

Revised 18

**AMENDMENT TO H.R. 5072, AS REPORTED  
OFFERED BY MS. WATERS OF CALIFORNIA**

Page 9, line 19, after “single family” insert “residences”.

Page 18, line 24, strike “12-month” and insert “18-month”.

Page 14, after line 16, insert the following new section:

1 **SEC. 13. AUTHORIZATION TO PARTICIPATE IN THE ORIGI-**  
2 **NATION OF FHA-INSURED LOANS.**

3 (a) SINGLE FAMILY MORTGAGES.—Section 203(b) of  
4 the National Housing Act (12 U.S.C. 1709(b)) is amended  
5 by striking paragraph (1) and inserting the following new  
6 paragraph:

7 “(1) Have been made to a mortgagee approved  
8 by the Secretary or to a person or entity authorized  
9 by the Secretary under section 202(d)(1) to partici-  
10 pate in the origination of the mortgage, and be held  
11 by a mortgagee approved by the Secretary as re-  
12 sponsible and able to service the mortgage prop-  
13 erly.”.

1 (b) HOME EQUITY CONVERSION MORTGAGES.—Sec-  
2 tion 255(d) of the National Housing Act (12 U.S.C.  
3 1715z–20(d)) is amended by striking paragraph (1) and  
4 inserting the following new paragraph:

5 “(1) have been originated by a mortgagee ap-  
6 proved by, or by a person or entity authorized under  
7 section 202(d)(1) to participate in the origination  
8 by, the Secretary;”.

Page 14, line 17, strike “13” and insert “14”.

Page 15, line 14, strike “14” and insert “15”.

Strike line 23 on page 18 and all that follows  
through page 22, line 20, and insert the following:

9 **SEC. 16. GAO REPORT ON FHA.**

10 Not later than the expiration of the 12-month period  
11 beginning on the date of the enactment of this Act, the  
12 Comptroller General of the United States shall submit to  
13 the Congress a report on the single family mortgage insur-  
14 ance programs of the Secretary of Housing and Urban De-  
15 velopment and the Mutual Mortgage Insurance Fund es-  
16 tablished under section 202(a) of the National Housing  
17 Act (12 U.S.C. 1708(a)) that—

18 (1) analyzes such Fund, the economic net  
19 worth, capital ratio, and unamortized insurance-in-  
20 force (as such terms are defined in section 205(f)(4)

1 of such Act (12 U.S.C. 1711(f)(4)) of such Fund,  
2 the risks to the Fund, how the capital ratio of the  
3 Fund affects the mortgage insurance programs  
4 under the Fund and the broader housing market,  
5 the extent to which the housing markets are more  
6 dependent on mortgage insurance provided through  
7 the Fund since the financial crisis began in 2008,  
8 and the exposure of the taxpayers for obligations of  
9 the Fund;

10 (2) analyzes the methodology for determining  
11 the Fund's capital ratio under section 205(f) of such  
12 Act and examines alternative methods for assessing  
13 the Fund's financial condition and their potential  
14 impacts on the Fund's ability to meet the oper-  
15 ational goals under section 202(a)(7) of such Act;

16 (3) analyzes the potential effects of the in-  
17 creases in the limits on the maximum principal obli-  
18 gation of mortgages made by the FHA Moderniza-  
19 tion Act of 2008 (title I of division B of Public Law  
20 110-289), section 202 of the Economic Stimulus  
21 Act of 2008 (Public Law 110-185; 122 Stat. 620),  
22 section 1202 of division A of the American Recovery  
23 and Reinvestment Act of 2009 (Public Law 111-5;  
24 123 Stat. 225), and section 166 of the Continuing  
25 Appropriations Resolution, 2010 (as added by sec-

1       tion 104 of division B of Public Law 111–88; 123  
2       Stat. 29723) on—

3               (A) the risks to and safety and soundness  
4       of the Fund;

5               (B) the impact on the affordability and  
6       availability of mortgage credit for borrowers for  
7       loans authorized under such higher loan limits;

8               (C) the private market for residential  
9       mortgage loans that are not insured by the Sec-  
10      retary of Housing and Urban Development; and

11              (D) the Federal National Mortgage Asso-  
12      ciation and the Federal Home Loan Mortgage  
13      Corporation; and

14              (4) analyzes the impact on affordability to FHA  
15      borrowers, and the impact to the Fund, of seller  
16      concessions or contributions to a borrower pur-  
17      chasing a residence using a mortgage that is insured  
18      by the Secretary.

At the end of the bill, add the following new sec-  
tions:

19   **SEC. 17. INCREASED LOAN LIMITS FOR DESIGNATED COUN-**  
20                                   **TIES.**

21       (a) **AUTHORITY.**—Notwithstanding any other provi-  
22      sion of law, the Secretary of Housing and Urban Develop-  
23      ment (in this section referred to as the “Secretary”) may

1 increase the dollar amount limitations on the principal ob-  
2 ligation of mortgages otherwise determined under section  
3 203(b)(2) of the National Housing Act for any county that  
4 is designated under this section.

5 (b) PROCEDURE.—

6 (1) FEDERAL REGISTER NOTICE.—Any designa-  
7 tion of a county under this section shall be made  
8 only pursuant to application by the county for such  
9 designation, in accordance with procedures that the  
10 Secretary may establish. The Secretary may estab-  
11 lish such procedures only by publication in the Fed-  
12 eral Register not later than 60 days after the date  
13 of the enactment of this Act.

14 (2) FINAL DETERMINATION.—If the Secretary  
15 establishes procedures for applications under para-  
16 graph (1) and receives a completed application for  
17 designation under this section of a county in accord-  
18 ance with such procedures, the Secretary shall issue  
19 a final determination regarding such application for  
20 designation, based on the criteria under subsection  
21 (c), not later than 60 days after such receipt.

22 (c) DETERMINATION CRITERIA.—The Secretary may  
23 designate an applicant county under this section only if  
24 the county is located within a micropolitan area (as such

1 term is defined by the Director of the Office of Manage-  
2 ment and Budget) and meets the following criteria:

3 (1) More than 70 percent of the border of the  
4 applicant county abuts two or more metropolitan  
5 statistical areas (as such term is defined by the Di-  
6 rector of the Office of Management and Budget) for  
7 which each dollar amount limitation on the principal  
8 obligation of a mortgage that may be insured under  
9 section 203 of the National Housing Act, in effect  
10 at the time of such determination, is at least 40 per-  
11 cent greater than the dollar amount limitation for  
12 the same size residence for the applicant county. For  
13 purposes of such calculation, the dollar amount limi-  
14 tations of such abutting counties shall not include  
15 any increase attributable to the authority under this  
16 section.

17 (2) The applicant county has experienced sig-  
18 nificant population growth, as evidenced by an in-  
19 crease of 15 percent or more during the 10 years  
20 preceding the application, according to statistics of  
21 the United States Census Bureau or such other ap-  
22 propriate criteria as the Secretary shall establish.

23 (3) The dollar amount limitation on the prin-  
24 cipal obligation of a mortgage on housing in the ap-  
25 plicant county that may be insured under section

1       203 of the National Housing Act, in effect at the  
2       time of such application, is the minimum such dollar  
3       amount limitation allowable under the matter that  
4       follows clause (ii) in section 203(b)(2)(A) of the Na-  
5       tional Housing Act.

6       (d) ESTABLISHMENT OF LOAN LIMITS.—For a coun-  
7       ty designated under this section, the Secretary may in-  
8       crease the maximum dollar amount limitations on the  
9       principal obligation of mortgages otherwise determined  
10      under section 203(b)(2) of the National Housing Act to  
11      such levels as are appropriate, taking into consideration  
12      the criteria established for such designation, but not to  
13      exceed the dollar amount limitations for the abutting met-  
14      ropolitan statistical area meeting the requirements of sub-  
15      section (c)(1) that has the lowest such dollar amount limi-  
16      tations.

17      (e) EFFECTIVE DATE AND TERM OF DESIGNATION  
18      OF NEW COUNTYWIDE LOAN LIMITS.—A designation of  
19      a county under this section, and the maximum dollar  
20      amount limitations for such county pursuant to subsection  
21      (d), shall—

22           (1) take effect upon the expiration of the 60-  
23           day period that begins upon the final determination  
24           for the county referred to in subsection (b)(2); and

1           (2) remain in effect until the end of the cal-  
2           endar year in which such designation takes effect.

3           (f) LOAN LIMITS FOR SUCCEEDING YEARS.—With  
4           respect to each calendar year immediately following the  
5           calendar year in which a county is designated under this  
6           subsection, the Secretary may, notwithstanding any other  
7           provision of law, continue or adjust the dollar amount limi-  
8           tations in effect pursuant to this section for such des-  
9           ignated county for such preceding year, as appropriate,  
10          consistent with the criteria under this section.

11   **SEC. 18. IDENTIFICATION REQUIREMENTS FOR BOR-**  
12                           **ROWERS.**

13          Section 203 of the National Housing Act (12 U.S.C.  
14          1709), as amended by the preceding provisions of this Act,  
15          is further amended by adding at the end the following new  
16          subsection:

17          “(z) IDENTIFICATION REQUIREMENTS FOR BOR-  
18          ROWERS.—No mortgage on a 1- to 4-family dwelling may  
19          be insured under this title unless the mortgagor under  
20          such mortgage—

21                 “(1) provides a valid Social Security Number;  
22                 and

23                 “(2) is (A) a United States citizen, (B) a lawful  
24                 permanent resident alien, or (C) a non-permanent

1 resident alien who legally resides in and is author-  
2 ized to work in the United States.

3 The Secretary shall establish policies under which mortga-  
4 gees verify compliance with the requirements under this  
5 subsection.”.

