

1990—Subsec. (e). Pub. L. 101-508, §2104, added subsec. (e).

Subsecs. (f) to (h). Pub. L. 101-508, §2105, added subsecs. (f) to (h).

1967—Pub. L. 90-19 substituted “Secretary” for “Commissioner” wherever appearing in subsecs. (a) to (d) of this section.

1954—Act Aug. 2, 1954, amended section generally to eliminate the former group accounts and substitute therefor a general surplus account and participating reserve account.

1953—Subsec. (c). Act June 30, 1953, inserted sentence relating to semi-annual transfer of group accounts, and, in remainder of section, changed the provisions relating to settlement of accounts.

1950—Act Apr. 20, 1950, substituted “Commissioner” for “Administrator” wherever appearing.

1939—Subsec. (b). Act June 3, 1939, inserted “prior to July 1, 1939”.

1938—Subsecs. (a) to (f). Act Feb. 3, 1938, amended provisions generally, and among other changes, struck out subsec. (f).

1935—Subsec. (f). Act May 28, 1935, substituted “annual premium charge” for “premium charge” in first sentence.

#### EXCEPTION TO STATUTE OF LIMITATIONS

Section 508(b) of Pub. L. 102-550 provided that: “Notwithstanding the 6-year limitation on distribution of shares of the Participating Reserve Account under section 205(c) of the National Housing Act [12 U.S.C. 1711(c)], the Secretary shall distribute a share to an otherwise eligible mortgagor in accordance with section 205(c), if the mortgagor applies for payment of the share within 1 year after the date of enactment of this Act [Oct. 28, 1992] in accordance with procedures in effect on such date.”

#### § 1712. Investment of funds

Moneys in the Fund not needed for the current operations of the Department of Housing and Urban Development related to insurance under section 1709 of this title shall be deposited with the Treasurer of the United States to the credit of the Fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States or any agency of the United States: *Provided*, That such moneys shall to the maximum extent feasible be invested in such bonds or other obligations the proceeds of which will be used to directly support the residential mortgage market. The Secretary may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued under the provisions of section 1710 of this title. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued, and the several group accounts to which such debentures have been charged shall be charged with the amounts used in making such purchases.

(June 27, 1934, ch. 847, title II, §206, 48 Stat. 1252; Feb. 3, 1938, ch. 13, §3, 52 Stat. 16; Apr. 20, 1950, ch. 94, title I, §122, 64 Stat. 59; Pub. L. 90-19, §1(a)(1), (3), (e), May 25, 1967, 81 Stat. 17, 18; Pub. L. 91-609, title I, §117(a), Dec. 31, 1970, 84 Stat. 1774.)

#### AMENDMENTS

1970—Pub. L. 91-609 provided for guarantee as to principal and interest by any agency of the United States

and for investment of monies in bonds or other obligations the proceeds of which will be used to directly support the residential mortgage market.

1967—Pub. L. 90-19 substituted “Department of Housing and Urban Development” and “Secretary” for “Federal Housing Administration” and “Commissioner”, respectively, and inserted “related to insurance under section 1709 of this title” before “shall be deposited”.

1950—Act Apr. 20, 1950, substituted “Commissioner” for “Administrator”.

1938—Act Feb. 3, 1938, among other changes, inserted “or in bonds or other obligations guaranteed as to principal and interest by” in first sentence, and inserted third sentence.

#### § 1712a. Indexing of FHA multifamily housing loan limits

##### (a) Method of indexing

The dollar amounts set forth in—

- (1) section 1713(c)(3)(A) of this title;
- (2) section 1715e(b)(2)(A) of this title;
- (3) section 1715k(d)(3)(B)(iii)(I) of this title;
- (4) section 1715l(d)(3)(ii)(I) of this title;
- (5) section 1715l(d)(4)(ii)(I) of this title;
- (6) section 1715v(c)(2)(A) of this title; and
- (7) section 1715y(e)(3)(A) of this title;

(collectively hereinafter referred to as the “Dollar Amounts”) shall be adjusted annually (commencing in 2004) on the effective date of the Federal Reserve Board’s adjustment of the \$400 figure in the Home Ownership and Equity Protection Act of 1994 (HOEPA). The adjustment of the Dollar Amounts shall be calculated using the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) as applied by the Federal Reserve Board for purposes of the above-described HOEPA adjustment.

##### (b) Notification

The Federal Reserve Board on a timely basis shall notify the Secretary, or his designee, in writing of the adjustment described in subsection (a) of this section and of the effective date of such adjustment in order to permit the Secretary to undertake publication in the Federal Register of corresponding adjustments to the Dollar Amounts. The dollar amount of any adjustment shall be rounded to the next lower dollar.

(June 27, 1934, ch. 847, title II, §206A, as added Pub. L. 107-326, §5(a), Dec. 4, 2002, 116 Stat. 2794.)

#### REFERENCES IN TEXT

The Home Ownership and Equity Protection Act of 1994, referred to in subsec. (a), is subtitle B (§§151-158) of title I of Pub. L. 103-325, Sept. 23, 1994, 108 Stat. 2190, which enacted sections 1639 and 1648 of Title 15, Commerce and Trade, amended sections 1602, 1604, 1610, 1640, 1641, and 1647 of Title 15, and enacted provisions set out as notes under sections 1601 and 1602 of Title 15. For complete classification of this Act to the Code, see Short Title of 1994 Amendment note set out under section 1601 of Title 15 and Tables.

#### § 1713. Rental housing insurance

##### (a) Definitions

As used in this section—

- (1) The term “mortgage” means a first mortgage on real estate in fee simple, or on the interest of either the lessor or lessee thereof (A) under a lease for not less than ninety-nine

years which is renewable or (B) under a lease having a period of not less than fifty years to run from the date the mortgage was executed, upon which there is located or upon which there is to be constructed a building or buildings designed principally for residential use, or upon which there is located or to be constructed facilities for manufactured homes, and the term "first mortgage" means such classes of first liens as are commonly given to secure advances (including but not being limited to advances during construction) on, or the unpaid purchase price of, real estate under the laws of the State, in which the real estate is located, together with the credit instrument or instruments, if any, secured thereby, and may be in the form of trust mortgages or mortgage indentures or deeds of trust securing notes, bonds, or other credit instruments.

(2) The term "mortgagee" means the original lender under a mortgage, and its successors and assigns, and includes the holders of credit instruments issued under a trust mortgage or deed of trust pursuant to which such holders act by and through a trustee therein named.

(3) The term "mortgagor" means the original borrower under a mortgage and its successors and assigns.

(4) The term "maturity date" means the date on which the mortgage indebtedness would be extinguished if paid in accordance with the periodic payments provided for in the mortgage.

(5) The term "slum or blighted area" means any area where dwellings predominate which, by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light or sanitation facilities, or any combination of these factors, are detrimental to safety, health, or morals.

(6) The term "rental housing" means housing, the occupancy of which is permitted by the owner thereof in consideration of the payment of agreed charges, whether or not, by the terms of the agreement, such payment over a period of time will entitle the occupant to the ownership of the premises or space in a manufactured home court or park properly arranged and equipped to accommodate manufactured homes.

(7) The term "State" includes the several States, and Puerto Rico, the District of Columbia, Guam, the Trust Territory of the Pacific Islands, American Samoa, and the Virgin Islands.

**(b) Insurance of additional mortgages**

In addition to mortgages insured under section 1709 of this title, the Secretary is authorized to insure mortgages as defined in this section (including advances on such mortgages during construction) which cover property held by—

(1) Federal or State instrumentalities, municipal corporate instrumentalities of one or more States, or limited dividend or redevelopment or housing corporations restricted by Federal or State laws or regulations of State banking or insurance departments as to rents, charges, capital structure, rate of return, or methods of operation; or

(2) any other mortgagor approved by the Secretary. The Secretary may, in the Secretary's discretion, require any such mortgagor to be regulated or restricted as to rents or sales, charges, capital structure, rate of return, and methods of operation so as to provide reasonable rentals to tenants and a reasonable return on the investment. Any such regulations or restrictions shall continue for such period or periods as the Secretary, in the Secretary's discretion, may require, including until the termination of all obligations of the Secretary under the insurance and during such further period of time as the Secretary shall be the owner, holder, or reinsurer of the mortgage. The Secretary may make such contracts with and acquire, for not to exceed \$100, such stock or interest in the mortgagor as he may deem necessary to render effective any such regulations or restrictions. The stock or interest acquired by the Secretary shall be paid for out of the General Insurance Fund, and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Secretary under the insurance.

The insurance of mortgages under this section is intended to facilitate particularly the production of rental accommodations, at reasonable rents, of design and size suitable for family living. The Secretary is, therefore, authorized in the administration of this section to take action, by regulation or otherwise, which will direct the benefits of mortgage insurance hereunder primarily to those projects which make adequate provision for families with children, and in which every effort has been made to achieve moderate rental charges.

Notwithstanding any other provisions of this section, the Secretary may not insure any mortgage under this section (except a mortgage with respect to a manufactured home park designed exclusively for occupancy by elderly persons) unless the mortgagor certifies under oath that in selecting tenants for the property covered by the mortgage he will not discriminate against any family by reason of the fact that there are children in the family, and that he will not sell the property while the insurance is in effect unless the purchaser so certifies, such certification to be filed with the Secretary. Violation of any such certification shall be a misdemeanor punishable by a fine of not to exceed \$500.

**(c) Eligibility for insurance; mortgage limits**

To be eligible for insurance under this section a mortgage on any property or project shall involve a principal obligation in an amount—

(1) Repealed. Pub. L. 93-383, title III, §304(a)(1), Aug. 22, 1974, 88 Stat. 677.

(2) Not to exceed 90 per centum of the estimated value of the property or project (when the proposed improvements are completed): *Provided*, That this limitation shall not apply to mortgages on housing in Alaska or in Guam, but such a mortgage may involve a principal obligation in an amount not to exceed 90 per centum of the amount which the Secretary estimates will be the replacement cost of the property or project when the proposed improvements are completed (the value of the property or project as such term is used

in this paragraph may include the land, the proposed physical improvements, utilities within the boundaries of the property or project, architect's fees, taxes, and interest accruing during construction, and other miscellaneous charges incident to construction and approved by the Secretary): *And provided further*, That nothing contained in this section shall preclude the insurance of mortgages covering existing construction located in slum or blighted areas, as defined in paragraph (5) of subsection (a) of this section, and the Secretary may require such repair or rehabilitation work to be completed as is, in his discretion, necessary to remove conditions detrimental to safety, health, or morals; and

(3)(A) Not to exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Secretary), \$38,025 per family unit without a bedroom, \$42,120 per family unit with one bedroom, \$50,310 per family unit with two bedrooms, \$62,010 per family unit with three bedrooms, and \$70,200 per family unit with four or more bedrooms, or not to exceed \$17,460 per space; except that as to projects to consist of elevator type structures the Secretary may in his discretion, increase the dollar amount limitations per family unit to not to exceed \$43,875 per family unit without a bedroom, \$49,140 per family unit with one bedroom, \$60,255 per family unit with two bedrooms, \$75,465 per family unit with three bedrooms, and \$85,328 per family unit with four or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design;

(B) the Secretary may, by regulation, increase any of the dollar amount limitations in subparagraph (A) (as such limitations may have been adjusted in accordance with section 1712a of this title) by not to exceed 170 percent in any geographical area where the Secretary finds that cost levels so require and by not to exceed 170 percent, or 215 percent in high cost areas, where the Secretary determines it necessary on a project-by-project basis, but in no case may any such increase exceed 90 percent where the Secretary determines that a mortgage purchased or to be purchased by the Government National Mortgage Association in implementing its special assistance functions under section 1720<sup>1</sup> of this title (as such section existed immediately before November 30, 1983) is involved. Notwithstanding any other provision of this paragraph, the amount which may be insured under this section may be increased by up to 20 percent if such increase is necessary to account for the increased cost of the project due to the installation therein of a solar energy system (as defined in subparagraph (3) of the last paragraph of section 1703(a) of this title) or residential energy conservation measures (as defined in section 8211(11)(A) through (G) and (I) of title 42)<sup>1</sup> in cases where the Secretary determines that such measures are in addition to those required under the minimum property standards

and will be cost-effective over the life of the measure.

The mortgage shall provide for complete amortization by periodic payments (unless otherwise approved by the Secretary) within such term as the Secretary shall prescribe, and shall bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee. The Secretary may consent to the release of a part or parts of the mortgaged property from the lien of the mortgage upon such terms and conditions as he may prescribe and the mortgage may provide for such release. No mortgage shall be accepted for insurance under this section or section 1715a<sup>1</sup> of this title unless the Secretary finds that the property or project, with respect to which the mortgage is executed, is economically sound. Such property or project may include five or more family units and may include such commercial and community facilities as the Secretary deems adequate to serve the occupants.

**(d) Premium, appraisal, and inspection charges**

The Secretary shall collect a premium charge for the insurance of mortgages under this section which shall be payable annually in advance by the mortgagee, either in cash or in debentures issued by the Secretary under any subchapter and section of this chapter, except debentures of the Mutual Mortgage Insurance Fund, or of the Cooperative Management Housing Insurance Fund at par plus accrued interest. In addition to the premium charge herein provided for the Secretary is authorized to charge and collect such amounts as he may deem reasonable for the appraisal of a property or project offered for insurance and for the inspection of such property or project during construction: *Provided*, That such charges for appraisal and inspection shall not aggregate more than 1 per centum of the original principal face amount of the mortgage.

**(e) Adjusted premium charge on payment of mortgage**

In the event that the principal obligation of any mortgage accepted for insurance under this section is paid in full prior to the maturity date, the Secretary is authorized in his discretion to require the payment by the mortgagee of an adjusted premium charge in such amount as the Secretary determines to be equitable, but not in excess of the aggregate amount of the premium charges that the mortgagee would otherwise have been required to pay if the mortgage had continued to be insured until such maturity date.

**(f) Repealed. Pub. L. 89-117, title XI, § 1108(e)(3), Aug. 10, 1965, 79 Stat. 504**

**(g) Payment of insurance after default**

The failure of the mortgagor to make any payment due under or provided to be paid by the terms of a mortgage insured under this section shall be considered a default under such mortgage and, if such default continues for a period of thirty days, the mortgagee shall be entitled to receive the benefits of the insurance as hereinafter provided, upon assignment, transfer, and delivery to the Secretary, within a period and in

<sup>1</sup> See References in Text note below.

accordance with rules and regulations to be prescribed by the Secretary of (1) all rights and interests arising under the mortgage so in default; (2) all claims of the mortgagee against the mortgagor or others, arising out of the mortgage transactions; (3) all policies of title or other insurance or surety bonds or other guaranties and any and all claims thereunder; (4) any balance of the mortgage loans not advanced to the mortgagor; (5) any cash or property held by the mortgagee, or to which it is entitled, as deposits made for the account of the mortgagor and which have not been applied in reduction of the principal of the mortgage indebtedness; and (6) all records, documents, books, papers, and accounts relating to the mortgage transactions. Upon such assignment, transfer, and delivery the obligation of the mortgagee to pay the premium charges for mortgage insurance shall cease, and the Secretary shall issue to the mortgagee a certificate of claim as provided in subsection (h) of this section, and debentures having a par value equal to the original principal face amount of the mortgage plus such amount as the mortgagee may have paid for (A) taxes, special assessments, and water rates, which are liens prior to the mortgage; (B) insurance on the property; and (C) reasonable expenses for the completion and preservation of the property and any mortgage insurance premiums paid after default, less the sum of (i) that part of the amount of the principal obligation that has been repaid by the mortgagor, (ii) an amount equivalent to 1 per centum of the unpaid amount of such principal obligation, and (iii) any net income received by the mortgagee from the property: *Provided*, That the mortgagee in the event of a default under the mortgage may, at its option and in accordance with regulations of, and in a period to be determined by, the Secretary, proceed to foreclose on and obtain possession of or otherwise acquire such property from the mortgagor after default, and receive the benefits of the insurance as herein provided, upon (1) the prompt conveyance to the Secretary of title to the property which meets the requirements of the rules and regulations of the Secretary in force at the time the mortgage was insured and which is evidenced in the manner prescribed by such rules and regulations, and (2) the assignment to him of all claims of the mortgagee against the mortgagor or others, arising out of the mortgage transaction or foreclosure proceedings, except such claims that may have been released with the consent of the Secretary. Upon such conveyance and assignment, the obligation of the mortgagee to pay the premium charges for insurance shall cease and the mortgagee shall be entitled to receive the benefits of the insurance as provided in this subsection, except that in such event the 1 per centum deduction, set out in (ii) hereof, shall not apply. Notwithstanding any other provision of this chapter, upon receipt, after September 2, 1964, of an application for insurance benefits on a mortgage insured under this chapter, the Secretary may terminate the mortgagee's obligation to pay premium charges on the mortgage.

**(h) Certificate of claim; division of excess proceeds**

The certificate of claim issued under this section shall be for an amount which the Secretary

determines to be sufficient, when added to the face value of the debentures issued and the cash adjustment paid to the mortgagee, to equal the amount which the mortgagee would have received if, on the date of the assignment, transfer and delivery to the Secretary provided for in subsection (g) of this section, the mortgagor had extinguished the mortgage indebtedness by payment in full of all obligations under the mortgage and a reasonable amount for necessary expenses incurred by the mortgagee in connection with the foreclosure proceedings, or the acquisition of the mortgaged property otherwise, and the conveyance thereof to the Secretary. Each such certificate of claim shall provide that there shall accrue to the holder of such certificate with respect to the face amount of such certificate, an increment at the rate of 3 per centum per annum which shall not be compounded. If the net amount realized from the mortgage, and all claims in connection therewith, so assigned, transferred, and delivered, and from the property covered by such mortgage and all claims in connection with such property, after deducting all expenses incurred by the Secretary in handling, dealing with, acquiring title to, and disposing of such mortgage and property and in collecting such claims, exceeds the face value of the debentures issued and the cash adjustment paid to the mortgagee plus all interest paid on such debentures, such excess shall be divided as follows:

(1) If such excess is greater than the total amount payable under the certificate of claim issued in connection with such property, the Secretary shall pay to the holder of such certificate the full amount so payable, and any excess remaining thereafter shall be retained by the Secretary and credited to the General Insurance Fund; and

(2) If such excess is equal to or less than the total amount payable under such certificate of claim, the Secretary shall pay to the holder of such certificate the full amount of such excess.

**(i) Debentures; execution; negotiability; terms; tax exemptions**

Debentures issued under this section shall be executed in the name of the General Insurance Fund as obligor, shall be negotiable, and, if in book entry form, transferable, in the manner described by the Secretary in regulations, and shall be dated as of the date of default as determined in subsection (g) of this section, except that debentures issued pursuant to the provisions of section 1715k(f), section 1715(g), and section 1715x of this title may be dated as of the date the mortgage is assigned (or the property is conveyed) to the Secretary and shall bear interest from such date. They shall bear interest at a rate established by the Secretary pursuant to section 1715o of this title payable semiannually on the 1st day of January and the 1st day of July of each year, and shall mature twenty years after the date thereof. Such debentures as are issued in exchange for mortgages insured after February 3, 1938, shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States,

by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority. They shall be paid out of the General Insurance Fund which shall be primarily liable therefor, and they shall be fully and unconditionally guaranteed as to principal and interest by the United States, and, in the case of debentures issued in certificated registered form, such guaranty shall be expressed on the face of the debentures. In the event the General Insurance Fund fails to pay upon demand, when due, the principal of or interest on any debentures so guaranteed, the Secretary of the Treasury shall pay to the holders the amount thereof which is authorized to be appropriated out of any money in the Treasury not otherwise appropriated, and thereupon, to the extent of the amount so paid, the Secretary of the Treasury shall succeed to all the rights of the holders of such debentures.

**(j) Debentures; form and amounts**

Debentures issued under this section—

- (1) shall be in such form and amounts;
- (2) shall be subject to such terms and conditions;
- (3) shall include such provisions for redemption, if any, as may be prescribed by the Secretary of Housing and Urban Development, with the approval of the Secretary of the Treasury; and
- (4) may be in book entry or certificated registered form, or such other form as the Secretary of Housing and Urban Development may prescribe in regulations.

**(k) Acquisition of property by conveyance or foreclosure**

The Secretary is authorized either to (1) acquire possession of and title to any property, covered by a mortgage insured under this section and assigned to him, by voluntary conveyance in extinguishment of the mortgage indebtedness, or (2) institute proceedings for foreclosure on the property covered by any such insured mortgage and prosecute such proceedings to conclusion. The Secretary at any sale under foreclosure may, in his discretion, for the protection of the General Insurance Fund, bid any sum up to but not in excess of the total unpaid indebtedness secured by the mortgage, plus taxes, insurance, foreclosure costs, fees, and other expenses, and may become the purchaser of the property at such sale. In determining the amount to be bid, the Secretary shall act consistently with the goal established in section 1701z-11(a)(1) of this title. The Secretary is authorized to pay from the General Insurance Fund such sums as may be necessary to defray such taxes, insurance, costs, fees, and other expenses in connection with the acquisition or foreclosure of property under this section. Pending such acquisition by voluntary conveyance or by foreclosure, the Secretary is authorized, with respect to any mortgage assigned to him under the provisions of subsection (g) of this section, to exercise all the rights of a mortgagee under such mortgage, including the right to sell such mortgage, and to take such action and advance such sums as may be necessary to preserve or protect the lien of such mortgage.

**(l) Handling and disposal of property; settlement of claims**

Notwithstanding any other provisions of law relating to the acquisition, handling, or disposal of real and other property by the United States, the Secretary shall also have power, for the protection of the interests of the General Insurance Fund, to pay out of the General Insurance Fund all expenses or charges in connection with, and to deal with, complete, reconstruct, rent, renovate, modernize, insure, make contracts for the management of, or establish suitable agencies for the management of, or sell for cash or credit or lease in his discretion, any property acquired by him under this section, and 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 assigned and transferred to him in connection with the assignment, transfer, and delivery provided for in this section, and at any time, upon default, to foreclose on any property secured by any mortgage assigned and transferred to or held by him: *Provided*, That section 6101 of title 41 shall not be construed to apply to any contract for hazard insurance, or to any purchase or contract for services or supplies on account of such property if the amount thereof does not exceed \$1,000.

**(m) Repealed. Pub. L. 89-117, title XI, § 1108(e)(3), Aug. 10, 1965, 79 Stat. 504**

**(n) Default or payment; rights of parties**

In the event that a mortgage insured under this section becomes in default through failure of the mortgagor to make any payment due under or provided to be paid by the terms of the mortgage and such mortgage continues in default for a period of thirty days, but the mortgagee does not foreclose on or otherwise acquire the property, or does not assign and transfer such mortgage and the credit instrument secured thereby to the Secretary, in accordance with subsection (g) of this section, and the Secretary is given written notice thereof, or in the event that the mortgagor pays the obligation under the mortgage in full prior to the maturity thereof, and the mortgagee pays any adjusted premium charge required under the provisions of subsection (e) of this section, and the Secretary is given written notice by the mortgagee of the payment of such obligation, the obligation to pay the annual premium charge for insurance shall cease, and all rights of the mortgagee and the mortgagor under this section shall terminate as of the date of such notice.

**(o) Reissue of prior insurance**

The Secretary, with the consent of the mortgagee and the mortgagor of a mortgage insured under this section prior to February 3, 1938, shall be empowered to reissue such mortgage insurance in accordance with the provisions of this section as amended by the National Housing Act Amendments of 1938, and any such insurance not so reissued shall not be affected by the enactment of such Act.

**(p) Repealed. Pub. L. 89-117, title XI, § 1108(e)(3), Aug. 10, 1965, 79 Stat. 504**

**(q) Repealed. Pub. L. 85-104, title I, § 111, July 12, 1957, 71 Stat. 297**

**(r) Service charge for mortgages assigned to and held by the Secretary**

Notwithstanding any other provision of this chapter, the Secretary is authorized to include in any mortgage insured under any subchapter of this chapter after September 23, 1959, a provision requiring the mortgagor to pay a service charge to the Secretary in the event such mortgage is assigned to and held by the Secretary. Such service charge shall not exceed the amount prescribed by the Secretary for mortgage insurance premiums applicable to such mortgage.

(June 27, 1934, ch. 847, title II, § 207, 48 Stat. 1252; Aug. 23, 1935, ch. 614, title III, § 344(d), 49 Stat. 722; Feb. 3, 1938, ch. 13, § 3, 52 Stat. 16; June 3, 1939, ch. 175, § 12, 53 Stat. 807; Mar. 28, 1941, ch. 31, § 4(b), 55 Stat. 62; July 1, 1948, ch. 784, § 6, 62 Stat. 1209; Aug. 10, 1948, ch. 832, title I, § 101 (m-p, r), 62 Stat. 1273, 1274; Apr. 20, 1950, ch. 94, title I, §§ 106-112, 122, 64 Stat. 52-54, 59; Sept. 1, 1951, ch. 378, title VI, §§ 604(b), 605, 65 Stat. 314; July 14, 1952, ch. 723, § 10(a)(2), 66 Stat. 603; June 30, 1953, ch. 170, § 5, 67 Stat. 122; Aug. 2, 1954, ch. 649, title I, §§ 112(b), 115-117, 68 Stat. 593-595; Aug. 11, 1955, ch. 783, title I, § 102(b), (c), 69 Stat. 635; Aug. 7, 1956, ch. 1029, title I, §§ 103, 104(b), (c), 70 Stat. 1092; Pub. L. 85-104, title I, §§ 108(b), 109-111, July 12, 1957, 71 Stat. 297; Pub. L. 86-70, § 10(a), (b), June 25, 1959, 73 Stat. 142; Pub. L. 86-372, title I, § 104, Sept. 23, 1959, 73 Stat. 655; Pub. L. 86-624, § 6, July 12, 1960, 74 Stat. 411; Pub. L. 87-70, title VI, § 607, June 30, 1961, 75 Stat. 178; Pub. L. 88-560, title I, §§ 105(b), 106, 107(a), 108, Sept. 2, 1964, 78 Stat. 772, 774, 776; Pub. L. 89-117, title II, § 207(a), title XI, § 1108(e), Aug. 10, 1965, 79 Stat. 467, 504; Pub. L. 90-19, § 1(a)(3), May 25, 1967, 81 Stat. 17; Pub. L. 90-301, § 3(b), May 7, 1968, 82 Stat. 114; Pub. L. 91-152, title I, § 103(a), (b), 113(b), title IV, § 403(c)(2), Dec. 24, 1969, 83 Stat. 380, 383, 395; Pub. L. 93-383, title III, §§ 303(a), 304(a), Aug. 22, 1974, 88 Stat. 676, 677; Pub. L. 94-173, § 3, Dec. 23, 1975, 89 Stat. 1027; Pub. L. 94-375, § 8(a), (b)(1), Aug. 3, 1976, 90 Stat. 1071; Pub. L. 95-557, title III, § 311(a), Oct. 31, 1978, 92 Stat. 2098; Pub. L. 95-619, title II, § 248(b), Nov. 9, 1978, 92 Stat. 3235; Pub. L. 96-153, title III, § 313(b), 314, Dec. 21, 1979, 93 Stat. 1117; Pub. L. 96-399, title III, §§ 308(c)(1), 310(a), Oct. 8, 1980, 94 Stat. 1640, 1641; Pub. L. 97-35, title III, §§ 338(b), 339B(a), (c), Aug. 13, 1981, 95 Stat. 416, 417; Pub. L. 97-377, title I, § 101(g), Dec. 21, 1982, 96 Stat. 1908; Pub. L. 98-181, title IV, §§ 404(b)(4), 407(c), 431(a), 435, 446(a), Nov. 30, 1983, 97 Stat. 1209, 1211, 1220, 1222, 1228; Pub. L. 98-479, title II, § 204(a)(3), Oct. 17, 1984, 98 Stat. 2232; Pub. L. 100-242, title I, § 182, title IV, § 426(a), (h), Feb. 5, 1988, 101 Stat. 1871, 1915, 1916; Pub. L. 102-550, title V, §§ 509(a), 516(b), Oct. 28, 1992, 106 Stat. 3782, 3790; Pub. L. 103-233, title III, § 306, Apr. 11, 1994, 108 Stat. 373; Pub. L. 107-73, title II, § 213(a), Nov. 26, 2001, 115 Stat. 676; Pub. L. 107-326, § 5(b)(1), Dec. 4, 2002, 116 Stat. 2794; Pub. L. 108-186, title III, § 302(b), (c)(1), Dec. 16, 2003, 117 Stat. 2692; Pub. L. 110-161, div. K, title II, § 221(1), Dec. 26, 2007, 121 Stat. 2436.)

## REFERENCES IN TEXT

Section 1715a of this title, referred to in subsec. (c), which related to additional housing insurance, was repealed by act June 3, 1939, ch. 175, § 13, 53 Stat. 807.

Section 1720 of this title, referred to in subsec. (c)(3)(B), was repealed by Pub. L. 98-181, title IV, § 483(a), Nov. 30, 1983, 97 Stat. 1240.

Section 8211 of title 42, referred to in subsec. (c)(3)(B), was omitted from the Code pursuant to section 8229 of Title 42, The Public Health and Welfare, which terminated authority under that section on June 30, 1989.

This chapter, referred to in subsecs. (d), (g) and (r), was in the original "this Act", meaning act June 27, 1934, ch. 847, 48 Stat. 1246, which is classified principally to this chapter (§ 1701 et seq.). For complete classification of this Act to the Code, see Tables.

The National Housing Act Amendments of 1938, referred to in subsec. (o), is act Feb. 3, 1938, ch. 13, 42 Stat. 8, as amended, section 3 of which amended this section generally. For complete classification of this Act to the Code, see section 1701a of this title and Tables.

## CODIFICATION

In subsec. (l), "section 6101 of title 41" substituted for "section 3709 of the Revised Statutes" on authority of Pub. L. 111-350, § 6(c), Jan. 4, 2011, 124 Stat. 3854, which Act enacted Title 41, Public Contracts.

References to "mobile homes", wherever appearing in text, were changed to "manufactured homes" in view of the amendment of the National Housing Act by section 308(c)(1) of Pub. L. 96-399 requiring the substitution of "manufactured home" for "mobile home" wherever appearing in the National Housing Act, and section 339B(c) of Pub. L. 97-35 (set out as a note under section 1703 of this title) providing that the terms "mobile home" and "manufactured home" shall be deemed to include the terms "mobile homes" and "manufactured homes", respectively.

## AMENDMENTS

2007—Subsec. (c)(3)(B). Pub. L. 110-161 substituted "170 percent" for "140 percent" after "not to exceed" in two places and "215 percent in high cost areas" for "170 percent in high cost areas".

2003—Subsec. (c)(3)(A). Pub. L. 108-186, § 302(c)(1), substituted "\$17,460" for "\$11,250".

Subsec. (c)(3)(B). Pub. L. 108-186, § 302(b), substituted "140 percent in" for "110 percent in" and inserted ", or 170 percent in high cost areas," after "and by not to exceed 140 percent".

2002—Subsec. (c)(3). Pub. L. 107-326, § 5(b)(1)(B), which directed substitution of "(B) the Secretary may, by regulation, increase any of the dollar amount limitations in subparagraph (A) (as such limitations may have been adjusted in accordance with section 1712a of this title)" for "and accept that the Secretary" through "in this paragraph", was executed by making the substitution for "and except that the Secretary may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph", to reflect the probable intent of Congress.

Pub. L. 107-326, § 5(b)(1)(A), inserted subpar. (A) designation after "(3)".

2001—Subsec. (c)(3). Pub. L. 107-73 substituted "\$38,025", "\$42,120", "\$50,310", "\$62,010", and "\$70,200" for "\$30,420", "\$33,696", "\$40,248", "\$49,608", and "\$56,160", respectively, "\$11,250" for "\$9,000", and "\$43,875", "\$49,140", "\$60,255", "\$75,465", and "\$85,328" for "\$35,100", "\$39,312", "\$48,204", "\$60,372", and "\$68,262", respectively.

1994—Subsec. (c)(3). Pub. L. 103-233 substituted "\$56,160" for "\$59,160".

1992—Subsec. (c)(3). Pub. L. 102-550, § 509(a), substituted "\$30,420", "\$33,696", "\$40,248", "\$49,608", and "\$59,160" for "\$25,350", "\$28,080", "\$33,540", "\$41,340", and "\$46,800", respectively, and "\$35,100", "\$39,312", "\$48,204", "\$60,372", and "\$68,262" for "\$29,250", "\$32,760", "\$40,170", "\$50,310", and "\$56,885", respectively.

Subsec. (g). Pub. L. 102-550, §516(b)(1), in second sentence, substituted "issue to the mortgagee a certificate of claim as provided in subsection (h) of this section, and debentures having a par value" for ", subject to the cash adjustment provided for in subsection (j) of this section, issue to the mortgagee a certificate of claim as provided in subsection (h) of this section, and debentures having a total face value".

Subsec. (i). Pub. L. 102-550, §516(b)(2), (3), in first sentence, substituted "shall be negotiable, and, if in book entry form, transferable, in the manner described by the Secretary in regulations" for "shall be signed by the Secretary, by either his written or engraved signature, shall be negotiable", and in fourth sentence substituted "and, in the case of debentures issued in certificated registered form, such guaranty" for "and such guaranty".

Subsec. (j). Pub. L. 102-550, §516(b)(4), added subsec. (j) and struck out former subsec. (j) which read as follows: "Debentures issued under this section shall be in such form and denominations in multiples of \$50, shall be subject to such terms and conditions, and shall include such provision for redemption, if any, as may be prescribed by the Secretary with the approval of the Secretary of the Treasury, and may be in coupon or registered form. Any difference between the amount of debentures to which the mortgagee is entitled under this section, and the aggregate face value of the debentures issued, not to exceed \$50, shall be adjusted by the payment of cash by the Secretary to the mortgagee from the General Insurance Fund."

1988—Subsec. (c)(3). Pub. L. 100-242, §426(a), (h), substituted "\$25,350", "\$28,080", "\$33,540", "\$41,340", and "\$46,800" for "\$19,500", "\$21,600", "\$25,800", "\$31,800", and "\$36,000", respectively, and "\$29,250", "\$32,760", "\$40,170", "\$50,310", and "\$56,885" for "\$22,500", "\$25,200", "\$30,900", "\$38,700", and "\$43,758", respectively, and substituted "not to exceed 110 percent in any geographical area where the Secretary finds that cost levels so require and by not to exceed 140 percent where the Secretary determines it necessary on a project-by-project basis, but in no case may any such increase exceed 90 percent where the Secretary determines that a mortgage purchased or to be purchased by the Government National Mortgage Association in implementing its special assistance functions under section 1720 of this title (as such section existed immediately before November 30, 1983) is involved" for "not to exceed 75 per centum in any geographical area where he finds that cost levels so require, except that, where the Secretary determines it necessary on a project by project basis, the foregoing dollar amount limitations contained in this paragraph may be exceeded by not to exceed 90 per centum (by not to exceed 140 per centum where the Secretary determines that a mortgage other than one purchased or to be purchased under section 1720 of this title by the Government National Mortgage Association in implementing its special assistance functions is involved) in such an area."

Subsec. (k). Pub. L. 100-242, §182, inserted provisions after second sentence directing the Secretary to act consistently with the goal established in section 1701z-11(a)(1) of this title in determining the amount to be bid.

1984—Subsec. (i). Pub. L. 98-479 substituted "section 1715k(f), section 1715l(g), and section 1715x of this title" for "section 1715k(f), 1715l(g), and section 1715x of this title".

1983—Subsec. (a)(7). Pub. L. 98-181, §407(c), inserted "American Samoa," after "Pacific Islands,".

Subsec. (b). Pub. L. 98-181, §431(a)(3), in first undesignated par. following par. (2) struck out "and directed" after "therefore, authorized".

Pub. L. 98-181, §435, in second undesignated par. following par. (2) substituted "the Secretary may not insure any mortgage under this section (except a mortgage with respect to a manufactured home park designed exclusively for occupancy by elderly persons)" for "no mortgage shall be insured hereunder".

Subsec. (b)(2). Pub. L. 98-181, §431(a)(1), (2), substituted provision permitting the Secretary discre-

tionary authority to regulate rents and other charges for such period or periods as the Secretary, in his discretion, may require for provision which required the Secretary to regulate rents and other charges until the termination of all obligations of the Secretary under the insurance and during such further time as the Secretary was owner, holder, or reinsurer of the mortgage, and substituted "any such regulations and restrictions" for "the regulations and restrictions".

Subsec. (c). Pub. L. 98-181, §446(a), which directed that "(unless otherwise approved by the Secretary)" be inserted after "periodic payments" in first undesignated par. of par. (3), was executed to the undesignated par. following par. (3) to reflect the probable intent of Congress.

Pub. L. 98-181, §404(b)(4), which directed the substitution of provision that the interest rate for the mortgage be such a rate as agreed upon by the mortgagor and mortgagee for provision that the rate of interest, exclusive of premium charges for insurance, not exceed 5¼ per centum per annum on the amount of the principal obligation outstanding at any time, or not exceed such per centum per annum not in excess of 6 per centum per annum as the Secretary finds necessary to meet the mortgage market in first undesignated par. of par. (3), was executed to the undesignated par. following par. (3) to reflect the probable intent of Congress.

1982—Subsec. (c)(3). Pub. L. 97-377 inserted "(by not to exceed 140 per centum where the Secretary determines that a mortgage other than one purchased or to be purchased under section 1720 of this title by the Government National Mortgage Association in implementing its special assistance functions is involved)" after "90 per centum".

1981—Subsec. (c)(3). Pub. L. 97-35, §§338(b), 339B(a), substituted "\$9,000" for "\$8,000" and made minor changes in nomenclature.

1980—Subsec. (a)(1), (6). Pub. L. 96-399, §308(c)(1), substituted "manufactured" for "mobile".

Subsec. (c)(3). Pub. L. 96-399, §310(a), inserted provisions relating to residential energy conservation measures.

1979—Subsec. (c)(3). Pub. L. 96-153, §§313(b), 314, in first sentence of first unnumbered par. substituted "\$8,000" for "\$3,900", "75 per centum" for "50 per centum" and inserted exception that where the Secretary determines it necessary on a project by project basis, the dollar amount limitations may be exceeded by not to exceed 90 per centum in such an area.

1978—Subsec. (c). Pub. L. 95-557 substituted "may include five" for "may include eight" in concluding par.

Subsec. (c)(3). Pub. L. 95-619 provided that the amount insurable under this section could be increased by up to 20 per centum if such increase were necessary to account for the increased cost of a residence due to the installation of a solar energy system.

1976—Subsec. (c)(3). Pub. L. 94-375 substituted "50 per centum in any geographical area" for "75 per centum in any geographical area", "\$19,500" for "\$13,000", "\$21,600" for "\$18,000", "\$25,800" for "\$21,500", "\$31,800" for "\$26,500", "\$36,000" for "\$30,000", "\$3,900" for "\$3,250", "\$22,500" for "\$15,000", "\$25,200" for "\$21,000", "\$30,900" for "\$25,750", "\$38,700" for "\$32,250", and "\$43,758" for "\$36,465".

1975—Subsec. (c)(3). Pub. L. 94-173 raised from 45 per centum to 75 per centum the amount by which any dollar limitation may, by regulation, be increased.

1974—Subsec. (c)(1). Pub. L. 93-383, §304(a)(1), struck out par. (1) which set forth limits on principal obligation of not to exceed \$20,000,000, or not to exceed \$50,000,000 if executed by a mortgagor under subsec. (b)(1) of this section.

Subsec. (c)(3). Pub. L. 93-383, §§303(a), 304(a)(2), substituted "\$3,250" for "\$2,500", "\$13,000" for "\$9,900", "\$15,000" for "\$11,550", "\$18,000" for "\$13,750", "\$21,000" for "\$16,500", "\$21,500" for "\$16,500", "\$25,750" for "\$19,800", "\$26,500" for "\$20,350", "\$30,000" for "\$23,100", "\$32,250" for "\$24,750", and "\$36,465" for "\$28,050", and struck out limitation of \$1,000,000 per mortgage for trailer courts or parks.

1969—Subsec. (a)(1). Pub. L. 91-152, §103(a)(1)(A), substituted “mobile homes” for “trailer coach mobile dwellings”.

Subsec. (a)(6). Pub. L. 91-152, §103(a)(1)(B), (C), substituted “mobile home court” for “trailer court” and “mobile homes” for “trailer coach mobile dwellings”.

Subsec. (a)(7). Pub. L. 91-152, §403(c)(2), inserted “the Trust Territory of the Pacific Islands,” after “Guam,”.

Subsec. (c)(3). Pub. L. 91-152, §§103(a)(2), (b), 113(b)(1), (2), substituted “\$2,500 per space or \$1,000,000 per mortgage for mobile home courts or parks” for “\$1,800 per space or \$500,000 per mortgage for trailer courts or parks”, “\$9,900” for “\$9,000”, “\$11,550” for “\$10,500”, “\$13,750” for “\$12,500”, “\$16,500” from “\$15,000” wherever appearing therein, “\$19,800” for “\$18,000”, “\$20,350” for “\$18,500”, “\$23,100” for “\$21,000”, “\$24,750” for “\$22,500”, and “\$28,050” for “\$25,500”.

1968—Subsec. (c)(3). Pub. L. 90-301 limited interest rate on mortgages to such per centum per annum not in excess of 6 per centum as the Secretary finds necessary to meet the mortgage market.

1967—Pub. L. 90-19 substituted “Secretary” for “Commissioner” wherever appearing in subsecs. (b), (b)(2), (c)(2), (3), (d), (e), (g), (h), (h)(1), (h)(2), (h)(2)(i), (j) to (l), (n), (o), and (r).

1965—Subsec. (b). Pub. L. 89-117, §1108(e)(4), substituted “General Insurance Fund” for “Housing Fund”.

Subsec. (c)(3). Pub. L. 89-117, §207(a), substituted “\$18,500 per family unit with three bedrooms, and \$21,000 per family unit with four or more bedrooms” for “and \$18,500 per family unit with three or more bedrooms” and “\$22,500 per family unit with three bedrooms, and \$25,000 per family unit with four or more bedrooms” for “and \$22,500 per family unit with three or more bedrooms”.

Subsec. (d). Pub. L. 89-117, §1108(e)(1), (2), removed reference to collection of premium charges for the insurance of mortgages under section 1715a of this title and substituted “debentures issued by the Commissioner under any subchapter and section of this chapter, except debentures of the Mutual Mortgage Insurance Fund, or of the Cooperative Management Housing Insurance Fund” for “debentures of the Housing Insurance Fund issued by the Commissioner under this chapter”.

Subsec. (f). Pub. L. 89-117, §1108(e)(3), repealed subsec. (f) which created the Housing Insurance Fund.

Subsecs. (h) to (l). Pub. L. 89-117, §1108(e)(4), substituted “General Insurance Fund” for “Housing Insurance Fund” and “Housing Fund” wherever appearing.

Subsec. (m). Pub. L. 89-117, §1108(e)(3), repealed subsec. (m) which provided for credits and charges in the Housing Insurance Fund.

Subsec. (p). Pub. L. 89-117, §1108(e)(3), repealed subsec. (p) which provided for the disposition of surplus moneys in the Housing Insurance Fund and the investment of such moneys.

1964—Subsec. (c)(2). Pub. L. 88-560, §106, substituted “*Provided*, That this limitation shall not apply” for “*Provided*, That except with respect to a mortgage executed by a mortgagor coming within the provisions of subsection (b)(1) of this section or a mortgage on a trailer court or park, such mortgage shall not exceed the amount which the Commissioner estimates will be the cost of the completed physical improvements on the property or project exclusive of public utilities and streets and organization and legal expenses: *Provided*, *further*, That this limitation shall not apply” before “to mortgages on housing in Alaska.”

Subsec. (c)(3). Pub. L. 88-560, §107(a), changed limits on mortgages for property or project attributable to dwelling use from “\$2,500 per room (or \$9,000 per family unit if the number of rooms in such property or project is less than four per family unit)” to “\$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms”, changed such mortgage limits on project consisting of elevator-type structures from a sum “of

\$2,500 per room to not exceed \$3,000 per room and the dollar amount limitation of \$9,000 per family unit to not exceed \$9,400 per family unit” to dollar amount limitations “per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms”, and substituted provision authorizing an increase “by not to exceed 45 per centum” of any of such limits because of cost levels for former provision authorizing such an increase “by not to exceed \$1,250 per room without regard to the number of rooms being less than four, or four or more”.

Subsec. (g). Pub. L. 88-560, §105(b), inserted provision for termination of mortgagee’s obligation to pay premium charges on the mortgage.

Subsec. (k). Pub. L. 88-560, §108, struck out second sentence providing for mandatory acquisition or foreclosure within one year of multifamily project in default.

1961—Subsec. (b)(2). Pub. L. 87-70, §607(1), struck out provisions from first paragraph which limited the Commissioner’s authority to insure mortgages to property held by private corporations, associations, cooperative societies which are legal agents of owner-occupants, or trusts formed or created for the purpose of rehabilitating slum or blighted areas, or providing housing for rent or sale.

Subsec. (c)(3). Pub. L. 87-70, §607(2), (3), inserted “(excluding exterior land improvements as defined by the Commissioner)” and substituted “\$1,800 per space” for “\$1,500 per space”.

Subsec. (i). Pub. L. 87-70, §607(4), permitted debentures issued pursuant to the provisions of section 1715k(f), 1715(g), and 1715x of this title to be dated as of the date the mortgage is assigned (or the property is conveyed) to the Commissioner.

1960—Subsec. (a)(7). Pub. L. 86-624 struck out “Hawaii,” before “Puerto Rico”.

1959—Subsec. (a)(7). Pub. L. 86-70, §10(a), struck out “Alaska,” before “Hawaii”.

Subsec. (b). Pub. L. 86-372, §104(e)(1), struck out exceptions that related to housing for elderly persons from the two unnumbered paragraphs following par. (2).

Subsec. (c). Pub. L. 86-372, §104(c), (e)(2), struck out provisions that authorized insurance of mortgages not more than \$3,100 if the entire property or project was specially designed for the use and occupancy of elderly persons and the mortgagor is a financially qualified nonprofit organization, and substituted in the unnumbered paragraph following par. (3) “5¼ per centum per annum” for “4½ per centum per annum”.

Subsec. (c)(1). Pub. L. 86-372, §104(a), substituted “\$20,000,000” for “\$12,500,000”.

Subsec. (c)(2). Pub. L. 86-70, §10(b), substituted “Alaska” for “the Territory of Alaska”.

Subsec. (c)(3). Pub. L. 86-372, §104(b), substituted “\$2,500” for “\$2,250” in two places, “\$9,000” for “\$8,100” in two places, “\$3,000” for “\$2,700”, “\$9,400” for “\$8,400”, “\$1,250 per room” for “\$1,000 per room”, “\$1,500 per space” for “\$1,000 per space”, and “\$500,000” for “\$300,000”.

Subsec. (f). Pub. L. 86-372, §104(e)(3), substituted “sections 1715a, 1715e, 1715v, and 1715w of this title” for “sections 1715a and 1715e of this title” in two places.

Subsec. (r). Pub. L. 86-372, §104(d), added subsec. (r).

1957—Subsec. (c). Pub. L. 85-104, §110, inserted in unnumbered paragraph following par. (3), “(or \$8,400 per family unit in the case of projects to consist of elevator-type structures)” and “and may permit single elderly persons to use and occupy such units”.

Subsec. (c)(3). Pub. L. 85-104, §109, struck out “per room” after “limitations”, and inserted “without regard to the number of rooms being less than four, or four or more”.

Subsec. (i). Pub. L. 85-104, §108(b), substituted in second sentence, “established by the Commissioner pursuant to section 1715o of this title” for “determined by the Commissioner, with the approval of the Secretary of the Treasury, at the time the mortgage was insured, but not to exceed 3 per centum per annum”.



Subsec. (q). Pub. L. 85-104, §111, repealed provisions which related to insurance of mortgages by Federal National Mortgage Association. See section 1715e of this title.

1956—Subsec. (b). Act Aug. 7, 1956, §104(b), inserted "(except provisions relating to housing for elderly persons)" before "to take" in paragraph following par. (2), and inserted "(except with respect to housing designed for elderly persons, with occupancy preference therefor, as provided in the paragraph following paragraph (3) of subsection (c) of this section)" after "hereunder" in second unnumbered par. following par. (2).

Subsec. (c). Act Aug. 7, 1956, §104(c), substituted provisions of unnumbered par. following par. (3) that in certain housing for elderly persons, the mortgage may involve a principal obligation of \$8,100 per family unit and 90 percent of the replacement cost, for former provisions that if the number of bedrooms is equal or exceeds two per family unit, and the principal obligation does not exceed \$7,200 per family unit, the mortgage may involve a principal obligation not in excess of 90 percent of the value of the property.

Subsec. (c)(2). Act Aug. 7, 1956, §103(a), substituted "90 per centum" for "80 per centum".

Subsec. (c)(3). Act Aug. 7, 1956, §103(b), increased limits on mortgages from \$2,000 per room to \$2,250 per room, from \$7,200 to \$8,100 where the number of rooms in the project is less than 4 per family unit, from \$2,400 to \$2,700 per room and \$7,500 to \$8,400 per family unit for elevator type structures, and inserted provision allowing Commissioner to increase dollar amount limitations by not to exceed \$1,000 per room.

1955—Subsec. (a). Act Aug. 11, 1955, §102(b)(1), (2), inserted provisions relating to trailer coach mobile dwellings in par. (1)(B), and included space in a trailer court or park in the definition of "rental housing" in par. (6).

Subsec. (c). Act Aug. 11, 1955, §102(b)(5), amended last paragraph to authorize insurance of mortgages on rental properties having eight or more family units.

Subsec. (c)(1). Act Aug. 11, 1955, §102(c), increased from \$5,000,000 to \$12,500,000 the limitation on the maximum amount of a mortgage.

Subsec. (c)(2). Act Aug. 11, 1955, §102(b)(3), inserted "or mortgage on a trailer court or park".

Subsec. (c)(3). Act Aug. 11, 1955, §102(b)(4), inserted "or not to exceed \$1,000 per space or \$300,000 per mortgage for trailer courts or parks".

1954—Subsec. (c)(2). Act Aug. 2, 1954, §115(1), (2), inserted the proviso relating to mortgage insurance with respect to construction in slum or blighted areas, and inserted the reference to Guam.

Subsec. (c)(3). Act Aug. 2, 1954, §115(3), struck out the \$10,000 per family-unit limitation, and inserted provisions permitting an increase in the limitations of \$2,000 per room and \$7,200 per family unit (less than four rooms) to \$2,400, and \$7,500, respectively, for elevator-type structures.

Subsec. (d). Act Aug. 2, 1954, §116, inserted in first sentence "of the Housing Insurance Fund" after "debentures".

Subsec. (h). Act Aug. 2, 1954, §117, at end of first sentence, inserted provision relating to inclusion of foreclosure costs, costs of acquisition, and costs of conveyance to the Commissioner.

Subsec. (i). Act Aug. 2, 1954, §112(b), substituted in second sentence a twenty-year period for the ten-year period, with respect to the maturity of debentures.

1953—Subsec. (c). Act June 30, 1953, §5(a), added par. following par. (3).

Subsec. (c)(2). Act June 30, 1953, §5(a), substituted "80 per centum of the estimated value of the property or project (when the proposed improvements are completed)" for limitation of 90 per centum of value attributable to dwelling use up to \$7,000 per family unit, 60 per centum of such value over \$7,000 and up to \$10,000, and 90 per centum of value attributable to non-dwelling use.

Subsec. (c)(3). Act June 30, 1953, §5(a), substituted provisions for maximum mortgage amount of \$2,000 per

room (or \$7,200 per family unit if the number of rooms does not equal or exceed four per family unit), up to \$10,000 per family unit, for provisions which fixed a limitation of \$8,100 per family unit (or \$7,200 if the number of rooms was less than four per family unit), provided for amortization of the mortgage and rate of interest, provided for consent to release of part of mortgaged property, prohibited acceptance of mortgages on properties not economically sound, and provided for inclusion with mortgaged properties adequate commercial and community facilities.

Subsec. (i). Act June 30, 1953, §5(b), substituted in second sentence, "ten" years for "twenty" years.

1952—Subsec. (a)(7). Act July 14, 1952, inserted "Guam," after "District of Columbia."

1951—Subsec. (c)(2). Act Sept. 1, 1951, §605, in cl. (i), substituted "of the property or project attributable to dwelling use" for "of the property or project"; in cl. (ii), inserted "and" after "unit"; and added cl. (iii).

Subsec. (c)(3). Act Sept. 1, 1951, §605, substituted "four per family unit" for "four and one-half per family unit".

Subsec. (i). Act Sept. 1, 1951, §604(b), substituted in second sentence the provision that such debentures shall mature twenty years after the date thereof, for the provision that they should mature three years after the first day of July following the maturity date of the mortgage in exchange for which the debentures were issued.

1950—Act Apr. 20, 1950, §122, substituted "Commissioner" for "Administrator" wherever appearing.

Subsec. (b). Act Apr. 20, 1950, §106, added last two unnumbered pars.

Subsec. (c)(2). Act Apr. 20, 1950, §107(1), provided that the mortgage would not exceed 90% of the first \$7,000 estimated value of the property and 60% of such estimated value in excess of \$7,000 and not in excess of \$10,000.

Subsec. (c)(3). Act Apr. 20, 1950, §107(2), (3), provided a dollar mortgage limitation of \$8,100 per family unit or \$7,200 per family unit if the number of rooms did not equal or exceed four and one-half per family unit, and struck out " , except that with respect to mortgages insured under the provisions of the second proviso of paragraph (2) of this subsection, which mortgages are authorized to have a maturity of not exceeding forty years from the date of insurance of the mortgage, such interest rate shall not exceed 4 per centum per annum" in first sentence of last par.

Subsec. (d). Act Apr. 20, 1950, §108, struck out "one-half of" before "1 per centum" in proviso.

Subsec. (f). Act Apr. 20, 1950, §109, inserted "and section 1715e" before "of this title" wherever appearing.

Subsec. (g). Act Apr. 20, 1950, §110, inserted "and any mortgage insurance premiums paid after default" after "preservation of the property" in cl. (C) of last sentence, and substituted proviso of last sentence for the one reading "That the mortgagee in event of a default under the mortgage, may, at its option and in accordance with rules and regulations to be prescribed by the Commissioner, proceed to foreclose on or otherwise acquire the property as provided in the case of a mortgage which is in default under section 1715a of this title and receive the benefits of the insurance as provided in such section".

Subsec. (h). Act Apr. 20, 1950, §111, substituted "under this section" after "claim issued" in first sentence for "by the Commissioner to any mortgagee upon the assignment of the mortgage to the Commissioner".

Subsec. (i). Act Apr. 20, 1950, §112, struck out first sentence and substituted "Debentures issued under this section shall be executed in the name of the Housing Insurance Fund as obligor, shall be signed by the Commissioner by either his written or engraved signature, shall be negotiable, and shall be dated as of the date of default as determined in subsection (g) of this section and shall bear interest from such date".

1948—Subsec. (b)(1) Act Aug. 10, 1948, §101(m), substituted "restricted by Federal or State laws or regulations of State banking or insurance departments" for

“formed under and restricted by Federal or State housing laws”.

Subsec. (c). Act Aug. 10, 1948, §101(n)(1)–(3), amended first sentence generally, inserted “except that with respect to mortgages insured under the provisions of the second proviso of paragraph numbered (2) of this subsection, which mortgages are hereby authorized to have a maturity of not exceeding forty years from the date of the insurance of the mortgage, such interest rate shall not exceed 4 per centum per annum” at end of second sentence, and inserted last sentence.

Act July 1, 1948, inserted proviso.

Subsec. (g). Act Aug. 10, 1948, §101(o), substituted, in cl. (ii), “(1)” for “(2)”.

Subsec. (h). Act Aug. 10, 1948, §101(p), substituted “retained by the Housing Administrator and credited to the Housing Insurance Fund” for “paid to the mortgagor of such property”.

Subsec. (q). Act Aug. 10, 1948, §101(r), added subsec. (q).

1941—Subsec. (a)(1). Act Mar. 28, 1941, §4(b)(1), struck out “district or territory”.

Subsec. (a)(7). Act Mar. 28, 1941, §4(b)(2), added par. (7).

1939—Subsec. (c). Act June 3, 1939, amended first sentence generally.

1938—Act of Feb. 3, 1938, amended section generally.

1935—Act Aug. 23, 1935, inserted “property” before “project” in last sentence.

#### EFFECTIVE DATE OF 1983 AMENDMENT

Section 431(c) of Pub. L. 98-181 provided that: “The amendments made in this section [amending this section and section 1715y of this title] shall not apply with respect to mortgages insured by the Secretary of Housing and Urban Development before the date of the enactment of this Act [Nov. 30, 1983].”

#### EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-35 effective Oct. 1, 1981, see section 371 of Pub. L. 97-35, set out as an Effective Date note under section 3701 of this title.

#### EFFECTIVE DATE OF 1954 AMENDMENT

Amendment by section 112(b) of act Aug. 2, 1954, as not applicable in any case where the mortgage involved was insured or the commitment for the insurance was issued prior to Aug. 2, 1954, see section 112(e) of that act, set out as a note under section 1710 of this title.

#### REPEALS

The directory language of, but not the amendment made by, Pub. L. 90-301, §3(b), May 7, 1968, 82 Stat. 114, cited as a credit to this section, was repealed by Pub. L. 98-181, title IV, §404(a), Nov. 30, 1983, 97 Stat. 1208.

#### REGULATIONS

Section 509(h) of Pub. L. 102-550 provided that: “The Secretary of Housing and Urban Development shall issue regulations necessary to carry out the amendments made by subsections (a) through (g) [amending this section and sections 1715e, 1715k, 1715l, 1715v, and 1715y of this title], which shall take effect not later than the expiration of the 1-year period beginning on the date of the enactment of this Act [Oct. 28, 1992].”

#### TERMINATION OF TRUST TERRITORY OF THE PACIFIC ISLANDS

For termination of Trust Territory of the Pacific Islands, see note set out preceding section 1681 of Title 48, Territories and Insular Possessions.

#### DELEGATION OF PROCESSING OF MORTGAGE INSURANCE

Pub. L. 101-625, title III, §328, Nov. 28, 1990, 104 Stat. 4138, as amended by Pub. L. 102-242, title II, §226, Dec. 19, 1991, 105 Stat. 2307, provided that:

“(a) AUTHORITY.—Not later than the expiration of the 60-day period beginning on the date of enactment this

Act [Nov. 28, 1990], the Secretary of Housing and Urban Development shall implement a system of mortgage insurance for mortgages insured under section 207, 221, 223, 232, or 241 of the National Housing Act [12 U.S.C. 1713, 1715l, 1715n, 1715w, 1715z-6] that delegates processing functions to selected approved mortgagees or other individuals and entities expressly approved by the Department of Housing and Urban Development. Under such system, the Secretary shall retain the authority to approve rents, expenses, property appraisals, and mortgage amounts and to execute a firm commitment.

“(b) FULL INSURANCE PROGRAM.—Notwithstanding subsection (a), the Secretary shall maintain a viable system for full insurance programs under such Act [this chapter] under which all processing functions are performed by officers and employees of the Department of Housing and Urban Development.”

#### LIMITATION ON NUMBER OF DWELLING UNITS WITH MORTGAGES NOT PROVIDING FOR COMPLETE AMORTIZATION

Section 446(f) of Pub. L. 98-181 provided that: “The aggregate number of dwelling units included in properties covered by mortgages insured pursuant to the authority granted in the amendments made by this section [amending sections 1713, 1715k, 1715l, and 1715v of this title] in any fiscal year may not exceed 10,000.”

#### AMENDMENTS TO PROVISIONS FOR FAMILY UNIT LIMITS ON RENTAL HOUSING; EQUITABLE APPLICATION OF SUCH AMENDMENTS OR PRE-AMENDMENT PROVISIONS TO PROJECTS SUBMITTED FOR CONSIDERATION PRIOR TO SEPTEMBER 2, 1964

Section 107(g) of Pub. L. 88-560, as amended by Pub. L. 90-19, §21(a), May 25, 1967, 81 Stat. 25, provided that if the Secretary of Housing and Urban Development determined that it would be inequitable to apply the provisions of the National Housing Act as amended by section 107 [amending sections 1713, 1715e, 1715k, 1715l, 1715v, and 1748h-2 of this title] to a project which had been submitted for his consideration prior to Sept. 2, 1964, such provisions could be applied to such project without regard to the amendments made by section 107.

#### § 1714. Taxation

Nothing in this subchapter shall be construed to exempt any real property acquired and held by the Secretary under this subchapter from taxation by any State or political subdivision thereof, to the same extent, according to its value, as other real property is taxed.

(June 27, 1934, ch. 847, title II, §208, 48 Stat. 1252; Feb. 3, 1938, ch. 13, §3, 52 Stat. 22; Apr. 20, 1950, ch. 94, title I, §122, 64 Stat. 52; Pub. L. 90-19, §1(a)(3), May 25, 1967, 81 Stat. 17.)

#### AMENDMENTS

1967—Pub. L. 90-19 substituted “Secretary” for “Commissioner”.

1950—Act Apr. 20, 1950, substituted “Commissioner” for “Administrator”.

1938—Act Feb. 3, 1938, corrected error in spelling of “subdivision”.

#### § 1715. Statistical and economic surveys

The Secretary shall cause to be made in connection with the insurance programs such statistical surveys and legal and economic studies as he shall deem useful to guide the development of housing and the creation of a sound mortgage market in the United States, and shall publish from time to time the results of such surveys and studies. Expenses of such studies and surveys, and expenses of publication and distribution of the results of such studies and