

109TH CONGRESS
2^D SESSION

H. R. 6115

To extend the authority of the Secretary of Housing and Urban Development to restructure mortgages and rental assistance for certain assisted multi-family housing.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 20, 2006

Ms. PRYCE of Ohio (for herself, Ms. WATERS, Mr. GERLACH, Mr. FRANK of Massachusetts, and Mr. TIBERI) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To extend the authority of the Secretary of Housing and Urban Development to restructure mortgages and rental assistance for certain assisted multifamily housing.

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 “Mark-to-Market Ex-
5 tension Act of 2006”.

6 **SEC. 2. REAUTHORIZATION.**

7 Section 579 of the Multifamily Assisted Housing Re-
8 form and Affordability Act of 1997 (42 U.S.C. 1437f
9 note) is amended—

1 (1) in subsection (a)(1), by striking “October 1,
2 2006” and inserting “October 1, 2011”; and

3 (2) in subsection (b), by striking “October 1,
4 2006” and inserting “October 1, 2011”.

5 **SEC. 3. EXCEPTION RENTS.**

6 Section 514(g)(2)(A) of the Multifamily Assisted
7 Housing Reform and Affordability Act of 1997 (42 U.S.C.
8 1437f note) is amended by striking “five percent” and in-
9 serting “nine percent”.

10 **SEC. 4. PERIOD OF ELIGIBILITY FOR NONPROFIT DEBT RE-**
11 **LIEF.**

12 Section 517(a)(5) of the Multifamily Assisted Hous-
13 ing Reform and Affordability Act of 1997 (42 U.S.C.
14 1437f note) is amended by inserting before the period at
15 the end the following: “: *Provided*, That if such purchaser
16 acquires such project subsequent to the date of recorda-
17 tion of the affordability agreement described in section
18 514(e)(6), (A) such purchaser must acquire such project
19 on or before the later of (i) five years after the date of
20 recordation of the affordability agreement and (ii) two
21 years after the date of enactment of this title; and (B)
22 the Secretary must have received, and determined accept-
23 able, such purchaser’s application for modification, assign-
24 ment or forgiveness prior to such purchaser’s acquisition
25 of the project”.

1 **SEC. 5. DEFINITIONS.**

2 Section 512 of the Multifamily Assisted Housing Re-
3 form and Affordability Act of 1997 (42 U.S.C. 1437f
4 note) is amended by adding at the end the following new
5 paragraph:

6 “(20) DISASTER-DAMAGED ELIGIBLE
7 PROJECT.—The term ‘disaster-damaged eligible
8 project’ means an eligible multifamily housing
9 project—

10 “(A) that is located in a county that was
11 declared a major disaster area on or after Jan-
12 uary 1, 2005, by the President pursuant to the
13 Robert T. Stafford Disaster Relief and Emer-
14 gency Assistance Act (42 U.S.C. 5121 et seq);

15 “(B) whose owner carried casualty and li-
16 ability insurance covering such project in
17 amounts required by the Secretary;

18 “(C) that suffered damages not covered by
19 such insurance that the Secretary determines
20 are likely to exceed \$5,000 per unit in connec-
21 tion with the natural disaster that was the sub-
22 ject of such designation; and

23 “(D) whose owner requests restructuring
24 within two years following the date that such
25 damages were incurred.

1 Disaster-damaged eligible projects shall be eligible
2 without regard to the relationship between rent level
3 for the assisted units and comparable market
4 rents.”.

5 **SEC. 6. DISASTER-DAMAGED ELIGIBLE PROJECTS.**

6 (a) MARKET RENT DETERMINATIONS.—Subpara-
7 graph (B) of section 514(g)(1) of the Multifamily Assisted
8 Housing Reform and Affordability Act of 1997 (42 U.S.C.
9 1437f note) is amended to read as follows:

10 “(B) if those rents cannot be determined—

11 “(i) with respect to a disaster-dam-
12 aged eligible project, are equal to 100 per-
13 cent of the fair market rents for the rel-
14 evant market area (in effect at the time of
15 such disaster); and

16 “(ii) with respect to other eligible
17 multifamily housing projects, are equal to
18 90 percent of the fair market rents for the
19 relevant market area.”.

20 (b) OWNER INVESTMENT.—Section 517(e) of the
21 Multifamily Assisted Housing Reform and Affordability
22 Act of 1997 (42 U.S.C. 1437f note) is amended by adding
23 at the end the following new paragraph:

24 “(3) PROPERTIES DAMAGED BY NATURAL DIS-
25 ASTERS.—With respect to a disaster-damaged eligi-

1 ble project, the owner contribution toward rehabilita-
2 tion needs shall be determined in accordance with
3 paragraph (2)(C).”.

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