

107TH CONGRESS
1ST SESSION

H. R. 1481

To prevent the premature shutdown of certain FHA mortgage insurance programs.

IN THE HOUSE OF REPRESENTATIVES

APRIL 4, 2001

Mr. LAFALCE (for himself and Mr. FRANK) introduced the following bill;
which was referred to the Committee on Financial Services

A BILL

To prevent the premature shutdown of certain FHA mortgage insurance programs.

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.**

4 This Act may be cited as the “FHA Shutdown Pre-
5 vention Act”.

6 **SEC. 2. USE OF NEGATIVE CREDIT SUBSIDY FROM GEN-**
7 **ERAL AND SPECIAL RISK INSURANCE FUND**
8 **PROGRAMS.**

9 (a) GENERAL INSURANCE FUND.—Section 519 of the
10 National Housing Act (12 U.S.C. 1735e) is amended—

1 (1) by redesignating subsections (e) and (f) as
2 subsections (f) and (g), respectively; and

3 (2) by inserting after subsection (d) the fol-
4 lowing new subsection:

5 “(e) USE OF NEGATIVE CREDIT SUBSIDY.—

6 “(1) IN GENERAL.—In the case of any program
7 for insuring mortgages or loans which are obliga-
8 tions of the General Insurance Fund that is deter-
9 mined for any fiscal year, for purposes of title V of
10 the Congressional Budget Act of 1974 (2 U.S.C.
11 661 et seq.), to have costs (as defined in such title)
12 of a negative amount, subject to paragraph (2), the
13 amount of such negative credit subsidy shall be con-
14 sidered to be new budget authority provided in ad-
15 vance in an appropriations Act for such fiscal year
16 and shall be available for covering the costs of mak-
17 ing insurance commitments under any program for
18 insurance for mortgages or loans under which such
19 insurance is an obligation of the General Insurance
20 Fund or the Special Risk Insurance Fund.

21 “(2) APPLICABILITY.—Paragraph (1) shall
22 apply with respect to a fiscal year only if and begin-
23 ning at such time that, during such fiscal year, all
24 amounts of budget authority appropriated for such
25 fiscal year to cover the costs of programs for insur-

1 ing mortgages or loans which are obligations of the
2 General Insurance Fund or the Special Risk Insur-
3 ance Fund have been used to enter into commit-
4 ments for such insurance.”.

5 (b) SPECIAL RISK INSURANCE FUND.—Section 238
6 of the National Housing Act (12 U.S.C. 1715z-3) is
7 amended—

8 (1) by redesignating subsection (c) as sub-
9 section (d); and

10 (2) by inserting after subsection (b) the fol-
11 lowing new subsection:

12 “(c) USE OF NEGATIVE CREDIT SUBSIDY.—

13 “(1) IN GENERAL.—In the case of any program
14 for insuring mortgages or loans which are obliga-
15 tions of the Special Risk Insurance Fund that is de-
16 termined for any fiscal year, for purposes of title V
17 of the Congressional Budget Act of 1974 (2 U.S.C.
18 661 et seq.), to have costs (as defined in such title)
19 of a negative amount, subject to paragraph (2), the
20 amount of such negative credit subsidy shall be con-
21 sidered to be new budget authority provided in ad-
22 vance in an appropriations Act for such fiscal year
23 and shall be available for covering the costs of mak-
24 ing insurance commitments under any program for
25 insurance for mortgages or loans under which such

1 insurance is an obligation of the General Insurance
2 Fund or the Special Risk Insurance Fund.

3 “(2) APPLICABILITY.—Paragraph (1) shall
4 apply with respect to a fiscal year only if and begin-
5 ning at such time that, during such fiscal year, all
6 amounts of budget authority appropriated for such
7 fiscal year to cover the costs of programs for insur-
8 ing mortgages or loans which are obligations of the
9 General Insurance Fund or the Special Risk Insur-
10 ance Fund have been used to enter into commit-
11 ments for such insurance.”.

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