

1980—Subsec. (d)(2). Pub. L. 96-399 revised existing provisions into introductory paragraph and subpar. (A) and added subpar. (B).

1978—Subsec. (a). Pub. L. 95-557, §312(a), inserted “, including additional facilities for the nonresident care of elderly individuals and others who are able to live independently but who require care during the day” after pars. (1) and (2).

Subsec. (b)(2). Pub. L. 95-557, §312(b), inserted “(3) a ‘nursing home’ or ‘intermediate care facility’ may include such additional facilities as may be authorized by the Secretary for the nonresident care of elderly individuals and others who are able to live independently but who require care during the day”.

1977—Subsec. (d)(4). Pub. L. 95-128 inserted reference to section 300m of title 42.

1974—Subsec. (d)(2). Pub. L. 93-383 struck out “not to exceed \$12,500,000, and” after “an amount”.

1973—Subsec. (i). Pub. L. 93-204 added subsec. (i).

1969—Subsec. (a). Pub. L. 91-152, §111(1), added to stated purpose of this section of developing nursing homes, the development of intermediate care facilities or the development of such facilities in combination with nursing home facilities.

Subsec. (b). Pub. L. 91-152, §111(2), (3), struck out “and” after “is located;” in par. (1), redesignated par. (2) as (3), and added par. (2).

Subsec. (d). Pub. L. 91-152, §111(4), inserted provision authorizing the Secretary to insure any mortgage which covers an intermediate care facility or combined nursing home and intermediate care facility.

Subsec. (d)(2). Pub. L. 91-152, §111(5), substituted “operation of the home or facility or combined home or facility” for “operation of the nursing home”.

Subsec. (d)(4). Pub. L. 91-152, §111(6), substituted “section 291d(a)(1) of title 42” for “section 291b(a)(1) of title 42”, and made provisions applicable to the insurance of mortgages covering intermediate care facilities or combined nursing home and intermediate care facilities.

Subsecs. (g), (h). Pub. L. 91-152, §111(7), added subsecs. (g) and (h).

1968—Subsec. (b)(2). Pub. L. 90-448, §314(1), redefined term “mortgage” to mean a first mortgage on real estate in fee simple, or on the interest of either the lessor or lessee thereof under a lease for not less than ninety-nine years which is renewable, or under a lease having a period of not less than fifty years to run from the date the mortgage was executed, and inserted definition of “first mortgage”.

Subsec. (d). Pub. L. 90-448, §314(2), (3), authorized the Secretary to insure a mortgage which includes equipment to be used in the operation of a nursing home, and permitted the value of the equipment to be included in the calculation of the 90 per centum of the estimated value.

1967—Pub. L. 90-19 substituted “Secretary” for “Commissioner” wherever appearing.

1965—Subsec. (d)(1). Pub. L. 89-117, §1108(m)(1), substituted “General Insurance Fund” for “section 207 Housing Insurance Fund”.

Subsec. (f). Pub. L. 89-117, §1108(m)(2), struck out references to subsecs. (f), (m) and (p) of section 1713 of this title.

1964—Subsec. (b)(1). Pub. L. 88-560 inserted “or facility of a private nonprofit corporation or association” after “proprietary facility”.

1961—Subsec. (d)(2). Pub. L. 87-70 substituted “90 per centum” for “75 per centum”.

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 1998 AMENDMENT

Pub. L. 105-276, title II, §214(b), Oct. 21, 1998, 112 Stat. 2486, provided that: “The amendment made by subsection (a) [amending this section] shall be construed to have taken effect on October 27, 1997.”

##### REGULATIONS

Pub. L. 100-242, title IV, §410(c), Feb. 5, 1988, 101 Stat. 1904, provided that: “The Secretary of Housing and

Urban Development shall issue such regulations as may be necessary to carry out the amendments made by this section [amending this section] by not later than the expiration of the 90-day period following the date of the enactment of this Act [Feb. 5, 1988].”

##### TERMINATION OF REPORTING REQUIREMENTS

For termination, effective May 15, 2000, of reporting provisions in subsec. (j) of this section, see section 3003 of Pub. L. 104-66, as amended, set out as a note under section 1113 of Title 31, Money and Finance, and page 105 of House Document No. 103-7.

##### DELEGATION OF PROCESSING OF MORTGAGE INSURANCE

Secretary of Housing and Urban Development to implement system of mortgage insurance for mortgages insured under this section that delegates processing functions to selected approved mortgagees, with Secretary to retain authority to approve rents, expenses, property appraisals, and mortgage amounts and to execute firm commitments, see section 328 of Pub. L. 101-625, set out as a note under section 1713 of this title.

#### § 1715x. Experimental housing insurance

##### (a) Purpose; authorization

(1) In order to assist in lowering housing costs and improving housing standards, quality, livability, or durability or neighborhood design through the utilization of advanced housing technology, or experimental property standards, the Secretary is authorized to insure and to make commitments to insure, under this section, mortgages (including home improvement loans, and including advances on mortgages during construction) secured by properties including dwellings involving the utilization and testing of advanced technology in housing design, materials, or construction, or experimental property standards for neighborhood design if the Secretary determines that (A) the property is an acceptable risk, giving consideration to the need for testing advanced housing technology or experimental property standards, (B) the utilization and testing of the advanced technology or experimental property standards involved will provide data or experience which the Secretary deems to be significant in reducing housing costs or improving housing standards, quality, livability, or durability, or improving neighborhood design, and (C) the mortgages are eligible for insurance under the provisions of this section and under any further terms and conditions which may be prescribed by the Secretary to establish the acceptability of the mortgages for insurance.

(2) The Secretary is further authorized to insure and to make commitments to insure, under this section, mortgages (including advances on mortgages during construction) secured by properties in projects to be carried out in accordance with plans approved by the Secretary under section 1701z of this title.

##### (b) Eligibility for insurance; conditions; limits

To be eligible for insurance under this section, a mortgage shall meet the requirements of one of the other sections or subchapters of this chapter; except that, in lieu of determining the appraised value or the replacement cost of the property in cases involving new construction or the estimated cost of repair and rehabilitation or improvement in cases involving existing properties, the Secretary shall estimate the cost

of replacing the property using comparable conventional design, materials, and construction, and any limitation upon the maximum mortgage amount available to a nonoccupant owner shall not, in the discretion of the Secretary, be applicable to mortgages insured under this section.

**(c) Contracts, agreements, and financial undertakings with mortgagor**

The Secretary may enter into such contracts, agreements, and financial undertakings with the mortgagor and others as he deems necessary or desirable to carry out the purposes of this section, and may expend available funds for such purposes, including the correction (when he determines it necessary to protect the occupants), at any time subsequent to insurance of a mortgage, of defects or failures in the dwellings which the Secretary finds are caused by or related to the advanced housing technology utilized in their design or construction or experimental property standards. Any authority which the Secretary may exercise in connection with a mortgage, or property covered by a mortgage, insured under any other section of this subchapter (including payments to reduce rentals for, or to facilitate homeownership by, lower income families) may be exercised in connection with a mortgage, or property covered by a mortgage, meeting the requirements of such other section (except as specified in subsection (b)), which is insured under this section to the same extent and in the same manner as if the mortgage insured under this section was insured under such other section.

**(d) Investigations and analysis of data; publication and distribution of reports**

The Secretary may make such investigations and analyses of data, and publish and distribute such reports, as he determines to be necessary or desirable to assure the most beneficial use of the data and information to be acquired as a result of this section.

**(e) Entitlement to insurance benefits**

Any mortgagee or lender under a mortgage insured under subsection (b) shall be entitled to insurance benefits determined in the same manner as such benefits would be determined if such mortgage or loan were insured under the section or subchapter of this chapter for which it otherwise would have been eligible except for the experimental feature of the property involved.

**(f) Defaults; payment in cash or debentures; acquisition of mortgage**

Notwithstanding the provisions of subsection (e) of this section, in the case of default on any mortgage insured under this section, the Secretary in his discretion, in accordance with such regulations as he may prescribe, may make payments pursuant to such subsections in cash or in debentures (as provided in the mortgage insurance contract), or may acquire the mortgage loan and the security therefor upon payment to the mortgagee in cash or in debentures (as provided in the mortgage insurance contract) of a total amount equal to the unpaid principal balance of the loan plus any accrued interest and any advances approved by the Secretary made

previously by the mortgagee under the provisions of the mortgage. After the acquisition of the mortgage by the Secretary the mortgagee shall have no further rights, liabilities, or obligations with respect to the mortgage. The appropriate provisions of sections 1710 and 1713 of this title relating to the issuance of debentures shall apply with respect to debentures issued under this subsection, and the appropriate provisions of sections 1710 and 1713 of this title relating to the rights, liabilities, and obligations of a mortgagee shall apply with respect to the Secretary when he has acquired an insured mortgage under this subsection, in accordance with and subject to regulations (modifying such provisions to the extent necessary to render their application for such purposes appropriate and effective) which shall be prescribed by the Secretary, except that as applied to mortgages insured under this section (1) all references in section 1710 of this title to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the General Insurance Fund, and (2) all references in section 1710 of this title to section 1709 of this title shall be construed to refer to this section. If the insurance payment is made in cash, there shall be added to such payment an amount equivalent to the interest which the debentures would have earned, computed to a date to be established pursuant to regulations issued by the Secretary.

(June 27, 1934, ch. 847, title II, §233, as added Pub. L. 87-70, title I, §103, June 30, 1961, 75 Stat. 158; amended Pub. L. 88-560, title I, §§105(c)(1), 118, Sept. 2, 1964, 78 Stat. 772, 779; Pub. L. 89-117, title XI, §1108(n), Aug. 10, 1965, 79 Stat. 505; Pub. L. 90-19, §1(a)(3), May 25, 1967, 81 Stat. 17; Pub. L. 90-448, title I, §108(f), title III, §309, Aug. 1, 1968, 82 Stat. 496, 509.)

**Editorial Notes**

REFERENCES IN TEXT

This chapter, referred to in subsecs. (b) and (e), was in the original "this Act", meaning act June 27, 1934, ch. 847, 48 Stat. 1246, which is classified principally to this chapter (§1701 et seq.). For complete classification of this Act to the Code, see Tables.

The General Insurance Fund, referred to in subsec. (f), was established by section 1735c of this title.

AMENDMENTS

1968—Subsec. (a). Pub. L. 90-448, §108(f)(1), designated existing provision as par. (1), redesignated cls. (1), (2), and (3) as cls. (A), (B), and (C), respectively, and added par. (2).

Subsec. (b). Pub. L. 90-448, §309(1), substituted "one of the other sections or subchapters of this chapter" for "one of the other sections of this subchapter".

Subsec. (c). Pub. L. 90-448, §108(f)(2), inserted sentence providing that any authority which the Secretary may exercise in connection with a mortgage, or property covered by a mortgage, insured under any other section of this subchapter (including payments to reduce rentals for, or to facilitate homeownership by, lower income families) may be exercised in connection with a mortgage, or property covered by a mortgage, meeting the requirements of such other section (except as specified in subsec. (b)), which is insured under this section to the same extent and in the same manner as if the mortgage insured under this section was insured under such other section.

Subsec. (e). Pub. L. 90-448, §309(2), substituted "the section or subchapter of this chapter" for "the section of this subchapter".

1967—Subsecs. (a) to (d), (f). Pub. L. 90-19 substituted “Secretary” for “Commissioner” wherever appearing.

1965—Subsec. (f). Pub. L. 89-117, §1108(n)(1), (2), substituted “General Insurance Fund” for “Experimental Housing Insurance Fund” and struck out provision that all references in section 1713 of this title to the Housing Insurance Fund, the Housing Fund, or the Fund shall be construed to refer to the Experimental Housing Insurance Fund.

Subsec. (g). Pub. L. 89-117, §1108(n)(3), repealed subsec. (g) which created the Experimental Housing Insurance Fund, provided for transfer of funds thereto, and authorized the charging of expenses thereto.

1964—Subsec. (a). Pub. L. 88-560, §118(a), substituted “home improvement loans, and including advances on mortgages” for “, in the case of mortgages insured under subsection (b)(2) of this section, advances on such mortgages”.

Subsec. (b). Pub. L. 88-560, §118(b), substituted provisions which make insurance available for mortgages meeting the requirements of any other sections of subchapter II of this chapter for provisions which made insurance available for mortgages meeting the requirements of section 1709(b) or 1713(b), (c) of this title and made the Commissioner’s estimate of replacement cost of the property applicable to mortgages meeting the requirements of any section of subchapter II of this chapter in lieu of determining the appraised value or the replacement cost of the property in new construction or estimated cost of repair and rehabilitation or improvement for existing properties.

Subsec. (e). Pub. L. 88-560, §118(c), substituted provision for entitlement to insurance benefits determined in the same manner as such benefits would be determined if such mortgage or loan were insured under the section of this subchapter for which it otherwise would have been eligible except for the experimental feature of the property involved for former provision for entitlement to insurance benefits provided in section 1710(a) of this title.

Subsec. (f). Pub. L. 88-560, §§105(c)(1), 118(c), (d), added to subsec. (g), redesignated (f), provision that “If the insurance payment is made in cash, there shall be added to such payment an amount equivalent to the interest which the debentures would have earned, computed to a date to be established pursuant to regulations issued by the Commissioner”, deleted former provisions of subsec. (f) which related to entitlement to insurance benefits provided in section 1713(g) of this title, now covered by subsec. (e) of this section, and redesignated former subsec. (g) as (f), substituting in first sentence “subsection (e)” for “subsections (e) and (f)”, respectively.

Subsecs. (g), (h). Pub. L. 88-560, §118(d), redesignated subsec. (h) as (g). Former subsec. (g) redesignated (f).

### § 1715y. Mortgage insurance for condominiums

#### (a) Purpose

The purpose of this section is to provide an additional means of increasing the supply of privately owned dwelling units where, under the laws of the State in which the property is located, real property title and ownership are established with respect to a one-family unit which is part of a multifamily project.

#### (b) Definitions

The terms “mortgage”, “mortgagee”, “mortgagor”, “maturity date”, and “State” shall have the meanings respectively set forth in section 1707 of this title, except that the term “mortgage” for the purposes of subsection (c) may include a first mortgage given to secure the unpaid purchase price of a fee interest in, or a long-term leasehold interest in, a one-family unit in a multifamily project, including a project in which the dwelling units are attached,

semi-attached, or detached, and an undivided interest in the common areas and facilities which serve the project where the mortgage is determined by the Secretary to be eligible for insurance under this section. The term “common areas and facilities” as used in this section shall be deemed to include the land and such commercial, community, and other facilities as are approved by the Secretary.

#### (c) Authorization; eligibility for insurance; conditions; limits

The Secretary is authorized, in his discretion and under such terms and conditions as he may prescribe (including the minimum number of family units in the project which shall be offered for sale and provisions for the protection of the consumer and the public interest), to insure any mortgage covering a one-family unit in a multifamily project and an undivided interest in the common areas and facilities which serve the project, if (1) the mortgage meets the requirements of this subsection and of section 1709(b) of this title, except as that section is modified by this subsection, (2) at least 80 percent of the units in the project covered by mortgages insured under this subchapter are occupied by the mortgagors or comortgagors, and (3) the project has a blanket mortgage insured by the Secretary under subsection (d). Any project proposed to be constructed or rehabilitated after June 30, 1961, with the assistance of mortgage insurance under this chapter, where the sale of family units is to be assisted with mortgage insurance under this subsection, shall be subject to such requirements as the Secretary may prescribe. To be eligible for insurance pursuant to this subsection, a mortgage shall (A) involve a principal obligation in an amount not to exceed the maximum principal obligation of a mortgage which may be insured in the area pursuant to section 1709(b)(2) of this title or pursuant to section 1709(h) of this title under the conditions described in section 1709(h) of this title, and (B) have a maturity satisfactory to the Secretary, but not to exceed, in any event, thirty-five years from the date of the beginning of amortization of the mortgage. The mortgage shall contain such provisions as the Secretary determines to be necessary for the maintenance of common areas and facilities and the multifamily project. The mortgagor shall have exclusive right to the use of the one-family unit covered by the mortgage and, together with the owners of other units in the multifamily project, shall have the right to the use of the common areas and facilities serving the project and the obligation of maintaining all such common areas and facilities. The Secretary may require that the rights and obligations of the mortgagor and the owners of other dwelling units in the project shall be subject to such controls as he determines to be necessary and feasible to promote and protect individual owners, the multifamily project, and its occupants. For the purposes of this subsection, the Secretary is authorized in his discretion and under such terms and conditions as he may prescribe to permit one-family units and interests in common areas and facilities in multifamily projects covered by mortgages insured under any section of this chapter (other than