

chapter, the Director shall develop written policies governing rents and homebuyer payments charged for dwelling units assisted under this subchapter, including methods by which such rents and homebuyer payments are determined.

(2) Maximum rent

In the case of any low-income family residing in a dwelling unit assisted with grant amounts under this subchapter, the monthly rent or homebuyer payment (as applicable) for that dwelling unit may not exceed 30 percent of the monthly adjusted income of that family.

(b) Maintenance and efficient operation

(1) In general

The Director shall, using amounts of any grants received under this subchapter, reserve and use for operating under section 4229 of this title such amounts as may be necessary to provide for the continued maintenance and efficient operation of such housing.

(2) Disposal of certain housing

This subsection may not be construed to prevent the Director, or any entity funded by the Department, from demolishing or disposing of housing, pursuant to regulations established by the Secretary.

(c) Insurance coverage

As a condition to receiving grant amounts under this subchapter, the Director shall require adequate insurance coverage for housing units that are owned or operated or assisted with grant amounts provided under this subchapter.

(d) Eligibility for admission

As a condition to receiving grant amounts under this subchapter, the Director shall develop written policies governing the eligibility, admission, and occupancy of families for housing assisted with grant amounts provided under this subchapter.

(e) Management and maintenance

As a condition to receiving grant amounts under this subchapter, the Director shall develop policies governing the management and maintenance of housing assisted with grant amounts under this subchapter.

(Pub. L. 104-330, title VIII, §811, as added Pub. L. 106-568, title II, §203, Dec. 27, 2000, 114 Stat. 2887, and Pub. L. 106-569, title V, §513, Dec. 27, 2000, 114 Stat. 2981.)

CODIFICATION

Pub. L. 106-568, §203, and Pub. L. 106-569, §513, enacted identical sections 811 of Pub. L. 104-330. This section is based on the text of section 811 of Pub. L. 104-330, as added by Pub. L. 106-569, §513.

§ 4231. Types of investments

(a) In general

Subject to section 4230 of this title and an applicable housing plan approved under section 4223 of this title, the Director shall have—

(1) the discretion to use grant amounts for affordable housing activities through the use of—

- (A) equity investments;
- (B) interest-bearing loans or advances;
- (C) noninterest-bearing loans or advances;
- (D) interest subsidies;
- (E) the leveraging of private investments;

or

(F) any other form of assistance that the Secretary determines to be consistent with the purposes of this subchapter; and

(2) the right to establish the terms of assistance provided with funds referred to in paragraph (1).

(b) Investments

The Director may invest grant amounts for the purposes of carrying out affordable housing activities in investment securities and other obligations, as approved by the Secretary.

(Pub. L. 104-330, title VIII, §812, as added Pub. L. 106-568, title II, §203, Dec. 27, 2000, 114 Stat. 2888, and Pub. L. 106-569, title V, §513, Dec. 27, 2000, 114 Stat. 2982.)

CODIFICATION

Pub. L. 106-568, §203, and Pub. L. 106-569, §513, enacted identical sections 812 of Pub. L. 104-330. This section is based on the text of section 812 of Pub. L. 104-330, as added by Pub. L. 106-569, §513.

§ 4232. Low-income requirement and income targeting

(a) In general

Housing shall qualify for affordable housing for purposes of this subchapter only if—

(1) each dwelling unit in the housing—

(A) in the case of rental housing, is made available for occupancy only by a family that is a low-income family at the time of the initial occupancy of that family of that unit; and

(B) in the case of housing for homeowner-ship, is made available for purchase only by a family that is a low-income family at the time of purchase; and

(2) each dwelling unit in the housing will remain affordable, according to binding commitments satisfactory to the Secretary, for—

(A) the remaining useful life of the property (as determined by the Secretary) without regard to the term of the mortgage or to transfer of ownership; or

(B) such other period as the Secretary determines is the longest feasible period of time consistent with sound economics and the purposes of this subchapter, except upon a foreclosure by a lender (or upon other transfer in lieu of foreclosure) if that action—

(i) recognizes any contractual or legal rights of any public agency, nonprofit sponsor, or other person or entity to take an action that would—

(I) avoid termination of low-income affordability, in the case of foreclosure; or

(II) transfer ownership in lieu of foreclosure; and

(ii) is not for the purpose of avoiding low-income affordability restrictions, as determined by the Secretary.