today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken later today.

PRESERVATION APPROVAL PROCESS IMPROVEMENT ACT OF 2007

Ms. BEAN. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 1675) to suspend the requirements of the Department of Housing and Urban Development regarding electronic filing of previous participation certificates and regarding filing of such certificates with respect to certain low-income housing investors.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1675

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Preservation Approval Process Improvement Act of 2007''.

SEC. 2. SUSPENSION OF ELECTRONIC FILING REQUIREMENT.

The Secretary of Housing and Urban Development shall—

(1) suspend mandatory processing of Previous Participation Certificates (form HUD–2530) under the Department of Housing and Urban Development's Automated Partners Performance System (APPS) and permit paper filings of such certificates until such time that the Secretary—

(A) revises the December 2006 draft proposed regulations under subpart H of part 200 of title 24, Code of Federal Regulations, to eliminate the unnecessary burdens and disincentives for program participants; and

(B) submits such revised draft proposed regulations to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate for review by such Committees; and

(2) suspend immediately all filing requirements under the Previous Participation Certificate process with respect to limited liability corporate investors who own or expect to own an interest in entities which are allowed or are expected to be allowed low-income housing tax credits under section 42 of the Internal Revenue Code of 1986.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Illinois (Ms. BEAN) and the gentleman from Texas (Mr. NEUGEBAUER) each will control 20 minutes.

The Chair recognizes the gentlewoman from Illinois.

GENERAL LEAVE

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

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

Ms. BEAN. Madam Speaker, I yield myself such time as I may consume.

The Preservation Approval Process Improvement Act of 2007, introduced by myself and Representative GILLMOR, was recently reported out of the Committee on Financial Services without objection, and I am pleased it is being given consideration on the House floor today. In addition to expressing my appreciation to Chairman FRANK, Ranking Member BACHUS, and Housing Subcommittee Chairwoman WATERS, I would especially like to thank my colleague from Ohio (Mr. GILLMOR) in moving this bill forward and his efforts to address the regulatory barriers impacting the investment in affordable housing.

I am also very appreciative of the expert assistance provided by the House Financial Services Committee staff, including Jeff Riley and Cindy Chetti, who have been working on this issue for more than 1½ years.

H.R. 1675 will reduce burdens caused by HUD's unnecessarily complex regulation of its previous participation reporting requirements, known as the 2530 process.

Written many years ago when small mom-and-pop companies were investing in affordable housing, HUD's regulations governing the 2530 process are no longer in sync with the type of real estate transactions being conducted today. As a result, when applied to the more typical investor of today, these regulations impose huge administrative and regulatory hurdles. The application of these cumbersome regulations was made worse last summer when HUD automated the 2530 process using an electronic system known as APPS. In addition to being difficult to navigate, the APPS system experiences technical difficulties almost daily and has led to a number of security breaches involving personal data.

As a result, H.R. 1675 will suspend the requirement that 2530 filings be done through HUD's electronic APPS system. Participants may choose to continue to use APPS, but HUD must permit other participants to submit 2530 paper filings. The suspension of HUD's requirement that all filings be done through APPS will continue until HUD revises the 2530 rules to eliminate unnecessary burdens and disincentives for all participants. The revised regulations are to be submitted to the Committee on Financial Services as well as to the Senate Banking Committee for review.

Further, the bill requires the HUD Secretary to immediately suspend all filing requirements under the previous participation process for limited liability corporate investors owning an interest in entities that receive low-income housing tax credits. Limited liability corporate investors have no operational control over properties and pose no risk to the Department. The investors are simply providing much needed capital to build affordable housing for low-income Americans, and such investment should not be inadvertently discouraged by outdated, burdensome regulations.

I submit for printing in the RECORD a letter addressed to Chairman FRANK and Representative BACHUS from nearly 30 organizations endorsing this legislation, including the National Association of Realtors, National Multi-Housing Council, the National Association of State and Local Equity Funds, and many more.

It is time for us to bring a commonsense approach to affordable housing. In passing this bill we will be taking an important step toward encouraging investment in such housing options and reducing unnecessary regulatory roadblocks.

MARCH 27, 2007.

Hon. BARNEY FRANK,
Chairman, House Committee on Financial Services, Washington, DC.

Hon. SPENCER BACHUS,
Ranking Member, House Committee on Financial Services, Washington, DC.

DEAR SIRS: We are writing to express our support for H.R. 1675, the Preservation Approval Process Improvement Act of 2007, introduced by Congresswoman BEAN and Congressman GILLMOR on March 26, 2007. This legislation is very important to ensuring continued investment in safe, affordable rental housing.

The Preservation Approval Process Improvement Act will reduce unnecessary and onerous HUD filing requirements for purposes of participating in HUD programs. The current requirements, under the HUD 2530 filing process, are discouraging investment in affordable housing.

HUD's current 2530 Previous Participation Review process is intended as a risk assessment tool, but has, in fact, been a barrier to housing development and preservation. The current regulations and the accompanying electronic system that processes 2530 submissions do not take into account the complexities of today's real estate transactions. The reporting requirements are unduly burdensome and offer no additional benefit to HUD.

Presently, investors who represent more than half of the investment in the Low-Income Housing Tax Credit program have elected not to invest in HUD multifamily properties if such investment would subject them to the 2530 filing requirements. Investors have reduced their share of investments to below 25 percent in any property, or fund of properties, so as to not trigger the unduly burdensome requirements.

With the assistance of many members of the House Committee on Financial Services, we have been working with HUD for more than a year to try to resolve this issue. The Preservation Approval Process Improvement Act is a significant step toward reducing filing burdens and requires immediate useful action from HUD, whose previous response has been contrary to the goals of encouraging investment in affordable rental housing.

Our organizations strongly support this legislation to reduce filing burdens for, and encourage investment in, affordable rental housing. Please contact Francine E. Friedman, Affordable Housing Tax Credit Coalition, 202–955–1536, or Denise B. Muha, National Leased Housing Association, 202–785–8888, with any questions or concerns.

Affordable Housing Tax Credit Coalition
American Association of Homes and Services for the Aging
Bank of America
Barker Management Incorporated
Boston Capital Corporation
California Council for Affordable Housing
California Housing Partnership Corporation
CharterMac Capital LLC
Council for Rural Housing and Development
G.G. MacDonald Companies

Housing Advisory Group
Institute for Responsible Housing Preservation
Institute of Real Estate Management
The John Stewart Company
Local Initiatives Support Corporation
Mortgage Bankers Association
National Apartment Association
National Association of Affordable Housing Lenders
National Association of Home Builders
National Association of Realtors
National Association of State and Local Equity Funds
National Housing Conference
National Housing Trust/Enterprise Preservation Corporation
National Leased Housing Association
National Multi Housing Council
PNC MultiFamily Capital
The Related Companies of California
Stewards of Affordable Housing for the Future
Texas Affiliation of Affordable Housing Providers

Madam Speaker, I reserve the balance of my time.

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

Madam Speaker, I rise in support of H.R. 1675, the Preservation Approval Process Improvement Act of 2007, introduced by Representative MELISSA BEAN, Financial Institution Subcommittee Ranking Member PAUL GILLMOR, and Full Committee Chairman BARNEY FRANK.

1675 addresses problems with HUD's processing of previous participation certificate or HUD's form 2530 under HUD's automated partners performances system.

Specifically, this legislation suspends the electronic filing requirement for the previous participation certificates and the filing requirements of these certificates for certain low-income housing investors. Form 2530 has been used for many years to ascertain the prior record of participants in certain HUD programs. This enabled HUD to refuse to do business with participants who have not previously carried out their obligations. However, passive investor disclosure requirements have created problems for private individuals and groups who wish to participate in the construction and preservation of affordable housing through the low-income housing tax credit program.

The 2530 process is designed to review principals, including any limited partner, with a 25 percent or greater interest in property. These rules were developed long before low-income housing tax credit programs were actually created. Low-income housing tax credit deals with the typical investors or institutions, that is, publicly traded and regulated national and multi-national financial institutions, including government sponsored enterprises whose reputation is well established.

Under the 2530 process, officers, directors, and stockholders with 10 percent or greater holdings are required to submit their names, Social Security numbers, as well as their individual and prior record with HUD. Industry groups have objected to these disclosure requirements as they are passive investor partners and are not involved in the construction, maintenance, and operation of the property. They claim that these reporting requirements are costly, time intensive, and deter investment in affordable housing. Investors developers, syndicators, and others have contacted HUD to ask that passive investors be exempted from filing with HUD.

In December 2005, former Chairman Oxley requested that HUD extend the opportunity for paper filing, and asked HUD to explain why passive investors should be required to file. HUD allowed the paper filing until June 30, 2006. In December 2006, after repeated inquiries from the Financial Services Committee and requests from interested parties to provide relief, HUD sent the committee a proposal that, according to the industry, made filing more burdensome in many respects.

On December 21, 2006, noting that HUD's applications for 2530 filing requirements have become broad and overreaching and, in some cases, unnecessarily delayed or even prevented HUD transactions that were beneficial to people in need of housing, Chairman FRANK, Ranking Member BACHUS, Chairman WATERS, and Chairman Oxley asked HUD to discuss the matter further with interested parties before taking any action on the proposed rule. Since then, however, HUD has not taken any overt action to amend the proposal.

H.R. 1675, the Preservation Approval Process Improvement Act of 2007, requires that HUD take action to alleviate the concerns mentioned above in order to encourage private sector participation in affordable housing programs.

HUD's current 2530 previous participation review process is intended as a risk assessment tool, but in many ways has been a barrier with housing preservation because the current regulations in the accompanying electronic system that process 2530 submissions do not reflect the complexity of today's real estate transactions. The reporting requirements are unduly burdensome and offer no additional benefit to HUD.

To this end, H.R. 1675 requires that HUD suspend mandatory previous participation filings through the APPS computer program, and that it allow paper filing until HUD submits to Congress a revised draft that would eliminate unnecessary filing burdens.

In addition, this legislation eliminates the requirement to file a 2530 form for passive investors who expect to own entities that are allowed or expected to be allowed in low-income housing tax credits.

Madam Speaker, I urge my colleagues to support this legislation.

Madam Speaker, I reserve the balance of my time.

□ 1230

Ms. BEAN. I have no further requests for time, and I reserve the balance of our time.

Mr. NEUGEBAUER. Madam Speaker, I yield back the balance of my time.

Ms. BEAN. Madam Speaker, I would just say this is a bill where we had strong bipartisan support, and while technology didn't work in the case of the APPS system, bipartisanship did.

I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Illinois (Ms. BEAN) that the House suspend the rules and pass the bill, H.R. 1675.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

NATIVE AMERICAN HOME OWNERSHIP OPPORTUNITY ACT OF 2007

Mr. BOREN. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 1676) to reauthorize the program of the Secretary of Housing and Urban Development for loan guarantees for Indian housing.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1676

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Native American Home Ownership Opportunity Act of 2007''.

SEC. 2. LOAN GUARANTEES FOR NATIVE AMERICAN HOUSING.

Section 184(i) of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13a(i)) is amended as follows:

(1) OUTSTANDING AGGREGATE LIMITATION.—In paragraph (5)(C), by striking ''fiscal years 1997 through 2007'' and inserting ''fiscal years 2008 through 2012''.

(2) AUTHORIZATION OF APPROPRIATIONS.—In paragraph (7), by striking ''fiscal years 1997 through 2007'' and inserting ''fiscal years 2008 through 2012''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Oklahoma (Mr. BOREN) and the gentleman from Texas (Mr. NEUGEBAUER) each will control 20 minutes.

The Chair recognizes the gentleman from Oklahoma.

GENERAL LEAVE

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

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

There was no objection.

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

Madam Speaker, I rise today in support of H.R. 1676, the Native American Home Ownership Opportunity Act of 2007, reauthorizing the section 184 Indian Loan Program.

Madam Speaker, I thank Chairman FRANK and Subcommittee Chairwoman