

109TH CONGRESS
1ST SESSION

H. R. 3794

To require the Secretary of Housing and Urban Development to make single family properties held by the Department pursuant to foreclosure under the FHA mortgage insurance program available for occupancy by families displaced by Hurricane Katrina.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 15, 2005

Mr. DAVIS of Illinois (for himself and Mr. RUSH) introduced the following bill;
which was referred to the Committee on Financial Services

A BILL

To require the Secretary of Housing and Urban Development to make single family properties held by the Department pursuant to foreclosure under the FHA mortgage insurance program available for occupancy by families displaced by Hurricane Katrina.

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 “Hurricane Katrina Vic-

5 tims Emergency Shelter Act of 2005”.

1 **SEC. 2. AVAILABILITY OF HUD INVENTORY PROPERTIES.**

2 (a) IN GENERAL.—Notwithstanding any other provi-
3 sion of law, the Secretary of Housing and Urban Develop-
4 ment shall make covered properties available for occu-
5 pancy by eligible families, as provided in this section.

6 (b) 6-MONTH RESERVATION FOR USE ONLY BY ELI-
7 GIBLE FAMILIES.—

8 (1) REQUIREMENT TO OFFER ONLY TO ELIGI-
9 BLE FAMILIES.—During the 6-month period begin-
10 ning on the date of the enactment of this Act, the
11 Secretary may not dispose of any covered property
12 under any provision of law other than this Act and
13 may not offer, or enter into any agreement for dis-
14 position of, a covered property under any other such
15 provision.

16 (2) REQUEST AND OCCUPANCY.—If, during the
17 period referred to in paragraph (1), an eligible fam-
18 ily makes a request, in such form as the Secretary
19 may require, to occupy a covered property, the Sec-
20 retary shall, in accordance with the selection criteria
21 established pursuant to subsection (d), make the
22 covered property available to the eligible family for
23 occupancy in accordance with the terms under sub-
24 section (e).

25 (c) CONTINUED AVAILABILITY.—

1 (1) AVAILABILITY FOR ELIGIBLE FAMILIES.—
2 During the 18-month period that begins upon the
3 conclusion of the period under subsection (b)(1), the
4 Secretary shall offer each covered property for occu-
5 pancy by affected families, but, except as provided in
6 paragraph (2) of this subsection, may dispose of cov-
7 ered properties under other applicable provisions of
8 law and may offer and enter into agreements for dis-
9 position of covered properties under such other pro-
10 visions.

11 (2) REQUEST AND OCCUPANCY.—If, during the
12 period referred to in paragraph (1), an eligible fam-
13 ily makes a request, in such form as the Secretary
14 may require, to occupy a covered property for which
15 the Secretary has not entered into any agreement
16 for disposition under any other provision of law, the
17 Secretary shall, in accordance with the selection cri-
18 teria established pursuant to subsection (d), make
19 the covered property available to the eligible family
20 for occupancy in accordance with the terms under
21 subsection (e).

22 (d) SELECTION CRITERIA.—The Secretary shall es-
23 tablish criteria to select an eligible family to occupy a cov-
24 ered property for which more than one family has sub-
25 mitted such a request. Such criteria shall provide pref-

1 erence for eligible families having incomes not exceeding
2 the median income for the area in which the primary resi-
3 dence of the family referred to in subsection (g)(2) was
4 located.

5 (e) OCCUPANCY TERMS.—Occupancy in a covered
6 property pursuant to this section shall be subject to the
7 following terms:

8 (1) 5-YEARS RENT-FREE.—The eligible family
9 may reside in the property under the terms of a
10 lease (or renewable leases) which shall provide for
11 rent-free occupancy, but which in no case may ex-
12 tend beyond the expiration of the 5-year period be-
13 ginning upon initial occupancy of the property by
14 the family.

15 (2) OPTION TO PURCHASE.—At any time dur-
16 ing the occupancy of a covered property by an eligi-
17 ble family pursuant to paragraph (1), the eligible
18 family may purchase the property from the Sec-
19 retary at price equal to the lesser of—

20 (A) the fair market value of the property
21 as of the time of initial occupancy by such fam-
22 ily, as determined by the Secretary, or

23 (B) the fair market value of the property
24 as of the time of such purchase, as determined
25 by the Secretary, less the cost of any repairs or

1 improvements made by the family during occu-
2 pancy of the property.

3 The Secretary shall periodically inform each eligible
4 family occupying a covered property of the avail-
5 ability of the property for purchase under this para-
6 graph.

7 (f) OUTREACH.—The Secretary shall take such ac-
8 tions as may be appropriate to inform eligible families of
9 the availability of covered properties pursuant to this sec-
10 tion.

11 (g) DEFINITIONS.—For purposes of this section, the
12 following definitions shall apply:

13 (1) COVERED PROPERTY.—The term “covered
14 property” means any property that—

15 (A) is designed as a dwelling for occupancy
16 by one to four families;

17 (B) was previously subject to a mortgage
18 insured under the National Housing Act; and

19 (C) is owned by the Secretary pursuant to
20 the payment of insurance benefits under such
21 Act.

22 (2) ELIGIBLE FAMILY.—The term “eligible
23 family” means a person or household whose primary
24 residence, as of August 29, 2005—

1 (A) was located in an area within which
2 the President declared, under the Robert T.
3 Stafford Disaster Assistance and Emergency
4 Relief Act, a major disaster to have occurred
5 pursuant to Hurricane Katrina; and

6 (B) was, as a result of Hurricane Katrina,
7 destroyed or damaged to such an extent that
8 the residence is not habitable.

9 (3) SECRETARY.—The term “Secretary” means
10 the Secretary of Housing and Urban Development.

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