

1980", prior to repeal by Pub. L. 102-550, title IX, §912(i)(1), Oct. 28, 1992, 106 Stat. 3876.

Pub. L. 96-294, title V, §502, June 30, 1980, 94 Stat. 719, provided that subtitle A (§§502-534) of title V of Pub. L. 96-294 was to be cited as the "Solar Energy and Energy Conservation Bank Act", prior to repeal by Pub. L. 102-550, title IX, §912(i)(1), Oct. 28, 1992, 106 Stat. 3876.

**CHAPTER 38—MULTIFAMILY MORTGAGE FORECLOSURE**

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**§ 3701. Findings and purpose**

- (a) The Congress finds that—
  - (1) disparate State laws under which the Secretary of Housing and Urban Development forecloses multifamily mortgages burden the programs administered by the Secretary pursuant to these authorities, and cause detriment to the residents of the affected projects and the community generally;
  - (2) long periods to complete the foreclosure of these mortgages under certain State laws lead to deterioration in the condition of the properties involved; necessitate substantial Federal management and holding expenditures; increase the risk of vandalism, fire loss, depreciation, damage, and waste with respect to the properties; and adversely affect the residents of the projects and the neighborhoods in which the properties are located;
  - (3) these conditions seriously impair the Secretary's ability to protect the Federal financial interest in the affected properties and frustrate attainment of the objectives of the underlying Federal program authorities, as well as the national housing goal of "a decent

home and a suitable living environment for every American family";

(4) application of State redemption periods to these mortgages following their foreclosure would impair the salability of the properties involved and discourage their rehabilitation and improvement, thereby compounding the problems referred to in clause (3);

(5) the availability of a uniform and more expeditious procedure for the foreclosure of these mortgages by the Secretary and continuation of the practice of not applying post-sale redemption periods to such mortgages will tend to ameliorate these conditions; and

(6) providing the Secretary with a nonjudicial foreclosure procedure will reduce unnecessary litigation by removing many foreclosures from the courts where they contribute to overcrowded calendars.

(b) The purpose of this chapter is to create a uniform Federal foreclosure remedy for multifamily mortgages.

(Pub. L. 97-35, title III, §362, Aug. 13, 1981, 95 Stat. 422; Pub. L. 102-550, title V, §517(a), Oct. 28, 1992, 106 Stat. 3791.)

**AMENDMENTS**

1992—Subsec. (a)(1). Pub. L. 102-550, §517(a)(1), substituted "multifamily mortgages" for "real estate mortgages which the Secretary holds pursuant to title II of the National Housing Act or section 312 of the Housing Act of 1964 covering multiunit residential and nonresidential properties".

Subsec. (b). Pub. L. 102-550, §517(a)(2), substituted "multifamily mortgages" for "multiunit residential and nonresidential mortgages held by the Secretary of Housing and Urban Development pursuant to title II of the National Housing Act or section 312 of the Housing Act of 1964".

**EFFECTIVE DATE**

Section 371 of subtitle A of title III of Pub. L. 97-35 provided that:

"(a) Except as otherwise provided in this subtitle, the provisions of this subtitle [for classification of subtitle A (§300-371) of title III of Pub. L. 97-35, see Tables] shall take effect on October 1, 1981.

"(b) The amendments made by sections 324, 325, and 326(a) [amending section 1437f of Title 42, The Public Health and Welfare] shall apply only with respect to contracts entered into on and after October 1, 1981."

**SHORT TITLE**

Section 361 of part 6 of subtitle A of title III of Pub. L. 97-35 provided that: "This part [enacting this chapter] may be cited as the 'Multifamily Mortgage Foreclosure Act of 1981'."

**§ 3702. Definitions**

As used in this chapter—

(1) "mortgage" means a deed of trust, mortgage, deed to secure debt, security agreement, or any other form of instrument under which any interest in property, real, personal or mixed, or any interest in property including leaseholds, life estates, reversionary interests, and any other estates under applicable State law, is conveyed in trust, mortgaged, encumbered, pledged, or otherwise rendered subject to a lien, for the purpose of securing the payment of money or the performance of an obligation;

(2) "multifamily mortgage" means a mortgage held by the Secretary pursuant to—