

stituted "loss reserves" for "insurance reserves", "such risk-sharing contract" for "such insurance", and "rights of assignees" for "right of assignees" and, in second sentence, inserted "or insured community development financial institution" after "private mortgage insurance company" and substituted "loans for risk-sharing" for "loans for insurance".

Subsec. (d). Pub. L. 106-554, §1(a)(7) [title I, §143(2), (6)], inserted "or insured community development financial institution" after "private mortgage insurance company" and substituted "risk-sharing" for "reinsurance".

Subsec. (e). Pub. L. 106-554, §1(a)(7) [title I, §143(7)], added subsec. (e).

1987—Subsec. (a). Pub. L. 100-200 substituted "March 15, 1988" for "December 16, 1987".

Pub. L. 100-179 substituted "December 16, 1987" for "December 2, 1987".

Pub. L. 100-170 substituted "December 2, 1987" for "November 15, 1987".

Pub. L. 100-154 substituted "November 15, 1987" for "October 31, 1987".

Pub. L. 100-122 substituted "October 31, 1987" for "September 30, 1987".

1986—Subsec. (a). Pub. L. 99-430 substituted "September 30, 1987" for "September 30, 1986".

Pub. L. 99-345 substituted "September 30, 1986" for "June 6, 1986".

Pub. L. 99-289 substituted "June 6, 1986" for "April 30, 1986".

Pub. L. 99-272 made amendment identical to Pub. L. 99-219. See 1985 Amendment note below.

Pub. L. 99-267 substituted "April 30, 1986" for "March 17, 1986".

1985—Subsec. (a). Pub. L. 99-219 substituted "March 17, 1986" for "December 15, 1985".

Pub. L. 99-156 substituted "December 15, 1985" for "November 14, 1985".

Pub. L. 99-120 substituted "November 14, 1985" for "September 30, 1985".

EVALUATION OF REINSURANCE PROGRAM; REPORT TO CONGRESS

Pub. L. 98-181, title I [title IV, §428(b)], Nov. 30, 1983, 97 Stat. 1219, provided that: "The Secretary of Housing and Urban Development shall evaluate the reinsurance program under section 249 of the National Housing Act [this section] and, not later than March 1, 1985, submit to the Congress a report setting forth the results of such evaluation. Such report shall include an evaluation of the possible effect of a reinsurance program on the characteristics of the pool of mortgages remaining wholly under the applicable insurance funds and the actuarial soundness of such funds under such conditions."

§ 1715z-15. Limitation on prepayment of mortgages on multifamily rental housing

(a) Acceptance of offer to prepay; qualifications

During any period in which an owner of a multifamily rental housing project is required to obtain the approval of the Secretary for prepayment of the mortgage, the Secretary shall not accept an offer to prepay the mortgage on such project or permit a termination of an insurance contract pursuant to section 1715t of this title unless—

- (1) the Secretary has determined that such project is no longer meeting a need for rental housing for lower income families in the area;
- (2) the Secretary (A) has determined that the tenants have been notified of the owner's request for approval of a prepayment; (B) has provided the tenants with an opportunity to comment on the owner's request; and (C) has taken such comments into consideration; and
- (3) the Secretary has ensured that there is a plan for providing relocation assistance for

adequate, comparable housing for any lower income tenant who will be displaced as a result of the prepayment and withdrawal of the project from the program.

(b) Approval prior to foreclosure

A mortgagee may foreclose the mortgage on, or acquire by deed in lieu of foreclosure, any eligible low-income housing project (as such term is defined in section 4119 of this title) only if the mortgagee also conveys title to the project to the Secretary in connection with a claim for insurance benefits.

(c) "Lower income families" defined

For purposes of this section, the term "lower income families" has the meaning given such term in section 1437a(b)(2) of title 42.

(June 27, 1934, ch. 847, title II, §250, as added Pub. L. 98-181, title I [title IV, §433], Nov. 30, 1983, 97 Stat. 1221; amended Pub. L. 100-242, title II, §261, Feb. 5, 1988, 101 Stat. 1890; Pub. L. 101-235, title II, §202(d)(1), Dec. 15, 1989, 103 Stat. 2037; Pub. L. 101-625, title VI, §602(b), (c), Nov. 28, 1990, 104 Stat. 4277.)

AMENDMENTS

1990—Subsec. (b). Pub. L. 101-625, §602(b), amended subsec. (b) generally. Prior to amendment, subsec. (b) read as follows: "In the case of a project assisted under section 1715z-1 of this title or the proviso to section 1715(d)(5) of this title, section 101 of the Housing and Urban Development Act of 1965, or section 1701q of this title where the owner has the right to prepay the mortgage covering the assisted project without the Secretary's approval, the Secretary shall give a priority for additional assistance under section 1437f of title 42 and section 201 of the Housing and Community Development Amendments of 1978 to tenants and applicants to become tenants of the project, if—

"(1) funds to provide such additional assistance are available; and

"(2) the Secretary determines that making such additional assistance available to the project is necessary to prevent the owner from prepaying the mortgage."

Subsecs. (c), (d). Pub. L. 101-625, §602(c), redesignated subsec. (d) as (c) and struck out former subsec. (c) which read as follows: "Any owner of a multifamily rental housing project referred to in subsection (b) of this section who receives additional assistance under section 1437f of title 42 under the priority established in subsection (b) of this section shall—

"(1) fully utilize the assistance which is available;

"(2) grant a priority to applicants to become tenants who have the lowest incomes; and

"(3) maintain the low-income character of the project for a period at least equal to the remaining term of the project mortgage to the extent that assistance is provided."

1989—Subsec. (a). Pub. L. 101-235 inserted "or permit a termination of an insurance contract pursuant to section 1715t of this title" after second reference to "project".

1988—Subsec. (a)(1). Pub. L. 100-242 struck out "or that the needs of lower income families in such project can more efficiently and effectively be met through other Federal housing assistance taking into account the remaining time the project could meet such needs" after "families in the area".

§ 1715z-16. Adjustable rate single family mortgages

(a) One- to four-family dwellings; maximum term of mortgage; adjustments in effective rate of interest

The Secretary may insure under any provision of this subchapter a mortgage involving prop-