

**(c) Enforcement of insurance requirements****(1) In general**

If the Secretary determines that a mortgage insured by a mortgagee pursuant to delegation of authority under this section was not originated in accordance with the requirements established by the Secretary, and the Secretary pays an insurance claim with respect to the mortgage within a reasonable period specified by the Secretary, the Secretary may require the mortgagee approved under this section to indemnify the Secretary for the loss.

**(2) Fraud or misrepresentation**

If fraud or misrepresentation was involved in connection with the origination, the Secretary may require the mortgagee approved under this section to indemnify the Secretary for the loss regardless of when an insurance claim is paid.

**(d) Termination of mortgagee's authority**

If a mortgagee to which the Secretary has made a delegation under this section violates the requirements and procedures established by the Secretary or the Secretary determines that other good cause exists, the Secretary may cancel a delegation of authority under this section to the mortgagee by giving notice to the mortgagee. Such a cancellation shall be effective upon receipt of the notice by the mortgagee or at a later date specified by the Secretary. A decision by the Secretary to cancel a delegation shall be final and conclusive and shall not be subject to judicial review.

**(e) Requirements and procedures**

Before approving a delegation under this section, the Secretary shall issue regulations establishing appropriate requirements and procedures, including requirements and procedures governing the indemnification of the Secretary by the mortgagee.

(June 27, 1934, ch. 847, title II, §256, as added Pub. L. 104-204, title IV, §427, Sept. 26, 1996, 110 Stat. 2928.)

**§ 1715z-22. Multifamily mortgage credit programs****(a) In general**

The Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") shall carry out programs through the Federal Housing Administration to provide new forms of Federal credit enhancement for multifamily loans. In carrying out the programs, the Secretary shall include an evaluation of the effectiveness of entering into partnerships or other contractual arrangements including reinsurance and risk-sharing agreements with State or local housing finance agencies, the Federal Housing Finance Board, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, qualified financial institutions, and other State or local mortgage insurance companies or bank lending consortia.

**(b) Risk-sharing program****(1) In general**

The Secretary shall carry out a program in conjunction with qualified participating enti-

ties to provide Federal credit enhancement for loans for affordable multifamily housing through a system of risk-sharing agreements with such entities.

**(2) Program requirements****(A) In general**

In carrying out the program under this subsection, the Secretary shall enter into risk-sharing agreements with qualified participating entities.

**(B) Mortgage insurance and reinsurance**

Agreements under subparagraph (A) may provide for (i) mortgage insurance through the Federal Housing Administration of loans for affordable multifamily housing originated by or through, or purchased by, qualified participating entities, and (ii) reinsurance, including reinsurance of pools of loans, on affordable multifamily housing. In entering into risk-sharing agreements under this subsection covering mortgages, the Secretary may give preference to mortgages that are not already in the portfolios of qualified participating entities.

**(C) Risk apportionment**

Agreements entered into under this subsection between the Secretary and a qualified participating entity shall specify the percentage of loss that each of the parties to the agreement will assume in the event of default of the insured or reinsured multifamily mortgage. Such agreements shall specify that the qualified participating entity and the Secretary shall share any loss in accordance with the risk-sharing agreement.

**(D) Reimbursement capacity**

Agreements entered into under this subsection between the Secretary and a qualified participating entity shall provide evidence acceptable to the Secretary of the capacity of such entity to fulfill any reimbursement obligations made pursuant to this subsection. Evidence of such capacity which may be considered by the Secretary may include—

- (i) a pledge of the full faith and credit of a qualified participating entity to fulfill any obligations entered into by the entity;
- (ii) reserves pledged or otherwise restricted by the qualified participating entity in an amount equal to an agreed upon percentage of the loss assumed by the entity under subparagraph (C);
- (iii) funds pledged through a State or local guarantee fund; or
- (iv) any other form of evidence mutually agreed upon by the Secretary and the qualified participating entity.

**(E) Underwriting standards**

The Secretary shall allow any qualified participating entity to use its own underwriting standards and loan terms and conditions for purposes of underwriting loans to be insured under this subsection, except as provided in this section, without further review by the Secretary, except that the Secretary may impose additional underwriting

criteria and loan terms and conditions for contractual agreements where the Secretary retains more than 50 percent of the risk of loss. Any financing permitted on property insured under this subsection other than the first mortgage shall be expressly subordinate to the insured mortgage.

**(F) Authority of Secretary**

The Secretary, upon request of a qualified participating entity, may insure or reinsure and make commitments to insure or reinsure under this section any mortgage, advance, loan, or pool of mortgages otherwise eligible under this section, pursuant to a risk-sharing agreement providing that the qualified participating entity will carry out (under a delegation or otherwise, and with or without compensation, but subject to audit, exception, or review requirements) such credit approval, appraisal, inspection, issuance of commitments, approval of insurance of advances, cost certification, servicing, property disposition, or other functions as the Secretary shall approve as consistent with the purpose of this section. All appraisals of property for mortgage insurance under this section shall be completed by a Certified General Appraiser in accordance with the Uniform Standards of Professional Appraisal Practice.

**(G) Disclosure of records**

Qualified participating entities shall make available to the Secretary or the Secretary's designee, at the Secretary's request, such financial and other records as the Secretary deems necessary for purposes of review and monitoring for the program under this section.

**(3) Development of alternatives**

The Secretary shall develop and assess a variety of risk-sharing alternatives, including arrangements under which the Secretary assumes an appropriate share of the risk related to long-term mortgage loans on newly constructed or acquired multifamily rental housing, mortgage refinancings, bridge financing for construction, and other forms of multifamily housing mortgage lending that the Secretary deems appropriate to carry out the purposes of this subsection. Such alternatives shall be designed—

(A) to ensure that other parties bear a share of the risk, in percentage amount and in position of exposure, that is sufficient to create strong, market-oriented incentives for other participating parties to maintain sound underwriting and loan management practices;

(B) to develop credit mechanisms, including sound underwriting criteria, processing methods, and credit enhancements, through which resources of the Federal Housing Administration can assist in increasing multifamily housing lending as needed to meet the expected need in the United States;

(C) to provide a more adequate supply of mortgage credit for sound multifamily rental housing projects in underserved urban and rural markets;

(D) to encourage major financial institutions to expand their participation in mortgage lending for sound multifamily housing, through means such as mitigating uncertainties regarding actions of the Federal Government (including the possible failure to renew short-term subsidy contracts);

(E) to increase the efficiency, and lower the costs to the Federal Government, of processing and servicing multifamily housing mortgage loans insured by the Federal Housing Administration; and

(F) to improve the quality and expertise of Federal Housing Administration staff and other resources, as required for sound management of reinsurance and other market-oriented forms of credit enhancement.

**(4) Eligibility standards**

The Secretary shall establish and enforce standards for eligibility under this subsection of qualified participating entities under this subsection, as the Secretary determines to be appropriate.

**(5) Insurance authority**

Using any authority provided in appropriation Acts to insure mortgages under the National Housing Act [12 U.S.C. 1701 et seq.], the Secretary may enter into commitments under this subsection for risk-sharing units.

**(6) Fees**

The Secretary shall establish and collect premiums and fees under this subsection as the Secretary determines appropriate to (A) achieve the purpose of this subsection, and (B) compensate the Federal Housing Administration for the risks assumed and related administrative costs.

**(7) Non-Federal participation**

The Secretary shall carry out this subsection, to the maximum extent practicable, with the participation of well-established residential mortgage originators, financial institutions that invest in multifamily housing mortgages, multifamily housing sponsors, and such other private sector experts in multifamily housing finance as the Secretary determines to be appropriate.

**(8) Prohibition on Ginnie Mae securitization**

The Government National Mortgage Association shall not securitize any multifamily loans insured or reinsured under this subsection.

**(9) Qualification as affordable housing**

Multifamily housing securing loans insured or reinsured under this subsection shall qualify as affordable only if the housing is occupied by families and bears rents not greater than the gross rent for rent-restricted residential units as determined under section 42(g) of title 26.

**(10) Certification of subsidy layering compliance**

The requirements of section 3545(d) of title 42 may be satisfied in connection with a commitment to insure a mortgage under this subsection by a certification by a housing credit

agency (including an entity established by a State that provides mortgage insurance) to the Secretary that the combination of assistance within the jurisdiction of the Secretary and other government assistance provided in connection with a property for which a mortgage is to be insured shall not be any greater than is necessary to provide affordable housing.

**(11) Implementation**

The Secretary shall take any administrative actions necessary to initiate the program under this subsection.

**(c) Housing finance agency program**

**(1) In general**

The Secretary shall carry out a specific program in conjunction with qualified housing finance agencies (including entities established by States that provide mortgage insurance) to provide Federal credit enhancement for loans for affordable multifamily housing through a system of risk-sharing agreements with such agencies.

**(2) Program requirements**

**(A) In general**

In carrying out the program authorized under this subsection, the Secretary shall enter into risk-sharing agreements with qualified housing finance agencies.

**(B) Mortgage insurance**

Agreements under subparagraph (A) shall provide for full mortgage insurance through the Federal Housing Administration of the loans for affordable multifamily housing originated by or through qualified housing finance agencies and for reimbursement to the Secretary by such agencies for either all or a portion of the losses incurred on the loans insured.

**(C) Risk apportionment**

Agreements entered into under this subsection between the Secretary and a qualified housing finance agency shall specify the percentage of loss that each of the parties to the agreement will assume in the event of default of the insured multifamily mortgage. Such agreements shall specify that the qualified housing finance agency and the Secretary shall share any loss in accordance with the risk-sharing agreement.

**(D) Reimbursement capacity**

Agreements entered into under this subsection between the Secretary and a qualified housing finance agency shall provide evidence of the capacity of such agency to fulfill any reimbursement obligations made pursuant to this subsection. Evidence of such capacity may include—

- (i) a pledge of the full faith and credit of a qualified State or local agency to fulfill any obligations entered into by the qualified housing finance agency;
- (ii) reserves pledged or otherwise restricted by the qualified housing finance agency in an amount equal to an agreed upon percentage of the loss assumed by the

housing finance agency under subparagraph (C);

(iii) funds pledged through a State or local guarantee fund; or

(iv) any other form of evidence mutually agreed upon by the Secretary and the qualified housing finance agency.

**(E) Underwriting standards**

The Secretary shall allow any qualified housing finance agency to use its own underwriting standards and loan terms and conditions for purposes of underwriting loans to be insured under this subsection without further review by the Secretary, except that the Secretary may impose additional underwriting criteria and loan terms and conditions for contractual agreements where the Secretary retains more than 50 percent of the risk of loss.

**(F) Disclosure of records**

Qualified housing finance agencies shall make available to the Secretary such financial and other records as the Secretary deems necessary for program review and monitoring purposes.

**(3) Mortgage insurance premiums**

The Secretary shall establish a schedule of insurance premium payments for mortgages insured under this subsection based on the percentage of loss the Secretary may assume. Such schedule shall reflect lower or nominal premiums for qualified housing finance agencies that assume a greater share of the risk apportioned according to paragraph (2)(C).

**(4) Insurance authority**

Using any authority provided in appropriation Acts to insure mortgages under the National Housing Act [12 U.S.C. 1701 et seq.], the Secretary may enter into commitments under this subsection for risk-sharing units.

**(5) Identity of interest**

Notwithstanding any other provision of law, the Secretary shall not apply identity of interest provisions to agreements entered into with qualified State housing finance agencies under this subsection.

**(6) Prohibition on Ginnie Mae securitization**

The Government National Mortgage Association shall not securitize any multifamily loans insured under this subsection.

**(7) Qualification as affordable housing**

Multifamily housing securing loans insured under this subsection shall qualify as affordable only if the housing is occupied by families and bears rents not greater than the gross rent for rent-restricted residential units as determined under section 42(g) of title 26.

**(8) Regulations**

Not later than 90 days after October 28, 1992, the Secretary shall issue such regulations as may be necessary to carry out this subsection.

**(9) Environmental and other reviews**

**(A) Environmental reviews**

**(i) In general**

(I) In order to assure that the policies of the National Environmental Policy Act of

1969 [42 U.S.C. 4321 et seq.] and other provisions of law which further the purposes of such Act (as specified in regulations issued by the Secretary) are most effectively implemented in connection with the insurance of mortgages under subsection (c)(2), and to assure to the public undiminished protection of the environment, the Secretary may, under such regulations, in lieu of the environmental protection procedures otherwise applicable, provide for agreements to endorse for insurance mortgages under subsection (c)(2) upon the request of qualified housing finance agencies under this subsection, if the State or unit of general local government, as designated by the Secretary in accordance with regulations, assumes all of the responsibilities for environmental review, decisionmaking, and action pursuant to such Act, and such other provisions of law as the regulations of the Secretary may specify, that would otherwise apply to the Secretary with respect to the insurance of mortgages on particular properties.

(II) The Secretary shall issue regulations to carry out this subparagraph only after consultation with the Council on Environmental Quality. Such regulations shall, among other matters, provide—

(aa) for the monitoring of the performance of environmental reviews under this subparagraph;

(bb) subject to the discretion of the Secretary, for the provision or facilitation of training for such performance; and

(cc) subject to the discretion of the Secretary, for the suspension or termination by the Secretary of the qualified housing finance agency's responsibilities under subclause (I).

(III) The Secretary's duty under subclause (II) shall not be construed to limit any responsibility assumed by a State or unit of general local government with respect to any particular property under subclause (I).

**(ii) Procedure**

The Secretary shall approve a mortgage for the provision of mortgage insurance subject to the procedures authorized by this paragraph only if, not less than 15 days prior to such approval, prior to any approval, commitment, or endorsement of mortgage insurance on the property on behalf of the Secretary, and prior to any commitment by the qualified housing finance agency to provide financing under the risk-sharing agreement with respect to the property, the qualified housing finance agency submits to the Secretary a request for such approval, accompanied by a certification of the State or unit of general local government that meets the requirements of clause (iii). The Secretary's approval of any such certification shall be deemed to satisfy the Secretary's responsibilities under the National Environmental Policy Act of 1969 [42 U.S.C. 4321 et

seq.] and such other provisions of law as the regulations of the Secretary specify insofar as those responsibilities relate to the provision of mortgage insurance on the property that is covered by such certification.

**(iii) Certification**

A certification under the procedures authorized by this paragraph shall—

(I) be in a form acceptable to the Secretary;

(II) be executed by the chief executive officer or other officer of the State or unit of general local government who qualifies under regulations of the Secretary;

(III) specify that the State or unit of general local government under this section has fully carried out its responsibilities as described under clause (i); and

(IV) specify that the certifying officer consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 [42 U.S.C. 4321 et seq.] and under each provision of law specified in regulations issued by the Secretary insofar as the provisions of such Act or such other provisions of law apply pursuant to clause (i), and is authorized and consents on behalf of the State or unit of general local government and himself or herself to accept the jurisdiction of the Federal courts for the purpose of enforcement of the responsibilities as such an official.

**(iv) Approval by States**

In cases in which a unit of general local government carries out the responsibilities described in clause (i), the Secretary may permit the State to perform those actions of the Secretary described in clause (ii) and the performance of such actions by the State, where permitted by the Secretary, shall be deemed to satisfy the Secretary's responsibilities referred to in the second sentence of clause (ii).

**(B) Lead-based paint poisoning prevention**

In carrying out the requirements of section 302 of the Lead-Based Paint Poisoning Prevention Act [42 U.S.C. 4822], the Secretary may provide by regulation for the assumption of all or part of the Secretary's duties under such Act [42 U.S.C. 4801 et seq.] by qualified housing finance agencies, for purposes of this section.

**(C) Certification of subsidy layering compliance**

The requirements of section 3545(d) of title 42 may be satisfied in connection with a commitment to insure a mortgage under this subsection by a certification by a housing credit agency (including an entity established by a State that provides mortgage insurance) to the Secretary that the combination of assistance within the jurisdiction of the Secretary and other government assistance provided in connection with a property for which a mortgage is to be insured shall

not be any greater than is necessary to provide affordable housing.

#### (10) Definitions

For purposes of this subsection, the following definitions shall apply:

##### (A) Mortgage

The term “mortgage” means a first mortgage on real estate that is—

- (i) owned in fee simple; or
- (ii) subject to a leasehold interest that—
  - (I) has a term of not less than 99 years and is renewable; or
  - (II) has a remaining term that extends beyond the maturity of the mortgage for a period of not less than 10 years.

##### (B) First mortgage

The term “first mortgage” means a single first lien given to secure advances on, or the unpaid purchase price of, real estate, under the laws of the State in which the real estate is located, together with the credit instrument, if any, secured thereby. Any other financing permitted on property insured under this section must be expressly subordinate to the insured mortgage.

##### (C) Unit of general local government; State

The terms “unit of general local government” and “State” have the same meanings as in section 5302(a) of title 42.

(Pub. L. 102-550, title V, §542, Oct. 28, 1992, 106 Stat. 3794; Pub. L. 103-233, title III, §307(a), (b), Apr. 11, 1994, 108 Stat. 373, 376; Pub. L. 104-120, §8, Mar. 28, 1996, 110 Stat. 836; Pub. L. 104-134, title I, §101(e) [title II, §205], Apr. 26, 1996, 110 Stat. 1321-257, 1321-284; renumbered title I, Pub. L. 104-140, §1(a), May 2, 1996, 110 Stat. 1327; Pub. L. 105-18, title II, §10003, June 12, 1997, 111 Stat. 201; Pub. L. 105-276, title II, §211, Oct. 21, 1998, 112 Stat. 2486; Pub. L. 106-74, title II, §226, as added Pub. L. 106-113, div. A, title I, §175(d), Nov. 29, 1999, 113 Stat. 1534; Pub. L. 106-377, §1(a)(1) [title II, §235], Oct. 27, 2000, 114 Stat. 1441A-35.)

#### Editorial Notes

##### REFERENCES IN TEXT

The National Housing Act, referred to in subsecs. (b)(5) and (c)(4), is 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 section 1701 of this title and Tables.

The National Environmental Policy Act of 1969, referred to in subsec. (c)(9)(A)(i)(I), (ii), (iii)(IV), is Pub. L. 91-190, Jan. 1, 1970, 83 Stat. 852, which is classified generally to chapter 55 (§4321 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 4321 of Title 42 and Tables.

The Lead-Based Paint Poisoning Prevention Act, referred to in subsec. (c)(9)(B), is Pub. L. 91-695, Jan. 13, 1971, 84 Stat. 2078, which is classified generally to chapter 63 (§4801 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 4801 of Title 42 and Tables.

##### CODIFICATION

Section was formerly set out as a note under section 1707 of this title.

Section was enacted as part of the Multifamily Housing Finance Improvement Act and also as part of the

Housing and Community Development Act of 1992, and not as part of the National Housing Act which comprises this chapter.

##### AMENDMENTS

2000—Pub. L. 106-377, §1(a)(1) [title II, §235(6)], substituted “programs” for “demonstrations” in section catchline.

Subsec. (a). Pub. L. 106-377, §1(a)(1) [title II, §235(1)], substituted “provide” for “demonstrate the effectiveness of providing” in first sentence and “the programs” for “demonstration programs” in second sentence.

Subsec. (b). Pub. L. 106-377, §1(a)(1) [title II, §235(5)], struck out “pilot” after “Risk-sharing” in heading.

Subsec. (b)(1). Pub. L. 106-377, §1(a)(1) [title II, §235(2)(A)], substituted “provide” for “determine the effectiveness of”.

Subsec. (b)(2)(A). Pub. L. 106-377, §1(a)(1) [title II, §235(5)], struck out “pilot” before “program”.

Subsec. (b)(5). Pub. L. 106-377, §1(a)(1) [title II, §235(2)(B)], added par. (5) and struck out heading and text of former par. (5). Text read as follows: “Using any authority provided in appropriation Acts to insure loans under the National Housing Act, the Secretary may enter into commitments under this subsection for risk sharing with respect to mortgages on not more than 7,500 units during fiscal year 1996. The demonstration authorized under this subsection shall not be expanded until the reports required under subsection (d) are submitted to Congress, and not more than an additional 25,000 units in each of the fiscal years 1999 and 2000.”

Subsec. (c). Pub. L. 106-377, §1(a)(1) [title II, §235(5)], struck out “pilot” after “finance agency” in heading.

Subsec. (c)(1). Pub. L. 106-377, §1(a)(1) [title II, §235(3)(A), (5)], struck out “pilot” before “program” and substituted “provide Federal credit enhancement” for “test the effectiveness of Federal credit enhancement”.

Subsec. (c)(2). Pub. L. 106-377, §1(a)(1) [title II, §235(5)], struck out “pilot” after “Program requirements” in heading.

Subsec. (c)(2)(A). Pub. L. 106-377, §1(a)(1) [title II, §235(5)], struck out “pilot” before “program”.

Subsec. (c)(4). Pub. L. 106-377, §1(a)(1) [title II, §235(3)(B)], added par. (4) and struck out heading and text of former par. (4). Text read as follows: “Using any authority provided by appropriations Acts to insure mortgages under the National Housing Act, the Secretary may enter into commitments under this subsection with respect to mortgages on not more than 12,000 units during fiscal year 1996, not more than an additional 7,500 units during fiscal year 1997 and not more than an additional 25,000 units in each of fiscal years 1999 and 2000. The demonstration authorized under this subsection shall not be expanded until the reports required under subsection (d) of this section are submitted to the Congress.”

Subsec. (d). Pub. L. 106-377, §1(a)(1) [title II, §235(4)], struck out heading and text of subsec. (d) which related to independent studies and reports.

1999—Subsec. (b)(5). Pub. L. 106-74, §226(1), as added by 106-113, §175(d), substituted “in each of the fiscal years 1999 and 2000” for “during fiscal year 1999”.

Subsec. (c)(4). Pub. L. 106-74, §226(2), as added by Pub. L. 106-113, §175(d), substituted “in each of fiscal years 1999 and 2000” for “during fiscal year 1999”.

1998—Subsec. (b)(5). Pub. L. 105-276, §211(1), inserted before period at end “, and not more than an additional 25,000 units during fiscal year 1999”.

Subsec. (c)(4). Pub. L. 105-276, §211(2), substituted “1996,” for “1996 and” and inserted “and not more than an additional 25,000 units during fiscal year 1999” after “fiscal year 1997”.

1997—Subsec. (c)(4). Pub. L. 105-18 substituted “on not more than 12,000 units during fiscal year 1996 and not more than an additional 7,500 units during fiscal year 1997” for “on not more than 12,000 units during fiscal year 1996”.

1996—Subsec. (b)(5). Pub. L. 104-120, §8(a), and Pub. L. 104-134, §101(e) [title II, §205(a)], amended par. (5) iden-

tically, substituting “on not more than 7,500 units during fiscal year 1996” for “on not more than 15,000 units over fiscal years 1993 and 1994”.

Subsec. (c)(4). Pub. L. 104-120, §8(b), and Pub. L. 104-134, §101(e) [title II, §205(b)], amended par. (4) identically, substituting “on not more than 12,000 units during fiscal year 1996” for “on not to exceed 30,000 units over fiscal years 1993, 1994, and 1995”.

1994—Subsec. (b)(1), (2). Pub. L. 103-233, §307(a)(1), added pars. (1) and (2) and struck out headings and text of former pars. (1) and (2) relating to authority of Secretary for carrying out risk-sharing pilot program and authority of Secretary for reinsurance agreements, respectively.

Subsec. (b)(4). Pub. L. 103-233, §307(a)(2), substituted “eligibility under this subsection of qualified participating entities” for “financial institutions and entities to be eligible to enter into reinsurance agreements”.

Subsec. (b)(8). Pub. L. 103-233, §307(a)(3), (4), added par. (8) and struck out heading and text of former par. (8). Text read as follows: “The Secretary shall take any administrative actions necessary to initiate the pilot program under this subsection not later than the expiration of the 8-month period beginning on October 28, 1992.”

Subsec. (b)(9), (10). Pub. L. 103-233, §307(a)(4), added pars. (9) and (10).

Subsec. (b)(11). Pub. L. 103-233, §307(a)(3), added par. (11).

Subsec. (c)(1). Pub. L. 103-233, §307(b)(1), inserted “(including entities established by States that provide mortgage insurance)” after “qualified housing finance agencies”.

Subsec. (c)(2)(C). Pub. L. 103-233, §307(b)(2)(A), substituted “Such agreements shall specify that the qualified housing finance agency and the Secretary shall share any loss in accordance with the risk-sharing agreement.” for “Such agreements shall specify that the qualified housing finance agency and the Secretary shall share equally the full amount of any loss on the insured mortgage.”

Subsec. (c)(2)(F). Pub. L. 103-233, §307(b)(2)(B), added subpar. (F).

Subsec. (c)(7). Pub. L. 103-233, §307(b)(3), struck out “very low-income” before “families” and “(2)” after “section 42(g)”.

Subsec. (c)(9), (10). Pub. L. 103-233, §307(b)(4), added pars. (9) and (10).

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by Pub. L. 104-120 to be construed to have become effective Oct. 1, 1995, see section 13(a) of Pub. L. 104-120, set out as a note under section 1437d of Title 42, The Public Health and Welfare.

#### § 1715z-22a. Definitions

For purposes of this subtitle:

(1) The term “multifamily housing” means housing accommodations on the mortgaged property that are designed principally for residential use, conform to standards satisfactory to the Secretary, and consist of not less than 5 rental units on 1 site. These units may be detached, semidetached, row house, or multifamily structures.

(2) The term “qualified housing finance agency” means any State or local housing finance agency that—

(A) carries the designation of “top tier” or its equivalent, as evaluated by Standard and Poors or any other nationally recognized rating agency;

(B) receives a rating of “A” for its general obligation bonds from a nationally recognized rating agency; or

(C) otherwise demonstrates its capacity as a sound and experienced agency based on, but not limited to, its experience in financing multifamily housing, fund balances, administrative capabilities, investment policy, internal controls and financial management, portfolio quality, and State or local support.

(3) The term “reinsurance agreement” means a contractual obligation under which the Secretary, in exchange for appropriate compensation, agrees to assume a specified portion of the risk of loss that a lender or other party has previously assumed with respect to a mortgage on a multifamily housing property.

(4) The term “Secretary” means the Secretary of Housing and Urban Development.

(5) The term “qualified participating entity” means an entity approved by the Secretary for participation in the pilot program under this subsection, which may include—

(A) the Federal National Mortgage Association;

(B) the Federal Home Loan Mortgage Corporation;

(C) State housing finance and mortgage insurance agencies; and

(D) the Federal Housing Finance Board.

(Pub. L. 102-550, title V, §544, Oct. 28, 1992, 106 Stat. 3801; Pub. L. 103-233, title III, §307(c), Apr. 11, 1994, 108 Stat. 378.)

#### Editorial Notes

##### REFERENCES IN TEXT

This subtitle, referred to in text, means subtitle C (§§541-544) of Pub. L. 102-550, title V, Oct. 28, 1992, 106 Stat. 3794, known as the Multifamily Housing Finance Improvement Act, which enacted this section and section 1715z-22 of this title and provisions set out as a note under section 1701 of this title. For complete classification of this Act to the Code, see Short Title of 1992 Amendment note set out under section 1701 of this title and Tables.

##### CODIFICATION

Section was formerly set out as a note under section 1707 of this title.

Section was enacted as part of the Multifamily Housing Finance Improvement Act and also as part of the Housing and Community Development Act of 1992, and not as part of the National Housing Act which comprises this chapter.

##### AMENDMENTS

1994—Par. (1). Pub. L. 103-233, §307(c)(1), added par. (1) and struck out heading and text of former par. (1). Text read as follows: “The term ‘multifamily housing’ means a property consisting of more than 4 dwelling units.”

Par. (5). Pub. L. 103-233, §307(c)(2), added par. (5).

#### § 1715z-23. HOPE for Homeowners Program

##### (a) Establishment

There is established in the Federal Housing Administration a HOPE for Homeowners Program.

##### (b) Purpose

The purpose of the HOPE for Homeowners Program is—

(1) to create an FHA program, participation in which is voluntary on the part of home-