I

104TH CONGRESS

2D SESSION H. R. 3741 To enhance the effectiveness of enforcement provisions relating to single

family and multifamily housing, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 27, 1996 Mr. LAZIO of New York (by request) introduced the following bill; which was

referred to the Committee on Banking and Financial Services, and in ad- dition to the Committees on the Judiciary and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the com- mittee concerned

A BILL To enhance the effectiveness of enforcement provisions relat-

ing to single family and multifamily housing, and for
other purposes.
1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
3 SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

4 (a) SHORT TITLE.—This Act may be cited as the
5 ‘‘Housing Enforcement Act of 1996’’.

6 (b) TABLE OF CONTENTS.—

Sec. 1. Short title and table of contents. Sec. 2. Implementation.

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TITLE I—FHA SINGLE FAMILY AND MULTIFAMILY

Sec. 10. MRB exemption from automatic stay provisions of bankruptcy Code. Sec. 11. Authorize MRB to immediately suspend mortgagees. Sec. 12. Extension of equity skimming to other single family and multifamily housing programs. Sec. 13. Civil money penalties against mortgagees, lenders, and other partici- pants in FHA programs. TITLE II—FHA MULTIFAMILY

Sec. 20. Civil money penalties against general partners, officers, directors, and

certain managing agents of multifamily projects. Sec. 21. Civil money penalties for noncompliance with section 8 HAP contracts. Sec. 22. Extension of double damages remedy. Sec. 23. Obstruction of federal audits. Sec. 24. Disposition of amounts recovered under the Program Fraud Civil Remedies Act. Sec. 25. Extension of access to records to prevent fraud and abuse.

1 SEC. 2. IMPLEMENTATION.

2 (a) ISSUANCE OF NECESSARY REGULATIONS.—Not-

3 withstanding 42 U.S.C. 3535(o) or 24 CFR part 10, the
4 Secretary shall issue such regulations as may be necessary

5 to implement any provision of this Act, and any amend-6 ment made by this Act, in accordance with section 552
7 or 553 of title 5, United States Code, as determined by

8 the Secretary.
9 (b) USE OF EXISTING RULES.—In implementing any

10 provision of this Act, the Secretary may, in the Secretary’s 11 discretion, provide for the use of existing rules to the ex-

12 tent appropriate, without the need for further rulemaking.

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1 TITLE I—FHA SINGLE FAMILY AND
2 MULTIFAMILY
3 SEC. 10. MRB EXEMPTION FROM AUTOMATIC STAY PROVI-
4 SIONS OF BANKRUPTCY CODE.

5 Section 202(c)(3) of the National Housing Act is

6 amended by inserting at the end the following:
7 ‘‘(F) EXEMPTION FROM BANKRUPTCY

8 STAY.—The stay provisions of title 11 of the
9 United States Code shall not preclude or limit

10 the exercise by the Board of its right to take
11 an administrative action against a mortgagee as
12 provided in this paragraph.’’.
13 SEC. 11. AUTHORIZE MRB TO IMMEDIATELY SUSPEND
14 MORTGAGEES.

15 Section 202(c)(3)(C) of the National Housing Act is

16 amended by inserting after the first sentence the following
17 new sentence: ‘‘Notwithstanding paragraph (4)(A), a sus-

18 pension shall be effective upon issuance by the Board if 19 there exists adequate evidence in the determination of the

20 Board that immediate action is required to protect the fi-
21 nancial interests of the Department or the public.’’.

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1 SEC. 12. EXTENSION OF EQUITY SKIMMING TO OTHER SIN-
2 GLE FAMILY AND MULTIFAMILY HOUSING
3 PROGRAMS.

4 Section 254 of the National Housing Act is amended

5 to read as follows:

6 ‘‘EQUITY SKIMMING PENALTY

7 ‘‘Whoever, as an owner, agent, or manager, or who
8 is otherwise in custody, control, or possession of a multi-

9 family project or a 1- to 4-family residence that is security 10 for a mortgage note that is insured, acquired, or held by
11 the Secretary pursuant to the National Housing Act, or

12 is made pursuant to section 202 of the Housing Act of
13 1959 (including property still subject to section 202 pro-

14 gram requirements that existed before the date of enact-

15 ment of the Cranston-Gonzalez National Affordable Hous-

16 ing Act), or is insured or held pursuant to section 542

17 of the Housing and Community Development Act of 1992,
18 but is not reinsured under section 542 of the Housing and

19 Community Development Act of 1992, willfully uses or au-20 thorizes the use of any part of the rents, assets, proceeds,

21 income, or other funds derived from property covered by
22 such mortgage note for any purpose other than to meet
23 reasonable and necessary expenses that include expenses

24 approved by the Secretary if such approval is required, 25 during a period when the mortgage note is in default or

26 the project is in a nonsurplus cash position as defined by

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1 the regulatory agreement covering such property, or the
2 mortgagor has failed to comply with the provisions of such

3 other form of regulatory control imposed by the Secretary, 4 shall be fined not more than $500,000 or imprisoned not
5 more than 5 years, or both.’’.

6 SEC. 13. CIVIL MONEY PENALTIES AGAINST MORTGAGEES,
7 LENDERS, AND OTHER PARTICIPANTS IN FHA
8 PROGRAMS.

9 (A) CHANGE TO SECTION TITLE.—The title of sec-

10 tion 536 of the National Housing Act is amended to read
11 as follows: ‘‘CIVIL MONEY PENALTIES AGAINST MORTGA-
12 GEES, LENDERS, AND OTHER PARTICIPANTS IN FHA
13 PROGRAMS’’.

14 (b) EXPANSION OF PERSONS ELIGIBLE FOR PEN-
15 ALTY.—Section 536(a) of the National Housing Act is

16 amended—
17 (1) in paragraph (1), by revising the first sen-

18 tence to read as follows: ‘‘Whenever a mortgagee ap-
19 proved under the Act, a lender holding a contract of

20 insurance under title I of this Act, or a principal, of-
21 ficer or employee of such mortgage or lender, or
22 other person or entity participating in either an in-

23 sured mortgage or title I loan transaction under this
24 Act or providing assistance to the borrower in con-

25 nection with any such loan, including sellers of the

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1 real estate involved, borrowers, closing agents, title
2 companies, real estate agents, mortgage brokers, ap-

3 praisers, loan correspondents and dealers, knowingly
4 and materially violates any of the applicable provi-
5 sions of subsection (b), the Secretary may impose a

6 civil money penalty on the mortgagee or lender, or
7 such other person or entity, in accordance with the

8 provisions of this section. The penalty shall be in ad-
9 dition to any other available civil remedy or any

10 available criminal penalty, and may be imposed
11 whether or not the Secretary imposes other adminis-
12 trative sanctions.’’; and

13 (2) in paragraph (2)—
14 (A) in the first sentence, by inserting ‘‘or
15 such other person or entity’’ after ‘‘lender’’; and

16 (B) in the second sentence, by striking
17 ‘‘provision’’ and inserting ‘‘the provisions’’.

18 (c) ADDITIONAL VIOLATIONS FOR MORTGAGEES,
19 LENDERS, AND OTHER PARTICIPANTS IN FHA PRO-20 GRAMS.—Section 536(b) of such Act is amended—

21 (1) by redesignating paragraph (2) as para-
22 graph (3);

23 (2) by inserting after paragraph (1) the follow-
24 ing new paragraph:

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1 ‘‘(2) The Secretary may impose a civil money
2 penalty under subsection (a) for any knowing or ma-

3 terial violation by a principal, officer or employee of
4 a mortgagee or lender, or other participants in ei-

5 ther an insured mortgage or title I loan transaction
6 under this Act or provision of assistance to the bor-
7 rower in connection with any such loan, including

8 sellers of the real estate involved, borrowers, closing
9 agents, title companies, real estate agents, mortgage

10 brokers, appraisers, loan correspondents, and dealers
11 for the following:
12 ‘‘(A) submission to the Secretary of infor-

13 mation that was false, in connection with any
14 mortgage insured under this Act, or any loan

15 that is covered by a contract of insurance under
16 title I of this Act;
17 ‘‘(B) falsely certifying to the Secretary or

18 submitting to the Secretary a false certification
19 by another person or entity; or
20 ‘‘(C) failure by a loan correspondent or

21 dealer to submit to the Secretary information
22 which is required by regulations or directives in

23 connection with any loan that is covered by a
24 contract of insurance under title I of this Act.’’;

25 and

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1 (3) in paragraph (3), as redesignated by para-
2 graph (1) of this subsection, by striking ‘‘or para-

3 graph (1)(F)’’ and inserting ‘‘or (F), or paragraph
4 (2)(A), (B), or (C)’’.
5 (d) CONFORMING AND TECHNICAL AMENDMENTS.—

6 Section 536 of such Act is further amended as follows:
7 (1) in subsection (c)(1)(B), by inserting after

8 ‘‘lender’’’ the following: ‘‘or such other person or en-
9 tity’’;
10 (2) in subsection (d)(1)—

11 (A) by inserting after ‘‘lender’’ the follow-
12 ing: ‘‘or such other person or entity’’; and

13 (B) by striking ‘‘part 25’’ and inserting
14 ‘‘parts 24 and 25’’; and
15 (3) in subsection (e), by inserting after ‘‘lend-

16 er’’ each time it appears the following: ‘‘or such
17 other person or entity’’.
18 TITLE II—FHA MULTIFAMILY
19 SEC. 20. CIVIL MONEY PENALTIES AGAINST GENERAL
20 PARTNERS, OFFICERS, DIRECTORS, AND CER-
21 TAIN MANAGING AGENTS OF MULTIFAMILY
22 PROJECTS.
23 (a) CIVIL MONEY PENALTIES AGAINST MULTIFAM-

24 ILY MORTGAGORS.—Section 537 of the National Housing

25 Act is amended—

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1 (1) in subsection (b)(1), by striking ‘‘on that
2 mortgagor’’ and inserting the following: ‘‘on that

3 mortgagor, on a general partner of a partnership
4 mortgagor, or on any officer or director of a cor-
5 porate mortgagor’’;

6 (2) in subsection (c)—
7 (A) by striking the heading and inserting

8 the following: ‘‘(c) OTHER VIOLATIONS.—’’;
9 (B) in paragraph (1)—
10 (i) by striking ‘‘VIOLATIONS.—The

11 Secretary may’’ and all that follows
12 through the colon and inserting the follow-

13 ing:
14 ‘‘(A) LIABLE PARTIES.—The Secretary may

15 also impose a civil money penalty under this section
16 on—
17 ‘‘(i) any mortgagor of a property that in-

18 cludes five or more living units and that has a
19 mortgage insured, coinsured, or held pursuant

20 to this Act;
21 ‘‘(ii) any general partner of a partnership
22 mortgagor of such property;

23 ‘‘(iii) any officer or director of a corporate
24 mortgagor;

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1 ‘‘(iv) any agent employed to manage the
2 property that has an identity of interest with

3 the mortgagor, with the general partner of a
4 partnership mortgagor, or with any officer or

5 director of a corporate mortgagor of such prop-
6 erty; or
7 ‘‘(v) any member of a limited liability com-

8 pany that is the mortgagor of such property or
9 is the general partner of a limited partnership

10 mortgagor or is a partner of a general partner-
11 ship mortgagor.
12 ‘‘(B) VIOLATIONS.—A penalty may be imposed

13 under this section upon any liable party under sub-
14 paragraph (A) that knowingly and materially takes
15 any of the following actions:’’;

16 (ii) in subparagraph (B), as des-
17 ignated by clause (i), by redesignating the

18 subparagraph designations (A) through
19 (L) as clauses (i) through (xii), respec-

20 tively;
21 (iii) by adding after clause (xii), as re-
22 designated by clause (ii), the following new
23 clauses:

24 ‘‘(xiii) Failure to maintain the premises,

25 accommodations, any living unit in the project,

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1 and the grounds and equipment appurtenant
2 thereto in good repair and condition in accord-

3 ance with regulations and requirements of the
4 Secretary, except that nothing in this clause

5 shall have the effect of altering the provisions
6 of an existing regulatory agreement or federally
7 insured mortgage on the property.

8 ‘‘(xiv) Failure, by a mortgagor, a general
9 partner of a partnership mortgagor, or an offi-

10 cer or director of a corporate mortgagor, to pro-
11 vide management for the project that is accept-
12 able to the Secretary pursuant to regulations

13 and requirements of the Secretary.’’; and
14 (iv) in the last sentence, by deleting
15 ‘‘of such agreement’’ and inserting ‘‘of this

16 subsection’’;
17 (3) in subsection (d)—

18 (A) in paragraph (1)(B), by inserting after
19 ‘‘mortgagor’’ the following: ‘‘, general partner

20 of a partnership mortgagor, officer or director
21 of a corporate mortgagor, or identity of interest
22 agent employed to manage the property’’; and

23 (B) by adding at the end the following new
24 paragraph:

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1 ‘‘(5) PAYMENT OF PENALTY.—No payment of a
2 civil money penalty levied under this section shall be

3 payable out of project income.’’;
4 (4) in subsection (e)(1), by deleting ‘‘a mortga-
5 gor’’ and inserting ‘‘an entity or person’’;

6 (5) in subsection (f), by inserting after ‘‘mort-
7 gagor’’ each place such term appears the following:

8 ‘‘, general partner of a partnership mortgagor, offi-
9 cer or director of a corporate mortgagor, or identity
10 of interest agent employed to manage the property’’;

11 (6) by striking the heading of subsection (f)
12 and inserting the following: ‘‘CIVIL MONEY PEN-

13 ALTIES AGAINST MULTIFAMILY MORTGAGORS, GEN-
14 ERAL PARTNERS OF PARTNERSHIP MORTGAGORS,

15 OFFICERS AND DIRECTORS OF CORPORATE MORT-
16 GAGORS, AND CERTAIN MANAGING AGENTS’’; and
17 (7) by adding at the end the following new sub-
18 section:

19 ‘‘(k) IDENTITY OF INTEREST MANAGING AGENT.—
20 For purposes of this section, the terms ‘agent employed

21 to manage the property that has an identity of interest’
22 and ‘identity of interest agent’ mean an entity—

23 ‘‘(1) that has management responsibility for a
24 project;

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1 ‘‘(2) in which the ownership entity, including its
2 general partner or partners (if applicable) and its of-

3 ficers or directors (if applicable), has an ownership
4 interest; and
5 ‘‘(3) over which such ownership entity exerts ef-

6 fective control.’’.
7 (b) IMPLEMENTATION.—

8 (1) PUBLIC COMMENT.—The Secretary shall
9 implement the amendments made by this section by

10 regulation issued after notice and opportunity for
11 public comment. The notice shall seek comments pri-
12 marily as to the definitions of the terms ‘‘ownership

13 interest in’’ and ‘‘effective control’’, as such terms
14 are used in the definition of the terms ‘‘agent em-

15 ployed to manage the property that has an identity
16 of interest’’ and ‘‘identity of interest agent’’.
17 (2) TIMING.—A proposed rule implementing the

18 amendments made by this section shall be published
19 not later than one year after the date of enactment

20 of this Act.

21 (c) APPLICABILITY OF AMENDMENTS.—The amend-
22 ments made by subsection (a) shall apply only with respect
23 to—

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1 (1) violations that occur on or after the effec-
2 tive date of the final regulations implementing the

3 amendments made by this section; and
4 (2) in the case of a continuing violation (as de-
5 termined by the Secretary of Housing and Urban

6 Development), any portion of a violation that occurs
7 on or after such date.
8 SEC. 21. CIVIL MONEY PENALTIES FOR NONCOMPLIANCE
9 WITH SECTION 8 HAP CONTRACTS.

10 (a) BASIC AUTHORITY.—Title I of the United States

11 Housing Act of 1937 is amended by adding at the end
12 the following new section:
13 ‘‘SEC. 27. CIVIL MONEY PENALTIES AGAINST SECTION 8
14 OWNERS.

15 ‘‘(a) IN GENERAL.—The penalties set forth in this

16 section shall be in addition to any other available civil rem-
17 edy or any available criminal penalty, and may be imposed

18 regardless of whether the Secretary imposes other admin-19 istrative sanctions. The Secretary may not impose pen-

20 alties under this section for a violation, if a material cause
21 of the violation is the failure of the Secretary, an agent
22 of the Secretary, or a public housing agency to comply

23 with an existing agreement.

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1 ‘‘(b) VIOLATIONS OF HOUSING ASSISTANCE PAY-
2 MENT CONTRACTS FOR WHICH PENALTY MAY BE IM-
3 POSED.—

4 ‘‘(1) LIABLE PARTIES.—The Secretary may im-

5 pose a civil money penalty under this section on—
6 ‘‘(A) any owner of a property receiving
7 project-based assistance under section 8;

8 ‘‘(B) any general partner of a partnership
9 owner of such property; and
10 ‘‘(C) any agent employed to manage such

11 property that has an identity of interest with
12 the owner or the general partner of a partner-

13 ship owner of the property.
14 ‘‘(2) VIOLATIONS.—A penalty may be imposed

15 under this section for a knowing and material
16 breach of a housing assistance payments contract,
17 including the following:

18 ‘‘(A) failure to provide decent, safe, and
19 sanitary housing pursuant to section 8; or
20 ‘‘(B) knowing or willful submission of

21 false, fictitious, or fraudulent statements or re-
22 quests for housing assistance payments to the

23 Secretary or to any department or agency of

24 the United States.

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1 ‘‘(3) AMOUNT OF PENALTY.—The amount of a
2 penalty imposed for a violation under this sub-

3 section, as determined by the Secretary, may not ex-
4 ceed $25,000 per violation.
5 ‘‘(c) AGENCY PROCEDURES.—

6 ‘‘(1) ESTABLISHMENT.—The Secretary shall
7 issue regulations establishing standards and proce-

8 dures governing the imposition of civil money pen-
9 alties under subsection (b). These standards and

10 procedures—
11 ‘‘(A) shall provide for the Secretary or
12 other department official to make the deter-

13 mination to impose the penalty;
14 ‘‘(B) shall provide for the imposition of a

15 penalty only after the liable party has received
16 notice and the opportunity for a hearing on the
17 record; and

18 ‘‘(C) may provide for review by the Sec-
19 retary of any determination or order, or inter-

20 locutory ruling, arising from a hearing, and ju-
21 dicial review, as provided under subsection (d).
22 ‘‘(2) FINAL ORDERS.—If a hearing is not re-

23 quested before the expiration of the 15-day period
24 beginning on the date on which the notice of oppor-

25 tunity for hearing is received, the imposition of a

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1 penalty under subsection (b) shall constitute a final
2 and unappealable determination. If the Secretary re-

3 views the determination or order, the Secretary may
4 affirm, modify, or reverse that determination or
5 order. If the Secretary does not review that deter-

6 mination or order before the expiration of the 90-
7 day period beginning on the date on which the deter-

8 mination or order is issued, the determination or

9 order shall be final.

10 ‘‘(3) FACTORS IN DETERMINING AMOUNT OF

11 PENALTY.—In determining the amount of a penalty
12 under subsection (b), the Secretary shall take into
13 consideration—

14 ‘‘(A) the gravity of the offense;
15 ‘‘(B) any history of prior offenses by the

16 violator (including offenses occurring before the
17 enactment of this section);

18 ‘‘(C) the ability of the violator to pay the
19 penalty;
20 ‘‘(D) any injury to tenants;

21 ‘‘(E) any injury to the public;
22 ‘‘(F) any benefits received by the violator

23 as a result of the violation;
24 ‘‘(G) deterrence of future violations; and

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1 ‘‘(H) such other factors as the Secretary
2 may establish by regulation.

3 ‘‘(4) PAYMENT OF PENALTY.—No payment of a
4 civil money penalty levied under this section shall be

5 payable out of project income.
6 ‘‘(d) JUDICIAL REVIEW OF AGENCY DETERMINA-
7 TION.—Judicial review of determinations made under this
8 section shall be carried out in accordance with section

9 537(e) of the National Housing Act.
10 ‘‘(e) REMEDIES FOR NON-COMPLIANCE.—

11 ‘‘(1) JUDICIAL INTERVENTION.—If a person or
12 entity fails to comply with the Secretary’s deter-

13 mination or order imposing a civil money penalty
14 under subsection (b), after the determination or

15 order is no longer subject to review as provided by
16 subsections (c) and (d), the Secretary may request
17 the Attorney General of the United States to bring

18 an action in an appropriate United States district
19 court to obtain a monetary judgment against that

20 person or entity and such other relief as may be
21 available. The monetary judgment may, in the
22 court’s discretion, include the attorney’s fees and

23 other expenses incurred by the United States in con-

24 nection with the action.

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1 ‘‘(2) NONREVIEWABILITY OF DETERMINATION
2 OR ORDER.—In an action under this subsection, the

3 validity and appropriateness of the Secretary’s deter-
4 mination or order imposing the penalty shall not be

5 subject to review.
6 ‘‘(f) SETTLEMENT BY SECRETARY.—The Secretary
7 may compromise, modify, or remit any civil money penalty

8 which may be, or has been, imposed under this section.
9 ‘‘(g) DEPOSIT OF PENALTIES.—
10 ‘‘(1) Notwithstanding any other provision of

11 law, where the mortgage covering the property re-
12 ceiving section 8 assistance is insured or formerly in-

13 sured by the Secretary, the Secretary shall apply all
14 civil money penalties collected under this section to

15 the appropriate insurance fund or funds established
16 under this Act, as determined by the Secretary.
17 ‘‘(2) Notwithstanding any other provision of

18 law, where the mortgage covering the property re-
19 ceiving section 8 assistance is neither insured nor
20 formerly insured by the Secretary, the Secretary

21 shall make all civil money penalties collected under
22 this section available for use by the appropriate of-

23 fice within the Department for administrative costs
24 related to enforcement of the requirements of the
25 various programs administered by the Secretary.

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1 ‘‘(h) DEFINITIONS.—For the purposes of this sec-
2 tion—

3 ‘‘(1) the term ‘agent employed to manage such
4 property that has an identity of interest’ means an

5 entity—
6 ‘‘(A) that has management responsibility
7 for a project;

8 ‘‘(B) in which the ownership entity, includ-
9 ing its general partner or partners (if applica-
10 ble), has an ownership interest; and

11 ‘‘(C) over which such ownership entity ex-
12 erts effective control; and

13 ‘‘(2) the term ‘knowing’ means having actual
14 knowledge of or acting with deliberate ignorance of

15 or reckless disregard for the prohibitions under this
16 section.’’.
17 (b) APPLICABILITY.—The amendments made by sub-

18 section (a) shall apply only with respect to—
19 (1) violations that occur on or after the effec-

20 tive date of final regulations implementing the
21 amendments made by this section; and
22 (2) in the case of a continuing violation (as de-

23 termined by the Secretary of Housing and Urban
24 Development), any portion of a violation that occurs

25 on or after such date.

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1 (c) IMPLEMENTATION.—
2 (1) REGULATIONS.—The Secretary shall imple-

3 ment the amendments made by this section by regu-
4 lation issued after notice and opportunity for public

5 comment. The notice shall seek comments as to the

6 definitions of the terms ‘‘ownership interest in’’ and
7 ‘‘effective control’’, as such terms are used in the

8 definition of the term ‘‘agent employed to manage
9 such property that has an identity of interest’’.
10 (2) TIMING.—A proposed rule implementing the

11 amendments made by this section shall be published
12 not later than one year from the date of enactment
13 of this Act.
14 SEC. 22. EXTENSION OF DOUBLE DAMAGES REMEDY.

15 Section 421 of the Housing and Community Develop-

16 ment Act of 1987 is amended—
17 (1) in subsection (a)(1)—

18 (A) in the first sentence, by striking ‘‘Act;
19 or (B)’’ and inserting the following: ‘‘Act; (B)

20 a regulatory agreement that applies to a multi-
21 family project whose mortgage is insured or
22 held by the Secretary under section 202 of the

23 Housing Act of 1959 (including property sub-
24 ject to section 202 of such Act as it existed be-

25 fore enactment of the Cranston-Gonzalez Na-

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1 tional Affordable Housing Act of 1990); (C) a
2 regulatory agreement or such other form of reg-

3 ulatory control as may be imposed by the Sec-
4 retary that applies to mortgages insured or held
5 by the Secretary under section 542 of the

6 Housing and Community Development Act of
7 1992, but not reinsured under section 542 of

8 the Housing and Community Development Act
9 of 1992; or (D)’’;
10 (B) in the second sentence, by inserting

11 after ‘‘agreement’’ the following: ‘‘, or such
12 other form of regulatory control as may be im-

13 posed by the Secretary,’’;
14 (2) in subsection (a)(2), by inserting after
15 ‘‘Act,’’ the following: ‘‘under section 202 of the

16 Housing Act of 1959 (including section 202 of such
17 Act as it existed before enactment of the Cranston-

18 Gonzalez National Affordable Housing Act of 1990)
19 and under section 542 of the Housing and Commu-
20 nity Development Act of 1992,’’;

21 (3) in subsection (b), by inserting after ‘‘agree-
22 ment’’ the following: ‘‘, or such other form of regu-

23 latory control as may be imposed by the Secretary,’’;
24 (4) in subsection (c)—

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1 (A) in the first sentence, by inserting after
2 ‘‘agreement’’ the following: ‘‘, or such other

3 form of regulatory control as may be imposed
4 by the Secretary,’’; and
5 (B) in the second sentence, by inserting

6 before the period the following: ‘‘or under the
7 Housing Act of 1959, as appropriate’’; and

8 (5) in subsection (d), by inserting after ‘‘agree-
9 ment’’ the following: ‘‘, or such other form of regu-
10 latory control as may be imposed by the Secretary,’’.

11 SEC. 23. OBSTRUCTION OF FEDERAL AUDITS.
12 Section 1516(a) of title 18, United States Code, is

13 amended by inserting after ‘‘under a contract or sub-14 contract,’’ the following: ‘‘or relating to any property that

15 is security for a mortgage note that is insured, guaran-
16 teed, acquired, or held by the Secretary of Housing and
17 Urban Development pursuant to any Act administered by

18 the Secretary’’.

19 SEC. 24. DISPOSITION OF AMOUNTS UNDER THE PROGRAM

20 FRAUD CIVIL REMEDIES ACT.

21 Section 3806(g)(2) of title 31, United States Code,
22 is amended by adding at the end the following new sub-

23 paragraphs:
24 ‘‘(F) Any amount of a penalty or assessment
25 imposed by the Secretary of Housing and Urban De-

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1 velopment under this chapter with respect to a claim
2 or statement made in connection with the mortgage

3 and loan insurance functions of the Secretary under
4 the National Housing Act shall be deposited in the

5 appropriate Insurance Fund established under that
6 Act.
7 ‘‘(G) Any amount of a penalty or assessment

8 imposed by the Secretary of Housing and Urban De-
9 velopment under this chapter with respect to a claim

10 or statement made in connection with the guarantee
11 functions of the Secretary under title III of the Na-
12 tional Housing Act shall be deposited in the account

13 of the Government National Mortgage Association
14 with the United States Treasury.’’.

15 SEC. 25. EXTENSION OF ACCESS TO RECORDS TO PREVENT

16 FRAUD AND ABUSE.
17 Section 303(i)(5) of the Social Security Act is hereby

18 repealed.

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