

104TH CONGRESS
2D SESSION

H. R. 4063

To provide for adjustments to the conforming loan limits for the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation and to the maximum mortgage limit for the single family mortgage insurance program of the Department of Housing and Urban Development that more accurately reflect the changes in housing costs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 12, 1996

Mr. LAZIO of New York (for himself and Mr. BAKER of Louisiana) introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

To provide for adjustments to the conforming loan limits for the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation and to the maximum mortgage limit for the single family mortgage insurance program of the Department of Housing and Urban Development that more accurately reflect the changes in housing costs, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Conforming Loan
3 Limit Correction Act”.

4 **SEC. 2. GSE CONFORMING LOAN LIMIT.**

5 (a) FNMA.—The antepenultimate sentence of sec-
6 tion 302(b)(2) of the National Housing Act (12 U.S.C.
7 1717(b)(2)) is amended by inserting before the period at
8 the end the following: “; except that for each adjustment
9 in or after 1997 that increases the maximum limitations,
10 each maximum limitation resulting from such adjustment
11 may not exceed the sum of (A) the amount of the maxi-
12 mum limitation in effect on December 31, 1993, and (B)
13 an amount equal to the product of the percentage increase
14 in the national average 1-family house price (as measured
15 by such survey) from October 1992 to the most recent
16 October and the amount of such maximum limitation in
17 effect on December 31, 1993”.

18 (b) FHLMC.—The antepenultimate sentence of sec-
19 tion 305(a)(2) of the Federal Home Loan Mortgage Cor-
20 poration Act (12 U.S.C. 1454(a)(2)) is amended by insert-
21 ing before the period at the end the following: “; except
22 that for each adjustment made in or after 1997 that in-
23 creases the maximum limitations, each maximum limita-
24 tion resulting from such adjustment may not exceed the
25 sum of (A) the amount of the maximum limitation in ef-
26 fect on December 31, 1993, and (B) an amount equal to

1 the product of the percentage increase in the national av-
2 erage 1-family house price (as measured by such survey)
3 from October 1992 to the most recent October and the
4 amount of such maximum limitation in effect on Decem-
5 ber 31, 1993”.

6 **SEC. 3. FHA LOAN LIMIT.**

7 Section 203(b)(2)(A)(ii) of the National Housing Act
8 (12 U.S.C. 1709(b)(2)(A)(ii)) is amended—

9 (1) by inserting “the average of (I)” after “75
10 percent of”; and

11 (2) by inserting before the semicolon at the end
12 the following: “, and (II) the dollar amount limita-
13 tion determined under section 302(b)(2) of this Act
14 for a residence of the applicable size”.

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