

SUBCHAPTER IX—MORTGAGE INSURANCE FOR LAND DEVELOPMENT AND NEW COMMUNITIES

§§ 1749aa to 1749ll. Repealed. Pub. L. 101-235, title I, § 133(a), Dec. 15, 1989, 103 Stat. 2027

Section 1749aa, act June 27, 1934, ch. 847, title X, § 1001, as added Aug. 10, 1965, Pub. L. 89-117, title II, § 201(a), 79 Stat. 461; amended Nov. 3, 1966, Pub. L. 89-754, title X, §§ 1019, 1020(f), 80 Stat. 1295, 1296; May 25, 1967, Pub. L. 90-19, § 1(a)(3), 81 Stat. 17, defined terms for this subchapter.

Section 1749bb, act June 27, 1934, ch. 847, title X, § 1002, as added Aug. 10, 1965, Pub. L. 89-117, title II, § 201(a), 79 Stat. 462; amended Nov. 3, 1966, Pub. L. 89-754, title IV, § 402, 80 Stat. 1272; May 25, 1967, Pub. L. 90-19, § 1(a)(3), (4), 81 Stat. 17; Aug. 1, 1968, Pub. L. 90-448, title III, § 310, 82 Stat. 509; Sept. 30, 1969, Pub. L. 91-78, § 2(f), 83 Stat. 125; Dec. 24, 1969, Pub. L. 91-152, title I, § 101(h), 83 Stat. 379; Oct. 2, 1970, Pub. L. 91-432, § 1(f), 84 Stat. 887; Oct. 21, 1970, Pub. L. 91-473, § 1(f), 84 Stat. 1065; Dec. 1, 1970, Pub. L. 91-525, § 1(f), 84 Stat. 1384; Dec. 31, 1970, Pub. L. 91-609, title I, § 101(h), 84 Stat. 1770; Oct. 18, 1972, Pub. L. 92-503, § 1(h), 86 Stat. 906; Aug. 10, 1973, Pub. L. 93-85, § 1(h), 87 Stat. 220; Oct. 2, 1973, Pub. L. 93-117, § 1(h), 87 Stat. 422; Aug. 22, 1974, Pub. L. 93-383, title III, §§ 304(k), 314, 316(f), 88 Stat. 678, 684, 685; June 30, 1977, Pub. L. 95-60, § 1(g), 91 Stat. 257; July 31, 1977, Pub. L. 95-80, § 1(g), 91 Stat. 339; Oct. 12, 1977, Pub. L. 95-128, title III, § 301(j), 91 Stat. 1131; Sept. 30, 1978, Pub. L. 95-406, § 1(j), 92 Stat. 879; Oct. 31, 1978, Pub. L. 95-557, title III, § 301(j), 92 Stat. 2096; Sept. 28, 1979, Pub. L. 96-71, § 1(j), 93 Stat. 501; Nov. 8, 1979, Pub. L. 96-105, § 1(j), 93 Stat. 794; Dec. 21, 1979, Pub. L. 96-153, title III, § 301(j), 93 Stat. 1112; Oct. 3, 1980, Pub. L. 96-372, § 1(j), 94 Stat. 1363; Oct. 8, 1980, Pub. L. 96-399, title III, § 301(j), 94 Stat. 1639; Aug. 13, 1981, Pub. L. 97-35, title III, § 331(i), 95 Stat. 413; Oct. 6, 1982, Pub. L. 97-289, § 1(j), 96 Stat. 1230; May 26, 1983, Pub. L. 98-35, § 1(j), 97 Stat. 197; Oct. 1, 1983, Pub. L. 98-109, § 1(j), 97 Stat. 745; Nov. 30, 1983, Pub. L. 98-181, title I [title IV, §§ 401(i), 404(b)(16)], 97 Stat. 1208, 1210; Oct. 8, 1985, Pub. L. 99-120, § 1(i), 99 Stat. 503; Nov. 15, 1985, Pub. L. 99-156, § 1(i), 99 Stat. 816; Dec. 26, 1985, Pub. L. 99-219, § 1(i), 99 Stat. 1731; Mar. 27, 1986, Pub. L. 99-267, § 1(j), 100 Stat. 74; Apr. 7, 1986, Pub. L. 99-272, title III, § 3007(i), 100 Stat. 105; May 2, 1986, Pub. L. 99-289, § 1(b), 100 Stat. 412; June 24, 1986, Pub. L. 99-345, § 1, 100 Stat. 673; Sept. 30, 1986, Pub. L. 99-430, 100 Stat. 986; Sept. 30, 1987, Pub. L. 100-122, § 1, 101 Stat. 793; Nov. 5, 1987, Pub. L. 100-154, 101 Stat. 890; Nov. 17, 1987, Pub. L. 100-170, 101 Stat. 914; Dec. 3, 1987, Pub. L. 100-179, 101 Stat. 1018; Dec. 21, 1987, Pub. L. 100-200, 101 Stat. 1327; Feb. 5, 1988, Pub. L. 100-242, title IV, § 401(a)(7), 101 Stat. 1898, authorized Secretary to insure mortgages in accordance with provisions of this subchapter.

Section 1749cc, act June 27, 1934, ch. 847, title X, § 1003, as added Aug. 10, 1965, Pub. L. 89-117, title II, § 201(a), 79 Stat. 463; amended May 25, 1967, Pub. L. 90-19, § 1(a)(3), (u), 81 Stat. 17, 19; Dec. 31, 1970, Pub. L. 91-609, title I, § 119, 84 Stat. 1775, directed that land development covered by mortgage insured under this subchapter be undertaken pursuant to a schedule and in accordance with an overall development plan.

Section 1749cc-1, act June 27, 1934, ch. 847, title X, § 1004, as added Nov. 3, 1966, Pub. L. 89-754, title IV, § 401(a), 80 Stat. 1271, related to approval of new communities for mortgage insurance.

Section 1749dd, act June 27, 1934, ch. 847, title X, § 1005, formerly § 1004, as added Aug. 10, 1965, Pub. L. 89-117, title II, § 201(a), 79 Stat. 463; renumbered § 1005 and amended Nov. 3, 1966, Pub. L. 89-754, title IV, §§ 401(a), 403, 80 Stat. 1271, 1272; May 25, 1967, Pub. L. 90-19, § 1(a)(3), 81 Stat. 17, directed adoption of requirements to encourage homebuilding industry and proper balance of housing for moderate and low income families.

Section 1749ee, act June 27, 1934, ch. 847, title X, § 1006, formerly § 1005, as added Aug. 10, 1965, Pub. L. 89-117,

title II, § 201(a), 79 Stat. 463; renumbered § 1006 and amended Nov. 3, 1966, Pub. L. 89-754, title IV, §§ 401(a), 404, 80 Stat. 1271, 1272, related to service of land by public water and sewerage systems after development.

Section 1749ff, act June 27, 1934, ch. 847, title X, § 1007, formerly § 1006, as added Aug. 10, 1965, Pub. L. 89-117, title II, § 201(a), 79 Stat. 464; renumbered § 1007, Nov. 3, 1966, Pub. L. 89-754, title IV, § 401(a), 80 Stat. 1271; amended May 25, 1967, Pub. L. 90-19, § 1(a)(3), 81 Stat. 17, related to release or subordination of mortgaged property.

Section 1749gg, act June 27, 1934, ch. 847, title X, § 1008, formerly § 1007, as added Aug. 10, 1965, Pub. L. 89-117, title II, § 201(a), 79 Stat. 464; renumbered § 1008, Nov. 3, 1966, Pub. L. 89-754, title IV, § 401(a), 80 Stat. 1271; amended May 25, 1967, Pub. L. 90-19, § 1(a)(3), 81 Stat. 17, related to premium rates and other charges for mortgage insurance and report to Congress thereon.

Section 1749hh, act June 27, 1934, ch. 847, title X, § 1009, formerly § 1008, as added Aug. 10, 1965, Pub. L. 89-117, title II, § 201(a), 79 Stat. 464; renumbered § 1009, Nov. 3, 1966, Pub. L. 89-754, title IV, § 401(a), 80 Stat. 1271; amended May 25, 1967, Pub. L. 90-19, § 1(a)(3), 81 Stat. 17, related to applicability of other provisions of law to this subchapter.

Section 1749ii, act June 27, 1934, ch. 847, title X, § 1010, formerly § 1009, as added Aug. 10, 1965, Pub. L. 89-117, title II, § 201(a), 79 Stat. 464; renumbered § 1010, Nov. 3, 1966, Pub. L. 89-754, title IV, § 401(a), 80 Stat. 1271; amended May 25, 1967, Pub. L. 90-19, § 1(a)(3), 81 Stat. 17, provided that insurance contract under this subchapter was conclusive evidence of eligibility for insurance and that the validity of such contract was incontestable.

Section 1749jj, act June 27, 1934, ch. 847, title X, § 1011, formerly § 1010, as added Aug. 10, 1965, Pub. L. 89-117, title II, § 201(a), 79 Stat. 464; renumbered § 1011, Nov. 3, 1966, Pub. L. 89-754, title IV, § 401(a), 80 Stat. 1271; amended May 25, 1967, Pub. L. 90-19, § 1(a)(3), 81 Stat. 17, authorized making rules and regulations to carry out provisions of subchapter.

Section 1749kk, act June 27, 1934, ch. 847, title X, § 1012, formerly § 1011, as added Aug. 10, 1965, Pub. L. 89-117, title II, § 201(a), 79 Stat. 464; renumbered § 1012, Nov. 3, 1966, Pub. L. 89-754, title IV, § 401(a), 80 Stat. 1271; amended May 25, 1967, Pub. L. 90-19, § 1(a)(3), 81 Stat. 17, related to taxation of real property acquired by Secretary.

Section 1749ll, act June 27, 1934, ch. 847, title X, § 1013, formerly § 1012, as added Aug. 10, 1965, Pub. L. 89-117, title II, § 201(a), 79 Stat. 464; renumbered § 1013, Nov. 3, 1966, Pub. L. 89-754, title IV, § 401(a), 80 Stat. 1271; amended May 25, 1967, Pub. L. 90-19, § 1(a)(3), (4), 81 Stat. 17, related to requirements to assure that amount of mortgage was not excessive and to requirement that mortgagor certify costs of land development.

Statutory Notes and Related Subsidiaries

SAVINGS PROVISION

Pub. L. 101-235, title I, § 133(c), Dec. 15, 1989, 103 Stat. 2027, provided that: "Any contract of insurance entered into under title X [this subchapter, §§ 1749aa to 1749ll] before the date of enactment of this Act [Dec. 15, 1989] shall be governed by the provisions of such title as such title existed immediately before such date."

APPLICABILITY OF REPEAL

Pub. L. 101-235, title I, § 133(b), Dec. 15, 1989, 103 Stat. 2027, provided that: "On or after the date of enactment of this Act [Dec. 15, 1989], no mortgage may be insured under title X [this subchapter, §§ 1749aa to 1749ll], as such title existed immediately before such date, except pursuant to a commitment to insure made before such date."

SUBCHAPTER IX-B—MORTGAGE INSURANCE FOR GROUP PRACTICE FACILITIES AND MEDICAL PRACTICE FACILITIES

§ 1749aaa. Insurance of mortgages

(a) Authority of Secretary; termination date

The Secretary is authorized (1) to insure mortgages (including advances on such mortgages during construction), upon such terms and conditions as he may prescribe, in accordance with the provisions of this subchapter, and (2) to make commitments for the insuring of such mortgages prior to the date of their execution or disbursement thereon.

(b) Eligibility for insurance

To be eligible for insurance under this subchapter, the mortgage shall (1) be executed by a mortgagor that is a group practice unit or organization or other mortgagor approved by the Secretary, (2) be made to and held by a mortgagee approved by the Secretary as responsible and able to service the mortgage properly, and (3) cover a property or project which is approved for mortgage insurance prior to the beginning of construction or rehabilitation and is designed for use as a group practice facility or medical practice facility which the Secretary finds will be constructed in an economical manner, will not be of elaborate or extravagant design or materials, and will be adequate and suitable for carrying out the purposes of this subchapter. No mortgage shall be insured under this subchapter unless it is shown to the satisfaction of the Secretary that the applicant would be unable to obtain the mortgage loan without such insurance on terms comparable to those specified in subsection (c).

(c) Replacement cost of property; maturity; amortization; interest rate

The mortgage shall—

(1) Repealed. Pub. L. 93-383, title III, §304(l), Aug. 22, 1974, 88 Stat. 678;

(2) not exceed 90 per centum of the amount which the Secretary estimates will be the replacement cost of the property or project when construction or rehabilitation is completed. The replacement cost of the property may include the land and the proposed physical improvements, equipment, utilities within the boundaries of the property, a solar energy system (as defined in subparagraph (3) of the last paragraph of section 1703(a) of this title) or residential energy conservation measures (as defined in section 8211(11)(A) through (G) and (I) of title 42)¹ in cases where the Secretary determines that such measures are in addition to those required under the minimum property standards and will be cost-effective over the life of the measure, architects' fees, taxes, and interest accruing during construction or rehabilitation, and other miscellaneous charges incident to construction or rehabilitation and approved by the Secretary;

(3) have a maturity satisfactory to the Secretary but not to exceed twenty-five years from the beginning of the amortization of the mortgage, and provide for complete amortiza-

tion of the principal obligation by periodic payments within such term as the Secretary shall prescribe; and

(4) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.

(d) Conclusiveness of insurance contract as to eligibility; validity of contract incontestable

Any contract of insurance executed by the Secretary under this subchapter shall be conclusive evidence of the eligibility of the mortgage for insurance, and the validity of any contract for insurance so executed shall be incontestable in the hands of an approved mortgagee from the date of the execution of such contract, except for fraud or misrepresentation on the part of such approved mortgagee.

(e) Undertaking

Each mortgage insured under this subchapter shall contain an undertaking (in accordance with regulations prescribed under this subchapter and in force at the time the mortgage is approved for insurance) to the effect that, except as authorized by the Secretary and the mortgagee, the property will be used as a group practice facility or medical practice facility until the mortgage has been paid in full or the contract of insurance otherwise terminated.

(f) Recordkeeping; reports; examination and audit

No mortgage shall be insured under this subchapter unless the mortgagor and the mortgagee certify (1) that they will keep such records relating to the mortgage transaction and indebtedness, to the construction of the facility covered by the mortgage, and to the use of such facility as a group practice facility or medical practice facility as are prescribed by the Secretary at the time of such certification, (2) that they will make such reports as may from time to time be required by the Secretary pertaining to such matters, and (3) that the Secretary shall have access to and the right to examine and audit such records.

(June 27, 1934, ch. 847, title XI, §1101, as added Pub. L. 89-754, title V, §502(a), Nov. 3, 1966, 80 Stat. 1274; amended Pub. L. 90-448, title XVII, §1722(d), Aug. 1, 1968, 82 Stat. 610; Pub. L. 91-78, §2(g), Sept. 30, 1969, 83 Stat. 125; Pub. L. 91-152, title I, §101(i), title IV, §418(f), Dec. 24, 1969, 83 Stat. 379, 402; Pub. L. 91-432, §1(g), Oct. 2, 1970, 84 Stat. 887; Pub. L. 91-473, §1(g), Oct. 21, 1970, 84 Stat. 1065; Pub. L. 91-525, §1(g), Dec. 1, 1970, 84 Stat. 1384; Pub. L. 91-609, title I, §101(i), Dec. 31, 1970, 84 Stat. 1770; Pub. L. 92-503, §1(i), Oct. 18, 1972, 86 Stat. 906; Pub. L. 93-85, §1(i), Aug. 10, 1973, 87 Stat. 220; Pub. L. 93-117, §1(i), Oct. 2, 1973, 87 Stat. 422; Pub. L. 93-383, title III, §§304(l), 312(a)(1)-(4), 316(g), Aug. 22, 1974, 88 Stat. 678, 683, 685; Pub. L. 95-60, §1(h), June 30, 1977, 91 Stat. 257; Pub. L. 95-80, §1(h), July 31, 1977, 91 Stat. 339; Pub. L. 95-128, title III, §301(k), Oct. 12, 1977, 91 Stat. 1131; Pub. L. 95-406, §1(k), Sept. 30, 1978, 92 Stat. 879; Pub. L. 95-557, title III, §301(k), Oct. 31, 1978, 92 Stat. 2096; Pub. L. 96-71, §1(k), Sept. 28, 1979, 93 Stat. 501; Pub. L. 96-105, §1(k), Nov. 8, 1979, 93 Stat. 794; Pub. L. 96-153, title III, §301(k), Dec. 21, 1979, 93 Stat. 1112; Pub. L. 96-372, §1(k), Oct. 3, 1980, 94 Stat. 1363; Pub. L. 96-399, title III,

¹ See References in Text note below.