative applicant, or permitting  
3 other eligible entities to apply directly for grants.

4 “(d) CONSTRUCTION.—Nothing in this section shall  
5 be construed to displace conflict of interest or government  
6 fair practices laws, or their equivalent, that govern appli-  
7 cants for grant amounts under subtitles B and C.

8 “(e) APPOINTMENT OF AGENT.—

9 “(1) IN GENERAL.—Subject to paragraph (2), a  
10 collaborative applicant may designate an agent to—

11 “(A) apply for a grant under section  
12 422(c);

13 “(B) receive and distribute grant funds  
14 awarded under subtitle C; and

15 “(C) perform other administrative duties.

16 “(2) RETENTION OF DUTIES.—Any collabo-  
17 rative applicant that designates an agent pursuant  
18 to paragraph (1) shall regardless of such designation  
19 retain all of its duties and responsibilities under this  
20 title.

21 “(f) DUTIES.—A collaborative applicant shall—

22 “(1) design a collaborative process for the de-  
23 velopment of an application under subtitle C, and  
24 for evaluating the outcomes of projects for which  
25 funds are awarded under subtitle B, in such a man-

1 ner as to provide information necessary for the Sec-  
2 retary—

3 “(A) to determine compliance with—

4 “(i) the program requirements under  
5 section 426; and

6 “(ii) the selection criteria described  
7 under section 427; and

8 “(B) to establish priorities for funding  
9 projects in the geographic area involved;

10 “(2) participate in the Consolidated Plan for  
11 the geographic area served by the collaborative ap-  
12 plicant; and

13 “(3) ensure operation of, and consistent partici-  
14 pation by, project sponsors in a community-wide  
15 homeless management information system (in this  
16 subsection referred to as ‘HMIS’) that—

17 “(A) collects unduplicated counts of indi-  
18 viduals and families experiencing homelessness;

19 “(B) analyzes patterns of use of assistance  
20 provided under subtitles B and C for the geo-  
21 graphic area involved;

22 “(C) provides information to project spon-  
23 sors and applicants for needs analyses and  
24 funding priorities; and

1           “(D) is developed in accordance with  
2 standards established by the Secretary, includ-  
3 ing standards that provide for—

4                   “(i) encryption of data collected for  
5 purposes of HMIS;

6                   “(ii) documentation, including keeping  
7 an accurate accounting, proper usage, and  
8 disclosure, of HMIS data;

9                   “(iii) access to HMIS data by staff,  
10 contractors, law enforcement, and aca-  
11 demic researchers;

12                   “(iv) rights of persons receiving serv-  
13 ices under this title;

14                   “(v) criminal and civil penalties for  
15 unlawful disclosure of data; and

16                   “(vi) such other standards as may be  
17 determined necessary by the Secretary.

18           “(g) UNIFIED FUNDING.—

19                   “(1) IN GENERAL.—In addition to the duties  
20 described in subsection (f), a collaborative applicant  
21 shall receive from the Secretary and distribute to  
22 other project sponsors in the applicable geographic  
23 area funds for projects to be carried out by such  
24 other project sponsors, if—

25                   “(A) the collaborative applicant—

1           “(i) applies to undertake such collec-  
2           tion and distribution responsibilities in an  
3           application submitted under this subtitle;  
4           and

5           “(ii) is selected to perform such re-  
6           sponsibilities by the Secretary; or

7           “(B) the Secretary designates the collabo-  
8           rative applicant as the unified funding agency  
9           in the geographic area, after—

10           “(i) a finding by the Secretary that  
11           the applicant—

12           “(I) has the capacity to perform  
13           such responsibilities; and

14           “(II) would serve the purposes of  
15           this Act as they apply to the geo-  
16           graphic area; and

17           “(ii) the Secretary provides the col-  
18           laborative applicant with the technical as-  
19           sistance necessary to perform such respon-  
20           sibilities as such assistance is agreed to by  
21           the collaborative applicant.

22           “(2) REQUIRED ACTIONS BY A UNIFIED FUND-  
23           ING AGENCY.—A collaborative applicant that is ei-  
24           ther selected or designated as a unified funding

1 agency for a geographic area under paragraph (1)  
2 shall—

3 “(A) require each project sponsor who is  
4 funded by a grant received under subtitle C to  
5 establish such fiscal control and fund account-  
6 ing procedures as may be necessary to assure  
7 the proper disbursement of, and accounting for,  
8 Federal funds awarded to the project sponsor  
9 under subtitle C in order to ensure that all fi-  
10 nancial transactions carried out under subtitle  
11 C are conducted, and records maintained, in ac-  
12 cordance with generally accepted accounting  
13 principles; and

14 “(B) arrange for an annual survey, audit,  
15 or evaluation of the financial records of each  
16 project carried out by a project sponsor funded  
17 by a grant received under subtitle C.

18 “(h) CONFLICT OF INTEREST.—No board member of  
19 a collaborative applicant may participate in decisions of  
20 the collaborative applicant concerning the award of a  
21 grant, or provision of other financial benefits, to such  
22 member or the organization that such member rep-  
23 resents.”.

1 **SEC. 1103. GENERAL PROVISIONS.**

2 Subtitle A of the McKinney-Vento Homeless Assist-  
 3 ance Act (42 U.S.C. 11361 et seq.) is amended by insert-  
 4 ing after section 403 (as so redesignated by section  
 5 1101(2) of this division) the following new sections:

6 **“SEC. 404. PREVENTING INVOLUNTARY FAMILY SEPARA-**  
 7 **TION.**

8 “(a) IN GENERAL.—After the expiration of the 2-  
 9 year period that begins upon the date of the enactment  
 10 of the Homeless Emergency Assistance and Rapid Transi-  
 11 tion to Housing Act of 2009, and except as provided in  
 12 subsection (b), any project sponsor receiving funds under  
 13 this title to provide emergency shelter, transitional hous-  
 14 ing, or permanent housing to families with children under  
 15 age 18 shall not deny admission to any family based on  
 16 the age of any child under age 18.

17 “(b) EXCEPTION.—Notwithstanding the requirement  
 18 under subsection (a), project sponsors of transitional  
 19 housing receiving funds under this title may target transi-  
 20 tional housing resources to families with children of a spe-  
 21 cific age only if the project sponsor—

22 “(1) operates a transitional housing program  
 23 that has a primary purpose of implementing an evi-  
 24 dence-based practice that requires that housing units  
 25 be targeted to families with children in a specific age  
 26 group; and

1           “(2) provides such assurances, as the Secretary  
2           shall require, that an equivalent appropriate alter-  
3           native living arrangement for the whole family or  
4           household unit has been secured.

5   **“SEC. 405. TECHNICAL ASSISTANCE.**

6           “(a) IN GENERAL.—The Secretary shall make avail-  
7           able technical assistance to private nonprofit organizations  
8           and other nongovernmental entities, States, metropolitan  
9           cities, urban counties, and counties that are not urban  
10          counties, to implement effective planning processes for  
11          preventing and ending homelessness, to improve their ca-  
12          pacity to prepare collaborative applications, to prevent the  
13          separation of families in emergency shelter or other hous-  
14          ing programs, and to adopt and provide best practices in  
15          housing and services for persons experiencing homeless.

16          “(b) RESERVATION.—The Secretary shall reserve not  
17          more than 1 percent of the funds made available for any  
18          fiscal year for carrying out subtitles B and C, to provide  
19          technical assistance under subsection (a).”.

20   **SEC. 1104. PROTECTION OF PERSONALLY IDENTIFYING IN-**  
21                                   **FORMATION BY VICTIM SERVICE PROVIDERS.**

22          Subtitle A of the McKinney-Vento Homeless Assist-  
23          ance Act (42 U.S.C. 11361 et seq.), as amended by the  
24          preceding provisions of this title, is further amended by  
25          adding at the end the following new section:

1 **“SEC. 407. PROTECTION OF PERSONALLY IDENTIFYING IN-**  
 2 **FORMATION BY VICTIM SERVICE PROVIDERS.**

3 “In the course of awarding grants or implementing  
 4 programs under this title, the Secretary shall instruct any  
 5 victim service provider that is a recipient or subgrantee  
 6 not to disclose for purposes of the Homeless Management  
 7 Information System any personally identifying informa-  
 8 tion about any client. The Secretary may, after public no-  
 9 tice and comment, require or ask such recipients and sub-  
 10 grantees to disclose for purposes of the Homeless Manage-  
 11 ment Information System non-personally identifying infor-  
 12 mation that has been de-identified, encrypted, or otherwise  
 13 encoded. Nothing in this section shall be construed to su-  
 14 persede any provision of any Federal, State, or local law  
 15 that provides greater protection than this subsection for  
 16 victims of domestic violence, dating violence, sexual as-  
 17 sault, or stalking.”.

18 **SEC. 1105. AUTHORIZATION OF APPROPRIATIONS.**

19 Subtitle A of the McKinney-Vento Homeless Assist-  
 20 ance Act (42 U.S.C. 11361 et seq.), as amended by the  
 21 preceding provisions of this title, is further amended by  
 22 adding at the end the following new section:

23 **“SEC. 408. AUTHORIZATION OF APPROPRIATIONS.**

24 “There are authorized to be appropriated to carry out  
 25 this title \$2,200,000,000 for fiscal year 2010 and such  
 26 sums as may be necessary for fiscal year 2011.”.

1           **TITLE II—EMERGENCY**  
2           **SOLUTIONS GRANTS PROGRAM**

3           **SEC. 1201. GRANT ASSISTANCE.**

4           Subtitle B of title IV of the McKinney-Vento Home-  
5 less Assistance Act (42 U.S.C. 11371 et seq.) is amend-  
6 ed—

7           (1) by striking the subtitle heading and insert-  
8 ing the following:

9           **“Subtitle B—Emergency Solutions**  
10           **Grants Program”;**

11           (2) by striking section 417 (42 U.S.C. 11377);

12           (3) by redesignating sections 413 through 416  
13 (42 U.S.C. 11373–6) as sections 414 through 417,  
14 respectively; and

15           (4) by striking section 412 (42 U.S.C. 11372)

16           and inserting the following:

17           **“SEC. 412. GRANT ASSISTANCE.**

18           “‘The Secretary shall make grants to States and local  
19 governments (and to private nonprofit organizations pro-  
20 viding assistance to persons experiencing homelessness or  
21 at risk of homelessness, in the case of grants made with  
22 reallocated amounts) for the purpose of carrying out ac-  
23 tivities described in section 415.

1 **“SEC. 413. AMOUNT AND ALLOCATION OF ASSISTANCE.**

2       “(a) IN GENERAL.—Of the amount made available  
3 to carry out this subtitle and subtitle C for a fiscal year,  
4 the Secretary shall allocate nationally 20 percent of such  
5 amount for activities described in section 415. The Sec-  
6 retary shall be required to certify that such allocation will  
7 not adversely affect the renewal of existing projects under  
8 this subtitle and subtitle C for those individuals or families  
9 who are homeless.

10       “(b) ALLOCATION.—An entity that receives a grant  
11 under section 412, and serves an area that includes 1 or  
12 more geographic areas (or portions of such areas) served  
13 by collaborative applicants that submit applications under  
14 subtitle C, shall allocate the funds made available through  
15 the grant to carry out activities described in section 415,  
16 in consultation with the collaborative applicants.”; and

17               (5) in section 414(b) (42 U.S.C. 11373(b)), as  
18 so redesignated by paragraph (3) of this section, by  
19 striking “amounts appropriated” and all that follows  
20 through “for any” and inserting “amounts appro-  
21 priated under section 408 and made available to  
22 carry out this subtitle for any”.

23 **SEC. 1202. ELIGIBLE ACTIVITIES.**

24       The McKinney-Vento Homeless Assistance Act is  
25 amended by striking section 415 (42 U.S.C. 11374), as

1 so redesignated by section 1201(3) of this division, and  
2 inserting the following new section:

3 **“SEC. 415. ELIGIBLE ACTIVITIES.**

4 “(a) IN GENERAL.—Assistance provided under sec-  
5 tion 412 may be used for the following activities:

6 “(1) The renovation, major rehabilitation, or  
7 conversion of buildings to be used as emergency  
8 shelters.

9 “(2) The provision of essential services related  
10 to emergency shelter or street outreach, including  
11 services concerned with employment, health, edu-  
12 cation, family support services for homeless youth,  
13 substance abuse services, victim services, or mental  
14 health services, if—

15 “(A) such essential services have not been  
16 provided by the local government during any  
17 part of the immediately preceding 12-month pe-  
18 riod or the Secretary determines that the local  
19 government is in a severe financial deficit; or

20 “(B) the use of assistance under this sub-  
21 title would complement the provision of those  
22 essential services.

23 “(3) Maintenance, operation, insurance, provi-  
24 sion of utilities, and provision of furnishings related  
25 to emergency shelter.

1           “(4) Provision of rental assistance to provide  
2 short-term or medium-term housing to homeless in-  
3 dividuals or families or individuals or families at risk  
4 of homelessness. Such rental assistance may include  
5 tenant-based or project-based rental assistance.

6           “(5) Housing relocation or stabilization services  
7 for homeless individuals or families or individuals or  
8 families at risk of homelessness, including housing  
9 search, mediation or outreach to property owners,  
10 legal services, credit repair, providing security or  
11 utility deposits, utility payments, rental assistance  
12 for a final month at a location, assistance with mov-  
13 ing costs, or other activities that are effective at—

14                   “(A) stabilizing individuals and families in  
15 their current housing; or

16                   “(B) quickly moving such individuals and  
17 families to other permanent housing.

18           “(b) MAXIMUM ALLOCATION FOR EMERGENCY  
19 SHELTER ACTIVITIES.—A grantee of assistance provided  
20 under section 412 for any fiscal year may not use an  
21 amount of such assistance for activities described in para-  
22 graphs (1) through (3) of subsection (a) that exceeds the  
23 greater of—

1           “(1) 60 percent of the aggregate amount of  
2           such assistance provided for the grantee for such fis-  
3           cal year; or

4           “(2) the amount expended by such grantee for  
5           such activities during fiscal year most recently com-  
6           pleted before the effective date under section 1503  
7           of the Homeless Emergency Assistance and Rapid  
8           Transition to Housing Act of 2009.”.

9   **SEC. 1203. PARTICIPATION IN HOMELESS MANAGEMENT IN-**  
10                           **FORMATION SYSTEM.**

11           Section 416 of the McKinney-Vento Homeless Assist-  
12           ance Act (42 U.S.C. 11375), as so redesignated by section  
13           1201(3) of this division, is amended by adding at the end  
14           the following new subsection:

15           “(f) PARTICIPATION IN HMIS.—The Secretary shall  
16           ensure that recipients of funds under this subtitle ensure  
17           the consistent participation by emergency shelters and  
18           homelessness prevention and rehousing programs in any  
19           applicable community-wide homeless management infor-  
20           mation system.”.

21   **SEC. 1204. ADMINISTRATIVE PROVISION.**

22           Section 418 of the McKinney-Vento Homeless Assist-  
23           ance Act (42 U.S.C. 11378) is amended by striking “5  
24           percent” and inserting “7.5 percent”.

1 **SEC. 1205. GAO STUDY OF ADMINISTRATIVE FEES.**

2 Not later than the expiration of the 12-month period  
3 beginning on the date of the enactment of this division,  
4 the Comptroller General of the United States shall—

5 (1) conduct a study to examine the appropriate  
6 administrative costs for administering the program  
7 authorized under subtitle B of title IV of the McKin-  
8 ney-Vento Homeless Assistance Act (42 U.S.C.  
9 11371 et seq.); and

10 (2) submit to Congress a report on the findings  
11 of the study required under paragraph (1).

12 **TITLE III—CONTINUUM OF CARE**  
13 **PROGRAM**

14 **SEC. 1301. CONTINUUM OF CARE.**

15 The McKinney-Vento Homeless Assistance Act is  
16 amended—

17 (1) by striking the subtitle heading for subtitle  
18 C of title IV (42 U.S.C. 11381 et seq.) and inserting  
19 the following:

20 **“Subtitle C—Continuum of Care**  
21 **Program”;** and

22 (2) by striking sections 421 and 422 (42 U.S.C.  
23 11381 and 11382) and inserting the following new  
24 sections:

25 **“SEC. 421. PURPOSES.**

26 “The purposes of this subtitle are—

1           “(1) to promote community-wide commitment  
2 to the goal of ending homelessness;

3           “(2) to provide funding for efforts by nonprofit  
4 providers and State and local governments to quickly  
5 rehouse homeless individuals and families while  
6 minimizing the trauma and dislocation caused to in-  
7 dividuals, families, and communities by homeless-  
8 ness;

9           “(3) to promote access to, and effective utiliza-  
10 tion of, mainstream programs described in section  
11 203(a)(7) and programs funded with State or local  
12 resources; and

13           “(4) to optimize self-sufficiency among individ-  
14 uals and families experiencing homelessness.

15 **“SEC. 422. CONTINUUM OF CARE APPLICATIONS AND**  
16 **GRANTS.**

17           “(a) PROJECTS.—The Secretary shall award grants,  
18 on a competitive basis, and using the selection criteria de-  
19 scribed in section 427, to carry out eligible activities under  
20 this subtitle for projects that meet the program require-  
21 ments under section 426, either by directly awarding  
22 funds to project sponsors or by awarding funds to unified  
23 funding agencies.

24           “(b) NOTIFICATION OF FUNDING AVAILABILITY.—  
25 The Secretary shall release a notification of funding avail-

1 ability for grants awarded under this subtitle for a fiscal  
2 year not later than 3 months after the date of the enact-  
3 ment of the appropriate Act making appropriations for the  
4 Department of Housing and Urban Development for such  
5 fiscal year.

6 “(c) APPLICATIONS.—

7 “(1) SUBMISSION TO THE SECRETARY.—To be  
8 eligible to receive a grant under subsection (a), a  
9 project sponsor or unified funding agency in a geo-  
10 graphic area shall submit an application to the Sec-  
11 retary at such time and in such manner as the Sec-  
12 retary may require, and containing such information  
13 as the Secretary determines necessary—

14 “(A) to determine compliance with the pro-  
15 gram requirements and selection criteria under  
16 this subtitle; and

17 “(B) to establish priorities for funding  
18 projects in the geographic area.

19 “(2) ANNOUNCEMENT OF AWARDS.—

20 “(A) IN GENERAL.—Except as provided in  
21 subparagraph (B), the Secretary shall an-  
22 nounce, within 5 months after the last date for  
23 the submission of applications described in this  
24 subsection for a fiscal year, the grants condi-

1 tionally awarded under subsection (a) for that  
2 fiscal year.

3 “(B) TRANSITION.—For a period of up to  
4 2 years beginning after the effective date under  
5 section 1503 of the Homeless Emergency As-  
6 sistance and Rapid Transition to Housing Act  
7 of 2009, the Secretary shall announce, within 6  
8 months after the last date for the submission of  
9 applications described in this subsection for a  
10 fiscal year, the grants conditionally awarded  
11 under subsection (a) for that fiscal year.

12 “(d) OBLIGATION, DISTRIBUTION, AND UTILIZATION  
13 OF FUNDS.—

14 “(1) REQUIREMENTS FOR OBLIGATION.—

15 “(A) IN GENERAL.—Not later than 9  
16 months after the announcement referred to in  
17 subsection (c)(2), each recipient or project  
18 sponsor shall meet all requirements for the obli-  
19 gation of those funds, including site control,  
20 matching funds, and environmental review re-  
21 quirements, except as provided in subpara-  
22 graphs (B) and (C).

23 “(B) ACQUISITION, REHABILITATION, OR  
24 CONSTRUCTION.—Not later than 24 months  
25 after the announcement referred to in sub-

1 section (c)(2), each recipient or project sponsor  
2 seeking the obligation of funds for acquisition  
3 of housing, rehabilitation of housing, or con-  
4 struction of new housing for a grant announced  
5 under subsection (c)(2) shall meet all require-  
6 ments for the obligation of those funds, includ-  
7 ing site control, matching funds, and environ-  
8 mental review requirements.

9 “(C) EXTENSIONS.—At the discretion of  
10 the Secretary, and in compelling circumstances,  
11 the Secretary may extend the date by which a  
12 recipient or project sponsor shall meet the re-  
13 quirements described in subparagraphs (A) and  
14 (B) if the Secretary determines that compliance  
15 with the requirements was delayed due to fac-  
16 tors beyond the reasonable control of the recipi-  
17 ent or project sponsor. Such factors may in-  
18 clude difficulties in obtaining site control for a  
19 proposed project, completing the process of ob-  
20 taining secure financing for the project, obtain-  
21 ing approvals from State or local governments,  
22 or completing the technical submission require-  
23 ments for the project.

24 “(2) OBLIGATION.—Not later than 45 days  
25 after a recipient or project sponsor meets the re-

1 requirements described in paragraph (1), the Sec-  
2 retary shall obligate the funds for the grant involved.

3 “(3) DISTRIBUTION.—A recipient that receives  
4 funds through such a grant—

5 “(A) shall distribute the funds to project  
6 sponsors (in advance of expenditures by the  
7 project sponsors); and

8 “(B) shall distribute the appropriate por-  
9 tion of the funds to a project sponsor not later  
10 than 45 days after receiving a request for such  
11 distribution from the project sponsor.

12 “(4) EXPENDITURE OF FUNDS.—The Secretary  
13 may establish a date by which funds made available  
14 through a grant announced under subsection (c)(2)  
15 for a homeless assistance project shall be entirely ex-  
16 pended by the recipient or project sponsors involved.  
17 The date established under this paragraph shall not  
18 occur before the expiration of the 24-month period  
19 beginning on the date that funds are obligated for  
20 activities described under paragraphs (1) or (2) of  
21 section 423(a). The Secretary shall recapture the  
22 funds not expended by such date. The Secretary  
23 shall reallocate the funds for another homeless as-  
24 sistance and prevention project that meets the re-  
25 quirements of this subtitle to be carried out, if pos-

1       sible and appropriate, in the same geographic area  
2       as the area served through the original grant.

3       “(e) RENEWAL FUNDING FOR UNSUCCESSFUL AP-  
4 APPLICANTS.—The Secretary may renew funding for a spe-  
5 cific project previously funded under this subtitle that the  
6 Secretary determines meets the purposes of this subtitle,  
7 and was included as part of a total application that met  
8 the criteria of subsection (c), even if the application was  
9 not selected to receive grant assistance. The Secretary  
10 may renew the funding for a period of not more than 1  
11 year, and under such conditions as the Secretary deter-  
12 mines to be appropriate.

13       “(f) CONSIDERATIONS IN DETERMINING RENEWAL  
14 FUNDING.—When providing renewal funding for leasing,  
15 operating costs, or rental assistance for permanent hous-  
16 ing, the Secretary shall make adjustments proportional to  
17 increases in the fair market rents in the geographic area.

18       “(g) MORE THAN 1 APPLICATION FOR A GEO-  
19 GRAPHIC AREA.—If more than 1 collaborative applicant  
20 applies for funds for a geographic area, the Secretary shall  
21 award funds to the collaborative applicant with the highest  
22 score based on the selection criteria set forth in section  
23 427.

24       “(h) APPEALS.—

1           “(1) IN GENERAL.—The Secretary shall estab-  
2           lish a timely appeal procedure for grant amounts  
3           awarded or denied under this subtitle pursuant to a  
4           collaborative application or solo application for fund-  
5           ing.

6           “(2) PROCESS.—The Secretary shall ensure  
7           that the procedure permits appeals submitted by en-  
8           tities carrying out homeless housing and services  
9           projects (including emergency shelters and homeless-  
10          ness prevention programs), and all other applicants  
11          under this subtitle.

12          “(i) SOLO APPLICANTS.—A solo applicant may sub-  
13          mit an application to the Secretary for a grant under sub-  
14          section (a) and be awarded such grant on the same basis  
15          as such grants are awarded to other applicants based on  
16          the criteria described in section 427, but only if the Sec-  
17          retary determines that the solo applicant has attempted  
18          to participate in the continuum of care process but was  
19          not permitted to participate in a reasonable manner. The  
20          Secretary may award such grants directly to such appli-  
21          cants in a manner determined to be appropriate by the  
22          Secretary.

23          “(j) FLEXIBILITY TO SERVE PERSONS DEFINED AS  
24          HOMELESS UNDER OTHER FEDERAL LAWS.—

1           “(1) IN GENERAL.—A collaborative applicant  
2           may use not more than 10 percent of funds awarded  
3           under this subtitle (continuum of care funding) for  
4           any of the types of eligible activities specified in  
5           paragraphs (1) through (7) of section 423(a) to  
6           serve families with children and youth defined as  
7           homeless under other Federal statutes, or homeless  
8           families with children and youth defined as homeless  
9           under section 103(a)(6), but only if the applicant  
10          demonstrates that the use of such funds is of an  
11          equal or greater priority or is equally or more cost  
12          effective in meeting the overall goals and objectives  
13          of the plan submitted under section 427(b)(1)(B),  
14          especially with respect to children and unaccom-  
15          panied youth.

16          “(2) LIMITATIONS.—The 10 percent limitation  
17          under paragraph (1) shall not apply to collaborative  
18          applicants in which the rate of homelessness, as cal-  
19          culated in the most recent point in time count, is  
20          less than one-tenth of 1 percent of total population.

21          “(3) TREATMENT OF CERTAIN POPULATIONS.—

22                  “(A) IN GENERAL.—Notwithstanding sec-  
23                  tion 103(a) and subject to subparagraph (B),  
24                  funds awarded under this subtitle may be used  
25                  for eligible activities to serve unaccompanied

1 youth and homeless families and children de-  
2 fined as homeless under section 103(a)(6) only  
3 pursuant to paragraph (1) of this subsection  
4 and such families and children shall not other-  
5 wise be considered as homeless for purposes of  
6 this subtitle.

7 “(B) AT RISK OF HOMELESSNESS.—Sub-  
8 paragraph (A) may not be construed to prevent  
9 any unaccompanied youth and homeless families  
10 and children defined as homeless under section  
11 103(a)(6) from qualifying for, and being treat-  
12 ed for purposes of this subtitle as, at risk of  
13 homelessness or from eligibility for any  
14 projects, activities, or services carried out using  
15 amounts provided under this subtitle for which  
16 individuals or families that are at risk of home-  
17 lessness are eligible.”.

18 **SEC. 1302. ELIGIBLE ACTIVITIES.**

19 The McKinney-Vento Homeless Assistance Act is  
20 amended by striking section 423 (42 U.S.C. 11383) and  
21 inserting the following new section:

22 **“SEC. 423. ELIGIBLE ACTIVITIES.**

23 “(a) IN GENERAL.—Grants awarded under section  
24 422 to qualified applicants shall be used to carry out

1 projects that serve homeless individuals or families that  
2 consist of one or more of the following eligible activities:

3           “(1) Construction of new housing units to pro-  
4 vide transitional or permanent housing.

5           “(2) Acquisition or rehabilitation of a structure  
6 to provide transitional or permanent housing, other  
7 than emergency shelter, or to provide supportive  
8 services.

9           “(3) Leasing of property, or portions of prop-  
10 erty, not owned by the recipient or project sponsor  
11 involved, for use in providing transitional or perma-  
12 nent housing, or providing supportive services.

13           “(4) Provision of rental assistance to provide  
14 transitional or permanent housing to eligible per-  
15 sons. The rental assistance may include tenant-  
16 based, project-based, or sponsor-based rental assist-  
17 ance. Project-based rental assistance, sponsor-based  
18 rental assistance, and operating cost assistance con-  
19 tracts carried out by project sponsors receiving  
20 grants under this section may, at the discretion of  
21 the applicant and the project sponsor, have an initial  
22 term of 15 years, with assistance for the first 5  
23 years paid with funds authorized for appropriation  
24 under this Act, and assistance for the remainder of  
25 the term treated as a renewal of an expiring con-

1 tract as provided in section 429. Project-based rental  
2 assistance may include rental assistance to preserve  
3 existing permanent supportive housing for  
4 homeless individuals and families.

5 “(5) Payment of operating costs for housing  
6 units assisted under this subtitle or for the preservation  
7 of housing that will serve homeless individuals  
8 and families and for which another form of assistance  
9 is expiring or otherwise no longer available.

10 “(6) Supportive services for individuals and  
11 families who are currently homeless, who have been  
12 homeless in the prior six months but are currently  
13 residing in permanent housing, or who were previously  
14 homeless and are currently residing in permanent  
15 supportive housing.

16 “(7) Provision of rehousing services, including  
17 housing search, mediation or outreach to property  
18 owners, credit repair, providing security or utility  
19 deposits, rental assistance for a final month at a location,  
20 assistance with moving costs, or other activities that—  
21

22 “(A) are effective at moving homeless individuals and families  
23 immediately into housing;  
24 or

1           “(B) may benefit individuals and families  
2           who in the prior 6 months have been homeless,  
3           but are currently residing in permanent hous-  
4           ing.

5           “(8) In the case of a collaborative applicant  
6           that is a legal entity, performance of the duties de-  
7           scribed under section 402(f)(3).

8           “(9) Operation of, participation in, and ensur-  
9           ing consistent participation by project sponsors in, a  
10          community-wide homeless management information  
11          system.

12          “(10) In the case of a collaborative applicant  
13          that is a legal entity, payment of administrative  
14          costs related to meeting the requirements described  
15          in paragraphs (1) and (2) of section 402(f), for  
16          which the collaborative applicant may use not more  
17          than 3 percent of the total funds made available in  
18          the geographic area under this subtitle for such  
19          costs.

20          “(11) In the case of a collaborative applicant  
21          that is a unified funding agency under section  
22          402(g), payment of administrative costs related to  
23          meeting the requirements of that section, for which  
24          the unified funding agency may use not more than  
25          3 percent of the total funds made available in the

1 geographic area under this subtitle for such costs, in  
2 addition to funds used under paragraph (10).

3 “(12) Payment of administrative costs to  
4 project sponsors, for which each project sponsor may  
5 use not more than 10 percent of the total funds  
6 made available to that project sponsor through this  
7 subtitle for such costs.

8 “(b) MINIMUM GRANT TERMS.—The Secretary may  
9 impose minimum grant terms of up to 5 years for new  
10 projects providing permanent housing.

11 “(c) USE RESTRICTIONS.—

12 “(1) ACQUISITION, REHABILITATION, AND NEW  
13 CONSTRUCTION.—A project that consists of activities  
14 described in paragraph (1) or (2) of subsection (a)  
15 shall be operated for the purpose specified in the ap-  
16 plication submitted for the project under section 422  
17 for not less than 15 years.

18 “(2) OTHER ACTIVITIES.—A project that con-  
19 sists of activities described in any of paragraphs (3)  
20 through (12) of subsection (a) shall be operated for  
21 the purpose specified in the application submitted  
22 for the project under section 422 for the duration of  
23 the grant period involved.

24 “(3) CONVERSION.—If the recipient or project  
25 sponsor carrying out a project that provides transi-

1        tional or permanent housing submits a request to  
2        the Secretary to carry out instead a project for the  
3        direct benefit of low-income persons, and the Sec-  
4        retary determines that the initial project is no longer  
5        needed to provide transitional or permanent housing,  
6        the Secretary may approve the project described in  
7        the request and authorize the recipient or project  
8        sponsor to carry out that project.

9        “(d) REPAYMENT OF ASSISTANCE AND PREVENTION  
10      OF UNDUE BENEFITS.—

11            “(1) REPAYMENT.—If a recipient or project  
12            sponsor receives assistance under section 422 to  
13            carry out a project that consists of activities de-  
14            scribed in paragraph (1) or (2) of subsection (a) and  
15            the project ceases to provide transitional or perma-  
16            nent housing—

17                    “(A) earlier than 10 years after operation  
18                    of the project begins, the Secretary shall re-  
19                    quire the recipient or project sponsor to repay  
20                    100 percent of the assistance; or

21                    “(B) not earlier than 10 years, but earlier  
22                    than 15 years, after operation of the project be-  
23                    gins, the Secretary shall require the recipient or  
24                    project sponsor to repay 20 percent of the as-  
25                    sistance for each of the years in the 15-year pe-

1           riod for which the project fails to provide that  
2           housing.

3           “(2) PREVENTION OF UNDUE BENEFITS.—Ex-  
4           cept as provided in paragraph (3), if any property  
5           is used for a project that receives assistance under  
6           subsection (a) and consists of activities described in  
7           paragraph (1) or (2) of subsection (a), and the sale  
8           or other disposition of the property occurs before the  
9           expiration of the 15-year period beginning on the  
10          date that operation of the project begins, the recipi-  
11          ent or project sponsor who received the assistance  
12          shall comply with such terms and conditions as the  
13          Secretary may prescribe to prevent the recipient or  
14          project sponsor from unduly benefitting from such  
15          sale or disposition.

16          “(3) EXCEPTION.—A recipient or project spon-  
17          sor shall not be required to make the repayments,  
18          and comply with the terms and conditions, required  
19          under paragraph (1) or (2) if—

20                  “(A) the sale or disposition of the property  
21                  used for the project results in the use of the  
22                  property for the direct benefit of very low-in-  
23                  come persons;

24                  “(B) all of the proceeds of the sale or dis-  
25                  position are used to provide transitional or per-

1           manent housing meeting the requirements of  
2           this subtitle;

3           “(C) project-based rental assistance or op-  
4           erating cost assistance from any Federal pro-  
5           gram or an equivalent State or local program is  
6           no longer made available and the project is  
7           meeting applicable performance standards, pro-  
8           vided that the portion of the project that had  
9           benefitted from such assistance continues to  
10          meet the tenant income and rent restrictions for  
11          low-income units under section 42(g) of the In-  
12          ternal Revenue Code of 1986; or

13          “(D) there are no individuals and families  
14          in the geographic area who are homeless, in  
15          which case the project may serve individuals  
16          and families at risk of homelessness.

17          “(e) STAFF TRAINING.—The Secretary may allow  
18          reasonable costs associated with staff training to be in-  
19          cluded as part of the activities described in subsection (a).

20          “(f) ELIGIBILITY FOR PERMANENT HOUSING.—Any  
21          project that receives assistance under subsection (a) and  
22          that provides project-based or sponsor-based permanent  
23          housing for homeless individuals or families with a dis-  
24          ability, including projects that meet the requirements of  
25          subsection (a) and subsection (d)(2)(A) of section 428

1 may also serve individuals who had previously met the re-  
 2 quirements for such project prior to moving into a dif-  
 3 ferent permanent housing project.

4 “(g) ADMINISTRATION OF RENTAL ASSISTANCE.—  
 5 Provision of permanent housing rental assistance shall be  
 6 administered by a State, unit of general local government,  
 7 or public housing agency.”.

8 **SEC. 1303. HIGH PERFORMING COMMUNITIES.**

9 The McKinney-Vento Homeless Assistance Act is  
 10 amended by striking section 424 (42 U.S.C. 11384) and  
 11 inserting the following:

12 **“SEC. 424. INCENTIVES FOR HIGH-PERFORMING COMMU-  
 13 NITIES.**

14 “(a) DESIGNATION AS A HIGH-PERFORMING COMMU-  
 15 NITY.—

16 “(1) IN GENERAL.—The Secretary shall des-  
 17 ignate, on an annual basis, which collaborative appli-  
 18 cants represent high-performing communities.

19 “(2) CONSIDERATION.—In determining whether  
 20 to designate a collaborative applicant as a high-per-  
 21 forming community under paragraph (1), the Sec-  
 22 retary shall establish criteria to ensure that the re-  
 23 quirements described under paragraphs (1)(B) and  
 24 (2)(B) of subsection (d) are measured by comparing  
 25 homeless individuals and families under similar cir-

1       cumstances, in order to encourage projects in the ge-  
2       ographic area to serve homeless individuals and fam-  
3       ilies with more severe barriers to housing stability.

4           “(3) 2-YEAR PHASE IN.—In each of the first 2  
5       years after the effective date under section 1503 of  
6       the Homeless Emergency Assistance and Rapid  
7       Transition to Housing Act of 2009, the Secretary  
8       shall designate not more than 10 collaborative appli-  
9       cants as high-performing communities.

10          “(4) EXCESS OF QUALIFIED APPLICANTS.—If,  
11       during the 2-year period described under paragraph  
12       (2), more than 10 collaborative applicants could  
13       qualify to be designated as high-performing commu-  
14       nities, the Secretary shall designate the 10 that  
15       have, in the discretion of the Secretary, the best per-  
16       formance based on the criteria described under sub-  
17       section (d).

18          “(5) TIME LIMIT ON DESIGNATION.—The des-  
19       ignation of any collaborative applicant as a high-per-  
20       forming community under this subsection shall be  
21       effective only for the year in which such designation  
22       is made. The Secretary, on an annual basis, may  
23       renew any such designation.

24          “(b) APPLICATION.—

1           “(1) IN GENERAL.—A collaborative applicant  
2 seeking designation as a high-performing community  
3 under subsection (a) shall submit an application to  
4 the Secretary at such time, and in such manner as  
5 the Secretary may require.

6           “(2) CONTENT OF APPLICATION.—In any appli-  
7 cation submitted under paragraph (1), a collabo-  
8 rative applicant shall include in such application—

9           “(A) a report showing how any money re-  
10 ceived under this subtitle in the preceding year  
11 was expended; and

12           “(B) information that such applicant can  
13 meet the requirements described under sub-  
14 section (d).

15           “(3) PUBLICATION OF APPLICATION.—The Sec-  
16 retary shall—

17           “(A) publish any report or information  
18 submitted in an application under this section  
19 in the geographic area represented by the col-  
20 laborative applicant; and

21           “(B) seek comments from the public as to  
22 whether the collaborative applicant seeking des-  
23 ignation as a high-performing community meets  
24 the requirements described under subsection  
25 (d).

1       “(c) USE OF FUNDS.—Funds awarded under section  
2 422(a) to a project sponsor who is located in a high-per-  
3 forming community may be used—

4               “(1) for any of the eligible activities described  
5 in section 423; or

6               “(2) for any of the eligible activities described  
7 in paragraphs (4) and (5) of section 415(a).

8       “(d) DEFINITION OF HIGH-PERFORMING COMMU-  
9 NITY.—For purposes of this section, the term ‘high-per-  
10 forming community’ means a geographic area that dem-  
11 onstrates through reliable data that all five of the fol-  
12 lowing requirements are met for that geographic area:

13               “(1) TERM OF HOMELESSNESS.—The mean  
14 length of episodes of homelessness for that geo-  
15 graphic area—

16                       “(A) is less than 20 days; or

17                       “(B) for individuals and families in similar  
18 circumstances in the preceding year was at  
19 least 10 percent less than in the year before.

20               “(2) FAMILIES LEAVING HOMELESSNESS.—Of  
21 individuals and families—

22                       “(A) who leave homelessness, fewer than 5  
23 percent of such individuals and families become  
24 homeless again at any time within the next 2  
25 years; or

1           “(B) in similar circumstances who leave  
2           homelessness, the percentage of such individ-  
3           uals and families who become homeless again  
4           within the next 2 years has decreased by at  
5           least 20 percent from the preceding year.

6           “(3) COMMUNITY ACTION.—The communities  
7           that compose the geographic area have—

8                   “(A) actively encouraged homeless individ-  
9                   uals and families to participate in homeless as-  
10                   sistance services available in that geographic  
11                   area; and

12                   “(B) included each homeless individual or  
13                   family who sought homeless assistance services  
14                   in the data system used by that community for  
15                   determining compliance with this subsection.

16           “(4) EFFECTIVENESS OF PREVIOUS ACTIVI-  
17           TIES.—If recipients in the geographic area have  
18           used funding awarded under section 422(a) for eligi-  
19           ble activities described under section 415(a) in pre-  
20           vious years based on the authority granted under  
21           subsection (c), that such activities were effective at  
22           reducing the number of individuals and families who  
23           became homeless in that community.

24           “(5) FLEXIBILITY TO SERVE PERSONS DEFINED  
25           AS HOMELESS UNDER OTHER FEDERAL LAWS.—

1 With respect to collaborative applicants exercising  
2 the authority under section 422(j) to serve homeless  
3 families with children and youth defined as homeless  
4 under other Federal statutes, effectiveness in achiev-  
5 ing the goals and outcomes identified in subsection  
6 427(b)(1)(F) according to such standards as the  
7 Secretary shall promulgate.

8 “(e) COOPERATION AMONG ENTITIES.—A collabo-  
9 rative applicant designated as a high-performing commu-  
10 nity under this section shall cooperate with the Secretary  
11 in distributing information about successful efforts within  
12 the geographic area represented by the collaborative appli-  
13 cant to reduce homelessness.”.

14 **SEC. 1304. PROGRAM REQUIREMENTS.**

15 Section 426 of the McKinney-Vento Homeless Assist-  
16 ance Act (42 U.S.C. 11386) is amended—

17 (1) by striking subsections (a), (b), and (c) and  
18 inserting the following:

19 “(a) SITE CONTROL.—The Secretary shall require  
20 that each application include reasonable assurances that  
21 the applicant will own or have control of a site for the  
22 proposed project not later than the expiration of the 12-  
23 month period beginning upon notification of an award for  
24 grant assistance, unless the application proposes providing  
25 supportive housing assistance under section 423(a)(3) or

1 housing that will eventually be owned or controlled by the  
2 families and individuals served. An applicant may obtain  
3 ownership or control of a suitable site different from the  
4 site specified in the application. If any recipient or project  
5 sponsor fails to obtain ownership or control of the site  
6 within 12 months after notification of an award for grant  
7 assistance, the grant shall be recaptured and reallocated  
8 under this subtitle.

9       “(b) REQUIRED AGREEMENTS.—The Secretary may  
10 not provide assistance for a proposed project under this  
11 subtitle unless the collaborative applicant involved  
12 agrees—

13               “(1) to ensure the operation of the project in  
14 accordance with the provisions of this subtitle;

15               “(2) to monitor and report to the Secretary the  
16 progress of the project;

17               “(3) to ensure, to the maximum extent prac-  
18 ticable, that individuals and families experiencing  
19 homelessness are involved, through employment, pro-  
20 vision of volunteer services, or otherwise, in con-  
21 structing, rehabilitating, maintaining, and operating  
22 facilities for the project and in providing supportive  
23 services for the project;

24               “(4) to require certification from all project  
25 sponsors that—

1           “(A) they will maintain the confidentiality  
2 of records pertaining to any individual or family  
3 provided family violence prevention or treat-  
4 ment services through the project;

5           “(B) that the address or location of any  
6 family violence shelter project assisted under  
7 this subtitle will not be made public, except  
8 with written authorization of the person respon-  
9 sible for the operation of such project;

10           “(C) they will establish policies and prac-  
11 tices that are consistent with, and do not re-  
12 strict the exercise of rights provided by, subtitle  
13 B of title VII, and other laws relating to the  
14 provision of educational and related services to  
15 individuals and families experiencing homeless-  
16 ness;

17           “(D) in the case of programs that provide  
18 housing or services to families, they will des-  
19 ignate a staff person to be responsible for en-  
20 suring that children being served in the pro-  
21 gram are enrolled in school and connected to  
22 appropriate services in the community, includ-  
23 ing early childhood programs such as Head  
24 Start, part C of the Individuals with Disabil-  
25 ities Education Act, and programs authorized

1 under subtitle B of title VII of this Act(42  
2 U.S.C. 11431 et seq.); and

3 “(E) they will provide data and reports as  
4 required by the Secretary pursuant to the Act;

5 “(5) if a collaborative applicant is a unified  
6 funding agency under section 402(g) and receives  
7 funds under subtitle C to carry out the payment of  
8 administrative costs described in section 423(a)(11),  
9 to establish such fiscal control and fund accounting  
10 procedures as may be necessary to assure the proper  
11 disbursement of, and accounting for, such funds in order  
12 to ensure that all financial transactions carried out  
13 with such funds are conducted, and records main-  
14 tained, in accordance with generally accepted ac-  
15 counting principles;

16 “(6) to monitor and report to the Secretary the  
17 provision of matching funds as required by section  
18 430;

19 “(7) to take the educational needs of children  
20 into account when families are placed in emergency  
21 or transitional shelter and will, to the maximum ex-  
22 tent practicable, place families with children as close  
23 as possible to their school of origin so as not to dis-  
24 rupt such children’s education; and

1 “(8) to comply with such other terms and con-  
2 ditions as the Secretary may establish to carry out  
3 this subtitle in an effective and efficient manner.”;

4 (2) by redesignating subsection (d) as sub-  
5 section (c);

6 (3) in the first sentence of subsection (c) (as so  
7 redesignated by paragraph (2) of this subsection), by  
8 striking “recipient” and inserting “recipient or  
9 project sponsor”;

10 (4) by striking subsection (e);

11 (5) by redesignating subsections (f), (g), and  
12 (h), as subsections (d), (e), and (f), respectively;

13 (6) in the first sentence of subsection (e) (as so  
14 redesignated by paragraph (5) of this section), by  
15 striking “recipient” each place it appears and insert-  
16 ing “recipient or project sponsor”;

17 (7) by striking subsection (i); and

18 (8) by redesignating subsection (j) as sub-  
19 section (g).

20 **SEC. 1305. SELECTION CRITERIA, ALLOCATION AMOUNTS,**  
21 **AND FUNDING.**

22 The McKinney-Vento Homeless Assistance Act is  
23 amended—

24 (1) by repealing section 429 (42 U.S.C. 11389);

25 and

1           (2) by redesignating sections 427 and 428 (42  
2           U.S.C. 11387, 11388) as sections 432 and 433, re-  
3           spectively; and

4           (3) by inserting after section 426 the following  
5           new sections:

6   **“SEC. 427. SELECTION CRITERIA.**

7           “(a) IN GENERAL.—The Secretary shall award funds  
8           to recipients through a national competition between geo-  
9           graphic areas based on criteria established by the Sec-  
10          retary.

11          “(b) REQUIRED CRITERIA.—

12                  “(1) IN GENERAL.—The criteria established  
13          under subsection (a) shall include—

14                          “(A) the previous performance of the re-  
15                          cipient regarding homelessness, including per-  
16                          formance related to funds provided under sec-  
17                          tion 412 (except that recipients applying from  
18                          geographic areas where no funds have been  
19                          awarded under this subtitle, or under subtitles  
20                          C, D, E, or F of title IV of this Act, as in effect  
21                          prior to the date of the enactment of the Home-  
22                          less Emergency Assistance and Rapid Transi-  
23                          tion to Housing Act of 2009, shall receive full  
24                          credit for performance under this subpara-  
25                          graph), measured by criteria that shall be an-

1 nounced by the Secretary, that shall take into  
2 account barriers faced by individual homeless  
3 people, and that shall include—

4 “(i) the length of time individuals and  
5 families remain homeless;

6 “(ii) the extent to which individuals  
7 and families who leave homelessness expe-  
8 rience additional spells of homelessness;

9 “(iii) the thoroughness of grantees in  
10 the geographic area in reaching homeless  
11 individuals and families;

12 “(iv) overall reduction in the number  
13 of homeless individuals and families;

14 “(v) jobs and income growth for  
15 homeless individuals and families;

16 “(vi) success at reducing the number  
17 of individuals and families who become  
18 homeless;

19 “(vii) other accomplishments by the  
20 recipient related to reducing homelessness;  
21 and

22 “(viii) for collaborative applicants that  
23 have exercised the authority under section  
24 422(j) to serve families with children and  
25 youth defined as homeless under other

1 Federal statutes, success in achieving the  
2 goals and outcomes identified in section  
3 427(b)(1)(F);

4 “(B) the plan of the recipient, which shall  
5 describe—

6 “(i) how the number of individuals  
7 and families who become homeless will be  
8 reduced in the community;

9 “(ii) how the length of time that indi-  
10 viduals and families remain homeless will  
11 be reduced;

12 “(iii) how the recipient will collaborate  
13 with local education authorities to assist in  
14 the identification of individuals and fami-  
15 lies who become or remain homeless and  
16 are informed of their eligibility for services  
17 under subtitle B of title VII of this Act  
18 (42 U.S.C. 11431 et seq.);

19 “(iv) the extent to which the recipient  
20 will—

21 “(I) address the needs of all rel-  
22 evant subpopulations;

23 “(II) incorporate comprehensive  
24 strategies for reducing homelessness,

1 including the interventions referred to  
2 in section 428(d);

3 “(III) set quantifiable perform-  
4 ance measures;

5 “(IV) set timelines for completion  
6 of specific tasks;

7 “(V) identify specific funding  
8 sources for planned activities; and

9 “(VI) identify an individual or  
10 body responsible for overseeing imple-  
11 mentation of specific strategies; and

12 “(v) whether the recipient proposes to  
13 exercise authority to use funds under sec-  
14 tion 422(j), and if so, how the recipient  
15 will achieve the goals and outcomes identi-  
16 fied in section 427(b)(1)(F);

17 “(C) the methodology of the recipient used  
18 to determine the priority for funding local  
19 projects under section 422(c)(1), including the  
20 extent to which the priority-setting process—

21 “(i) uses periodically collected infor-  
22 mation and analysis to determine the ex-  
23 tent to which each project has resulted in  
24 rapid return to permanent housing for  
25 those served by the project, taking into ac-

1 count the severity of barriers faced by the  
2 people the project serves;

3 “(ii) considers the full range of opin-  
4 ions from individuals or entities with  
5 knowledge of homelessness in the geo-  
6 graphic area or an interest in preventing  
7 or ending homelessness in the geographic  
8 area;

9 “(iii) is based on objective criteria  
10 that have been publicly announced by the  
11 recipient; and

12 “(iv) is open to proposals from enti-  
13 ties that have not previously received funds  
14 under this subtitle;

15 “(D) the extent to which the amount of as-  
16 sistance to be provided under this subtitle to  
17 the recipient will be supplemented with re-  
18 sources from other public and private sources,  
19 including mainstream programs identified by  
20 the Government Accountability Office in the  
21 two reports described in section 203(a)(7);

22 “(E) demonstrated coordination by the re-  
23 cipient with the other Federal, State, local, pri-  
24 vate, and other entities serving individuals and  
25 families experiencing homelessness and at risk

1 of homelessness in the planning and operation  
2 of projects;

3 “(F) for collaborative applicants exercising  
4 the authority under section 422(j) to serve  
5 homeless families with children and youth de-  
6 fined as homeless under other Federal statutes,  
7 program goals and outcomes, which shall in-  
8 clude—

9 “(i) preventing homelessness among  
10 the subset of such families with children  
11 and youth who are at highest risk of be-  
12 coming homeless, as such term is defined  
13 for purposes of this title; or

14 “(ii) achieving independent living in  
15 permanent housing among such families  
16 with children and youth, especially those  
17 who have a history of doubled-up and other  
18 temporary housing situations or are living  
19 in a temporary housing situation due to  
20 lack of available and appropriate emer-  
21 gency shelter, through the provision of eli-  
22 gible assistance that directly contributes to  
23 achieving such results including assistance  
24 to address chronic disabilities, chronic  
25 physical health or mental health condi-

1           tions, substance addiction, histories of do-  
2           mestic violence or childhood abuse, or mul-  
3           tiple barriers to employment; and

4           “(G) such other factors as the Secretary  
5           determines to be appropriate to carry out this  
6           subtitle in an effective and efficient manner.

7           “(2) ADDITIONAL CRITERIA.—In addition to  
8           the criteria required under paragraph (1), the cri-  
9           teria established under paragraph (1) shall also in-  
10          clude the need within the geographic area for home-  
11          less services, determined as follows and under the  
12          following conditions:

13           “(A) NOTICE.—The Secretary shall inform  
14           each collaborative applicant, at a time concu-  
15           rent with the release of the notice of funding  
16           availability for the grants, of the pro rata esti-  
17           mated grant amount under this subtitle for the  
18           geographic area represented by the collaborative  
19           applicant.

20           “(B) AMOUNT.—

21           “(i) FORMULA.—Such estimated  
22           grant amounts shall be determined by a  
23           formula, which shall be developed by the  
24           Secretary, by regulation, not later than the  
25           expiration of the 2-year period beginning

1           upon the date of the enactment of the  
2           Homeless Emergency Assistance and  
3           Rapid Transition to Housing Act of 2009,  
4           that is based upon factors that are appro-  
5           priate to allocate funds to meet the goals  
6           and objectives of this subtitle.

7           “(ii) COMBINATIONS OR CON-  
8           SORTIA.—For a collaborative applicant  
9           that represents a combination or consor-  
10          tium of cities or counties, the estimated  
11          need amount shall be the sum of the esti-  
12          mated need amounts for the cities or coun-  
13          ties represented by the collaborative appli-  
14          cant.

15          “(iii) AUTHORITY OF SECRETARY.—  
16          Subject to the availability of appropria-  
17          tions, the Secretary shall increase the esti-  
18          mated need amount for a geographic area  
19          if necessary to provide 1 year of renewal  
20          funding for all expiring contracts entered  
21          into under this subtitle for the geographic  
22          area.

23          “(3) HOMELESSNESS COUNTS.—The Secretary  
24          shall not require that communities conduct an actual  
25          count of homeless people other than those described

1 in paragraphs (1) through (4) of section 103(a) of  
2 this Act (42 U.S.C. 11302(a)).

3 “(c) ADJUSTMENTS.—The Secretary may adjust the  
4 formula described in subsection (b)(2) as necessary—

5 “(1) to ensure that each collaborative applicant  
6 has sufficient funding to renew all qualified projects  
7 for at least one year; and

8 “(2) to ensure that collaborative applicants are  
9 not discouraged from replacing renewal projects with  
10 new projects that the collaborative applicant deter-  
11 mines will better be able to meet the purposes of this  
12 Act.

13 **“SEC. 428. ALLOCATION OF AMOUNTS AND INCENTIVES**  
14 **FOR SPECIFIC ELIGIBLE ACTIVITIES.**

15 “(a) MINIMUM ALLOCATION FOR PERMANENT HOUS-  
16 ING FOR HOMELESS INDIVIDUALS AND FAMILIES WITH  
17 DISABILITIES.—

18 “(1) IN GENERAL.—From the amounts made  
19 available to carry out this subtitle for a fiscal year,  
20 a portion equal to not less than 30 percent of the  
21 sums made available to carry out subtitle B and this  
22 subtitle, shall be used for permanent housing for  
23 homeless individuals with disabilities and homeless  
24 families that include such an individual who is an

1 adult or a minor head of household if no adult is  
2 present in the household.

3 “(2) CALCULATION.—In calculating the portion  
4 of the amount described in paragraph (1) that is  
5 used for activities that are described in paragraph  
6 (1), the Secretary shall not count funds made avail-  
7 able to renew contracts for existing projects under  
8 section 429.

9 “(3) ADJUSTMENT.—The 30 percent figure in  
10 paragraph (1) shall be reduced proportionately based  
11 on need under section 427(b)(2) in geographic areas  
12 for which subsection (e) applies in regard to sub-  
13 section (d)(2)(A).

14 “(4) SUSPENSION.—The requirement estab-  
15 lished in paragraph (1) shall be suspended for any  
16 year in which funding available for grants under this  
17 subtitle after making the allocation established in  
18 paragraph (1) would not be sufficient to renew for  
19 1 year all existing grants that would otherwise be  
20 fully funded under this subtitle.

21 “(5) TERMINATION.—The requirement estab-  
22 lished in paragraph (1) shall terminate upon a find-  
23 ing by the Secretary that since the beginning of  
24 2001 at least 150,000 new units of permanent hous-

1       ing for homeless individuals and families with dis-  
2       abilities have been funded under this subtitle.

3       “(b) SET-ASIDE FOR PERMANENT HOUSING FOR  
4 HOMELESS FAMILIES WITH CHILDREN.—From the  
5 amounts made available to carry out this subtitle for a  
6 fiscal year, a portion equal to not less than 10 percent  
7 of the sums made available to carry out subtitle B and  
8 this subtitle for that fiscal year shall be used to provide  
9 or secure permanent housing for homeless families with  
10 children.

11       “(c) TREATMENT OF AMOUNTS FOR PERMANENT OR  
12 TRANSITIONAL HOUSING.—Nothing in this Act may be  
13 construed to establish a limit on the amount of funding  
14 that an applicant may request under this subtitle for ac-  
15 quisition, construction, or rehabilitation activities for the  
16 development of permanent housing or transitional hous-  
17 ing.

18       “(d) INCENTIVES FOR PROVEN STRATEGIES.—

19               “(1) IN GENERAL.—The Secretary shall provide  
20 bonuses or other incentives to geographic areas for  
21 using funding under this subtitle for activities that  
22 have been proven to be effective at reducing home-  
23 lessness generally, reducing homelessness for a spe-  
24 cific subpopulation, or achieving homeless prevention

1 and independent living goals as set forth in section  
2 427(b)(1)(F).

3 “(2) RULE OF CONSTRUCTION.—For purposes  
4 of this subsection, activities that have been proven to  
5 be effective at reducing homelessness generally or re-  
6 ducing homelessness for a specific subpopulation in-  
7 cludes—

8 “(A) permanent supportive housing for  
9 chronically homeless individuals and families;

10 “(B) for homeless families, rapid rehousing  
11 services, short-term flexible subsidies to over-  
12 come barriers to rehousing, support services  
13 concentrating on improving incomes to pay  
14 rent, coupled with performance measures em-  
15 phasizing rapid and permanent rehousing and  
16 with leveraging funding from mainstream fam-  
17 ily service systems such as Temporary Assist-  
18 ance for Needy Families and Child Welfare  
19 services; and

20 “(C) any other activity determined by the  
21 Secretary, based on research and after notice  
22 and comment to the public, to have been proven  
23 effective at reducing homelessness generally, re-  
24 ducing homelessness for a specific subpopula-  
25 tion, or achieving homeless prevention and inde-

1           pendent living goals as set forth in section  
2           427(b)(1)(F).

3           “(3) BALANCE OF INCENTIVES FOR PROVEN  
4           STRATEGIES.—To the extent practicable, in pro-  
5           viding bonuses or incentives for proven strategies,  
6           the Secretary shall seek to maintain a balance  
7           among strategies targeting homeless individuals,  
8           families, and other subpopulations. The Secretary  
9           shall not implement bonuses or incentives that spe-  
10          cifically discourage collaborative applicants from ex-  
11          ercising their flexibility to serve families with chil-  
12          dren and youth defined as homeless under other  
13          Federal statutes.

14          “(e) INCENTIVES FOR SUCCESSFUL IMPLEMENTA-  
15          TION OF PROVEN STRATEGIES.—If any geographic area  
16          demonstrates that it has fully implemented any of the ac-  
17          tivities described in subsection (d) for all homeless individ-  
18          uals and families or for all members of subpopulations for  
19          whom such activities are targeted, that geographic area  
20          shall receive the bonus or incentive provided under sub-  
21          section (d), but may use such bonus or incentive for any  
22          eligible activity under either section 423 or paragraphs (4)  
23          and (5) of section 415(a) for homeless people generally  
24          or for the relevant subpopulation.

1 **“SEC. 429. RENEWAL FUNDING AND TERMS OF ASSISTANCE**  
2 **FOR PERMANENT HOUSING.**

3 “(a) IN GENERAL.—Renewal of expiring contracts  
4 for leasing, rental assistance, or operating costs for per-  
5 manent housing contracts may be funded either—

6 “(1) under the appropriations account for this  
7 title; or

8 “(2) the section 8 project-based rental assist-  
9 ance account.

10 “(b) RENEWALS.—The sums made available under  
11 subsection (a) shall be available for the renewal of con-  
12 tracts in the case of tenant-based assistance, successive  
13 1-year terms, and in the case of project-based assistance,  
14 successive terms of up to 15 years at the discretion of the  
15 applicant or project sponsor and subject to the availability  
16 of annual appropriations, for rental assistance and hous-  
17 ing operation costs associated with permanent housing  
18 projects funded under this subtitle, or under subtitle C  
19 or F (as in effect on the day before the effective date of  
20 the Homeless Emergency Assistance and Rapid Transition  
21 to Housing Act of 2009). The Secretary shall determine  
22 whether to renew a contract for such a permanent housing  
23 project on the basis of certification by the collaborative  
24 applicant for the geographic area that—

25 “(1) there is a demonstrated need for the  
26 project; and

1           “(2) the project complies with program require-  
2           ments and appropriate standards of housing quality  
3           and habitability, as determined by the Secretary.

4           “(c) CONSTRUCTION.—Nothing in this section shall  
5           be construed as prohibiting the Secretary from renewing  
6           contracts under this subtitle in accordance with criteria  
7           set forth in a provision of this subtitle other than this sec-  
8           tion.

9           **“SEC. 430. MATCHING FUNDING.**

10          “(a) IN GENERAL.—A collaborative applicant in a ge-  
11          ographic area in which funds are awarded under this sub-  
12          title shall specify contributions from any source other than  
13          a grant awarded under this subtitle, including renewal  
14          funding of projects assisted under subtitles C, D, and F  
15          of this title as in effect before the effective date under  
16          section 1503 of the Homeless Emergency Assistance and  
17          Rapid Transition to Housing Act of 2009, that shall be  
18          made available in the geographic area in an amount equal  
19          to not less than 25 percent of the funds provided to recipi-  
20          ents in the geographic area, except that grants for leasing  
21          shall not be subject to any match requirement.

22          “(b) LIMITATIONS ON IN-KIND MATCH.—The cash  
23          value of services provided to the residents or clients of a  
24          project sponsor by an entity other than the project sponsor  
25          may count toward the contributions in subsection (a) only

1 when documented by a memorandum of understanding be-  
2 tween the project sponsor and the other entity that such  
3 services will be provided.

4 “(c) COUNTABLE ACTIVITIES.—The contributions re-  
5 quired under subsection (a) may consist of—

6 “(1) funding for any eligible activity described  
7 under section 423; and

8 “(2) subject to subsection (b), in-kind provision  
9 of services of any eligible activity described under  
10 section 423.

11 **“SEC. 431. APPEAL PROCEDURE.**

12 “(a) IN GENERAL.—With respect to funding under  
13 this subtitle, if certification of consistency with the consoli-  
14 dated plan pursuant to section 403 is withheld from an  
15 applicant who has submitted an application for that cer-  
16 tification, such applicant may appeal such decision to the  
17 Secretary.

18 “(b) PROCEDURE.—The Secretary shall establish a  
19 procedure to process the appeals described in subsection  
20 (a).

21 “(c) DETERMINATION.—Not later than 45 days after  
22 the date of receipt of an appeal described in subsection  
23 (a), the Secretary shall determine if certification was un-  
24 reasonably withheld. If such certification was unreason-  
25 ably withheld, the Secretary shall review such application

1 and determine if such applicant shall receive funding  
2 under this subtitle.”.

3 **SEC. 1306. RESEARCH.**

4 There is authorized to be appropriated \$8,000,000,  
5 for each of fiscal years 2010 and 2011, for research into  
6 the efficacy of interventions for homeless families, to be  
7 expended by the Secretary of Housing and Urban Develop-  
8 ment over the 2 years at 3 different sites to provide serv-  
9 ices for homeless families and evaluate the effectiveness  
10 of such services.

11 **TITLE IV—RURAL HOUSING STA-**  
12 **BILITY ASSISTANCE PRO-**  
13 **GRAM**

14 **SEC. 1401. RURAL HOUSING STABILITY ASSISTANCE.**

15 Subtitle G of title IV of the McKinney-Vento Home-  
16 less Assistance Act (42 U.S.C. 11408 et seq.) is amend-  
17 ed—

18 (1) by striking the subtitle heading and insert-  
19 ing the following:

20 **“Subtitle G—Rural Housing**  
21 **Stability Assistance Program”;** and

22 (2) in section 491—

23 (A) by striking the section heading and in-  
24 serting **“RURAL HOUSING STABILITY**  
25 **GRANT PROGRAM.”;**

1 (B) in subsection (a)—

2 (i) by striking “rural homelessness  
3 grant program” and inserting “rural hous-  
4 ing stability grant program”;

5 (ii) by inserting “in lieu of grants  
6 under subtitle C” after “eligible organiza-  
7 tions”; and

8 (iii) by striking paragraphs (1), (2),  
9 and (3), and inserting the following:

10 “(1) rehousing or improving the housing situa-  
11 tions of individuals and families who are homeless or  
12 in the worst housing situations in the geographic  
13 area;

14 “(2) stabilizing the housing of individuals and  
15 families who are in imminent danger of losing hous-  
16 ing; and

17 “(3) improving the ability of the lowest-income  
18 residents of the community to afford stable hous-  
19 ing.”;

20 (C) in subsection (b)(1)—

21 (i) by redesignating subparagraphs  
22 (E), (F), and (G) as subparagraphs (I),  
23 (J), and (K), respectively; and

24 (ii) by striking subparagraph (D) and  
25 inserting the following:

1           “(D) construction of new housing units to  
2 provide transitional or permanent housing to  
3 homeless individuals and families and individ-  
4 uals and families at risk of homelessness;

5           “(E) acquisition or rehabilitation of a  
6 structure to provide supportive services or to  
7 provide transitional or permanent housing,  
8 other than emergency shelter, to homeless indi-  
9 viduals and families and individuals and fami-  
10 lies at risk of homelessness;

11           “(F) leasing of property, or portions of  
12 property, not owned by the recipient or project  
13 sponsor involved, for use in providing transi-  
14 tional or permanent housing to homeless indi-  
15 viduals and families and individuals and fami-  
16 lies at risk of homelessness, or providing sup-  
17 portive services to such homeless and at-risk in-  
18 dividuals and families;

19           “(G) provision of rental assistance to pro-  
20 vide transitional or permanent housing to home-  
21 less individuals and families and individuals and  
22 families at risk of homelessness, such rental as-  
23 sistance may include tenant-based or project-  
24 based rental assistance;

1           “(H) payment of operating costs for hous-  
2           ing units assisted under this title;”;

3           (D) in subsection (b)(2), by striking “ap-  
4           propriated” and inserting “transferred”;

5           (E) in subsection (c)—

6           (i) in paragraph (1)(A), by striking  
7           “appropriated” and inserting “trans-  
8           ferred”; and

9           (ii) in paragraph (3), by striking “ap-  
10          propriated” and inserting “transferred”;

11          (F) in subsection (d)—

12          (i) in paragraph (5), by striking “;  
13          and” and inserting a semicolon;

14          (ii) in paragraph (6)—

15                 (I) by striking “an agreement”  
16                 and all that follows through “fami-  
17                 lies” and inserting the following: “a  
18                 description of how individuals and  
19                 families who are homeless or who have  
20                 the lowest incomes in the community  
21                 will be involved by the organization”;  
22                 and

23                 (II) by striking the period at the  
24                 end, and inserting a semicolon; and

1 (iii) by adding at the end the fol-  
2 lowing:

3 “(7) a description of consultations that took  
4 place within the community to ascertain the most  
5 important uses for funding under this section, in-  
6 cluding the involvement of potential beneficiaries of  
7 the project; and

8 “(8) a description of the extent and nature of  
9 homelessness and of the worst housing situations in  
10 the community.”;

11 (G) by striking subsections (f) and (g) and  
12 inserting the following:

13 “(f) MATCHING FUNDING.—

14 “(1) IN GENERAL.—An organization eligible to  
15 receive a grant under subsection (a) shall specify  
16 matching contributions from any source other than  
17 a grant awarded under this subtitle, that shall be  
18 made available in the geographic area in an amount  
19 equal to not less than 25 percent of the funds pro-  
20 vided for the project or activity, except that grants  
21 for leasing shall not be subject to any match require-  
22 ment.

23 “(2) LIMITATIONS ON IN-KIND MATCH.—The  
24 cash value of services provided to the beneficiaries or  
25 clients of an eligible organization by an entity other

1 than the organization may count toward the con-  
2 tributions in paragraph (1) only when documented  
3 by a memorandum of understanding between the or-  
4 ganization and the other entity that such services  
5 will be provided.

6 “(3) COUNTABLE ACTIVITIES.—The contribu-  
7 tions required under paragraph (1) may consist of—

8 “(A) funding for any eligible activity de-  
9 scribed under subsection (b); and

10 “(B) subject to paragraph (2), in-kind pro-  
11 vision of services of any eligible activity de-  
12 scribed under subsection (b).

13 “(g) SELECTION CRITERIA.—The Secretary shall es-  
14 tablish criteria for selecting recipients of grants under  
15 subsection (a), including—

16 “(1) the participation of potential beneficiaries  
17 of the project in assessing the need for, and impor-  
18 tance of, the project in the community;

19 “(2) the degree to which the project addresses  
20 the most harmful housing situations present in the  
21 community;

22 “(3) the degree of collaboration with others in  
23 the community to meet the goals described in sub-  
24 section (a);

1           “(4) the performance of the organization in im-  
2           proving housing situations, taking account of the se-  
3           verity of barriers of individuals and families served  
4           by the organization;

5           “(5) for organizations that have previously re-  
6           ceived funding under this section, the extent of im-  
7           provement in homelessness and the worst housing  
8           situations in the community since such funding  
9           began;

10           “(6) the need for such funds, as determined by  
11           the formula established under section 427(b)(2); and

12           “(7) any other relevant criteria as determined  
13           by the Secretary.”;

14           (H) in subsection (h)—

15           (i) in paragraph (1), in the matter  
16           preceding subparagraph (A), by striking  
17           “The” and inserting “Not later than 18  
18           months after funding is first made avail-  
19           able pursuant to the amendments made by  
20           title IV of the Homeless Emergency Assist-  
21           ance and Rapid Transition to Housing Act  
22           of 2009, the”; and

23           (ii) in paragraph (1)(A), by striking  
24           “providing housing and other assistance to

1 homeless persons” and inserting “meeting  
2 the goals described in subsection (a)”;

3 (iii) in paragraph (1)(B), by striking  
4 “address homelessness in rural areas” and  
5 inserting “meet the goals described in sub-  
6 section (a) in rural areas”; and

7 (iv) in paragraph (2)—

8 (I) by striking “The” and insert-  
9 ing “Not later than 24 months after  
10 funding is first made available pursu-  
11 ant to the amendment made by title  
12 IV of the Homeless Emergency As-  
13 sistance and Rapid Transition to  
14 Housing Act of 2009, the”;

15 (II) by striking “, not later than  
16 18 months after the date on which the  
17 Secretary first makes grants under  
18 the program,”; and

19 (III) by striking “prevent and re-  
20 spond to homelessness” and inserting  
21 “meet the goals described in sub-  
22 section (a)”;

23 (I) in subsection (k)—

24 (i) in paragraph (1), by striking  
25 “rural homelessness grant program” and

1 inserting “rural housing stability grant  
2 program”; and

3 (ii) in paragraph (2)—

4 (I) in subparagraph (A), by strik-  
5 ing “; or” and inserting a semicolon;

6 (II) in subparagraph (B)(ii), by  
7 striking “rural census tract.” and in-  
8 serting “county where at least 75 per-  
9 cent of the population is rural; or”;  
10 and

11 (III) by adding at the end the  
12 following:

13 “(C) any area or community, respectively,  
14 located in a State that has population density  
15 of less than 30 persons per square mile (as re-  
16 ported in the most recent decennial census),  
17 and of which at least 1.25 percent of the total  
18 acreage of such State is under Federal jurisdic-  
19 tion, provided that no metropolitan city (as  
20 such term is defined in section 102 of the  
21 Housing and Community Development Act of  
22 1974) in such State is the sole beneficiary of  
23 the grant amounts awarded under this sec-  
24 tion.”;

25 (J) in subsection (l)—

1 (i) by striking the subsection heading  
2 and inserting “PROGRAM FUNDING.—”;  
3 and

4 (ii) by striking paragraph (1) and in-  
5 serting the following:

6 “(1) IN GENERAL.—The Secretary shall deter-  
7 mine the total amount of funding attributable under  
8 section 427(b)(2) to meet the needs of any geo-  
9 graphic area in the Nation that applies for funding  
10 under this section. The Secretary shall transfer any  
11 amounts determined under this subsection from the  
12 Community Homeless Assistance Program and con-  
13 solidate such transferred amounts for grants under  
14 this section, except that the Secretary shall transfer  
15 an amount not less than 5 percent of the amount  
16 available under subtitle C for grants under this sec-  
17 tion. Any amounts so transferred and not used for  
18 grants under this section due to an insufficient num-  
19 ber of applications shall be transferred to be used  
20 for grants under subtitle C.”; and

21 (K) by adding at the end the following:

22 “(m) DETERMINATION OF FUNDING SOURCE.—For  
23 any fiscal year, in addition to funds awarded under sub-  
24 title B, funds under this title to be used in a city or county

1 shall only be awarded under either subtitle C or subtitle  
2 D.”.

3 **SEC. 1402. GAO STUDY OF HOMELESSNESS AND HOMELESS**  
4 **ASSISTANCE IN RURAL AREAS.**

5 (a) STUDY AND REPORT.—Not later than the expira-  
6 tion of the 12-month period beginning on the date of the  
7 enactment of this division, the Comptroller General of the  
8 United States shall conduct a study to examine homeless-  
9 ness and homeless assistance in rural areas and rural com-  
10 munities and submit a report to the Congress on the find-  
11 ings and conclusion of the study. The report shall contain  
12 the following matters:

13 (1) A general description of homelessness, in-  
14 cluding the range of living situations among home-  
15 less individuals and homeless families, in rural areas  
16 and rural communities of the United States, includ-  
17 ing tribal lands and colonias.

18 (2) An estimate of the incidence and prevalence  
19 of homelessness among individuals and families in  
20 rural areas and rural communities of the United  
21 States.

22 (3) An estimate of the number of individuals  
23 and families from rural areas and rural communities  
24 who migrate annually to non-rural areas and non-  
25 rural communities for homeless assistance.

1           (4) A description of barriers that individuals  
2           and families in and from rural areas and rural com-  
3           munities encounter when seeking to access homeless  
4           assistance programs, and recommendations for re-  
5           moving such barriers.

6           (5) A comparison of the rate of homelessness  
7           among individuals and families in and from rural  
8           areas and rural communities compared to the rate of  
9           homelessness among individuals and families in and  
10          from non-rural areas and non-rural communities.

11          (6) A general description of homeless assistance  
12          for individuals and families in rural areas and rural  
13          communities of the United States.

14          (7) A description of barriers that homeless as-  
15          sistance providers serving rural areas and rural com-  
16          munities encounter when seeking to access Federal  
17          homeless assistance programs, and recommendations  
18          for removing such barriers.

19          (8) An assessment of the type and amount of  
20          Federal homeless assistance funds awarded to orga-  
21          nizations serving rural areas and rural communities  
22          and a determination as to whether such amount is  
23          proportional to the distribution of homeless individ-  
24          uals and families in and from rural areas and rural  
25          communities compared to homeless individuals and

1 families in non-rural areas and non-rural commu-  
2 nities.

3 (9) An assessment of the current roles of the  
4 Department of Housing and Urban Development,  
5 the Department of Agriculture, and other Federal  
6 departments and agencies in administering homeless  
7 assistance programs in rural areas and rural com-  
8 munities and recommendations for distributing Fed-  
9 eral responsibilities, including homeless assistance  
10 program administration and grantmaking, among  
11 the departments and agencies so that service organi-  
12 zations in rural areas and rural communities are  
13 most effectively reached and supported.

14 (b) ACQUISITION OF SUPPORTING INFORMATION.—  
15 In carrying out the study under this section, the Comp-  
16 troller General shall seek to obtain views from the fol-  
17 lowing persons:

18 (1) The Secretary of Agriculture.

19 (2) The Secretary of Housing and Urban Devel-  
20 opment.

21 (3) The Secretary of Health and Human Serv-  
22 ices.

23 (4) The Secretary of Education.

24 (5) The Secretary of Labor.

25 (6) The Secretary of Veterans Affairs.

1           (7) The Executive Director of the United States  
2           Interagency Council on Homelessness.

3           (8) Project sponsors and recipients of homeless  
4           assistance grants serving rural areas and rural com-  
5           munities.

6           (9) Individuals and families in or from rural  
7           areas and rural communities who have sought or are  
8           seeking Federal homeless assistance services.

9           (10) National advocacy organizations concerned  
10          with homelessness, rural housing, and rural commu-  
11          nity development.

12          (c) EFFECTIVE DATE.—This section shall take effect  
13          on the date of the enactment of this division

14                   **TITLE V—REPEALS AND**  
15                   **CONFORMING AMENDMENTS**

16   **SEC. 1501. REPEALS.**

17          Subtitles D, E, and F of title IV of the McKinney-  
18          Vento Homeless Assistance Act (42 U.S.C. 11391 et seq.,  
19          11401 et seq., and 11403 et seq.) are hereby repealed.

20   **SEC. 1502. CONFORMING AMENDMENTS.**

21          (a) CONSOLIDATED PLAN.—Section 403(1) of the  
22          McKinney-Vento Homeless Assistance Act (as so redesign-  
23          nated by section 1101(2) of this division), is amended—

24                  (1) by striking “current housing affordability  
25                  strategy” and inserting “consolidated plan”; and

1 (2) by inserting before the comma the following:

2 “(referred to in such section as a ‘comprehensive  
3 housing affordability strategy’)”.

4 (b) PERSONS EXPERIENCING HOMELESSNESS.—Sec-  
5 tion 103 of the McKinney-Vento Homeless Assistance Act  
6 (42 U.S.C. 11302), as amended by the preceding provi-  
7 sions of this division, is further amended by adding at the  
8 end the following new subsection:

9 “(e) PERSONS EXPERIENCING HOMELESSNESS.—  
10 Any references in this Act to homeless individuals (includ-  
11 ing homeless persons) or homeless groups (including  
12 homeless persons) shall be considered to include, and to  
13 refer to, individuals experiencing homelessness or groups  
14 experiencing homelessness, respectively.”.

15 (c) RURAL HOUSING STABILITY ASSISTANCE.—Title  
16 IV of the McKinney-Vento Homeless Assistance Act is  
17 amended by redesignating subtitle G (42 U.S.C. 11408  
18 et seq.), as amended by the preceding provisions of this  
19 division, as subtitle D.

20 **SEC. 1503. EFFECTIVE DATE.**

21 Except as specifically provided otherwise in this divi-  
22 sion, this division and the amendments made by this divi-  
23 sion shall take effect on, and shall apply beginning on—

1           (1) the expiration of the 18-month period begin-  
 2           ning on the date of the enactment of this division,  
 3           or

4           (2) the expiration of the 3-month period begin-  
 5           ning upon publication by the Secretary of Housing  
 6           and Urban Development of final regulations pursu-  
 7           ant to section 1504,  
 8           whichever occurs first.

9   **SEC. 1504. REGULATIONS.**

10          (a) IN GENERAL.—Not later than 12 months after  
 11          the date of the enactment of this division, the Secretary  
 12          of Housing and Urban Development shall promulgate reg-  
 13          ulations governing the operation of the programs that are  
 14          created or modified by this division.

15          (b) EFFECTIVE DATE.—This section shall take effect  
 16          on the date of the enactment of this division.

17   **SEC. 1505. AMENDMENT TO TABLE OF CONTENTS.**

18          The table of contents in section 101(b) of the McKin-  
 19          ney-Vento Homeless Assistance Act (42 U.S.C. 11301  
 20          note) is amended by striking the item relating to the head-  
 21          ing for title IV and all that follows through the item relat-  
 22          ing to section 492 and inserting the following new items:

“TITLE IV—HOUSING ASSISTANCE

“Subtitle A—General Provisions

“Sec. 401. Definitions.

“Sec. 402. Collaborative applicants.

“Sec. 403. Housing affordability strategy.

“Sec. 404. Preventing involuntary family separation

- “See. 405. Technical assistance.
- “See. 406. Discharge coordination policy.
- “See. 407. Protection of personally identifying information by victim service providers.
- “See. 408. Authorization of appropriations.

“Subtitle B—Emergency Solutions Grants Program

- “See. 411. Definitions.
- “See. 412. Grant assistance.
- “See. 413. Amount and allocation of assistance.
- “See. 414. Allocation and distribution of assistance.
- “See. 415. Eligible activities.
- “See. 416. Responsibilities of recipients.
- “See. 417. Administrative provisions.
- “See. 418. Administrative costs.

“Subtitle C—Continuum of Care Program

- “See. 421. Purposes.
- “See. 422. Continuum of care applications and grants.
- “See. 423. Eligible activities.
- “See. 424. Incentives for high-performing communities.
- “See. 425. Supportive services.
- “See. 426. Program requirements.
- “See. 427. Selection criteria.
- “See. 428. Allocation of amounts and incentives for specific eligible activities.
- “See. 429. Renewal funding and terms of assistance for permanent housing.
- “See. 430. Matching funding.
- “See. 431. Appeal procedure.
- “See. 432. Regulations.
- “See. 433. Reports to Congress.

“Subtitle D—Rural Housing Stability Assistance Program

- “See. 491. Rural housing stability assistance.
- “See. 492. Use of FHMA inventory for transitional housing for homeless persons and for turnkey housing.”.

Passed the Senate May 6, 2009.

Attest:

*Secretary.*

111<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**S. 896**

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**AN ACT**

To prevent mortgage foreclosures and enhance  
mortgage credit availability.