

ing premium payments for lower income mortgagors, or otherwise making possible insurance protection of homeowners; and authorized the Secretary, in preparing his recommendations, to consult with other agencies or instrumentalities of the United States which insure or guarantee home mortgages in order that any recommended legislation afford equal benefits to mortgagors participating in their programs.

**§ 1709-1. Repealed. Pub. L. 98-181, title I [title IV, § 404(a)], Nov. 30, 1983, 97 Stat. 1208**

Section, Pub. L. 90-301, §3(a), May 7, 1968, 82 Stat. 113; Pub. L. 90-448, title III, §315, Aug. 1, 1968, 82 Stat. 512; Pub. L. 91-78, §3, Sept. 30, 1969, 83 Stat. 125; Pub. L. 91-152, title IV, §401, Dec. 24, 1969, 83 Stat. 394; Pub. L. 91-351, title VI, §601, July 24, 1970, 84 Stat. 461; Pub. L. 92-213, §1, Dec. 22, 1971, 85 Stat. 775; Pub. L. 92-335, §1, July 1, 1972, 86 Stat. 405; Pub. L. 93-85, §2, Aug. 10, 1973, 87 Stat. 220; Pub. L. 93-117, §3, Oct. 2, 1973, 87 Stat. 422; Pub. L. 93-234, title II, §208, Dec. 31, 1973, 87 Stat. 984; Pub. L. 93-383, title III, §§309(e), 317, Aug. 22, 1974, 88 Stat. 682, 685; Pub. L. 95-60, §2, June 30, 1977, 91 Stat. 257; Pub. L. 95-80, §2, July 31, 1977, 91 Stat. 339; Pub. L. 95-128, title III, §302, Oct. 12, 1977, 91 Stat. 1131; Pub. L. 95-406, §2, Sept. 30, 1978, 92 Stat. 880; Pub. L. 95-557, title III, §302, Oct. 31, 1978, 92 Stat. 2096; Pub. L. 96-71, §2, Sept. 28, 1979, 93 Stat. 501; Pub. L. 96-105, §2, Nov. 8, 1979, 93 Stat. 794; Pub. L. 96-153, title III, §302, Dec. 21, 1979, 93 Stat. 1112; Pub. L. 96-372, §3, Oct. 3, 1980, 94 Stat. 1364; Pub. L. 96-399, title III, §§302, 332, Oct. 8, 1980, 94 Stat. 1639, 1652; Pub. L. 97-35, title III, §332, Aug. 13, 1981, 95 Stat. 413; Pub. L. 97-289, §2, Oct. 6, 1982, 96 Stat. 1231; Pub. L. 98-35, §2, May 26, 1983, 97 Stat. 197; Pub. L. 98-109, §2, Oct. 1, 1983, 97 Stat. 746, authorized the Secretary, until Dec. 1, 1983, to set the maximum interest rates for certain mortgage insurance programs, notwithstanding the authority of the Secretary of Housing and Urban Development to establish such rates, specified the criteria to be considered in establishing such rates, authorized the Secretary to provide that the interest rate applicable under section 1709(b) of this title be the negotiated interest rate specified in the commitment agreement, limited the amount of mortgages with such negotiated interest rates which may be insured and prohibited such negotiated interest rates with respect to mortgages subject to section 1715z-10 of this title.

**MORTGAGE CREDIT INTEREST RATES**

Pub. L. 90-301, §4, May 7, 1968, 82 Stat. 114, as amended by Pub. L. 90-565, Oct. 12, 1968, 82 Stat. 1001; Pub. L. 91-9, Apr. 11, 1969, 83 Stat. 7; Pub. L. 91-38, July 1, 1969, 83 Stat. 43, which established a Commission to study mortgage interest rates and to make recommendations to assure the availability of an adequate supply of mortgage credit at a reasonable cost to the consumer, directed the Commission to make an interim report not later than July 1, 1969, and a final report of its study and recommendations not later than August 1, 1969, to enable the President, Congress, and the Secretary of Housing and Urban Development to take necessary action before October 1, 1969, when the authorization for the increase in interest rates above present statutory ceilings will expire, and provided that the Commission cease to exist sixty days after the submission of its final report, was repealed by Pub. L. 98-181, title I [title IV, § 404(a)], Nov. 30, 1983, 97 Stat. 1208.

**§ 1709-1a. State constitutional and legal limits upon interest chargeable on loans, mortgages, or other interim financing arrangements; applicability; covered arrangements**

(a) The provisions of the constitution of any State expressly limiting the amount of interest which may be charged, taken, received, or reserved by certain classes of lenders and the provisions of any law of that State expressly limit-

ing the amount of interest which may be charged, taken, received, or reserved shall not apply to—

(1) any loan or mortgage which is secured by a one- to four-family dwelling and which is (A) insured under title I or II [12 U.S.C. 1702 et seq. or 1707 et seq.] of the National Housing Act, or (B) insured, guaranteed, or made under chapter 37 of title 38; or

(2) any temporary construction loan or other interim financing if at the time such loan is made or financing is arranged, the intention to obtain permanent financing substantially by means of loans or mortgages so insured, guaranteed, or made is declared.

(b) The provisions of this section shall apply to such loans, mortgages, or other interim financing made or executed in any State until the effective date (after June 30, 1976) of a provision of law of that State limiting the amount of interest which may be charged, taken, received, or reserved on such loans, mortgages, or financing.

(Pub. L. 94-324, §8, June 30, 1976, 90 Stat. 722.)

**REFERENCES IN TEXT**

The National Housing Act, referred to in subsec. (a)(1), is act June 27, 1934, ch. 847, 48 Stat. 1246, as amended. Titles I and II of the National Housing Act are classified generally to subchapters I (§1702 et seq.) and II (§1707 et seq.), respectively, of this chapter. For complete classification of this Act to the Code, see section 1701 of this title and Tables.

**CODIFICATION**

Section was enacted as part of the Veterans Housing Amendments Act of 1976, and not as part of the National Housing Act which comprises this chapter.

**EFFECTIVE DATE**

Section effective June 30, 1976, see section 9(a) of Pub. L. 94-324, set out as a note under section 3701 of Title 38, Veterans' Benefits.

**§ 1709-2. Equity skimming; penalty; persons liable; one dwelling exemption**

Whoever, with intent to defraud, willfully engages in a pattern or practice of—

(1) purchasing one- to four-family dwellings (including condominiums and cooperatives) which are subject to a loan in default at time of purchase or in default within one year subsequent to the purchase and the loan is secured by a mortgage or deed of trust insured or held by the Secretary of Housing and Urban Development or guaranteed by the Department of Veterans Affairs, or the loan is made by the Department of Veterans Affairs,

(2) failing to make payments under the mortgage or deed of trust as the payments become due, regardless of whether the purchaser is obligated on the loan, and

(3) applying or authorizing the application of rents from such dwellings for his own use,

shall be fined not more than \$250,000 or imprisoned not more than 5 years, or both. This section shall apply to a purchaser of such a dwelling, or a beneficial owner under any business organization or trust purchasing such dwelling, or to an officer, director, or agent of any such purchaser. Nothing in this section shall apply to the purchaser of only one such dwelling.