

“(i) In addition to the other grants authorized by this section, the Secretary is authorized to make grants to assist any city, other municipality, or county in making a survey of the structures and sites in the locality which are determined by its appropriate authorities to be of historic or architectural value. Any such survey shall be designed to identify the historic structures and sites in the locality, determine the cost of their rehabilitation or restoration, and provide such other information as may be necessary or appropriate to serve as a foundation for a balanced and effective program of historic preservation in such locality. The aspects of any such survey which relate to the identification of historic and architectural values shall be conducted in accordance with criteria found by the Secretary to be comparable to those used in establishing the national register maintained by the Secretary of the Interior under other provisions of law; and the results of each such survey shall be made available to the Secretary of the Interior. A grant under this subsection shall be made to the appropriate agency or entity specified in paragraphs (1) through (6) of subsection (a) or, if there is no such agency or entity which is qualified and willing to receive the grant and provide for its utilization in accordance with this subsection, directly to the city, other municipality, or county involved.

“(j) Grants made under this section may be used, subject to regulations and conditions prescribed by the Secretary, for any activities made eligible by the provisions of this section; but such regulations shall provide that grant assistance shall not be used to defray the cost of the acquisition, construction, repair, or rehabilitation of, or the preparation of engineering drawings or similar detailed specifications for, specific housing, capital facilities, or public works projects.

“(k) The Secretary shall consult with the heads of other Federal departments and agencies having responsibilities related to the purposes of this section, including responsibilities connected with the economic development of rural and depressed areas and the protection and enhancement of the Nation's natural environment, with respect to (1) general standards, policies, and procedures to be followed in the administration of this section, and (2) particular grant actions or approvals which the Secretary believes to be of special interest or concern to one or more of such departments and agencies.

“(l) Funds made available under any Federal assistance program for projects or activities, approved as part of or in furtherance of a planning program or related management activities assisted under this section, may be used jointly with funds made available for such projects or activities under any other Federal assistance program, subject to regulations prescribed by the President. Such regulations may include provisions for common technical or administrative requirements where varying or conflicting provisions of law or regulations would otherwise apply, for establishing joint management funds and common non-Federal shares, and for special agreements or delegations of authority, among different Federal agencies in connection with the supervision or administration of assistance. Such regulations shall in any case include appropriate criteria and procedures to assure that any special authorities conferred, which are not otherwise provided for by law, shall be employed only as necessary to promote effective and efficient administration and in a manner consistent with the protection of the Federal interest and program purposes or statutory requirements of a substantive nature. For purposes of this subsection, the term ‘Federal assistance program’ has the same meaning as in the Intergovernmental Cooperation Act of 1968.

“Federal assistance program.”  
42 USC 4201  
note.

## Definitions.

“(m) As used in this section—

“(1) The term ‘metropolitan area’ means a standard metropolitan statistical area, as established by the Office of Management and Budget, subject, however, to such modifications or extensions as the Secretary deems to be appropriate for the purposes of this section.

“(2) The term ‘region’ includes (A) all or part of the area of jurisdiction of one or more units of general local government, and (B) one or more metropolitan areas.

“(3) The term ‘district’ includes all or part of the area of jurisdiction of (A) one or more counties, and (B) one or more other units of general local government, but does not include any portion of a metropolitan area.

“(4) The term ‘comprehensive planning’ includes the following:

“(A) preparation, as a guide for governmental policies and action, of general plans with respect to (i) the pattern and intensity of land use, (ii) the provision of public facilities (including transportation facilities) and other government services, and (iii) the effective development and utilization of human and natural resources;

“(B) identification and evaluation of area needs (including housing, employment, education, and health) and formulation of specific programs for meeting the needs so identified;

“(C) surveys of structures and sites which are determined by the appropriate authorities to be of historic or architectural value;

“(D) long-range physical and fiscal plans for such action;

“(E) programing of capital improvements and other major expenditures, based on a determination of relative urgency, together with definite financing plans for such expenditures in the earlier years of the program;

“(F) coordination of all related plans and activities of the State and local governments and agencies concerned; and

“(G) preparation of regulatory and administrative measures in support of the foregoing.

Comprehensive planning for the purpose of districts shall not include planning for or assistance to establishments in relocating from one area to another or assist contractors or subcontractors whose purpose is to divest, or whose economic success is dependent upon divesting, other contractors or subcontractors of contracts theretofore customarily performed by them. The limitation set forth in the preceding sentence shall not be construed to prohibit assistance for the expansion of an existing business entity through the establishment of a new branch, affiliate, or subsidiary of such entity, if the Secretary finds that the establishment of such branch, affiliate, or subsidiary will not result in an increase in unemployment in the area of original location or in any other area where such entity conducts business operations, unless the Secretary has reason to believe that such branch, affiliate, or subsidiary is being established with the intention of closing down the operations of the existing business entity in the area of its original location or in any other area where it conducts such operations.

“(n) In carrying out the provisions of this section relating to planning for States, regions, or other multijurisdictional areas whose development has significance for purposes of national growth and urban development objectives, the Secretary shall encourage the formulation of plans and programs which will include the studies, criteria, standards, and implementing procedures necessary for effectively guiding and controlling major decisions as to where growth should

take place within such States, regions, or areas. Such plans and programs shall take account of the availability of and need for conserving land and other irreplaceable natural resources; of projected changes in size, movement, and composition of population; of the necessity for expanding housing and employment opportunities; of the opportunities, requirements, and possible locations for new communities and large-scale projects for expanding or revitalizing existing communities; and of the need for methods of achieving modernization, simplification, and improvements in governmental structures, systems, and procedures related to growth objectives. If the Secretary determines that activities otherwise eligible for assistance under this section are necessary to the development or implementation of such plans and programs, he may make grants in support of such activities to any governmental agency or organization of public officials which he determines is capable of carrying out the planning work involved in an effective and efficient manner and may make such grants in an amount equal to not more than 80 per centum of the cost of such activities."

(c) Section 703 of such Act is amended by striking out "and" in clause (1), and by inserting "and the Trust Territory of the Pacific Islands" immediately before the semicolon at the end of such clause.

40 USC 460.

#### TRAINING AND FELLOWSHIP PROGRAMS

Sec. 402. (a) Section 801(b) of the Housing and Urban Development Act of 1964 is amended to read as follows:

20 USC 801.

"(b) It is the purpose of this title to provide fellowships for the graduate training of professional city and regional planning, management, and housing specialists, and professionally trained personnel with a general capacity in urban affairs and problems: to make grants to and contracts with institutions of higher education (or combinations of such institutions) to assist them in planning, developing, strengthening, improving, or carrying out programs or projects for the preparation of graduate or professional students to enter the public service; and to assist and encourage the States and localities, in cooperation with public and private universities and colleges and urban centers and with business firms and associations, labor unions, and other interested associations and organizations, to (1) organize, initiate, develop, and expand programs which will provide special training in skills needed for economic and efficient community development to those technical, professional, and other persons with the capacity to master and employ such skills who are, or are training to be, employed by a governmental or public body which has responsibility for community development, or by a private nonprofit organization which is conducting or has responsibility for housing and community development programs, and (2) support State and local research that is needed in connection with housing programs and needs, public improvement programming, code problems, efficient land use, urban transportation, and similar community development problems."

(b) Section 802(a) of such Act is amended to read as follows:

20 USC 802.

"(a) The Secretary is authorized to provide fellowships for the graduate training of professional city planning, management, and housing specialists, and other persons who wish to develop a general capacity in urban affairs and problems as herein provided. Persons shall be selected for such fellowships solely on the basis of ability and upon the recommendation of the Urban Studies Fellowship Advisory Board established pursuant to subsection (b). Fellowships shall be solely for training in public and private nonprofit institutions of higher education having programs of graduate study in the field of city planning or in related fields (including architecture, civil engi-

neering, economics, municipal finance, public administration, urban affairs, and sociology) which programs are oriented to training for careers in city and regional planning, housing, urban renewal, and community development.”

20 USC 801.

20 USC 804.

(c) Title VIII of such Act is further amended (1) by redesignating sections 804 through 807 as sections 805 through 808, respectively, and (2) by inserting after section 803 a new section as follows:

“PROJECT GRANTS AND CONTRACTS

20 USC 803a.

“SEC. 804. (a) The Secretary is authorized to make grants to or contracts with institutions of higher education, or combinations of such institutions, to assist them in planning, developing, strengthening, improving, or carrying out programs or projects (1) for the preparation of graduate or professional students in the fields of city and regional planning and management, housing, and urban affairs, or (2) for research into, or development or demonstration of, improved methods of education for these professions. Such grants or contracts may include payment of all or part of the cost of programs or projects.

“(b) (1) A grant or contract authorized by this section shall be made only upon application to the Secretary at such time or times and containing such information as he may prescribe, except that no such application shall be approved unless it—

“(A) sets forth programs, activities, research, or development for which a grant is authorized under this section;

“(B) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this subsection; and

“(C) provides for making such reports, in such form and containing such information, as the Secretary may require to carry out his functions under this subsection, and for keeping such records and for affording such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports.

“(2) Payments under this section may be used, in accordance with regulations of the Secretary, and subject to the terms and conditions set forth in an application approved under paragraph (1), to pay part of the compensation of students employed in professions referred to in subsection (a) (1), except students employed in any branch of the Government of the United States, as part of a program for which a grant has been approved pursuant to this subsection.”

20 USC 806.

(d) Section 807 of such Act (as redesignated by subsection (c) of this section) is amended by inserting before the period at the end of the first sentence a comma and the following: “which amount shall be increased by \$3,500,000 on July 1, 1974, and by \$3,500,000 on July 1, 1975”.

TITLE V—RURAL HOUSING

INCLUSION OF UNITED STATES TERRITORIES AND TRUST TERRITORY OF THE PACIFIC ISLANDS

42 USC 1471.

SEC. 501. Section 501(a) (1) of the Housing Act of 1949 is amended by striking out “Puerto Rico and the Virgin Islands” and inserting in lieu thereof the following: “the Commonwealth of Puerto Rico, the Virgin Islands, the territories and possessions of the United States, and the Trust Territory of the Pacific Islands”.



## REFINANCING OF INDEBTEDNESS FOR CERTAIN ELIGIBLE APPLICANTS

SEC. 502. Section 501(a) (4) of the Housing Act of 1949 is amended— 42 USC 1471.

(1) by adding after the comma at the end of clause (B) the following: "or, if combined with a loan for improvement, rehabilitation, or repairs and not refinanced, is likely to cause a hardship for the applicant, and"; and

(2) striking out clauses (C) and (D) and inserting in lieu thereof the following:

"(C) was incurred by the applicant at least five years prior to his applying for assistance under this title."

## LOANS TO LEASEHOLD OWNERS UNDER ALL RURAL HOUSING PROGRAMS

SEC. 503. Section 501(b) (2) of the Housing Act of 1949 is amended by striking out "sections 502 and 504" and inserting in lieu thereof "this title".

## REHABILITATION LOANS AND GRANTS

SEC. 504. Section 504(a) of the Housing Act of 1949 is amended to read as follows: 42 USC 1474.

"(a) In the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of sections 502 and 503 and that repairs or improvements should be made to a rural dwelling occupied by him in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order to remove hazards and make such buildings safe, the Secretary may make a grant or a combined loan and grant to the applicant to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports, or making similar repairs, additions, or improvements, including all preliminary and installation costs in obtaining central water and sewer service. No assistance shall be extended to any one individual under this subsection in the form of a loan, grant, or combined loan and grant in excess of \$5,000. Any portion of the sums advanced to the borrower treated as a loan shall be secured and be repayable within twenty years in accordance with the principles and conditions set forth in this title, except that a loan for less than \$2,500 need be evidenced only by a promissory note. Sums made available by grant may be made subject to the conditions set forth in this title for the protection of the Government with respect to contributions made on loans made by the Secretary."

## ESCROW ACCOUNTS FOR TAXES, INSURANCE, AND OTHER EXPENSES

SEC. 505. (a) Section 501 of the Housing Act of 1949 is amended by adding at the end thereof the following new subsection: 42 USC 1471.

"(e) The Secretary may establish procedures whereby borrowers under this title may make periodic payments for the purpose of taxes, insurance, and such other necessary expenses as the Secretary may deem appropriate. Such payments shall be held in escrow by the Secretary and paid out by him at the appropriate time or times for the purposes for which such payments are made. The Secretary shall notify a borrower in writing when his loan payments are delinquent."

(b) The second sentence of section 502(a) of such Act is amended by inserting before the period at the end thereof the following: "and on the borrower prepaying to the Secretary as escrow agent, on terms and conditions prescribed by him, such taxes, insurance, and other 42 USC 1472.

expenses as the Secretary may require in accordance with section 501(e)".

42 USC 1487.

(c) Section 517 of such Act is amended—

(1) by striking out "as it becomes due" in the first sentence of subsection (d);

(2) by striking out "prepayment" and "prepayments" each place they appear in subsection (j)(1) and inserting in lieu thereof "payment" and "payments", respectively; and

(3) by inserting before the semicolon at the end of subsection (j)(1) the following: "or until the next agreed annual or semi-annual remittance date".

#### RESEARCH AND STUDY PROGRAMS

42 USC 1476.

SEC. 506. (a) Section 506(d) of the Housing Act of 1949 is amended to read as follows:

"(d) The Secretary may carry out the research and study programs authorized by subsections (b) and (c) through grants made by him, on such terms, conditions, and standards as he may prescribe, to land-grant colleges established pursuant to the Act of July 2, 1862 (7 U.S.C. 301-308), or (upon a finding by the Secretary that the research and study involved cannot feasibly be performed through the personnel and facilities of the Department of Agriculture or by land-grant colleges) to such other private or public organizations as he may select."

(b) Section 506(e) of such Act is amended by striking out "farm housing" each place it appears and inserting in lieu thereof "rural housing".

#### VETERANS PREFERENCE

42 USC 1477.

SEC. 507. Section 507 of the Housing Act of 1949 is amended—

(1) by inserting after "concurrent resolution of Congress" each place it appears a comma and the following: "or during the period beginning after January 31, 1955, and ending on August 4, 1964, or during the Vietnam era (as defined in section 101(29) of title 38, United States Code)"; and

(2) by inserting "or era" before the period at the end of the third sentence.

#### UTILIZATION OF COUNTY COMMITTEES

42 USC 1478.

SEC. 508. Section 508(b) of the Housing Act of 1949 is amended to read as follows:

"(b) The committees utilized or appointed pursuant to this section may examine applications of persons desiring to obtain the benefits of section 501(a) (1) and (2) as they relate to the successful operation of a farm, and may submit recommendations to the Secretary with respect to each applicant as to whether the applicant is eligible to receive such benefits, whether by reason of his character, ability, and experience he is likely successfully to carry out undertakings required of him under a loan under such section, and whether the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of the loan requested will carry out the purposes of this title. The committees may also certify to the Secretary with respect to the amount of any loan."

#### ASSISTANCE AUTHORIZATION

42 USC 1483.

42 USC 1474.

SEC. 509. (a) Clauses (b), (c), and (d) of section 513 of the Housing Act of 1949 are amended to read as follows: "(b) not to exceed \$80,000,000 for loans and grants pursuant to section 504 during the

period beginning July 1, 1956, and ending June 30, 1977; (c) not to exceed \$80,000,000 for financial assistance pursuant to section 516 for the period ending June 30, 1977; (d) not to exceed \$250,000 per year for research and study programs pursuant to subsections (b), (c), and (d) of section 506 during the period beginning July 1, 1961, and ending June 30, 1974, and not to exceed \$1,000,000 per year for such programs during the period beginning October 1, 1974, and ending June 30, 1977;”

42 USC 1486.

Ante, p. 694.

(b) Sections 515(b)(5) and 517(a)(1) of such Act are amended by striking out “October 1, 1974” and inserting in lieu thereof “June 30, 1977”.

42 USC 1485, 1487.

DIRECT AND INSURED LOANS TO PROVIDE HOUSING AND RELATED FACILITIES  
FOR ELDERLY PERSONS AND LOWER INCOME FAMILIES IN RURAL AREAS

SEC. 510. (a) Section 515(b)(1) of the Housing Act of 1949 is amended—

42 USC 1485.

(1) by striking out “\$750,000 or”; and

(2) by striking out “least” and inserting in lieu thereof “less”.

(b) Section 515(d)(4) of such Act is amended to read as follows:

“(4) the term ‘development cost’ means the costs of constructing, purchasing, improving, altering, or repairing new or existing housing and related facilities and purchasing and improving the necessary land, including necessary and appropriate fees and charges, and initial operating expenses up to 2 per centum of the aforementioned costs, approved by the Secretary. Such fees and charges may include payments of qualified consulting organizations or foundations which operate on a nonprofit basis and which render services or assistance to nonprofit corporations or consumer cooperatives who provide housing and related facilities for low or moderate income families.”

“Development cost.”

DEFINITION OF RURAL AREA

SEC. 511. Section 520 of the Housing Act of 1949 is amended by inserting before the period at the end thereof a comma and the following: “or (3) has a population in excess of 10,000 but not in excess of 20,000, and (A) is not contained within a standard metropolitan statistical area, and (B) has a serious lack of mortgage credit, as determined by the Secretary and the Secretary of Housing and Urban Development”.

42 USC 1490.

MUTUAL AND SELF-HELP HOUSING

SEC. 512. (a) Section 523(b)(1) of the Housing Act of 1949 is amended by inserting immediately before “; and” at the end thereof the following: “: *Provided*, That the Secretary may advance funds under this paragraph to organizations receiving assistance under clause (A) to enable them to establish revolving accounts for the purchase of land options and any such advances may bear interest at a rate determined by the Secretary and shall be repaid to the Secretary at the expiration of the period for which the grant to the organization involved was made”.

42 USC 1490c.

(b) Section 523(f) of such Act is amended—

(1) by striking out “1974” each place it appears and inserting in lieu thereof “1977”; and

(2) by striking out “\$5,000,000” and inserting in lieu thereof “\$10,000,000”.

(c) Section 523 of such Act is amended by adding at the end thereof the following new subsection:

Rules and  
regulations.

“(h) The Secretary shall issue rules and regulations for the orderly processing and review of applications under this section and rules and regulations protecting the rights of grantees under this section in the event he determines to end grant assistance prior to the termination date of any grant agreement.”

#### SITE LOANS

42 USC 1490d. SEC. 513. The first sentence of section 524(a) of the Housing Act of 1949 is amended to read as follows: “The Secretary may make loans, on such terms and conditions and in such amounts he deems necessary, to public or private nonprofit organizations for the acquisition and development of land as building sites to be subdivided and sold to families, nonprofit organizations, public agencies, and cooperatives eligible for assistance under any section of this title or under any other law which provides financial assistance for housing low- and moderate-income families.”

#### RENTAL ASSISTANCE

42 USC 1490a. SEC. 514. (a) Section 521(a) of the Housing Act of 1949 is amended by inserting “(1)” after “(a)”, and by adding at the end thereof the following new paragraph:

42 USC 1484,  
1485, 1487.

“(2) (A) The Secretary may make and insure loans under this section and sections 514, 515, and 517 to provide rental or cooperative housing and related facilities for persons and families of low income in multifamily housing projects, and may make, and contract to make, assistance payments to the owners of such rental housing in order to make available to low-income occupants of such housing rentals at rates commensurate to income and not exceeding 25 per centum of income. Such assistance payments shall be made on a unit basis and shall not be made for more than 20 per centum of the units in any one project, except that (i) when the project is financed by a loan under section 515 for elderly housing or by a loan under section 514 and a grant under section 516, such assistance may be made for up to 100 per centum of the units, and (ii) when the Secretary determines such action is necessary or feasible, he may make such payments with respect to more than 20 per centum of the units.

“(B) The owner of any project assisted under this paragraph shall be required to provide at least annually a budget of operating expenses and record of tenants' income which shall be used to determine the amount of assistance for each project.

“(C) The project owner shall accumulate, safeguard, and periodically pay to the Secretary any rental charges collected in excess of basic rental charges as established by the Secretary in conformity with subparagraph (A). These funds may be credited to the appropriation and used by the Secretary for making such assistance payments through the end of the next fiscal year.”

(b) Section 521(c) of such Act is amended to read as follows:

“(c) There shall be reimbursed to the Rural Housing Insurance Fund by annual appropriations (1) the amounts by which nonprincipal payments made from the fund during each fiscal year to the holders of insured loans described in subsection (a) (1) exceed interest due from the borrowers during each year, and (2) the amount of assistance payments described in subsection (a) (2). The Secretary may from time to time issue notes to the Secretary of the Treasury under section 517(h) to obtain amounts equal to such unreimbursed payments, pending the annual reimbursement by appropriation.”

(c) Section 517(j) of such Act is amended—

(1) by striking out “and” at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof “; and”; and

(3) by adding at the end thereof the following new paragraph:

“(4) to make assistance payments authorized by section 521 (a) (2).”

*Ante*, p. 696.

TECHNICAL AND SUPERVISORY ASSISTANCE

SEC. 515. Title V of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

“PROGRAMS OF TECHNICAL AND SUPERVISORY ASSISTANCE FOR  
LOW-INCOME FAMILIES

“SEC. 525. (a) The Secretary may make grants to or enter into contracts with public or private nonprofit corporations, agencies, institutions, organizations, and other associations approved by him, to pay part or all of the cost of developing, conducting, administering or coordinating effective and comprehensive programs of technical and supervisory assistance which will aid needy low-income individuals and families in benefiting from Federal, State, and local housing programs in rural areas. In processing applications for such grants or contracts made by private nonprofit corporations, agencies, institutions, organizations, and other associations, the Secretary shall give preference to those which are sponsored (including assistance to the applicant in processing the application, implementing the technical assistance program, and carrying out the obligations of the grant or contract) by a State, county, municipality, or other governmental entity or public body.

42 USC 1490a.

“(b) The Secretary is authorized to make loans to public or private nonprofit corporations, agencies, institutions, organizations, and other associations approved by him for the necessary expenses, prior to construction, of planning, and obtaining financing for, the rehabilitation or construction of housing for low-income individuals or families under any Federal, State, or local housing program which is or could be used in rural areas. Such loans shall be made without interest and shall be for the reasonable costs expected to be incurred in planning, and in obtaining financing for, such housing prior to the availability of financing, including but not limited to preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, and construction loan fees and discounts. The Secretary shall require repayment of loans made under this subsection, under such terms and conditions as he may require, upon completion of the housing or sooner, and may cancel any part or all of such loan if he determines that it cannot be recovered from the proceeds of any permanent loan made to finance the rehabilitation or construction of the housing.

“(c) There are authorized to be appropriated for the fiscal years ending June 30, 1975, and June 30, 1976, not to exceed \$5,000,000 for the purposes of subsection (a) and not to exceed \$5,000,000 for the purposes of subsection (b). Any amounts so appropriated shall remain available until expended, and any amounts authorized for any fiscal year under this subsection but not appropriated may be appropriated for any succeeding fiscal year.

Appropriation.

“(d) All funds appropriated for the purpose of subsection (b) shall be deposited in a fund which shall be known as the low-income sponsor fund, and which shall be available without fiscal year limitation and be administered by the Secretary as a revolving fund for carrying out the purposes of that subsection. Sums received in repayment of loans made under subsection (b) shall be deposited in such fund.”

Low-income  
sponsor fund.



## CONDOMINIUM HOUSING

*Ante*, p. 697.

SEC. 516. (a) Title V of the Housing Act of 1949 (as amended by section 515 of this Act) is amended by adding at the end thereof the following new section:

## "CONDOMINIUM HOUSING

42 USC 1490f.

*Ante*, p. 693.

"SEC. 526. (a) The Secretary is authorized, in his discretion and upon such terms and conditions (substantially identical insofar as may be feasible with those specified in section 502) as he may prescribe, to make loans to persons and families of low or moderate income, and to insure and make commitments to insure loans made to persons and families of low or moderate income, to assist them in purchasing dwelling units in condominiums located in rural areas.

"(b) Any loan made or insured under subsection (a) shall cover a one-family dwelling unit in a condominium, and shall be subject to such provisions as the Secretary determines to be necessary for the maintenance of the common areas and facilities of the condominium project and to such additional requirements as the the Secretary deems appropriate for the protection of the consumer.

"(c) In addition to individual loans made or insured under subsection (a) the Secretary is authorized, in his discretion and upon such terms and conditions (substantially identical insofar as may be feasible with those specified in section 515) as he may prescribe, to make or insure blanket loans to a borrower who shall certify to the Secretary, as a condition of obtaining such loan or insurance, that upon completion of the multifamily project the ownership of the project will be committed to a plan of family unit ownership under which (1) each family unit will be eligible for a loan or insurance under subsection (a), and (2) the individual dwelling units in the project will be sold only on a condominium basis and only to purchasers eligible for a loan or insurance under subsection (a). The principal obligation of any blanket loan made or insured under this subsection shall in no case exceed the sum of the individual amounts of the loans which could be made or insured with respect to the individual dwelling units in the project under subsection (a).

"Condominium."

"(d) As used in this section, the term 'condominium' means a multi-unit housing project which is subject to a plan of family unit ownership acceptable to the Secretary under which each dwelling unit is individually owned and each such owner holds an undivided interest in the common areas and facilities which serve the project."

42 USC 1487.

42 USC 1490d.  
*Supra*.*Ante*, p. 696.

42 USC 1485.

(b) Section 517(b) of such Act is amended by striking out "and 524" and inserting in lieu thereof "524, and 526".

(c) (1) Section 521(a)(1) of such Act (as amended by section 514 (a) of this Act) is amended—

(A) by striking out "and loans under section 515" and inserting in lieu thereof "loans under section 515"; and

(B) by inserting after "elderly families," the following: "and loans under section 526 to provide condominium housing for persons and families of low or moderate income,".

(2) Section 521(b) of such Act is amended—

(A) by striking out "or 517(a)(1)" and inserting in lieu thereof "517(a)(1), or 526(a)"; and

(B) by inserting "or 526(c)" after "under section 515".

(3) Section 521(c) of such Act (as amended by section 514(b) of this Act) is amended by inserting "and section 526" after "section 517(h)".

TRANSFER OF PRE-1965 INSURED HOUSING LOANS TO THE RURAL HOUSING  
INSURANCE FUND

SEC. 517. Section 517(b) of the Housing Act of 1949 is amended by adding at the end thereof the following new sentences: "The notes held in the Agricultural Credit Insurance Fund (7 U.S.C. 1929) which evidence loans made or insured by the Secretary under section 514 or 515(b), the rights and liabilities of that Fund under insurance contracts relating to such loans held by insured investors, the mortgages securing the obligations of the borrowers under such loans held in that Fund or by insured investors, and all rights to subsequent collections on and proceeds of such notes, contracts, and mortgages, are hereby transferred to the Rural Housing Insurance Fund and for the purposes of this title and any other Act shall be subject to the provisions of this section as if created pursuant thereto. The Rural Housing Insurance Fund shall compensate the Agricultural Credit Insurance Fund for the aggregate unpaid principal balance plus accrued interest of the notes so transferred."

*Ante*, p. 698.

42 USC 1484;  
*Ante*, p. 695.

MOBILE HOMES

SEC. 518. Title V of the Housing Act of 1949 (as amended by sections 515 and 516(a) of this Act) is amended by adding at the end thereof the following new section:

*Ante*, pp. 697,  
698.

"MOBILE HOMES

"SEC. 527. (a) As used in this title, the term 'housing' shall, notwithstanding any other provision of this title and to the extent deemed practicable by the Secretary, include mobile homes and mobile home sites.

"Housing,"  
42 USC 1490g.

"(b) With respect to mobile homes and mobile home sites financed under this title, the Secretary shall—

"(1) prescribe minimum property standards to assure the livability and durability of the mobile home and the suitability of the site on which it is to be located, and

"(2) obtain assurances from the borrower that the mobile home will be placed on a site which complies with standards prescribed by the Secretary and with applicable local requirements.

Loans under this title for the purchase of mobile homes and sites shall be made on the same terms and conditions as are applicable under section 2 of the National Housing Act to obligations financing the purchase of mobile homes and lots on which to place such homes."

*Ante*, p. 685.

CONTRACT SERVICES AND FEES

SEC. 519. (a) Section 506(a) of the Housing Act of 1949 is amended by striking out "as may be required by the Secretary, by competent employees of the Secretary" and inserting in lieu thereof "as required by the Secretary".

42 USC 1476.

(b) Section 517(j)(3) of such Act is amended by inserting after "borrowers," the following: "and other services customary in the industry, construction inspections, commercial appraisals, servicing of loans, and other related program services and expenses."

42 USC 1487.

STATE AND LOCAL AGENCIES

SEC. 520. Section 501(c) of the Housing Act of 1949 is amended by adding at the end thereof the following: "If an applicant is a State or local public agency—

42 USC 1471.

“(A) the provisions of clause (3) shall not apply to its application; and

“(B) the applicant shall be eligible to participate in any program under this title if the persons or families to be served by the applicant with the assistance being sought would be eligible to participate in such program.”

National Mobile Home Construction and Safety Standards Act of 1974.

## TITLE VI—MOBILE HOME CONSTRUCTION AND SAFETY STANDARDS

### SHORT TITLE

42 USC 5401 note.

SEC. 601. This title may be cited as the “National Mobile Home Construction and Safety Standards Act of 1974”.

### STATEMENT OF PURPOSE

42 USC 5401.

SEC. 602. The Congress declares that the purposes of this title are to reduce the number of personal injuries and deaths and the amount of insurance costs and property damage resulting from mobile home accidents and to improve the quality and durability of mobile homes. Therefore, the Congress determines that it is necessary to establish Federal construction and safety standards for mobile homes and to authorize mobile home safety research and development.

### DEFINITIONS

42 USC 5402.

SEC. 603. As used in this title, the term—

(1) “mobile home construction” means all activities relating to the assembly and manufacture of a mobile home including but not limited to those relating to durability, quality, and safety;

(2) “dealer” means any person engaged in the sale, leasing, or distribution of new mobile homes primarily to persons who in good faith purchase or lease a mobile home for purposes other than resale;

(3) “defect” includes any defect in the performance, construction, components, or material of a mobile home that renders the home or any part thereof not fit for the ordinary use for which it was intended;

(4) “distributor” means any person engaged in the sale and distribution of mobile homes for resale;

(5) “manufacturer” means any person engaged in manufacturing or assembling mobile homes, including any person engaged in importing mobile homes for resale;

(6) “mobile home” means a structure, transportable in one or more sections, which is eight body feet or more in width and is thirty-two body feet or more in length, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein;

(7) “Federal mobile home construction and safety standard” means a reasonable standard for the construction, design, and performance of a mobile home which meets the needs of the public including the need for quality, durability, and safety;

(8) “mobile home safety” means the performance of a mobile home in such a manner that the public is protected against any unreasonable risk of the occurrence of accidents due to the design

or construction of such mobile home, or any unreasonable risk of death or injury to the user or to the public if such accidents do occur;

(9) "imminent safety hazard" means an imminent and unreasonable risk of death or severe personal injury;

(10) "purchaser" means the first person purchasing a mobile home in good faith for purposes other than resale;

(11) "Secretary" means the Secretary of Housing and Urban Development;

(12) "State" includes each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Canal Zone, and American Samoa; and

(13) "United States district courts" means the Federal district courts of the United States and the United States courts of the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Canal Zone, and American Samoa.

#### FEDERAL MOBILE HOME CONSTRUCTION AND SAFETY STANDARDS

SEC. 604. (a) The Secretary, after consultation with the Consumer Product Safety Commission, shall establish by order appropriate Federal mobile home construction and safety standards. Each such Federal mobile home standard shall be reasonable and shall meet the highest standards of protection, taking into account existing State and local laws relating to mobile home safety and construction.

42 USC 5403.

(b) All orders issued under this section shall be issued after notice and an opportunity for interested persons to participate are provided in accordance with the provisions of section 553 of title 5, United States Code.

Notice.

(c) Each order establishing a Federal mobile home construction and safety standard shall specify the date such standard is to take effect, which shall not be sooner than one hundred and eighty days or later than one year after the date such order is issued, unless the Secretary finds, for good cause shown, that an earlier or later effective date is in the public interest, and publishes his reasons for such finding.

Standards, effective date.

(d) Whenever a Federal mobile home construction and safety standard established under this title is in effect, no State or political subdivision of a State shall have any authority either to establish, or to continue in effect, with respect to any mobile home covered, any standard regarding construction or safety applicable to the same aspect of performance of such mobile home which is not identical to the Federal mobile home construction and safety standard.

(e) The Secretary may by order amend or revoke any Federal mobile home construction or safety standard established under this section. Such order shall specify the date on which such amendment or revocation is to take effect, which shall not be sooner than one hundred and eighty days or later than one year from the date the order is issued, unless the Secretary finds, for good cause shown, that an earlier or later date is in the public interest, and publishes his reasons for such finding.

Amendment or revocation, effective date.

(f) In establishing standards under this section, the Secretary shall—

(1) consider relevant available mobile home construction and safety data, including the results of the research, development, testing, and evaluation activities conducted pursuant to this title, and those activities conducted by private organizations and other governmental agencies to determine how to best protect the public;

(2) consult with such State or interstate agencies (including legislative committees) as he deems appropriate;

(3) consider whether any such proposed standard is reasonable for the particular type of mobile home or for the geographic region for which it is prescribed;

(4) consider the probable effect of such standard on the cost of the mobile home to the public; and

(5) consider the extent to which any such standard will contribute to carrying out the purposes of this title.

(g) The Secretary shall issue an order establishing initial Federal mobile home construction and safety standards not later than one year after the date of enactment of this Act.

#### NATIONAL MOBILE HOME ADVISORY COUNCIL

42 USC 5404.  
Appointment;  
membership.

SEC. 605. (a) The Secretary shall appoint a National Mobile Home Advisory Council with the following composition: eight members selected from among consumer organizations, community organizations, and recognized consumer leaders; eight members from the mobile home industry and related groups including at least one representative of small business; and eight members selected from government agencies including Federal, State, and local governments. Appointments under this subsection shall be made without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service, classification, and General Schedule pay rates. The Secretary shall publish the names of the members of the Council annually and shall designate which members represent the general public.

5 USC 101 et  
seq.

Consultation.

(b) The Secretary shall, to the extent feasible, consult with the Advisory Council prior to establishing, amending, or revoking any mobile home construction or safety standard pursuant to the provisions of this title.

Compensation.

(c) Any member of the National Mobile Home Advisory Council who is appointed from outside the Federal Government may be compensated at a rate not to exceed \$100 per diem (including travel-time) when engaged in the actual duties of the Advisory Council. Such members, while away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence as authorized by section 5703(b) of title 5, United States Code, for persons in the Government service employed intermittently.

#### JUDICIAL REVIEW OF ORDERS

Petition, filing.  
42 USC 5405.

SEC. 606. (a) (1) In a case of actual controversy as to the validity of any order under section 604, any person who may be adversely affected by such order when it is effective may at any time prior to the sixtieth day after such order is issued file a petition with the United States court of appeals for the circuit wherein such person resides or has his principal place of business, for judicial review of such order. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary or other officer designated by him for that purpose. The Secretary thereupon shall file in the court the record of the proceedings on which the Secretary based his order, as provided in section 2112 of title 28, United States Code.

Additional  
evidence.

(2) If the petitioner applies to the court for leave to adduce additional evidence, and shows to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the Secretary, the court may order such additional evidence (and evidence in rebuttal thereof) to be taken before the Secretary, and to be adduced



upon the hearing, in such manner and upon such terms and conditions as to the court may seem proper. The Secretary may modify his findings as to the facts, or make new findings, by reason of the additional evidence so taken, and he shall file such modified or new findings, and his recommendation, if any, for the modification or setting aside of his original order, with the return of such additional evidence.

(3) Upon the filing of the petition referred to in paragraph (1) of this subsection, the court shall have jurisdiction to review the order in accordance with the provisions of sections 701 through 706 of title 5, United States Code, and to grant appropriate relief.

Jurisdiction.

(4) The judgment of the court affirming or setting aside, in whole or in part, any such order of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(5) Any action instituted under this subsection shall survive, notwithstanding any change in the person occupying the office of Secretary or any vacancy in such office.

Savings provision.

(6) The remedies provided for in this subsection shall be in addition to and not in substitution for any other remedies provided by law.

(b) A certified copy of the transcript of the record and proceedings under this section shall be furnished by the Secretary to any interested party at his request and payment of the costs thereof, and shall be admissible in any criminal, exclusion of imports, or other proceeding arising under or in respect of this title, irrespective of whether proceedings with respect to the order have previously been initiated or become final under subsection (a).

Transcript, copies.

## PUBLIC INFORMATION

SEC. 607. (a) Whenever any manufacturer is opposed to any action of the Secretary under section 604 or under any other provision of this title on the grounds of increased cost or for other reasons, the manufacturer shall submit such cost and other information (in such detail as the Secretary may by rule or order prescribe) as may be necessary in order to properly evaluate the manufacturer's statement.

42 USC 5406.

(b) Such information shall be available to the public unless the manufacturer establishes that it contains a trade secret or that disclosure of any portion of such information would put the manufacturer at a substantial competitive disadvantage. Notice of the availability of such information shall be published promptly in the Federal Register. If the Secretary determines that any portion of such information contains a trade secret or that the disclosure of any portion of such information would put the manufacturer at a substantial competitive disadvantage, such portion may be disclosed to the public only in such manner as to preserve the confidentiality of such trade secret or in such combined or summary form so as not to disclose the identity of any individual manufacturer, except that any such information may be disclosed to other officers or employees concerned with carrying out this title or when relevant in any proceeding under this title. Nothing in this subsection shall authorize the withholding of information by the Secretary or any officer or employee under his control from the duly authorized committees of the Congress.

Publication in Federal Register.

(c) If the Secretary proposes to establish, amend, or revoke a Federal mobile home construction and safety standard under section 604 on the basis of information submitted pursuant to subsection (a), he shall publish a notice of such proposed action, together with the reasons therefor, in the Federal Register at least thirty days in advance of making a final determination, in order to allow interested parties an opportunity to comment.

Safety standard, amendment or revocation; publication in Federal Register.

"Cost information."

(d) For purposes of this section, "cost information" means information with respect to alleged cost increases resulting from action by the Secretary, in such a form as to permit the public and the Secretary to make an informed judgment on the validity of the manufacturer's statements. Such term includes both the manufacturer's cost and the cost to retail purchasers.

(e) Nothing in this section shall be construed to restrict the authority of the Secretary to obtain or require submission of information under any other provision of this title.

#### RESEARCH, TESTING, DEVELOPMENT, AND TRAINING

42 USC 5407.

SEC. 608. (a) The Secretary shall conduct research, testing, development, and training necessary to carry out the purposes of this title, including, but not limited to—

(1) collecting data from any source for the purpose of determining the relationship between mobile home performance characteristics and (A) accidents involving mobile homes, and (B) the occurrence of death, personal injury, or damage resulting from such accidents;

(2) procuring (by negotiation or otherwise) experimental and other mobile homes for research and testing purposes; and

(3) selling or otherwise disposing of test mobile homes and reimbursing the proceeds of such sale or disposal into the current appropriation available for the purpose of carrying out this title.

Grants.

(b) The Secretary is authorized to conduct research, testing, development, and training as authorized to be carried out by subsection (a) of this section by contracting for or making grants for the conduct of such research, testing, development, and training to States, interstate agencies, and independent institutions.

#### COOPERATION WITH PUBLIC AND PRIVATE AGENCIES

42 USC 5408.

SEC. 609. The Secretary is authorized to advise, assist, and cooperate with other Federal agencies and with State and other interested public and private agencies, in the planning and development of—

(1) mobile home construction and safety standards; and

(2) methods for inspecting and testing to determine compliance with mobile home standards.

#### PROHIBITED ACTS

42 USC 5409.

SEC. 610. (a) No person shall—

(1) make use of any means of transportation or communication affecting interstate or foreign commerce or the mails to manufacture for sale, lease, sell, offer for sale or lease, or introduce or deliver, or import into the United States, any mobile home which is manufactured on or after the effective date of any applicable Federal mobile home construction and safety standard under this title and which does not comply with such standard, except as provided in subsection (b), where such manufacture, lease, sale, offer for sale or lease, introduction, delivery, or importation affects commerce;

(2) fail or refuse to permit access to or copying of records, or fail to make reports or provide information, or fail or refuse to permit entry or inspection, as required under section 614;

(3) fail to furnish notification of any defect as required by section 615;

(4) fail to issue a certification required by section 616, or issue a certification to the effect that a mobile home conforms to all

applicable Federal mobile home construction and safety standards, if such person in the exercise of due care has reason to know that such certification is false or misleading in a material respect; or

(5) fail to comply with a final order issued by the Secretary under this title.

(b) (1) Paragraph (1) of subsection (a) shall not apply to the sale, the offer for sale, or the introduction or delivery for introduction in interstate commerce of any mobile home after the first purchase of it in good faith for purposes other than resale.

(2) For purposes of section 611, paragraph (1) of subsection (a) shall not apply to any person who establishes that he did not have reason to know in the exercise of due care that such mobile home is not in conformity with applicable Federal mobile home construction and safety standards, or to any person who, prior to such first purchase, holds a certificate issued by the manufacturer or importer of such mobile home to the effect that such mobile home conforms to all applicable Federal mobile home construction and safety standards, unless such person knows that such mobile home does not so conform.

(3) A mobile home offered for importation in violation of paragraph (1) of subsection (a) shall be refused admission into the United States under joint regulations issued by the Secretary of the Treasury and the Secretary, except that the Secretary of the Treasury and the Secretary may, by such regulations, provide for authorizing the importation of such mobile home into the United States upon such terms and conditions (including the furnishing of a bond) as may appear to them appropriate to insure that any such mobile home will be brought into conformity with any applicable Federal mobile home construction or safety standard prescribed under this title, or will be exported from, or forfeited to, the United States.

Importation,  
regulations.

(4) The Secretary of the Treasury and the Secretary may, by joint regulations, permit the importation of any mobile home after the first purchase of it in good faith for purposes other than resale.

(5) Paragraph (1) of subsection (a) shall not apply in the case of a mobile home intended solely for export, and so labeled or tagged on the mobile home itself and on the outside of the container, if any, in which it is to be exported.

(c) Compliance with any Federal mobile home construction or safety standard issued under this title does not exempt any person from any liability under common law.

#### CIVIL AND CRIMINAL PENALTY

Sec. 611. (a) Whoever violates any provision of section 610, or any regulation or final order issued thereunder, shall be liable to the United States for a civil penalty of not to exceed \$1,000 for each such violation. Each violation of a provision of section 610, or any regulation or order issued thereunder shall constitute, a separate violation with respect to each mobile home or with respect to each failure or refusal to allow or perform an act required thereby, except that the maximum civil penalty may not exceed \$1,000,000 for any related series of violations occurring within one year from the date of the first violation.

42 USC 5410.

(b) An individual or a director, officer, or agent of a corporation who knowingly and willfully violates section 610 in a manner which threatens the health or safety of any purchaser shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

#### JURISDICTION AND VENUE

Sec. 612. (a) The United States district courts shall have jurisdiction, for cause shown and subject to the provisions of rule 65 (a) and

42 USC 5411.

28 USC app.

(b) of the Federal Rules of Civil Procedure, to restrain violations of this title, or to restrain the sale, offer for sale, or the importation into the United States, of any mobile home which is determined, prior to the first purchase of such mobile home in good faith for purposes other than resale, not to conform to applicable Federal mobile home construction and safety standards prescribed pursuant to this title or to contain a defect which constitutes an imminent safety hazard, upon petition by the appropriate United States attorney or the Attorney General on behalf of the United States. Whenever practicable, the Secretary shall give notice to any person against whom an action for injunctive relief is contemplated and afford him an opportunity to present his views and the failure to give such notice and afford such opportunity shall not preclude the granting of appropriate relief.

Notice.

Trial by court  
or jury.

(b) In any proceeding for criminal contempt for violation of an injunction or restraining order issued under this section, which violation also constitutes a violation of this title, trial shall be by the court or, upon demand of the accused, by a jury. Such trial shall be conducted in accordance with the practice and procedure applicable in the case of proceedings subject to the provisions of rule 42(b) of the Federal Rules of Criminal Procedure.

18 USC app.

(c) Actions under subsection (a) of this section and section 611 may be brought in the district wherein any act or transaction constituting the violation occurred, or in the district wherein the defendant is found or is an inhabitant or transacts business, and process in such cases may be served in any other district of which the defendant is an inhabitant or wherever the defendant may be found.

(d) In any action brought by the United States under subsection (a) of this section or section 611, subpoenas by the United States for witnesses who are required to attend at United States district court may run into any other district.

(e) It shall be the duty of every manufacturer offering a mobile home for importation into the United States to designate in writing an agent upon whom service of all administrative and judicial processes, notices, orders, decisions, and requirements may be made for and on behalf of such manufacturer, and to file such designation with the Secretary, which designation may from time to time be changed by like writing, similarly filed. Service of all administrative and judicial processes, notices, orders, decisions, and requirements may be made upon such manufacturer by service upon such designated agent at his office or usual place of residence with like effect as if made personally upon such manufacturer, and in default of such designation of such agent, service of process or any notice, order, requirement, or decision in any proceeding before the Secretary or in any judicial proceeding pursuant to this title may be made by mailing such process, notice, order, requirement, or decision to the Secretary by registered or certified mail.

## NONCOMPLIANCE WITH STANDARDS

42 USC 5412.

SEC. 613. (a) If the Secretary or a court of appropriate jurisdiction determines that any mobile home does not conform to applicable Federal mobile home construction and safety standards, or that it contains a defect which constitutes an imminent safety hazard, after the sale of such mobile home by a manufacturer to a distributor or a dealer and prior to the sale of such mobile home by such distributor or dealer to a purchaser—

- (1) the manufacturer shall immediately repurchase such mobile home from such distributor or dealer at the price paid by such distributor or dealer, plus all transportation charges involved and a reasonable reimbursement of not less than 1 per centum per

month of such price paid prorated from the date of receipt by certified mail of notice of such nonconformance to the date of repurchase by the manufacturer; or

(2) the manufacturer, at his own expense, shall immediately furnish the purchasing distributor or dealer the required conforming part or parts or equipment for installation by the distributor or dealer on or in such mobile home, and for the installation involved the manufacturer shall reimburse such distributor or dealer for the reasonable value of such installation plus a reasonable reimbursement of not less than 1 per centum per month of the manufacturer's or distributor's selling price prorated from the date of receipt by certified mail of notice of such nonconformance to the date such vehicle is brought into conformance with applicable Federal standards, so long as the distributor or dealer proceeds with reasonable diligence with the installation after the required part or equipment is received.

Parts, replacement and reimbursement for installation.

The value of such reasonable reimbursements as specified in paragraphs (1) and (2) of this subsection shall be fixed by mutual agreement of the parties, or, failing such agreement, by the court pursuant to the provisions of subsection (b).

(b) If any manufacturer fails to comply with the requirements of subsection (a), then the distributor or dealer, as the case may be, to whom such mobile home has been sold may bring an action seeking a court injunction compelling compliance with such requirements on the part of such manufacturer. Such action may be brought in any district court in the United States in the district in which such manufacturer resides, or is found, or has an agent, without regard to the amount in controversy, and the person bringing the action shall also be entitled to recover any damage sustained by him, as well as all court costs plus reasonable attorneys' fees. Any action brought pursuant to this section shall be forever barred unless commenced within three years after the cause of action shall have accrued.

Noncompliance, court injunction.

Statute of limitations.

#### INSPECTION OF MOBILE HOMES AND RECORDS

Sec. 614. (a) The Secretary is authorized to conduct such inspections and investigations as may be necessary to promulgate or enforce Federal mobile home construction and safety standards established under this title or otherwise to carry out his duties under this title. He shall furnish the Attorney General and, when appropriate, the Secretary of the Treasury any information obtained indicating non-compliance with such standards for appropriate action.

42 USC 5413.

(b)(1) For purposes of enforcement of this title, persons duly designated by the Secretary, upon presenting appropriate credentials to the owner, operator, or agent in charge, are authorized—

(A) to enter, at reasonable times and without advance notice, any factory, warehouse, or establishment in which mobile homes are manufactured, stored, or held for sale; and

(B) to inspect, at reasonable times and within reasonable limits and in a reasonable manner, any such factory, warehouse, or establishment, and to inspect such books, papers, records, and documents as are set forth in subsection (c). Each such inspection shall be commenced and completed with reasonable promptness.

(2) The Secretary is authorized to contract with State and local governments and private inspection organizations to carry out his functions under this subsection.

(c) For the purpose of carrying out the provisions of this title, the Secretary is authorized—

(1) to hold such hearings, take such testimony, sit and act at such times and places, administer such oaths, and require, by

Hearings.



Witness fees.

subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, papers, correspondence, memorandums, contracts, agreements, or other records, as the Secretary or such officer or employee deems advisable. Witnesses summoned pursuant to this subsection shall be paid the same fees and mileage that are paid witnesses in the courts of the United States;

(2) to examine and copy any documentary evidence of any person having materials or information relevant to any function of the Secretary under this title;

(3) to require, by general or special orders, any person to file, in such form as the Secretary may prescribe, reports or answers in writing to specific questions relating to any function of the Secretary under this title. Such reports and answers shall be made under oath or otherwise, and shall be filed with the Secretary within such reasonable period as the Secretary may prescribe;

(4) to request from any Federal agency any information he deems necessary to carry out his functions under this title, and each such agency is authorized and directed to cooperate with the Secretary and to furnish such information upon request made by the Secretary, and the head of any Federal agency is authorized to detail, on a reimbursable basis, any personnel of such agency to assist in carrying out the duties of the Secretary under this title; and

(5) to make available to the public any information which may indicate the existence of a defect which relates to mobile home construction or safety or of the failure of a mobile home to comply with applicable mobile home construction and safety standards. The Secretary shall disclose so much of other information obtained under this subsection to the public as he determines will assist in carrying out this title; but he shall not (under the authority of this sentence) make available or disclose to the public any information which contains or relates to a trade secret or any information the disclosure of which would put the person furnishing such information at a substantial competitive disadvantage, unless he determines that it is necessary to carry out the purpose of this title.

Violation,  
penalty.

(d) Any of the district courts of the United States within the jurisdiction of which an inquiry is carried on may, in the case of contumacy or refusal to obey a subpoena or order of the Secretary issued under paragraph (1) or paragraph (3) of subsection (c) of this section, issue an order requiring compliance therewith; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

Building plans,  
submittal to  
Secretary for ap-  
proval.

(e) Each manufacturer of mobile homes shall submit the building plans for every model of such mobile homes to the Secretary or his designee for the purpose of inspection under this section. The manufacturer must certify that each such building plan meets the Federal construction and safety standards in force at that time before the model involved is produced.

Records and  
reports, inspec-  
tion.

(f) Each manufacturer, distributor, and dealer of mobile homes shall establish and maintain such records, make such reports, and provide such information as the Secretary may reasonably require to enable him to determine whether such manufacturer, distributor, or dealer has acted or is acting in compliance with this title and Federal mobile home construction and safety standards prescribed pursuant to this title and shall, upon request of a person duly designated by the Secretary, permit such person to inspect appropriate books, papers, records, and documents relevant to determining whether such manufacturer, distributor, or dealer has acted or is acting in compliance

with this title and mobile home construction and safety standards prescribed pursuant to this title.

(g) Each manufacturer of mobile homes shall provide to the Secretary such performance data and other technical data related to performance and safety as may be required to carry out the purposes of this title. These shall include records of tests and test results which the Secretary may require to be performed. The Secretary is authorized to require the manufacturer to give notification of such performance and technical data to—

Performance and technical data.

Notification to purchasers.

(1) each prospective purchaser of a mobile home before its first sale for purposes other than resale, at each location where any such manufacturer's mobile homes are offered for sale by a person with whom such manufacturer has a contractual, proprietary, or other legal relationship and in a manner determined by the Secretary to be appropriate, which may include, but is not limited to, printed matter (A) available for retention by such prospective purchaser, and (B) sent by mail to such prospective purchaser upon his request; and

(2) the first person who purchases a mobile home for purposes other than resale, at the time of such purchase or in printed matter placed in the mobile home.

(h) All information reported to or otherwise obtained by the Secretary or his representative pursuant to subsection (b), (c), (f), or (g) which contains or relates to a trade secret, or which, if disclosed, would put the person furnishing such information at a substantial competitive disadvantage, shall be considered confidential, except that such information may be disclosed to other officers or employees concerned with carrying out this title or when relevant in any proceeding under this title. Nothing in this section shall authorize the withholding of information by the Secretary or any officer or employee under his control from the duly authorized committees of the Congress.

Information disclosure, exception.

#### NOTIFICATION AND CORRECTION OF DEFECTS

Sec. 615. (a) Every manufacturer of mobile homes shall furnish notification of any defect in any mobile home produced by such manufacturer which he determines, in good faith, relates to a Federal mobile home construction or safety standard or contains a defect which constitutes an imminent safety hazard to the purchaser of such mobile home, within a reasonable time after such manufacturer has discovered such defect.

42 USC 5414.

(b) The notification required by subsection (a) shall be accomplished—

(1) by mail to the first purchaser (not including any dealer or distributor of such manufacturer) of the mobile home containing the defect, and to any subsequent purchaser to whom any warranty on such mobile home has been transferred;

(2) by mail to any other person who is a registered owner of such mobile home and whose name and address has been ascertained pursuant to procedures established under subsection (f); and

(3) by mail or other more expeditious means to the dealer or dealers of such manufacturer to whom such mobile home was delivered.

(c) The notification required by subsection (a) shall contain a clear description of such defect or failure to comply, an evaluation of the risk to mobile home occupants' safety reasonably related to such defect, and a statement of the measures needed to repair the defect. The notification shall also inform the owner whether the defect is a construction or safety defect which the manufacturer will have corrected

Description.

at no cost to the owner of the mobile home under subsection (g) or otherwise, or is a defect which must be corrected at the expense of the owner.

Communica-  
tions to dealers,  
copies to Secre-  
tary.

Information  
disclosure, ex-  
ception.

(d) Every manufacturer of mobile homes shall furnish to the Secretary a true or representative copy of all notices, bulletins, and other communications to the dealers of such manufacturer or purchasers of mobile homes of such manufacturer regarding any defect in any such mobile home produced by such manufacturer. The Secretary shall disclose to the public so much of the information contained in such notices or other information obtained under section 614 as he deems will assist in carrying out the purposes of this title, but he shall not disclose any information which contains or relates to a trade secret, or which, if disclosed, would put such manufacturer at a substantial competitive disadvantage, unless he determines that it is necessary to carry out the purposes of this title.

(e) If the Secretary determines that any mobile home—

(1) does not comply with an applicable Federal mobile home construction and safety standard prescribed pursuant to section 604; or

(2) contains a defect which constitutes an imminent safety hazard,

Notice.

Opportunity to  
present views.

then he shall immediately notify the manufacturer of such mobile home of such defect or failure to comply. The notice shall contain the findings of the Secretary and shall include all information upon which the findings are based. The Secretary shall afford such manufacturer an opportunity to present his views and evidence in support thereof, to establish that there is no failure of compliance. If after such presentation by the manufacturer the Secretary determines that such mobile home does not comply with applicable Federal mobile home construction or safety standards, or contains a defect which constitutes an imminent safety hazard, the Secretary shall direct the manufacturer to furnish the notification specified in subsections (a) and (b) of this section.

Record of pur-  
chasers.

(f) Every manufacturer of mobile homes shall maintain a record of the name and address of the first purchaser of each mobile home (for purposes other than resale), and, to the maximum extent feasible, shall maintain procedures for ascertaining the name and address of any subsequent purchaser thereof and shall maintain a record of names and addresses so ascertained. Such records shall be kept for each home produced by a manufacturer. The Secretary may establish by order procedures to be followed by manufacturers in establishing and maintaining such records, including procedures to be followed by distributors and dealers to assist manufacturers to secure the information required by this subsection. Such procedures shall be reasonable for the particular type of mobile home for which they are prescribed.

Notice of de-  
fect.

(g) A manufacturer required to furnish notification of a defect under subsection (a) or (e) shall also bring the mobile home into compliance with applicable standards and correct the defect or have the defect corrected within a reasonable period of time at no expense to the owner, but only if—

(1) the defect presents an unreasonable risk of injury or death to occupants of the affected mobile home or homes;

(2) the defect can be related to an error in design or assembly of the mobile home by the manufacturer.

Opportunity to  
present views.

The Secretary may direct the manufacturer to make such corrections after providing an opportunity for oral and written presentation of views by interested persons. Nothing in this section shall limit the rights of the purchaser or any other person under any contract or applicable law.

(h) The manufacturer shall submit his plan for notifying owners of the defect and for repairing such defect (if required under subsection (g)) to the Secretary for his approval before implementing such plan. Whenever a manufacturer is required under subsection (g) to correct a defect, the Secretary shall approve with or without modification, after consultation with the manufacturer of the mobile home involved, such manufacturer's remedy plan including the date when, and the method by which, the notification and remedy required pursuant to this section shall be effectuated. Such date shall be the earliest practicable one but shall not be more than sixty days after the date of discovery or determination of the defect or failure to comply, unless the Secretary grants an extension of such period for good cause shown and publishes a notice of such extension in the Federal Register. Such manufacturer is bound to implement such remedy plan as approved by the Secretary.

Publication in  
Federal Register.

(i) Where a defect or failure to comply in a mobile home cannot be adequately repaired within sixty days from the date of discovery or determination of the defect, the Secretary may require that the mobile home be replaced with a new or equivalent home without charge, or that the purchase price be refunded in full, less a reasonable allowance for depreciation based on actual use if the home has been in the possession of the owner for more than one year.

#### CERTIFICATION OF CONFORMITY WITH CONSTRUCTION AND SAFETY STANDARDS

Sec. 616. Every manufacturer of mobile homes shall furnish to the distributor or dealer at the time of delivery of each such mobile home produced by such manufacturer certification that such mobile home conforms to all applicable Federal construction and safety standards. Such certification shall be in the form of a label or tag permanently affixed to each such mobile home.

42 USC 5415.

#### CONSUMER INFORMATION

Sec. 617. The Secretary shall develop guidelines for a consumer's manual to be provided to mobile home purchasers by the manufacturer. These manuals should identify and explain the purchasers' responsibilities for operation, maintenance, and repair of their mobile homes.

Consumer's  
manual.  
42 USC 5416.

#### EFFECT UPON ANTITRUST LAWS

Sec. 618. Nothing contained in this title shall be deemed to exempt from the antitrust laws of the United States any conduct that would otherwise be unlawful under such laws, or to prohibit under the antitrust laws of the United States any conduct that would be lawful under such laws. As used in this section, the term "antitrust laws" includes, but is not limited to, the Act of July 2, 1890, as amended; the Act of October 14, 1914, as amended; the Federal Trade Commission Act (15 U.S.C. 41 et seq.); and sections 73 and 74 of the Act of August 27, 1894, as amended.

42 USC 5417.

"Antitrust  
laws."  
15 USC 1.  
15 USC 12.

15 USC 8, 9.

#### USE OF RESEARCH AND TESTING FACILITIES OF PUBLIC AGENCIES

Sec. 619. The Secretary, in exercising the authority under this title, shall utilize the services, research and testing facilities of public agencies and independent testing laboratories to the maximum extent practicable in order to avoid duplication.

42 USC 5418.

## INSPECTION FEES

42 USC 5419.

SEC. 620. In carrying out the inspections required under this title, the Secretary may establish and impose on mobile home manufacturers, distributors, and dealers such reasonable fees as may be necessary to offset the expenses incurred by him in conducting such inspections, except that this section shall not apply in any State which has in effect a State plan under section 623.

## PENALTIES ON INSPECTIONS

42 USC 5420.

SEC. 621. Any person, other than an officer or employee of the United States, or a person exercising inspection functions under a State plan pursuant to section 623, who knowingly and willfully fails to report a violation of any construction or safety standard established under section 604 may be fined up to \$1,000 or imprisoned for up to one year, or both.

## PROHIBITION ON WAIVER OF RIGHTS

42 USC 5421.

SEC. 622. The rights afforded mobile home purchasers under this title may not be waived, and any provision of a contract or agreement entered into after the enactment of this title to the contrary shall be void.

## STATE JURISDICTION; STATE PLANS

42 USC 5422.

SEC. 623. (a) Nothing in this title shall prevent any State agency or court from asserting jurisdiction under State law over any mobile home construction or safety issue with respect to which no Federal mobile home construction and safety standard has been established pursuant to the provisions of section 604.

Enforcement  
standards plan,  
submittal to Sec-  
retary.

(b) Any State which, at any time, desires to assume responsibility for enforcement of mobile home safety and construction standards relating to any issue with respect to which a Federal standard has been established under section 604, shall submit to the Secretary a State plan for enforcement of such standards.

Approval.

(c) The Secretary shall approve the plan submitted by a State under subsection (b), or any modification thereof, if such plan in his judgment—

(1) designates a State agency or agencies as the agency or agencies responsible for administering the plan throughout the State;

(2) provides for the enforcement of mobile home safety and construction standards promulgated under section 604;

(3) provides for a right of entry and inspection of all factories, warehouses, or establishments in such State in which mobile homes are manufactured and for the review of plans, in a manner which is identical to that provided in section 614;

(4) provides for the imposition of the civil and criminal penalties under section 611;

(5) provides for the notification and correction procedures under section 615;

(6) provides for the payment of inspection fees by manufacturers in amounts adequate to cover the costs of inspections;

(7) contains satisfactory assurances that the State agency or agencies have or will have the legal authority and qualified personnel necessary for the enforcement of such standards;

(8) give satisfactory assurances that such State will devote adequate funds to the administration and enforcement of such standards;



(9) requires manufacturers, distributors, and dealers in such State to make reports to the Secretary in the same manner and to the same extent as if the State plan were not in effect;

(10) provides that the State agency or agencies will make such reports to the Secretary in such form and containing such information as the Secretary shall from time to time require; and

(11) complies with such other requirements as the Secretary may by regulation prescribe for the enforcement of this title.

(d) If the Secretary rejects a plan submitted under subsection (b), he shall afford the State submitting the plan due notice and opportunity for a hearing before so doing. Notice and hearing.

(e) After the Secretary approves a State plan submitted under subsection (b), he may, but shall not be required to, exercise his authority under this title with respect to enforcement of mobile home construction and safety standards in the State involved.

(f) The Secretary shall, on the basis of reports submitted by the designated State agency and his own inspections, make a continuing evaluation of the manner in which each State having a plan approved under this section is carrying out such plan. Such evaluation shall be made by the Secretary at least annually for each State, and the results of such evaluation and the inspection reports on which it is based shall be promptly submitted to the appropriate committees of the Congress. Whenever the Secretary finds, after affording due notice and opportunity for a hearing, that in the administration of the State plan there is a failure to comply substantially with any provision of the State plan or that the State plan has become inadequate, he shall notify the State agency or agencies of his withdrawal of approval of such plan. Upon receipt of such notice by such State agency or agencies such plan shall cease to be in effect, but the State may retain jurisdiction in any case commenced before the withdrawal of the plan in order to enforce mobile home standards under the plan whenever the issues involved do not relate to the reasons for the withdrawal of the plan. Evaluation, submittal to congressional committees.

#### GRANTS TO STATES

Sec. 624. (a) The Secretary is authorized to make grants to the States which have designated a State agency under section 623 to assist them— 42 USC 5423.

(1) in identifying their needs and responsibilities in the area of mobile home construction and safety standards; or

(2) in developing State plans under section 623.

(b) The Governor of each State shall designate the appropriate State agency for receipt of any grant made by the Secretary under this section.

(c) Any State agency designated by the Governor of a State desiring a grant under this section shall submit an application therefor to the Secretary. The Secretary shall review and either accept or reject such application. Application.

(d) The Federal share for each State grant under subsection (a) of this section may not exceed 90 per centum of the total cost to the State in identifying its needs and developing its plan. In the event the Federal share for all States under such subsection is not the same, the differences among the States shall be established on the basis of objective criteria.

#### RULES AND REGULATIONS

Sec. 625. The Secretary is authorized to issue, amend, and revoke such rules and regulations as he deems necessary to carry out this title. 42 USC 5424.

## ANNUAL REPORT TO CONGRESS

Submittal to  
President.  
42 USC 5425.

Contents.

Recommendations for legislation.

Study and investigation.

SEC. 626. (a) The Secretary shall prepare and submit to the President for transmittal to the Congress on March 1 of each year a comprehensive report on the administration of this title for the preceding calendar year. Such report shall include but not be restricted to (1) a thorough statistical compilation of the accidents, injuries, deaths, and property losses occurring in or involving mobile homes in such year; (2) a list of Federal mobile home construction and safety standards prescribed or in effect in such year; (3) the level of compliance with all applicable Federal mobile home standards; (4) a summary of all current research grants and contracts together with a description of the problems to be studied in such research; (5) an analysis and evaluation, including relevant policy recommendations, of research activities completed and technological progress achieved during such year; (6) a statement of enforcement actions including judicial decisions, settlements, defect notifications, and pending litigation commenced during the year; and (7) the extent to which technical information was disseminated to the scientific community and consumer-oriented information was made available to mobile home owners and prospective buyers.

(b) The report required by subsection (a) of this section shall contain such recommendations for additional or revised legislation as the Secretary deems necessary to promote the improvement of mobile home construction and safety and to strengthen the national mobile home program.

(c) In order to assure a continuing and effective national mobile home construction and safety program, it is the policy of Congress to encourage the adoption of State inspection of used mobile homes. Therefore, to that end the Secretary shall conduct a thorough study and investigation to determine the adequacy of mobile home construction and safety standards and mobile home inspection requirements and procedures applicable to used mobile homes in each State, and the effect of programs authorized by this title upon such standards, requirements, and procedures for used mobile homes, and report to Congress as soon as practicable, but not later than one year after the date of enactment of this Act, the results of such study, and recommendations for such additional legislation as he deems necessary to carry out the purposes of this title. Such report shall also include recommendations by the Secretary relating to the problems of disposal of used mobile homes.

## AUTHORIZATION OF APPROPRIATIONS

42 USC 5426.

SEC. 627. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

## EFFECTIVE DATE

42 USC 5401  
note.

SEC. 628. The provisions of this title shall take effect upon the expiration of 180 days following the date of enactment of this title.

Consumer Home  
Mortgage Assistance Act of 1974.

## TITLE VII—CONSUMER HOME MORTGAGE ASSISTANCE

## SHORT TITLE

12 USC 1464  
note.

SEC. 701. This title may be cited as the "Consumer Home Mortgage Assistance Act of 1974".

PART A—LENDING AND INVESTMENT POWERS, FEDERAL SAVINGS AND  
LOAN ASSOCIATIONS

CONSTRUCTION LOANS

SEC. 702. Section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)) is amended by adding at the end thereof the following new paragraph:

"Without regard to any other provision of this subsection, any such association is authorized to invest an amount, not exceeding the greater of (A) the sum of its surplus, undivided profits, and reserves or (B) 3 per centum of its assets, in loans or in interests therein the principal purpose of which is to provide financing with respect to what is or is expected to become primarily residential real estate within one hundred miles of its home office or within the State in which such office is located, where (i) the association relies substantially for repayment on the borrower's general credit standing and forecast of income, with or without other security, or (ii) the association relies on other assurances for repayment, including but not limited to a guaranty or similar obligation of a third party, and, in either case described in clause (i) or (ii), regardless of whether or not the association takes security; and investments under this sentence shall not be included in any percentage of assets or other percentage referred to in this subsection."

SINGLE FAMILY DWELLING LIMITATIONS

SEC. 703. Section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)) is amended by striking out "\$45,000" immediately before "for each single family dwelling" and inserting in lieu thereof "\$55,000 (except that with respect to dwellings in Alaska, Guam, and Hawaii the foregoing limitation may, by regulation of the Board, be increased by not to exceed 50 per centum)".

LENDING AUTHORITY UNDER THE HOME OWNERS' LOAN ACT

SEC. 704. Section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)), as amended by section 702 of this Act, is amended by adding at the end thereof the following new paragraph:

"Subject to such prohibitions, limitations, and conditions as the Board may prescribe, any such association may invest in loans and advances of credit and interests therein upon the security of or respecting real property or interests therein used for primarily residential purposes (all of which may be defined by the Board) that do not comply with the limitations and restrictions in this subsection, but no investment shall be made by an association under this sentence if its aggregate outstanding investment under this sentence determined as prescribed by the Board, exclusive of any investment which is or at the time of its making was otherwise authorized, would thereupon exceed 5 per centum of its assets."

*Supra.*

AMENDMENT TO THE HOME OWNERS' LOAN ACT OF 1933 CONCERNING  
PROPERTY IMPROVEMENT LOANS

SEC. 705. The second and third undesignated paragraphs of section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)) are amended by striking out "\$5,000" and inserting in lieu thereof "\$10,000".

ADVANCES FROM A STATE CHARTERED CENTRAL RESERVE INSTITUTION  
INCLUDING MORTGAGE FINANCE AGENCIES

*Ante*, p. 715.

Sec. 706. Section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)), as amended by sections 702 and 704 of this Act, is amended by adding at the end thereof the following new paragraph:

"Subject to regulation by the Board but without regard to any other provision of this subsection, any such association whose general reserves, surplus, and undivided profits aggregate a sum in excess of 5 per centum of its withdrawable accounts is authorized to borrow funds from a State mortgage finance agency of the State in which the head office of such association is situated to the same extent as State law authorizes a savings and loan association organized under the laws of such State to borrow from the State mortgage finance agency, except that such an association may not make any loan of such funds at an interest rate which exceeds by more than  $1\frac{3}{4}$  per centum per annum the interest rate paid to the State mortgage finance agency on the obligations issued to obtain the funds so borrowed."

PART B—NATIONAL BANKS

REAL ESTATE LOANS BY NATIONAL BANKS

SEC. 711. Section 24 of the Federal Reserve Act (12 U.S.C. 371) is amended to read as follows:

"REAL ESTATE LOANS BY NATIONAL BANKS

"SEC. 24 (a) (1) Any national banking association may make real estate loans, secured by liens upon unimproved real estate, upon improved real estate, including improved farmland and improved business and residential properties, and upon real estate to be improved by a building or buildings to be constructed or in the process of construction, in an amount which when added to the amount unpaid upon prior mortgages, liens, encumbrances, if any, upon such real estate does not exceed the respective proportions of appraised value as provided in this section. A loan secured by real estate within the meaning of this section shall be in the form of an obligation or obligations secured by a mortgage, trust deed, or other instrument, which shall constitute a lien on real estate in fee or, under such rules and regulations as may be prescribed by the Comptroller of the Currency, on a leasehold under a lease which does not expire for at least ten years beyond the maturity date of the loan, and any national banking association may purchase or sell any obligations so secured in whole or in part. The amount of any such loan hereafter made shall not exceed  $66\frac{2}{3}$  per centum of the appraised value if such real estate is unimproved, 75 per centum of the appraised value if such real estate is improved by offsite improvements such as streets, water, sewers, or other utilities, 75 per centum of the appraised value if such real estate is in the process of being improved by a building or buildings to be constructed or in the process of construction, or 90 per centum of the appraised value if such real estate is improved by a building or buildings. If any such loan exceeds 75 per centum of the appraised value of the real estate or if the real estate is improved with a one- to four-family dwelling, installment payments shall be required which are sufficient to amortize the entire principal of the loan within a period of not more than thirty years.

"(2) The limitations and restrictions set forth in paragraph (1) shall not prevent the renewal or extension of loans heretofore made and shall not apply to real estate loans (A) which are insured under

the provisions of the National Housing Act, (B) which are insured by the Secretary of Agriculture pursuant to title I of the Bankhead-Jones Farm Tenant Act, or the Act of August 28, 1937, as amended, or title V of the Housing Act of 1949, as amended, or (C) which are guaranteed by the Secretary of Housing and Urban Development, for the payment of the obligations of which the full faith and credit of the United States is pledged, and such limitations and restrictions shall not apply to real estate loans which are fully guaranteed or insured by a State, or any agency or instrumentality thereof, or by a State authority for the payment of the obligations of which the faith and credit of the State is pledged, if under the terms of the guaranty or insurance agreement the association will be assured of repayment in accordance with the terms of the loan, or to any loan at least 20 per centum of which is guaranteed under chapter 37 of title 38, United States Code.

12 USC 1701  
and note.

7 USC 1000  
and note.  
42 USC 1471.

38 USC 1801.

“(3) Loans which are guaranteed or insured as described in paragraph (2) shall not be taken into account in determining the amount of real estate loans which a national banking association may make in relation to its capital and surplus or its time and savings deposits or in determining the amount of real estate loans secured by other than first liens. Where the collateral for any loan consists partly of real estate security and partly of other security, including a guaranty or endorsement by or an obligation or commitment of a person other than the borrower, only the amount by which the loan exceeds the value as collateral of such other security shall be considered a loan upon the security of real estate, and in no event shall a loan be considered as a real estate loan where there is a valid and binding agreement which is entered into by a financially responsible lender or other party either directly with the association or which is for the benefit of or has been assigned to the association and pursuant to which agreement the lender or other party is required to advance to the association within sixty months from the date of the making of such loan the full amount of the loan to be made by the association upon the security of real estate. Except as otherwise provided, no such association shall make real estate loans in an aggregate sum in excess of the amount of the capital stock of such association paid in and unimpaired plus the amount of its unimpaired surplus fund, or in excess of the amount of its time and savings deposits, whichever is greater: *Provided*, That the amount unpaid upon real estate loans secured by other than first liens, when added to the amount unpaid upon prior mortgages, liens, and encumbrances, shall not exceed in an aggregate sum 20 per centum of the amount of the capital stock of such association paid in and unimpaired plus 20 per centum of the amount of its unimpaired surplus fund.

“(b) Any national banking association may make real estate loans secured by liens upon forest tracts which are properly managed in all respects. Such loans shall be in the form of an obligation or obligations secured by mortgage, trust deed, or other such instrument; and any national banking association may purchase or sell any obligations so secured in whole or in part. The amount of any such loan, when added to the amount unpaid upon prior mortgages, liens, and encumbrances, if any, shall not exceed 66 $\frac{2}{3}$  per centum of the appraised fair market value of the growing timber, lands, and improvements thereon offered as security and the loan shall be made upon such terms and conditions as to assure that at no time shall the loan balance, when added to the amount unpaid upon prior mortgages, liens, and encumbrances, if any, exceed 66 $\frac{2}{3}$  per centum of the original appraised total value of the property then remaining. No such loan shall be made for a longer term than three years; except that any such loan may be made for a term not longer than fifteen years



if the loan is secured by an amortized mortgage, deed of trust, or other such instrument under the terms of which the installment payments are sufficient to amortize the principal of the loan within a period of not more than fifteen years and at a rate at least  $6\frac{2}{3}$  per centum per annum. All such loans secured by liens upon forest tracts shall be included in the permissible aggregate of all real estate loans and, when secured by other than first liens, in the permissible aggregate of all real estate loans secured by other than first liens, prescribed in subsection (a); but no national banking association shall make forest tract loans in an aggregate sum in excess of 50 per centum of its capital stock paid in and unimpaired plus 50 per centum of its unimpaired surplus fund.

“(c) Loans made to finance the construction of a building or buildings and having maturities of not to exceed sixty months where there is a valid and binding agreement entered into by a financially responsible lender or other party to advance the full amount of the bank's loan upon completion of the building or buildings, and loans made to finance the construction of residential or farm buildings and having maturities of not to exceed sixty months, may be considered as real estate loans if the loans qualify under this section, or such loans may be classed as commercial loans whether or not secured by a mortgage or similar lien on the real estate upon which the building or buildings are being constructed, at the option of each national banking association that may have an interest in such loan: *Provided*, That no national banking association shall invest in, or be liable on, any such loans classed as commercial loans under this subsection in an aggregate amount in excess of 100 per centum of its actually paid-in and unimpaired capital plus 100 per centum of its unimpaired surplus fund.

12 USC 343.

“(d) Notes representing loans made under this section to finance the construction of residential or farm buildings and having maturities of not to exceed nine months shall be eligible for discount as commercial paper within the terms of the second paragraph of section 13 of this Act if accompanied by a valid and binding agreement to advance the full amount of the loan upon the completion of the building entered into by an individual, partnership, association, or corporation acceptable to the discounting bank.

15 USC 631  
note.

“(e) Loans made to any borrower (i) where the association looks for repayment by relying primarily on the borrower's general credit standing and forecast of income, with or without other security, or (ii) secured by an assignment of rents under a lease, and where, in either case described in clause (i) or (ii) above, the association wishes to take a mortgage, deed of trust, or other instrument upon real estate (whether or not constituting a first lien) as a precaution against contingencies, and loans in which the Small Business Administration cooperates through agreements to participate on an immediate or deferred or guaranteed basis under the Small Business Act, shall not be considered as real estate loans within the meaning of this section but shall be classed as commercial loans.

“(f) Any national banking association may make loans upon the security of real estate that do not comply with the limitations and restrictions in this section, if the total unpaid amount loaned, exclusive of loans which subsequently comply with such limitations and restrictions, does not exceed 10 per centum of the amount that a national banking association may invest in real estate loans. The total unpaid amount so loaned shall be included in the aggregate sum that such association may invest in real estate loans.

“(g) Loans made pursuant to this section shall be subject to such conditions and limitations as the Comptroller of the Currency may prescribe by rule or regulation.”

## PART C—FEDERAL CREDIT UNIONS

## LENDING AUTHORITY AND DEPOSITORY AUTHORITY

Sec. 721. (a) Paragraph (6) of section 107 of the Federal Credit Union Act (12 U.S.C. 1757(6)) is amended to read as follows:

“(6) to make loans to its own directors and to members of its own supervisory credit committee provided that any such loan or aggregate of loans to one director or committee member which exceeds \$2,500 plus pledged shares must be approved by the board of directors, and to permit directors and members of its own supervisory or credit committee to act as guarantor or endorser of loans to other members, except that when such a loan standing alone or when added to any outstanding loan or loans of the guarantor exceeds \$2,500, approval by the board of directors is required;”.

(b) Paragraph (9) of such section is amended by inserting immediately before the semicolon at the end thereof the following: “, and for Federal credit unions or credit unions authorized by the Department of Defense operating suboffices on American military installations in foreign countries or trust territories of the United States to maintain demand deposit accounts in banks located in those countries or trust territories, subject to such regulations as may be issued by the Administrator and provided such banks are correspondents of banks described in this paragraph”.

## FEES

Sec. 722. The first sentence of section 109 of the Federal Credit Union Act (12 U.S.C. 1759) is amended by striking out “the entrance fee” and inserting in lieu thereof “a uniform entrance fee if required by the board of directors”.

## DIRECTORS

Sec. 723. (a) The third sentence of section 113 of the Federal Credit Union Act (12 U.S.C. 1761b) is amended by inserting “, except that the board may designate a committee of not less than two to act as an investment committee, such investment committee to have charge of making investments under rules and procedures established by the board of directors” immediately after “have charge of investments other than loans to members”.

(b) The fourth sentence of such section is amended by striking out “act for it in the purchase and sale of securities, the borrowing of funds, and making of loans to other credit unions” and inserting in lieu thereof “exercise such authority as may be delegated to it subject to such conditions and limitations as may be prescribed by the board”.

(c) The fifth sentence of such section is amended by striking out “a membership officer” and inserting in lieu thereof “one or more membership officers”.

(d) Such section is amended by adding at the end thereof the following new sentence: “If a membership application is denied, the reasons therefor shall be furnished in writing to the person whose application is denied, upon written request.”.

## SUPERVISORY COMMITTEES

Sec. 724. Section 115 of the Federal Credit Union Act (12 U.S.C. 1761d) is amended by striking out “a semiannual” and inserting in lieu thereof “an annual”.

## DIVIDENDS

SEC. 725. (a) The first sentence of section 117 of the Federal Credit Union Act (12 U.S.C. 1763) is amended by striking out "Annually, semiannually, or quarterly, as the bylaws may provide" and inserting in lieu thereof "At such intervals as the board of directors may authorize".

(b) The last sentence of such section is amended by striking out "for a month", and by striking out "which are or become fully paid up during the first ten days of that month" and inserting in lieu thereof "as authorized by the board of directors".

## APPLICABILITY

SEC. 726. Section 126 of the Federal Credit Union Act (12 U.S.C. 1772) is amended by inserting immediately after "the several territories" the following: ", including the trust territories,".

## DEFINITION OF MEMBERS ACCOUNTS

SEC. 727. Section 202(h) of the Federal Credit Union Act (12 U.S.C. 1782(h)) is amended—

- (1) by striking out "and" at the end of paragraph (1);
- (2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and
- (3) by adding after paragraph (2) the following new paragraph:

"(3) the term 'members accounts' when applied to the premium charge for insurance of the accounts of federally insured credit unions shall not include amounts in excess of the insured account limit set forth in section 207(c)."

12 USC 1787.

## TERMINATION

SEC. 728. (a) Section 206(a) of the Federal Credit Union Act (12 U.S.C. 1786(a)) is amended to read as follows:

"(a) (1) Any insured credit union other than a Federal credit union may, upon not less than ninety days' written notice to the Administrator and upon the affirmative vote of a majority of its members within one year prior to the giving of such notice, terminate its status as an insured credit union.

"(2) Any insured credit union, other than a Federal credit union, which has obtained a new certificate of insurance from a corporation authorized and duly licensed to insure member accounts may upon not less than ninety days' written notice to the Administrator convert from status as an insured credit union under this Act: *Provided*, That at the time of giving notice to the Administrator the provisions of paragraph (b) (1) of this section are not being invoked against the credit union."

(b) The first sentence of section 206(c) of such Act is amended by inserting "(1)" immediately after "(a)".

(c) Section 206(d) of such Act is amended by inserting "(1)" immediately after "(d)", and by adding at the end thereof the following new paragraphs:

"(2) No credit union shall convert from status as an insured credit union under this Act as provided under subsection (a) (2) of this section until the proposition for such conversion has been approved by a majority of all the directors of the credit union, and by affirmative vote of a majority of the members of the credit union who vote on the proposition in a vote in which at least 20 per centum of the total membership

*Supra.*

of the credit union participates. Following approval by the directors, written notice of the proposition and of the date set for the membership vote shall be delivered in person to each member, or mailed to each member at the address for such member appearing on the records of the credit union, not more than thirty nor less than seven days prior to such date. The membership shall be given the opportunity to vote by mail ballot. If the proposition is approved by the membership, prompt and reasonable notice of insurance conversion shall be given to all members.

“(3) In the event of a conversion of a credit union from status as an insured credit union under this Act as provided under subsection (a) (2) of this section, premium charges payable under section 202(c) of this Act shall be reduced by an amount proportionate to the number of calendar months for which the converting credit union will no longer be insured under this Act. As long as a converting credit union remains insured under this Act, it shall remain subject to all of the provisions of chapter II of this Act.”

12 USC 1782.

## LIQUIDATION

Sec. 729. Section 208(a)(1) of the Federal Credit Union Act (12 U.S.C. 1788(a)(1)) is amended to read as follows:

“(1) In order to reopen a closed insured credit union or in order to prevent the closing of an insured credit union which the Administrator has determined is in danger of closing or in order to assist in the voluntary liquidation of a solvent credit union, the Administrator, in his discretion, is authorized to make loans to, or purchase the assets of, or establish accounts in such insured credit union upon such terms and conditions as he may prescribe. Except with respect to the voluntary liquidation of a solvent credit union, such loans shall be made and such accounts shall be established only when, in the opinion of the Administrator, such action is necessary to protect the fund or the interests of the members of the credit union.”

## TITLE VIII—MISCELLANEOUS

## NATIONAL HOUSING GOAL

Sec. 801. Title XVI of the Housing and Urban Development Act of 1968 is amended—

(1) by inserting “(a)” before “The Congress” in the first sentence of section 1601;

(2) by adding at the end of section 1601 the following new subsections:

“(b) The Congress further finds that policies designed to contribute to the achievement of the national housing goal have not directed sufficient attention and resources to the preservation of existing housing and neighborhoods, that the deterioration and abandonment of housing for the Nation’s lower income families has accelerated over the last decade, and that this acceleration has contributed to neighborhood disintegration and has partially negated the progress toward achieving the national housing goal which has been made primarily through new housing construction.

“(c) The Congress declares that if the national housing goal is to be achieved, a greater effort must be made to encourage the preservation of existing housing and neighborhoods through such measures as housing preservation, moderate rehabilitation, and improvements in housing management and maintenance, in conjunction with the provision of adequate municipal services. Such an effort should concentrate, to a greater extent than it has in the past, on housing and

42 USC 1441a.

neighborhoods where deterioration is evident but has not yet become acute.”; and

42 USC 1441c.

(3) by redesignating clauses (3) through (6) of section 1603 as clauses (4) through (7), respectively, and by inserting after clause (2) the following new clause:

“(3) provide an assessment of developments and progress during the preceding fiscal year with respect to the preservation of deteriorating housing and neighborhoods and indicate the efforts to be undertaken in future years to encourage such action;”.

#### STATE HOUSING FINANCE AND DEVELOPMENT AGENCIES

42 USC 1440.

SEC. 802. (a) It is the purpose of this section to encourage the formation and effective operation of State housing finance agencies and State development agencies which have authority to finance, to assist in carrying out, or to carry out activities designed to (1) provide housing and related facilities through land acquisition, construction, or rehabilitation, for persons and families of low, moderate, and middle income, (2) promote the sound growth and development of neighborhoods through the revitalization of slum and blighted areas, (3) increase and improve employment opportunities for the unemployed and underemployed through the development and redevelopment of industrial, manufacturing, and commercial facilities, or (4) implement the development aspects of State land use and preservation policies, including the advance acquisition of land where it is consistent with such policies. The Secretary of Housing and Urban Development shall encourage maximum participation by private and nonprofit developers in activities assisted under this section.

(b)(1) A State housing finance or State development agency is eligible for assistance under this section only if the Secretary determines that it is fully empowered and has adequate authority to at least carry out or assist in carrying out the purposes specified in clause (1) of subsection (a).

Definitions.

(2) for the purpose of this section—

(A) the term “State housing finance or State development agency” means any public body or agency, publicly sponsored corporation, or instrumentality of one or more States which is designated by the Governor (or Governors in the case of an interstate development agency) for purposes of this section;

(B) the term “State” means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States; and

(C) the term “Secretary” means the Secretary of Housing and Urban Development.

Guarantees.

(c)(1) The Secretary is authorized to guarantee, and enter into commitments to guarantee, the bonds, debentures, notes, and other obligations issued by State housing finance or State development agencies to finance development activities as determined by him to be in furtherance of the purpose of clause (1) or (2) of subsection (a), except that obligations issued to finance activities solely in furtherance of the purpose of clause (1) of subsection (a) may be guaranteed only if the activities are in connection with the revitalization of slum or blighted areas under title I of this Act or under any other program determined to be acceptable by the Secretary for this purpose.

Ante, p. 633.

Grants.

(2) The Secretary is authorized to make, and to contract to make, grants to or on behalf of a State housing finance or State development agency to cover not to exceed 33 $\frac{1}{3}$  per centum of the interest payable on bonds, debentures, notes, and other obligations issued by such



agency to finance development activities in furtherance of the purposes of this section.

(3) No obligation shall be guaranteed or otherwise assisted under this section unless the interest income thereon is subject to Federal taxation as provided in subsection (h) (2), except that use of guarantees provided for in this subsection shall not be made a condition to nor preclude receipt of any other Federal assistance.

(4) The full faith and credit of the United States is pledged to the payment of all guarantees made under this section with respect to principal, interest, and any redemption premiums. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the obligation involved for such guarantee, and the validity of any guarantee so made shall be incontestable in the hands of a holder of the guaranteed obligation.

(5) The Secretary is authorized to establish and collect such fees and charges for and in connection with guarantees made under this section as he considers reasonable.

(6) There are authorized to be appropriated such sums as may be necessary to make payments as provided for in contracts entered into by the Secretary under paragraph (2) of this subsection, and payments pursuant to such contracts shall not exceed \$50,000,000 per annum prior to July 1, 1975, which maximum dollar amount shall be increased by \$60,000,000 on July 1, 1975. The aggregate principal amount of the obligations which may be guaranteed under this section and outstanding at any one time shall not exceed \$500,000,000.

(d) The Secretary shall take such steps as he considers reasonable to assure that bonds, debentures, notes, and other obligations which are guaranteed under subsection (c) will—

(1) be issued only to investors approved by, or meeting requirements prescribed by, the Secretary, or, if an offering to the public is contemplated, be underwritten upon terms and conditions approved by the Secretary;

(2) bear interest at a rate satisfactory to the Secretary;

(3) contain or be subject to repayment, maturity, and other provisions satisfactory to the Secretary; and

(4) contain or be subject to provisions with respect to the protection of the security interests of the United States, including any provisions deemed appropriate by the Secretary relating to subrogation, liens, and releases of liens, payment of taxes, cost certification procedures, escrow or trusteeship requirements, or other matters.

(e) (1) The Secretary is authorized to establish a revolving fund to provide for the timely payment of any liabilities incurred as a result of guarantees under subsection (c) and for the payment of obligations issued to the Secretary of the Treasury under paragraph (2) of this subsection. Such revolving fund shall be comprised of (A) receipts from fees and charges; (B) recoveries under security, subrogation, and other rights; (C) repayments, interest income, and any other receipts obtained in connection with guarantees made under subsection (c); (D) proceeds of the obligations issued to the Secretary of the Treasury pursuant to paragraph (2) of this subsection; and (E) such sums, which are hereby authorized to be appropriated, as may be required for such purposes. Money in the revolving fund not currently needed for the purpose of this section shall be kept on hand or on deposit, or invested in obligations of the United States or guaranteed thereby, or in obligations, participations, or other instruments which are lawful investments for fiduciary, trust, or public funds.

(2) The Secretary may issue obligations to the Secretary of the Treasury in an amount sufficient to enable the Secretary to carry out his functions with respect to the guarantees authorized by subsection

Fees.

Appropriation.

Revolving fund,  
establishment.

Appropriation.

(c). The obligations issued under this paragraph shall have such maturities and bear such rate or rates of interest as shall be determined by the Secretary of the Treasury. The Secretary of the Treasury is authorized and directed to purchase any obligations so issued, and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under that Act are extended to include purchases of the obligations hereunder.

31 USC 774.

(3) Notwithstanding any other provision of law relating to the acquisition, handling, improvement, or disposal of real and other property by the United States, the Secretary shall have power, for the protection of the interests of the fund authorized under this subsection, to pay out of such fund all expenses or charges in connection with the acquisition, handling, improvement, or disposal of any property, real or personal, acquired by him as a result of recoveries under security, subrogation, or other rights.

Technical assistance.

(f) The Secretary is authorized to provide, either directly or by contract or other arrangements, technical assistance to State housing finance or State development agencies to assist them in connection with planning and carrying out development activities in furtherance of the purpose of this section.

(g) All laborers and mechanics employed by contractors or subcontractors in housing or development activities assisted under this section shall be paid wages at rates not less than those prevailing on similar work in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5): *Provided*, That this section shall apply to the construction of residential property only if such property is designed for residential use for eight or more families. No assistance shall be extended under this section with respect to any development activities without first obtaining adequate assurance that these labor standards will be maintained upon the work involved in such activities. The Secretary of Labor shall have, with respect to the labor standards specified in this subsection, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267), and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).

5 USC app.

(h) (1) In the performance of, and with respect to, the functions, powers, and duties rested in him by this section, the Secretary, in addition to any authority otherwise vested to him, shall—

(A) have the power, notwithstanding any other provision of law, in connection with any guarantee under this section, whether before or after default, to provide by contract for the extinguishment upon default of any redemption, equitable, legal, or other right, title, or interest of a State housing finance or State development agency in any mortgage, deed, trust, or other instrument held by or on behalf of the Secretary for the protection of the security interests of the United States; and

(B) have the power to foreclose on any property or commence any action to protect or enforce any right conferred upon him by law, contract, or other agreement, and bid for and purchase at any foreclosure or other sale any property in connection with which he has provided a guarantee pursuant to this section. In the event of any such acquisition, the Secretary may, notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, remodel and convert, dispose of, lease, and otherwise deal with, such property. Notwithstanding any other provision of law, the Secretary shall also have power to pursue to final collection by way of compromise or otherwise all claims acquired by him in

connection with any security, subrogation, or other rights obtained by him in administering this section.

(2) With respect to any obligation issued by a State housing finance or State development agency for which the issuer has elected to receive the benefits of the assistance provided under this section, the interest paid on such obligation and received by the purchaser thereof (or his successor in interest) shall be included in gross income for the purposes of chapter 1 of the Internal Revenue Code of 54.

(1) (1) Section 24(a)(2) of the Federal Reserve Act (as amended by section 711 of this Act) is amended by inserting the following before the period at the end thereof: “, or to obligations guaranteed under section 802 of the Housing and Community Development Act of 1974”.

(2) The twelfth paragraph of section 5(c) of the Homeowners' Loan Act of 1933 is amended by adding in the last sentence immediately after the words “or under part B of the Urban Growth and New Community Development Act of 1970” the following: “or under section 802 of the Housing and Community Development Act of 1974”.

26 USC 1 et  
seq.  
Ante, p. 716.

12 USC 1464.

#### NEW COMMUNITY PROGRAM AMENDMENTS

Sec. 803. (a) (1) Part B of title VII of the Housing and Urban Development Act of 1970 is amended by striking out “Community Development Corporation” wherever it appears and inserting in lieu thereof “New Community Development Corporation”.

(2) The heading of section 729 of such Act is amended by inserting “NEW” before “COMMUNITY”.

(b) Section 729(b) of such Act is amended—

(1) by striking out “five members” in the matter preceding paragraph (1) and inserting in lieu thereof “seven members”; and

(2) by striking out “three persons” in paragraph (3) and inserting in lieu thereof “five persons”.

(c) The last sentence of section 713(a) of such Act is amended by striking out “in amounts” and all that follows and inserting in lieu thereof “in amounts equal to 30 per centum of the interest paid on such obligations.”

(d) Section 718(c) of such Act is amended by inserting before the period at the end thereof the following: “, or a project or portion of a project consisting of the purchase, renovation, or construction of facilities, the purchase of land, or the acquisition of equipment or works of art assisted by contracts or grants under section 5 of the National Foundation on the Arts and the Humanities Act of 1965”.

(e) Section 711(f) of such Act is amended—

(1) by striking out “sewage disposal” in the first and second sentences and inserting in lieu thereof “sewage or waste disposal”;

(2) by inserting “community or neighborhood central heating or air-conditioning systems,” after “storm drainage facilities,” in the first sentence; and

(3) by inserting “; a community or neighborhood central heating or air-conditioning system,” after “disposal installation” in the second sentence.

42 USC 4511.

42 USC 4532.

42 USC 4514.

42 USC 4519.

20 USC 954.

42 USC 4512.

#### EXPANSION OF EXPERIMENTAL HOUSING ALLOWANCE PROGRAM

SEC. 804. Section 504 of the Housing and Urban Development Act of 1970 is amended to read as follows:

12 USC 17012-3.

## "HOUSING ALLOWANCES

"SEC. 504. (a) The Secretary is authorized to undertake on an experimental basis programs to demonstrate the feasibility of providing housing allowance payments to assist families in meeting rental or homeownership expenses.

Time limita-  
tion.  
Appropriation.

"(b) For the purpose of carrying out this section, the Secretary is authorized to make, and to contract to make, housing allowance payments to or on behalf of participating families. No housing allowance payments shall be made after July 1, 1985. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, including such sums as may be necessary to make payments as provided for in contracts entered into under this section and such sums as may be necessary to cover administrative costs. The aggregate amount of contracts to make housing allowance payments shall not exceed amounts approved in appropriation Acts, and payments pursuant to such contracts shall not exceed \$40,000,000 per annum. After January 1, 1975, the Secretary shall not enter into contracts under the United States Housing Act of 1937 to carry out the purposes of this section. The Secretary may contract with public or private agencies for the performance of administrative functions in connection with the programs authorized by this section.

Ante, p. 653.

"(c) The Secretary shall report to the Congress on his findings pursuant to this section not later than eighteen months after the enactment of the Housing and Community Development Act of 1974."

## FEDERAL HOME LOAN MORTGAGE CORPORATION AMENDMENTS

12 USC 1454.

SEC. 805. (a) Section 305(a)(1) of the Federal Home Loan Mortgage Corporation Act is amended—

(1) by striking out "and to hold" and inserting in lieu thereof the following: "The Corporation may hold"; and

(2) by striking out the period after "therein" and inserting in lieu thereof the following: "and the servicing on any such mortgage may be performed by the seller or by a financial institution qualified as a seller under the provisions of the preceding sentence, or by a mortgagee approved by the Secretary of Housing and Urban Development for participation in any mortgage insurance program under the National Housing Act, with which institution or mortgagee the seller may contract."

12 USC 1701  
and note.

(b) Section 305(a)(2) of such Act is amended—

(1) by striking out "75 per centum" each place it appears in the first sentence and inserting in lieu thereof "80 per centum";

(2) by striking out "private" in clause (C) of the first sentence;

(3) by striking out "10 per centum" in the third sentence and inserting in lieu thereof "20 per centum"; and

(4) by striking out "which are comparable to the limitations which would be applicable if the mortgage were insured by the Secretary of Housing and Urban Development under section 203 (b) or 207 of the National Housing Act" in the fourth sentence and inserting in lieu thereof the following: "but such limitations shall not exceed the limitations contained in the first proviso to the first sentence of section 5(c) of the Home Owners' Loan Act of 1933".

12 USC 1709,  
1713.

12 USC 1464.

12 USC 24.

(c) (1) Section 5136 of the Revised Statutes is amended by inserting immediately after "Government National Mortgage Association" in paragraph Seventh thereof the following: "or mortgages, obligations, or other securities which are or ever have been sold by the Federal Home Loan Mortgage Corporation pursuant to section 305 or section 306 of the Federal Home Loan Mortgage Corporation Act".

Supra.

(2) Section 11(h) of the Federal Home Loan Bank Act is amended by inserting immediately after "Government National Mortgage Association" the following: "; in mortgages, obligations, or other securities which are or ever have been sold by the Federal Home Loan Mortgage Corporation pursuant to section 305 or section 306 of the Federal Home Loan Mortgage Corporation Act".

12 USC 1431.

(3) Section 16 of the Federal Home Loan Bank Act is amended by inserting immediately after "Government National Mortgage Association" the following: "; in mortgages, obligations, or other securities which are or ever have been sold by the Federal Home Loan Mortgage Corporation pursuant to section 305 or section 306 of the Federal Home Loan Mortgage Corporation Act".

12 USC 1454,  
1455,  
12 USC 1436.

(4) Section 5(c) of the Home Owners' Loan Act of 1933 is amended by inserting immediately after "Federal Home Loan Bank" in the first paragraph the following: "; or in mortgages, obligations, or other securities which are or ever have been sold by the Federal Home Loan Mortgage Corporation pursuant to section 305 or 306 of the Federal Home Loan Mortgage Corporation Act".

12 USC 1464.

(5) Section 107(8)(E) of the Federal Credit Union Act is amended by inserting immediately after "Government National Mortgage Association" the following: "; or in mortgages, obligations, or other securities which are or ever have been sold by the Federal Home Loan Mortgage Corporation pursuant to section 305 or section 306 of the Federal Home Loan Mortgage Corporation Act;".

12 USC 1757.

#### FEDERAL NATIONAL MORTGAGE ASSOCIATION AMENDMENTS

Sec. 806. (a) Section 302(a)(2) of the National Housing Act is amended—

12 USC 1717.

(1) by striking out "the effective date established pursuant to section 808 of the Housing and Urban Development Act of 1968" in the matter preceding subparagraph (A) and inserting in lieu thereof "September 1, 1968"; and

(2) by striking out "effective" in subparagraphs (A) and (B).

(b) The third sentence of section 302(a)(2)(B) of such Act is amended—

(1) by inserting "or the metropolitan area thereof" immediately after "District of Columbia";

(2) by inserting "jurisdiction and" immediately before "venue"; and

(3) by striking out "resident thereof" and inserting in lieu thereof "District of Columbia corporation".

(c) Section 302(b)(2) of such Act is amended by striking out "75 per centum" each place it appears and inserting in lieu thereof "80 per centum".

(d) Clause (C) of the second sentence of section 302(b)(2) of such Act is amended by striking out "private".

(e) The fourth sentence of section 302(b)(2) of such Act is amended by striking out "10 per centum" and inserting in lieu thereof "20 per centum".

(f) The last sentence of section 302(b)(2) of such Act is amended by striking out "which are comparable to the limitations which would be applicable if the mortgage were insured by the Secretary of Housing and Urban Development under section 203(b) or 207 of the National Housing Act" and inserting in lieu thereof the following: "; but such limitations shall not exceed the limitations contained in the first proviso of the first sentence of section 5(c) of the Home Owners Loan Act of 1933".

(g) Section 303(a) of such Act is amended—

12 USC 1718.



- (1) by striking out all of the first sentence which follows "directors" and inserting in lieu thereof a period; and
- (2) by striking out everything after the second sentence.
- 12 USC 1718. (h) Section 303(c) of such Act is amended—
- (1) by striking out "the effective date established pursuant to section 808 of the Housing and Urban Development Act of 1968" in the fourth sentence and inserting in lieu thereof "September 1, 1968,"; and
- (2) by striking out the proviso in the last sentence.
- Repeal. (i) Subsections (d) and (e) of section 303 of such Act are repealed.
- 12 USC 1719. (j) The last sentence of section 304(a)(1) of such Act is amended by striking out "section 502 of the Emergency Home Finance Act of 1970" and inserting in lieu thereof "section 243 of the National Housing Act".
- 12 USC 17152-8. (k) Except with respect to any person receiving an annuity on the date of the enactment of this Act, section 309(d)(2) of such Act is amended—
- (1) by striking out "the termination of the transitional period referred to in section 810(b) of the Housing and Urban Development Act of 1968" and inserting in lieu thereof "January 31, 1972,";
- (2) by inserting "positions listed" immediately before "in section 5312"; and
- (3) by inserting before the period at the end of the next to last sentence the following: " : *Provided*, That with respect to any person whose employment is made subject to the civil service retirement law by section 806 of the Housing and Community Development Act of 1974, there shall not be considered for the purposes of such law that portion of his basic pay in any one year which exceeds the basic pay provided for positions listed in section 5316 of such title 5 on the last day of such year".
- 12 USC 1723a note. 12 USC 1723a. (l) Subsections (b) and (c) of section 810 of the Housing and Urban Development Act of 1968 are repealed.
- Repeal. 12 USC 1716b note.

LIMITATION ON DOLLAR AMOUNT OF GNMA-PURCHASED MORTGAGES

- 12 USC 1717. Sec. 807. Clause (3) of the proviso in the first sentence of section 302(b)(1) of the National Housing Act is amended by striking out "\$22,000" and inserting in lieu thereof the following: "\$33,000 (or such higher amount not in excess of \$38,000 as the Secretary may by regulation specify in any geographical area where he finds that cost levels so require)".

PROHIBITION AGAINST DISCRIMINATION ON ACCOUNT OF SEX IN EXTENSION OF MORTGAGE ASSISTANCE; FAIR HOUSING

- Ante, pp. 676, 678. Sec. 808. (a) Title V of the National Housing Act is (as amended by sections 301 and 305 of this Act) is amended by adding at the end thereof the following new section:

"PROHIBITION AGAINST DISCRIMINATION ON ACCOUNT OF SEX IN EXTENSION OF MORTGAGE ASSISTANCE

- 12 USC 1735f-5. "Sec. 527. No federally related mortgage loan, or Federal insurance, guaranty, or other assistance in connection therewith (under this or any other Act), shall be denied to any person on account of sex; and every person engaged in making mortgage loans secured by residential real property shall consider without prejudice the combined income of both husband and wife for the purpose of extending mort-

gage credit in the form of a federally related mortgage loan to a married couple or either member thereof.

“(b) For purposes of subsection (a), the term ‘federally related mortgage loan’ means any loan which—

“Federally related mortgage loan.”

“(1) is secured by residential real property designed principally for the occupancy of from one to four families; and

“(2) (A) is made in whole or in part by any lender the deposits or accounts of which are insured by any agency of the Federal Government, or is made in whole or in part by any lender which is itself regulated by any agency of the Federal Government; or

“(B) is made in whole or in part, or insured, guaranteed, supplemented, or assisted in any way, by the Secretary of Housing and Urban Development or any other officer or agency of the Federal Government or under or in connection with a housing or urban development program administered by the Secretary of Housing and Urban Development or a housing or related program administered by any other such officer or agency; or

“(C) is eligible for purchase by the Federal National Mortgage Association, the Government National Mortgage Association, or the Federal Home Loan Mortgage Corporation, or from any financial institution from which it could be purchased by the Federal Home Loan Mortgage Corporation; or

“(D) is made in whole or in part by any ‘creditor’, as defined in section 103(f) of the Consumer Credit Protection Act of 1968 (15 U.S.C. 1602(f)), who makes or invests in residential real estate loans aggregating more than \$1,000,000 per year.”

(b) (1) Subsections (a), (b), (c), (d), and (e) of section 804 of the Act entitled “An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes”, approved April 11, 1968 (42 U.S.C. 3604), are amended by inserting a comma and the word “sex” immediately after the word “religion” each time it appears.

(2) Section 805 of such Act is amended by inserting a comma and the word “sex” immediately after the word “religion”.

(3) Section 806 of such Act is amended by inserting a comma and the word “sex” immediately after the word “religion”.

(4) Subsection (a), paragraph (1) of subsection (b), and subsection (c) of section 901 of such Act are amended by inserting a comma and the word “sex” immediately after the word “religion” each time it appears.

42 USC 3605.

42 USC 3606.

42 USC 3631.

#### NATIONAL INSTITUTE OF BUILDING SCIENCES

Sec. 809. (a) (1) The Congress finds (A) that the lack of an authoritative national source to make findings and to advise both the public and private sectors of the economy with respect to the use of building science and technology in achieving nationally acceptable standards and other technical provision for use in Federal, State, and local housing and building regulations is an obstacle to efforts by and imposes severe burdens upon all those who procure, design, construct, use, operate, maintain, and retire physical facilities, and frequently results in the failure to take full advantage of new and useful developments in technology which could improve our living environment; (B) that the establishment of model buildings codes or of a single national building code will not completely resolve the problem because of the difficulty at all levels of government in updating their housing and building regulations to reflect new developments in technology, as well as the irregularities and inconsistencies which arise in applying such requirements to particular localities or special local conditions; (C) that the lack of uniform housing and building regulatory provisions increases the costs of construction and thereby reduces the amount

12 USC 1701j-2.

of housing and other community facilities which can be provided; and (D) that the existence of a single authoritative nationally recognized institution to provide for the evaluation of new technology could facilitate introduction of such innovations and their acceptance at the Federal, State, and local levels.

(2) The Congress further finds, however, that while an authoritative source of technical findings is needed, various private organizations and institutions, private industry, labor, and Federal and other governmental agencies and entities are presently engaged in building research, technology development, testing, and evaluation, standards and model code development and promulgation, and information dissemination. These existing activities should be encouraged and these capabilities effectively utilized wherever possible and appropriate to the purposes of this section.

(3) The Congress declares that an authoritative nongovernmental instrument needs to be created to address the problems and issues described in paragraph (1), that the creation of such an instrument should be initiated by the Government, with the advice and assistance of the National Academy of Sciences-National Academy of Engineering-National Research Council (hereinafter referred to as the "Academies-Research Council") and of the various sectors of the building community, including labor and management, technical experts in building science and technology, and the various levels of government.

National Institute of Building Sciences Establishment.

(b) (1) There is authorized to be established, for the purposes described in subsection (a) (3), an appropriate nonprofit, nongovernmental instrument to be known as the National Institute of Building Sciences (hereinafter referred to as the "Institute"), which shall not be an agency or establishment of the United States Government. The Institute shall be subject to the provisions of this section and, to the extent consistent with this section, to a charter of the Congress if such a charter is requested and issued or to the District of Columbia Non-profit Corporation Act if that is deemed preferable.

D.C. Code 29-1001.

(2) The Academies-Research Council, along with other agencies and organizations which are knowledgeable in the field of building technology, shall advise and assist in (A) the establishment of the Institute; (B) the development of an organizational framework to encourage and provide for the maximum feasible participation of public and private scientific, technical, and financial organizations, institutions, and agencies now engaged in activities pertinent to the development, promulgation, and maintenance of performance criteria, standards, and other technical provisions for building codes and other regulations; and (C) the promulgation of appropriate organizational rules and procedures including those for the selection and operation of a technical staff, such rules and procedures to be based upon the primary object of promoting the public interest and insuring that the widest possible variety of interests and experience essential to the functions of the Institute are represented in the Institute's operations. Recommendations of the Academies-Research Council shall be based upon consultations with and recommendations from various private organizations and institutions, labor, private industry, and governmental agencies entities operating in the field, and the Consultative Council as provided for under subsection (c) (8).

(3) Nothing in this section shall be construed as expressing the intent of the Congress that the Academies-Research Council itself be required to assume any function or operation vested in the Institute by or under this section.

Board of Directors.

(c) (1) The Institute shall have a Board of Directors (hereinafter referred to as the "Board") consisting of not less than fifteen nor more than twenty-one members, appointed by the President of the United

States by and with the advice and consent of the Senate. The Board shall be representative of the various segments of the building community, of the various regions of the country, and of the consumers who are or would be affected by actions taken in the exercise of the functions and responsibilities of the Institute, and shall include (A) representatives of the construction industry, including representatives of construction labor organizations, product manufacturers, and builders, housing management experts, and experts in building standards, codes, and fire safety, and (B) members representative of the public interest in such numbers as may be necessary to assure that a majority of the members of the Board represent the public interest and that there is adequate consideration by the Institute of consumer interests in the exercise of its functions and responsibilities. Those representing the public interest on the Board shall include architects, professional engineers, officials of Federal, State, and local agencies, and representatives of consumer organizations. Such members of the Board shall hold no financial interest or membership in, nor be employed by, or receive other compensation from, any company, association, or other group associated with the manufacture, distribution, installation, or maintenance of specialized building products, equipment, systems, subsystems, or other construction materials and techniques for which there are available substitutes.

(2) The members of the initial Board shall serve as incorporators and shall take whatever actions are necessary to establish the Institute as provided for under subsection (b) (1).

(3) The term of office of each member of the initial and succeeding Boards shall be three years; except that (A) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and (B) the terms of office of members first taking office shall begin on the date of incorporation and shall expire, as designated at the time of their appointment, one-third at the end of one year, one-third at the end of two years, and one-third at the end of three years. No member shall be eligible to serve in excess of three consecutive terms of three years each. Notwithstanding the preceding provisions of this subsection, a member whose term has expired may serve until his successor has qualified.

(4) Any vacancy in the initial and succeeding Boards shall not affect its power, but shall be filled in the manner in which the original appointments were made, or, after the first five years of operation, as provided for by the organizational rules and procedures of the Institute.

(5) The President shall designate one of the members appointed to the initial Board as Chairman; thereafter, the members of the initial and succeeding Boards shall annually elect one of their number as Chairman. The members of the Board shall also elect one or more of their Members as Vice Chairman. Terms of the Chairman and Vice Chairman shall be for one year and no individual shall serve as Chairman or Vice Chairman for more than two consecutive terms.

(6) The members of the initial or succeeding Boards shall not, by reason of such membership, be deemed to be employees of the United States Government. They shall, while attending meetings of the Board or while engaged in duties related to such meetings or in other activities of the Board pursuant to this section, be entitled to receive compensation at the rate of \$100 per day including traveltime, and while away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, equal to that authorized under section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

Term of office.

Vacancies.

Chairman.

Compensation and travel expenses.

(7) The Institute shall have a president and such other executive officers and employees as may be appointed by the Board at rates of compensation fixed by the Board. No such executive officer or employee may receive any salary or other compensation from any source other than the Institute during the period of his employment by the Institute.

Consultative  
Council.  
Establishment.

(8) The Institute shall establish, with the advice and assistance of the Academies-Research Council and other agencies and organizations which are knowledgeable in the field of building technology, a Consultative Council, membership in which shall be available to representatives of all appropriate private trade, professional, and labor organizations, private and public standards, code, and testing bodies, public regulatory agencies, and consumer groups, so as to insure a direct line of communication between such groups and the Institute and a vehicle for representative hearings on matters before the Institute.

(d) (1) The Institute shall have no power to issue any shares of stock, or to declare or pay any dividends.

(2) No part of the income or assets of the Institute shall inure to the benefit of any director, officer, employee, or other individual except as salary or reasonable compensation for services.

(3) The Institute shall not contribute to or otherwise support any political party or candidate for elective public office.

(e) (1) The Institute shall exercise its functions and responsibilities in four general areas, relating to building regulations, as follows:

(A) Development, promulgation, and maintenance of nationally recognized performance criteria, standards, and other technical provisions for maintenance of life, safety, health, and public welfare suitable for adoption by building regulating jurisdictions and agencies, including test methods and other evaluative techniques relating to building systems, subsystems, components, products, and materials with due regard for consumer problems.

(B) Evaluation and prequalification of existing and new building technology in accordance with subparagraph (A).

(C) Conduct of needed investigations in direct support of subparagraphs (A) and (B).

(D) Assembly, storage, and dissemination of technical data and other information directly related to subparagraphs (A), (B), and (C).

(2) The Institute in exercising its functions and responsibilities described in paragraph (1) shall assign and delegate, to the maximum extent possible, responsibility for conducting each of the needed activities described in paragraph (1) to one or more of the private organizations, institutions, agencies, and Federal and other governmental entities with a capacity to exercise or contribute to the exercise of such responsibility, monitor the performance achieved through assignment and delegation, and, when deemed necessary, reassign and delegate such responsibility.

(3) The Institute in exercising its functions and responsibilities under paragraphs (1) and (2) shall (A) give particular attention to the development of methods for encouraging all sectors of the economy to cooperate with the Institute and to accept and use its technical findings, and to accept and use the nationally recognized performance criteria, standards, and other technical provisions developed for use in Federal, State, and local building codes and other regulations which result from the program of the Institute; (B) seek to assure that its actions are coordinated with related requirements which are imposed in connection with community and environmental development generally; and (C) consult with the Department of Justice and other agen-



cies of government to the extent necessary to insure that the national interest is protected and promoted in the exercise of its functions and responsibilities.

(f) (1) The Institute is authorized to accept contracts and grants from Federal, State, and local governmental agencies and other entities, and grants and donations from private organizations, institutions, and individuals.

Contracts and grants.

(2) The Institute may, in accordance with rates and schedules established with guidance as provided under subsection (b) (2), establish fees and other charges for services provided by the Institute or under its authorization.

Fees.

(3) Amounts received by the Institute under this section shall be in addition to any amounts which may be appropriated to provide its initial operating capital under subsection (h).

(g) (1) Every department, agency, and establishment of the Federal Government, in carrying out any building or construction, or any building- or construction-related programs, which involves direct expenditures, and in developing technical requirements for any such building or construction, shall be encouraged to accept the technical findings of the Institute, or any nationally recognized performance criteria, standards, and other technical provisions for building regulations brought about by the Institute, which may be applicable.

(2) All projects and programs involving Federal assistance in the form of loans, grants, guarantees, insurance, or technical aid, or in any other form, shall be encouraged to accept, use, and comply with any of the technical findings of the Institute, or any nationally recognized performance criteria, standards, and other technical provisions for building codes and other regulations brought about by the Institute, which may be applicable to the purposes for which the assistance is to be used.

(3) Every department, agency, and establishment of the Federal Government having responsibility for building or construction, or for building- or construction-related programs, is authorized and encouraged to request authorization and appropriations for grants to the Institute for its general support, and is authorized to contract with and accept contracts from the Institute for specific services where deemed appropriate by the responsible Federal official involved.

(4) The Institute shall establish and carry on a specific and continuing program of cooperation with the States and their political subdivisions designed to encourage their acceptance and its technical findings and of nationally recognized performance criteria, standards, and other technical provisions for building regulations brought about by the Institute. Such program shall include (A) efforts to encourage any changes in existing State and local law to utilize or embody such findings and regulatory provisions; and (B) assistance to States in the development of inservice training programs for building officials, and in the establishment of fully staffed and qualified State technical agencies to advise local officials on questions of technical interpretation.

(h) There is authorized to be appropriated to the Institute not to exceed \$5,000,000 for the fiscal year 1975, and \$5,000,000 for the fiscal year 1976 (with each appropriation to be available until expended), to provide the Institute with initial capital adequate for the exercise of its functions and responsibilities during such years; and thereafter the Institute shall be financially self-sustaining through the means described in subsection (f).

Appropriation.

(i) The Institute shall submit an annual report for the preceding fiscal year to the President for transmittal to the Congress within sixty days of its receipt. The report shall include a comprehensive and detailed report of the Institute's operations, activities, financial con-

Annual report to President.

dition, and accomplishments under this section and may include such recommendations as the Institute deems appropriate.

URBAN HOMESTEADING

12 USC 1706e.

SEC. 810. (a) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") is authorized to transfer without payment to a unit of general local government or a State, or a public agency designated by a unit of general local government or a State, any real property—

- (1) which is improved by a one- to four-family residence;
- (2) to which the Secretary holds title;
- (3) which is not occupied;
- (4) which is requested by such unit, State, or agency for use in an urban homestead program; and
- (5) which the Secretary determines is suitable for use in an urban homestead program which meets the requirements of subsection (b). In determining the suitability of such property for use in an urban homestead program, the Secretary shall consider—
  - (A) the difficulties and delays which would be involved in the sale of the property;
  - (B) the value of any repairs and improvements required by the program;
  - (C) the benefits to the community and the reduced administrative costs to the Federal Government which would accrue from the expedited occupancy of the unoccupied property; and
  - (D) the possible financial loss to the Federal Government which may result from the transfer of the property without payment.

(b) For the purposes of subsections (a) and (c), the Secretary shall approve an urban homestead program carried out by a unit of general local government or a State or a public agency designated by a unit of general local government or a State, which provides for—

- (1) the conditional conveyance of unoccupied residential property by the responsible administrative entity to an individual or a family without any substantial consideration;
- (2) an equitable procedure for selecting the recipients of the unoccupied residential property, giving special consideration to the recipients' need for housing and capacity to make or cause to be made the repairs and improvements required under paragraph (3)(C) of this subsection;
- (3) an agreement whereby the individual or family to whom such property is conveyed agrees to—
  - (A) occupy such property as a principal residence for a period of not less than three years;
  - (B) make repairs required to meet minimum health and safety standards for occupancy prior to occupying the property;
  - (C) make such repairs and improvements to the property as may be necessary to meet applicable local standards for decent, safe, and sanitary housing within eighteen months after occupying the property; and
  - (D) permit reasonable periodic inspections at reasonable times by employees of the unit of general local government or State or the public agency designated by the unit of general local government or State for the purpose of determining compliance with the agreement;
- (4) the revocation of such conveyance upon any material breach of the agreement referred to in paragraph (3);

- (5) the conveyance from the unit of general local government or State or the public agency designated by the unit of general local government or State of fee simple title to such property without consideration upon compliance with the agreement; and
- (6) a coordinated approach toward neighborhood improvement through the homestead program and the upgrading of community services and facilities.

The Secretary may approve such other programs as he determines to reasonably fulfill these criteria.

(c) The Secretary is authorized to enter into agreements with units of general local government or States or public agencies designated by units of general local government or State to provide technical assistance for the administration of urban homestead programs which meet the requirements of subsection (b) and to individuals and families who are participants in such programs.

(d) The Secretary is authorized to issue such rules and regulations as may be necessary to carry out his functions under this section.

(e) The Secretary shall conduct a continuing evaluation of programs carried out pursuant to this section and, beginning with the third year commencing after the date of enactment of this section, shall transmit to the Congress an annual report containing a summary of his evaluation of such programs and his recommendations for future conduct of such programs.

(f) In order to facilitate planning for purposes of this section, the Secretary shall, upon request of a unit of general local government or a State or a public agency designated by a unit of general local government or a State, provide a listing of all unoccupied one- to four-family residences to which the Secretary holds title and which are located within the geographic jurisdiction of such unit, State, or agency.

(g) To reimburse the housing loan funds for properties transferred pursuant to this section, and to carry out the provisions of subsection (c), there are authorized to be appropriated not to exceed \$5,000,000 for the fiscal year 1975, and not to exceed \$5,000,000 for the fiscal year 1976. Any amounts so appropriated shall remain available until expended.

#### COUNSELING AND TECHNICAL ASSISTANCE

Sec. 811. (a) Section 106 of the Housing and Urban Development Act of 1968 is amended by rewriting the heading to read as follows: "Technical Assistance, Counseling to Tenants and Homeowners, and Loans to Sponsors of Low- and moderate-income Housing".

(b) (1) Section 106(a)(1)(iii) of such Act is amended to read as follows:

"(iii) counseling and advice to tenants and homeowners with respect to property maintenance, financial management, and such other matters as may be appropriate to assist them in improving their housing conditions and in meeting the responsibilities of tenancy or homeownership; and"

(2) Section 106(a) of such Act is amended by redesignating paragraph (2) as paragraph (3) and inserting immediately after paragraph (1) the following new paragraph:

"(2) The Secretary shall provide the services described in clause (iii) of paragraph (1) for homeowners assisted under section 235 of the National Housing Act. For purposes of this paragraph and clause (iii) of paragraph (1), the Secretary may provide the services described in such clause directly or may enter into contracts with, make grants to, and provide other types of assistance to private or public organizations with special competence and knowledge in counseling low- and moderate-income families to provide such services."

Rules and regulations.

Continuing evaluation.

Report, transmittal to Congress.

Appropriation.

12 USC 1701x.

12 USC 1715z.

Ante, p. 735.

(c) Section 106(a)(1) of such Act is further amended by adding at the end thereof the following new subparagraph:

“(iv) the provision of technical assistance to communities, particularly smaller communities, to assist such communities in planning, developing, and administering Community Development Programs pursuant to title I of the Housing and Community Development Act of 1974.”

Ante, p. 633.

(d) Section 106(a)(3) of such Act (as redesignated by subsection (b)(2) of this section) is amended by striking out “not to exceed \$5,000,000” and inserting in lieu thereof “such sums as may be necessary”.

(e) Section 106(b)(1) of such Act is amended by inserting “or public housing agencies” immediately after “nonprofit organizations”.

(f) Section 106(b)(2) of such Act is amended by inserting “or public housing agency” immediately after “nonprofit organization”.

#### INTERSTATE LAND SALES

15 USC 1701.

SEC. 812. (a) Section 1402 of the Housing and Urban Development Act of 1968 is amended—

(1) by inserting after “land” where it first appears in paragraph (3) the following: “, located in any State or in a foreign country,”; and

(2) by inserting before the semicolon at the end of paragraph (7) the following: “or between any foreign country and any State”.

15 USC 1702.

(b) Section 1403(a) of such Act is amended by striking out “or” at the end of paragraph (9), by striking out the period at the end of paragraph (10) and inserting in lieu thereof “; or”, and by adding after paragraph (10) the following new paragraph:

Real estate,  
sale or lease.

“(11) the sale or lease of real estate which is zoned by the appropriate governmental authority for industrial or commercial development, when—

“(A) local authorities have approved access from such real estate to a public street or highway;

“(B) the purchaser or lessee of such real estate is a duly organized corporation, partnership, trust, or business entity engaged in commercial or industrial business;

“(C) the purchaser or lessee of such real estate is represented in the transaction of sale or lease by a representative of its own selection;

“(D) the purchaser or lessee of such real estate affirms in writing to the seller that it either (i) is purchasing or leasing such real estate substantially for its own use or (ii) has a binding commitment to sell, lease, or sublease such real estate to an entity which meets the requirements of subparagraph (B), is engaged in commercial or industrial business, and is not affiliated with the seller or agent; and

“(E) a policy of title insurance or title opinion is issued in connection with the transaction showing that title to the real estate purchased or leased is vested in the seller or lessor, subject only to such exceptions as may be approved in writing by such purchaser or the lessee prior to recordation of the instrument of conveyance or execution of the lease, but

(i) nothing herein shall be construed as requiring the recordation of a lease, and (ii) any purchaser or lessee may waive, in writing in a separate document, the requirement of this subparagraph that a policy of title insurance or title opinion be issued in connection with the transaction.”

Waiver.

(c) (1) The second sentence of section 1404(b) of such Act is amended—

(A) by striking out “within forty-eight hours” where it first appears and inserting in lieu thereof “until midnight of the third business day following the consummation of the transaction”; and

(B) by striking out all after “provide” and inserting in lieu thereof a period.

(2) The amendments made by paragraph (1) shall be effective sixty days after the date of the enactment of this Act.

15 USC 1703.

Effective date.  
15 USC 1703  
note.

#### MASS TRANSPORTATION

Sec. 813. (a) Section 3 of the Urban Mass Transportation Act of 1964 is amended by adding at the end thereof the following new subsection:

49 USC 1602.

“(f) No Federal financial assistance under this Act may be provided for the purchase of buses unless the applicant or any public body receiving such assistance for the purchase of buses, or any publicly owned operator receiving such assistance, shall as a condition of such assistance enter into an agreement with the Secretary that such public body, or any operator of mass transportation for such public body, will not engage in charter bus operations outside the urban area within which it provides regularly scheduled mass transportation service, except as provided in the agreement authorized by this subsection. Such agreement shall provide for fair and equitable arrangements, appropriate in the judgment of the Secretary, to assure that the financial assistance granted under this Act will not enable public bodies and publicly and privately owned operators for public bodies to foreclose private operators from the intercity charter bus industry where such private operators are willing and able to provide such service. In addition to any other remedies specified in the agreement, the Secretary shall have the authority to bar a grantee or operator from the receipt of further financial assistance for mass transportation facilities and equipment where he determines that there has been a continuing pattern of violations of the terms of agreement. Upon receiving a complaint regarding an alleged violation, the Secretary shall investigate and shall determine whether a violation has occurred. Upon determination that a violation has occurred, he shall take appropriate action to correct the violation under the terms and conditions of the agreement.”

(b) Section 164(a) of the Federal-Aid Highway Act of 1973 is amended—

49 USC 1602a.

(1) by inserting “or” before “(2)” in the first sentence;

(2) by striking out “or (3) the Urban Mass Transportation Act of 1964,” in the first sentence; and

(3) by striking out all after the word “operations” in the first sentence and all of the second sentence, and inserting in lieu thereof “outside of the urban area (or areas) within which it provides regularly scheduled mass transportation service, except as provided in an agreement authorized and required by section 3(f) of the Urban Mass Transportation Act of 1964, which section shall apply to Federal financial assistance for the purchase of buses under the provisions of title 23, United States Code, referred to in clauses (1) and (2) of this sentence.”

23 USC 101 et  
seq.

(c) The Secretary shall amend any agreements entered into pursuant to section 164(a) of the Federal-Aid Highway Act of 1973, to conform to the requirements of the amendments made by this section. The effective date of such conformed agreements shall be the effective date of the original agreements entered into pursuant to such section 164(a).

49 USC 1602a  
note.



## SOLAR ENERGY

12 USC 1701z-1. SEC. 814. Title V of the Housing and Urban Development Act of 1970 is amended by adding at the end thereof the following new section:

## "SOLAR ENERGY

Demonstrations.  
12 USC 1701z-5.

"SEC. 506. (a) In carrying out activities under section 501, the Secretary may, after consultation with the National Science Foundation, undertake demonstrations to determine the economic and technical feasibility of utilizing solar energy for heating or cooling residential housing (including demonstrations of new housing design or structure involving the use of solar energy). Demonstrations carried out under this section should involve both single family and multifamily housing located in areas having distinguishable climatic characteristics in urban as well as rural environments. To carry out the purpose of this section the Secretary is authorized—

"(1) to enter into contracts with, to make grants to, and to provide other types of assistance to individuals and entities with special competence and knowledge to contribute to the planning, design, development, and operation of such housing;

"(2) to utilize the contract, loan, or mortgage insurance authority of any federally assisted housing program in the actual planning, development, and occupancy of such housing; and

"(3) to set aside any development, construction, design, or occupancy requirements for the purpose of any demonstration under this section if he determines that such requirements inhibit such demonstration.

Evaluation.

"(b) The Secretary shall include in any demonstration under this section an evaluation of the demonstration to cover the full experience involved in all stages of the demonstration.

Report to Congress.

"(c) The Secretary shall transmit to the Congress not later than 6 months following the close of any year in which he carries out a demonstration under this section a full report on such demonstration. Such report may include an evaluation of the economic and technological feasibility of the widespread application of solar energy to residential housing."

## ADDITIONAL RESEARCH AUTHORITY

SEC. 815. Title V of the Housing and Urban Development Act of 1970 (as amended by section 814 of this Act) is amended by adding at the end thereof the following new section:

## "ADDITIONAL RESEARCH AUTHORITY

12 USC 1701z-6.

"SEC. 507. (a) In carrying out activities under section 501, the Secretary may undertake special demonstrations to determine the housing design, the housing structure, and the housing-related facilities, and amenities most effective or appropriate to meet the needs of groups with special housing needs including the elderly, the handicapped, the displaced, single individuals, broken families, and large households. For this purpose, the Secretary is authorized to enter into contracts with, to make grants to, and to provide other types of assistance to individuals and entities with special competence and knowledge to contribute to the planning, development, design, and management of such housing.

"(b) In carrying out his functions under this section, the Secretary shall give preferential attention to demonstrations which in his judgment involve areas of housing user needs most neglected in past and current research and demonstration efforts.

“(c) The Secretary is authorized to undertake demonstrations involving the actual planning, development, and occupancy of housing utilizing the contract and loan authority of any federally assisted housing program. He is also authorized to set aside any development, construction, design, and occupancy requirements, for the purposes of these demonstrations, if in his judgment they inhibit the testing of housing designed to meet the special housing needs.

“(d) In carrying out this section, the Secretary shall include, as part of any demonstration, an evaluation of the demonstration to cover the full experience involved in planning, development, and occupancy.

“(e) In addition to any other contract or loan authority which the Secretary may utilize under subsection (c), not more than \$10,000,000 from amounts approved in appropriation Acts shall be available for research under this section.”

Evaluation.

## FLOOD INSURANCE PROGRAM

SEC. 816. (a) Chapter III of title XIII of the Housing and Urban Development Act of 1968 is amended by adding at the end thereof the following new section:

42 USC 4101.

## “NOTICE OF FLOOD HAZARDS

“SEC. 1364. Each Federal instrumentality responsible for the supervision, approval, regulation, or insuring of banks, savings and loan associations, or similar institutions shall by regulation require such institutions, as a condition of making, increasing, extending, or renewing (after the expiration of thirty days following the date of the enactment of this section) any loan secured by improved real estate or a mobile home located or to be located in an area that has been identified by the Secretary under this title or Public Law 93-234 as an area having special flood hazards, to notify the purchaser or lessee (or obtain satisfactory assurances that the seller or lessor has notified the purchaser or lessee) of such special flood hazards, in writing, a reasonable period in advance of the signing of the purchase agreement, lease, or other documents involved in the transaction.”

42 USC 4104a.

42 USC 4002  
note

(b) Section 1307 of such Act is amended by adding at the end thereof the following new subsection:

42 USC 4014.

“(e) Notwithstanding any other provision of law, any community that has made adequate progress, acceptable to the Secretary, on the construction of a flood protection system which will afford flood protection for the one-hundred year frequency flood as determined by the Secretary, shall be eligible for flood insurance under this title (if and to the extent it is eligible for such insurance under the other provisions of this title) at premium rates not exceeding those which would be applicable under this section if such flood protection system had been completed. The Secretary shall find that adequate progress on the construction of a flood protection system as required herein has been only if (1) 100 percent of the project cost of the system has been authorized, (2) at least 60 percent of the project cost of the system has been appropriated, (3) at least 50 percent of the project cost of the system has been expended, and (4) the system is at least 50 percent completed.”

Flood insurance,  
eligibility.

## LIMITATION ON WITHHOLDING OR CONDITIONING OF ASSISTANCE

Sec. 817. Assistance provided for in this Act, the National Housing Act, the United States Housing Act of 1937, the Housing Act of 1949, the Demonstration Cities and Metropolitan Development Act of 1966, and the Housing and Urban Development Acts of 1965, 1968, 1969,

12 USC 1701.  
Ante, p. 553.  
42 USC 1441  
note, 3301 note.

12 USC 1749aa  
note, 1701t note,  
1720 note, 1701s  
note.

and 1970 shall not be withheld or made subject to conditions or preference by reason of the tax-exempt status of bonds or other obligations issued or to be issued to provide financing for use in connection with such assistance, except where otherwise expressly provided or authorized by law.

ADDITIONAL ASSISTANT SECRETARIES OF HOUSING AND URBAN  
DEVELOPMENT

42 USC 3533.

SEC. 818. (a) Section 4 of the Department of Housing and Urban Development Act (Public Law 89-174, 79 Stat. 667) is amended—

(1) by striking out "six" in the first sentence of subsection (a) and inserting in lieu thereof "eight";

(2) by striking out subsection (b); and

(3) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively,

(b) Section 5316 of title 5, United States Code, is amended by striking out paragraph (122).

(c) Paragraph (87) of section 5315 of title 5, United States Code, is amended by striking out "(6)" and inserting in lieu thereof "(8)".

MORTGAGE PROCEEDS FRAUDULENTLY MISAPPROPRIATED BY  
MORTGAGOR

12 USC 1701L-1.

SEC. 819. The Secretary of Housing and Urban Development shall take action to secure the payment of any deficiency after foreclosure on a mortgage insured or assisted under Federal law where the Secretary has reason to believe that mortgage proceeds have been fraudulently misappropriated by the mortgagor.

NEIGHBORHOOD DEVELOPMENT PROGRAM

42 USC 1469b.

SEC. 820. Notwithstanding the provisions of section 133(b) of the Housing Act of 1949 or of any other law, local expenditures made in connection with the Broad and Front Street Garage in Trenton, New Jersey, shall, to the extent otherwise eligible, be counted as a local grant-in-aid to the first two action years of the Trenton Neighborhood Development Program (N.J. A-1) in accordance with the provisions of title I of the Housing Act of 1949.

42 USC 1450.

CONDOMINIUM AND COOPERATIVE STUDY

42 USC 3532  
note.

Report to Con-  
gress.

SEC. 821. The Secretary of Housing and Urban Development is authorized and directed to conduct a full and complete investigation and study, and report to Congress not later than one year after the date of enactment of this Act, with respect to condominiums and cooperatives, and the problems, difficulties, and abuses or potential abuses applicable to condominium and cooperative housing.

DIRECT FINANCING STUDY

12 USC 1715z-1  
note.

Report to Con-  
gress.

SEC. 822. The Secretary of Housing and Urban Development and the Secretary of the Treasury shall study the feasibility of financing the programs authorized under section 236 of the National Housing Act and section 802 of this Act through various financing methods, including direct loans from the Federal Financing Bank, with a view to determining whether there is any such method that would result in net savings to the Federal Government (after taking into account the direct and indirect effects of such method). The Secretary of Housing and Urban Development and the Secretary of the Treasury

shall transmit to the Congress a report on the study required by this section not later than one year after the date of enactment of this Act.  
Approved August 22, 1974.

## Public Law 93-384

## JOINT RESOLUTION

To authorize the erection of a monument to the dead of the First Infantry Division, United States Forces in Vietnam.

August 23, 1974  
[S. J. Res. 66]

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Society of the First Infantry Division—First Division Memorial Committee is authorized to erect (at no cost to the United States or the District of Columbia) a monument to the dead of the First Infantry Division, United States Forces in Vietnam, on the public grounds of the United States in the District of Columbia previously set aside for memorial purposes of the First Infantry Division, adjacent to the monument to the dead of the First Infantry Division, American Expeditionary Forces in World War I, and adjacent to the monument to the dead of the First Infantry Division, United States Forces in World War II.*

First Infantry  
Division, United  
States Forces in  
Vietnam.  
Monument.

Sec. 2. The design and plans for such monument shall be subject to the approval of the Secretary of the Interior, the National Commission of Fine Arts, and the National Capital Planning Commission.

Design.

Sec. 3. The Secretary of the Interior shall be responsible for the maintenance and care of any such monument, in accordance with the provisions of the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916, and the Act entitled "An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes", approved August 21, 1935.

Maintenance.

16 USC 1.

16 USC 461.

Approved August 23, 1974.

## Public Law 93-385

## AN ACT

To amend the Public Health Service Act to extend through fiscal year 1975 the scholarship program for the National Health Service Corps and the loan program for health professions students.

August 23, 1974  
[S. 3782]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 225 (i) of the Public Health Service Act is amended by inserting before the period "*and \$40,000,000 for the fiscal year ending June 30, 1975*".*

Sec. 2. (a) Section 742(a) of the Public Health Service Act is amended by striking out "and" after "1973," and by inserting after "1974" the following: ", and \$60,000,000 for the fiscal year ending June 30, 1975".

Health serv-  
ices.  
Scholarship and  
student loan pro-  
grams, extension.  
42 USC 234.  
42 USC 294b.

(b) Section 740(b)(4) of such Act is amended by striking out "1974" and inserting in lieu thereof "1975".

42 USC 294.

Sec. 3. (a) Section 824 of the Public Health Service Act is amended—

42 USC 297c.

(1) by striking out "and" after "1973,"; and

(2) by inserting after "1974," the first time it appears the following: "and \$35,000,000 for the fiscal year ending June 30, 1975".

(b) Section 822(b)(4) of such Act is amended by striking out "1974" and inserting in lieu thereof "1975".

42 USC 297a.

Approved August 23, 1974.

