

Pub. L. 96-372 substituted “October 15, 1980” and “October 16, 1980” for “September 30, 1980” and “October 1, 1980”, respectively.

Subsecs. (f), (g). Pub. L. 96-470 struck out subsec. (f) and redesignated subsec. (g) as (f).

1979—Subsec. (d). Pub. L. 96-153 substituted “September 30, 1980” for “November 30, 1979” and “October 1, 1980” for “December 1, 1979”.

Pub. L. 96-105 substituted “November 30, 1979” and “December 1, 1979” for “October 31, 1979” and “November 1, 1979”, respectively.

Pub. L. 96-71 substituted “October 31, 1979” and “November 1, 1979” for “September 30, 1979” and “October 1, 1979”, respectively.

1978—Subsec. (d). Pub. L. 95-557 substituted “September 30, 1979” for “October 31, 1978” and “October 1, 1979” for “November 1, 1978”.

Pub. L. 95-406 substituted “October 31, 1978” for “September 30, 1978” and “November 1, 1978” for “October 1, 1978”.

1977—Subsec. (d). Pub. L. 95-128 substituted “September 30, 1978” for “September 30, 1977” and “October 1, 1978” for “October 1, 1977”.

Pub. L. 95-80 substituted “September 30, 1977” for “July 31, 1977”.

Pub. L. 95-60 substituted “July 31, 1977” for “June 30, 1977”.

1976—Subsec. (a). Pub. L. 94-375, §6(b), inserted, in text following par. (2), a provision excluding a mortgagee which enters into a contract under this section from regulation by state insurance laws.

Subsec. (g). Pub. L. 94-375, §6(a), added subsec. (g).

CHANGE OF NAME

Committee on Banking, Finance and Urban Affairs of House of Representatives treated as referring to Committee on Banking and Financial Services of House of Representatives by section 1(a) of Pub. L. 104-14, set out as a note preceding section 21 of Title 2, The Congress. Committee on Banking and Financial Services of House of Representatives abolished and replaced by Committee on Financial Services of House of Representatives, and jurisdiction over matters relating to securities and exchanges and insurance generally transferred from Committee on Energy and Commerce of House of Representatives by House Resolution No. 5, One Hundred Seventh Congress, Jan. 3, 2001.

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.

§ 1715z-10. Repealed. Pub. L. 110-289, div. B, title I, § 2120(a)(7), July 30, 2008, 122 Stat. 2835

Section, act June 27, 1934, ch. 847, title II, §245, as added Pub. L. 93-383, title III, §308, Aug. 22, 1974, 88 Stat. 680; amended Pub. L. 94-375, §7, Aug. 3, 1976, 90 Stat. 1071; Pub. L. 95-128, title III, §§301(g), 310, Oct. 12, 1977, 91 Stat. 1131, 1136; Pub. L. 95-406, §1(g), Sept. 30, 1978, 92 Stat. 879; Pub. L. 95-557, title III, §301(g), Oct. 31, 1978, 92 Stat. 2096; Pub. L. 95-630, title XV, §1503, Nov. 10, 1978, 92 Stat. 3713; Pub. L. 96-71, §1(g), Sept. 28, 1979, 93 Stat. 501; Pub. L. 96-105, §1(g), Nov. 8, 1979, 93 Stat. 794; Pub. L. 96-153, title III, §§301(g), 311(b), Dec. 21, 1979, 93 Stat. 1112, 1115; Pub. L. 96-372, §1(g), Oct. 3, 1980, 94 Stat. 1363; Pub. L. 96-399, title III, §301(g), Oct. 8, 1980, 94 Stat. 1638; Pub. L. 97-35, title III, §331(g) Aug. 13, 1981, 95 Stat. 413; Pub. L. 97-289, §1(g), Oct. 6, 1982, 96 Stat. 1230; Pub. L. 98-35, §1(g), May 26, 1983, 97 Stat. 197; Pub. L. 98-109, §1(g), Oct. 1, 1983, 97 Stat. 745; Pub. L. 98-181, title I [title IV, §§401(f), 441, 442], Nov. 30, 1983, 97 Stat. 1208, 1223, 1224; Pub. L. 99-120, §1(f), Oct. 8, 1985, 99 Stat. 502; Pub. L. 99-156, §1(f), Nov. 15, 1985, 99 Stat. 815; Pub. L. 99-219, §1(f), Dec. 26, 1985, 99 Stat. 1730; Pub. L. 99-267, §1(f), Mar. 27, 1986, 100 Stat. 73; Pub. L. 99-272, title III, §3007(f), Apr. 7, 1986, 100 Stat. 105; Pub. L. 99-289, §1(b), May 2, 1986, 100 Stat. 412; Pub. L. 99-345, §1,

June 24, 1986, 100 Stat. 673; Pub. L. 99-430, Sept. 30, 1986, 100 Stat. 986; Pub. L. 100-122, §1, Sept. 30, 1987, 101 Stat. 793; Pub. L. 100-154, Nov. 5, 1987, 101 Stat. 890; Pub. L. 100-170, Nov. 17, 1987, 101 Stat. 914; Pub. L. 100-179, Dec. 3, 1987, 101 Stat. 1018; Pub. L. 100-200, Dec. 21, 1987, 101 Stat. 1327; Pub. L. 100-242, title IV, §§401(a)(4), 408(b), 415(b)(1), Feb. 5, 1988, 101 Stat. 1898, 1903, 1907; Pub. L. 107-326, §3, Dec. 4, 2002, 116 Stat. 2793, related to graduated payment and indexed mortgages.

§ 1715z-11. Sale to cooperatives of multifamily housing projects acquired by Secretary; acceptance of purchase money mortgage for sale or insurance of mortgage; principal amount of mortgage; expenditures for repairs, etc., prior to sale

In any case which the Secretary sells a multifamily housing project acquired as the result of a default on a mortgage which was insured under this chapter to a cooperative which will operate it on a nonprofit basis and restrict permanent occupancy of its dwellings to members, or to a nonprofit corporation which operates as a consumer cooperative as defined by the Secretary, the Secretary may accept a purchase money mortgage, or upon application of the mortgagee, insure a mortgage under this section upon such terms and conditions as the Secretary determines are reasonable and appropriate, in a principal amount equal to the value of the property at the time of purchase, which value shall be based upon a mortgage amount on which the debt service can be met from the income of property when operated on a nonprofit basis after payment of all operating expenses, taxes, and required reserves; except that the Secretary may add to the mortgage amount an amount not greater than the amount of prepaid expenses and costs involved in achieving cooperative ownership, or make such other provisions for payment of such expenses and costs as the Secretary deems reasonable and appropriate. Prior to such disposition of a project, funds may be expended by the Secretary for necessary repairs and improvements.

(June 27, 1934, ch. 847, title II, §246, as added Pub. L. 93-383, title III, §315, Aug. 22, 1974, 88 Stat. 684; amended Pub. L. 95-557, title III, §322, Oct. 31, 1978, 92 Stat. 2102.)

AMENDMENTS

1978—Pub. L. 95-557 inserted “or to a nonprofit corporation which operates as a consumer cooperative as defined by the Secretary” after “dwellings to members” and “or upon application of the mortgagee, insure a mortgage under this section upon such terms and conditions as the Secretary determines are reasonable and appropriate” after “purchase money mortgage” and substituted “the value of the property at the time of purchase, which value shall be based upon a mortgage amount on which the debt service can be met from the income of property when operated on a nonprofit basis after payment of all operating expenses, taxes, and required reserves; except that the Secretary may add to the mortgage amount an amount not greater than the amount of prepaid expenses and costs involved in achieving cooperative ownership, or make such other provision for payment of such expenses and costs as the Secretary deems reasonable and appropriate” for “the sum of (1) the appraised value of the property at the time of purchase, which value shall be based upon a mortgage amount on which the debt service can be met from the income of the property when operated on a nonprofit basis and after payment of all

operating expenses, taxes and required reserves, and (2) the amount of prepaid expenses and costs involved in achieving cooperative ownership”.

§ 1715z-11a. Disposition of HUD-owned properties

(a) Flexible authority for multifamily projects

During fiscal year 1997 and fiscal years thereafter, the Secretary may manage and dispose of multifamily properties owned by the Secretary, including, for fiscal years 1997, 1998, 1999, 2000, and thereafter, the provision of grants and loans from the General Insurance Fund (12 U.S.C. 1735c) for the necessary costs of rehabilitation, demolition, or construction on the properties (which shall be eligible whether vacant or occupied), and multifamily mortgages held by the Secretary on such terms and conditions as the Secretary may determine, notwithstanding any other provision of law. A grant provided under this subsection during fiscal years 2006 through 2010 shall be available only to the extent that appropriations are made in advance for such purposes and shall not be derived from the General Insurance Fund.

(b) Transfer of unoccupied and substandard housing to local governments and community development corporations

(1) Transfer authority

Notwithstanding the authority under subsection (a) and the last sentence of section 1710(g) of this title, the Secretary of Housing and Urban Development shall transfer ownership of any qualified HUD property, subject to the requirements of this section, to a unit of general local government having jurisdiction for the area in which the property is located or to a community development corporation which operates within such a unit of general local government in accordance with this subsection, but only to the extent that units of general local government and community development corporations consent to transfer and the Secretary determines that such transfer is practicable.

(2) Qualified HUD properties

For purposes of this subsection, the term “qualified HUD property” means any property for which, as of the date that notification of the property is first made under paragraph (3)(B), not less than 6 months have elapsed since the later of the date that the property was acquired by the Secretary or the date that the property was determined to be unoccupied or substandard, that is owned by the Secretary and is—

(A) an unoccupied multifamily housing project;

(B) a substandard multifamily housing project; or

(C) an unoccupied single family property that—

(i) has been determined by the Secretary not to be an eligible asset under section 1710(h) of this title; or

(ii) is an eligible asset under such section 1710(h) of this title, but—

(I) is not subject to a specific sale agreement under such section; and

(II) has been determined by the Secretary to be inappropriate for continued inclusion in the program under such section 1710(h) of this title pursuant to paragraph (10) of such section.

(3) Timing

The Secretary shall establish procedures that provide for—

(A) time deadlines for transfers under this subsection;

(B) notification to units of general local government and community development corporations of qualified HUD properties in their jurisdictions;

(C) such units and corporations to express interest in the transfer under this subsection of such properties;

(D) a right of first refusal for transfer of qualified HUD properties to units of general local government and community development corporations, under which—

(i) the Secretary shall establish a period during which the Secretary may not transfer such properties except to such units and corporations;

(ii) the Secretary shall offer qualified HUD properties that are single family properties for purchase by units of general local government at a cost of \$1 for each property, but only to the extent that the costs to the Federal Government of disposal at such price do not exceed the costs to the Federal Government of disposing of property subject to the procedures for single family property established by the Secretary pursuant to the authority under the last sentence of section 1710(g) of this title;

(iii) the Secretary may accept an offer to purchase a property made by a community development corporation only if the offer provides for purchase on a cost recovery basis; and

(iv) the Secretary shall accept an offer to purchase such a property that is made during such period by such a unit or corporation and that complies with the requirements of this paragraph; and

(E) a written explanation, to any unit of general local government or community development corporation making an offer to purchase a qualified HUD property under this subsection that is not accepted, of the reason that such offer was not acceptable.

(4) Other disposition

With respect to any qualified HUD property, if the Secretary does not receive an acceptable offer to purchase the property pursuant to the procedure established under paragraph (3), the Secretary shall dispose of the property to the unit of general local government in which property is located or to community development corporations located in such unit of general local government on a negotiated, competitive bid, or other basis, on such terms as the Secretary deems appropriate.

(5) Satisfaction of indebtedness

Before transferring ownership of any qualified HUD property pursuant to this subsection,