

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 1461
OFFERED BY MR. OXLEY OF OHIO**

[en bloc amendments]

Page 48, line 9, after the first period insert the following: “The Director may, by regulations issued under section 1319G(b), adjust the minimum capital levels as necessary, based on the Director’s review.”.

Page 69, line 5, strike “primary mortgage market” and insert “mortgage loan origination”.

Page 69, after line 10, insert the following:

1 “(7) LIMITATION.—The Director, in imple-
2 menting this subsection, may not prevent an enter-
3 prise from continuing to offer the automated loan
4 underwriting system in existence on the date of the
5 enactment of the Federal Housing Finance Reform
6 Act of 2005 or continuing to engage in counseling
7 and education activities.”.

Page 74, lines 24 and 25, strike “primary mortgage market” and insert “mortgage loan origination”.

Page 75, line 6, strike “6-month” and insert “12-month”.



Page 75, line 8, before the period insert “, and the Director shall review such regulations on a periodic basis”.

Page 85, after line 6, insert the following:

1 (e) REGULAR ADJUSTMENT OF CONFORMING LOAN

2 LIMITS.—

3 (1) ADJUSTMENT FOR YEAR INTERVENING BE-

4 FORE EFFECTIVE DATE.—Notwithstanding section

5 302(b)(2) of the Federal National Mortgage Asso-

6 ciation Charter Act and section 305(a)(2) of the

7 Federal Home Loan Mortgage Corporation Act, as

8 amended by this section, the maximum dollar

9 amount limitations in such sections shall be adjusted

10 on the effective date under section 184 of this Act,

11 and the limitations as so adjusted shall be imme-

12 diately effective, so that the limitations under such

13 sections applicable to the year in which such effec-

14 tive date occurs are equal to the limitations in effect

15 under such sections immediately before such effec-

16 tive date.

17 (2) FURTHER ADJUSTMENTS.—After such ef-

18 fective date, the dollar amount limitations as ad-

19 justed pursuant to paragraph (1) shall be considered

20 “such amount (as it may have been previously ad-

21 justed” for purposes of section 302(b)(2) of the Fed-



1 eral National Mortgage Association Charter Act and
2 section 305(a)(2) of the Federal Home Loan Mort-
3 gage Corporation Act.

Page 112, line 19, before “The” insert “(a) IN GEN-
ERAL.—”.

Page 113, line 9, by strike “and”.

Page 113, line 12, strike the period and insert “;
and”.

Page 113, after line 12, insert the following:

4 “(4) to increase investment in economic and
5 community development in economically underserved
6 areas.”

Page 113, line 15, strike “subsection (j)” and insert
“subsection (l)”.

Strike line 18 on page 113 and all that follows
through line 3 on page 114 and insert the following:

7 “established under subsection (a) by the enterprise,
8 in each year beginning after the effective date under
9 section 184 of the Federal Housing Finance Reform
10 Act of 2005, 5 percent of the after-tax income of the
11 enterprise for the preceding year.”.

Page 115, line 8, strike “subsection (j)(2)(C)” and
insert “subsection (l)(2)(C)”.



Page 115, line 17, strike “and”.

Page 116, line 25, strike the period and insert “;
and”.

Page 116, after line 25, insert the following:

1 “(3) leveraged grants under subsection (e).”

Page 117, before line 1, insert the following:

2 “(e) LEVERAGED GRANTS.—

3 “(1) IN GENERAL.—Pursuant to regulations
4 issued by the Director, each enterprise shall carry
5 out a program under this subsection to make lever-
6 aged grants from amounts in the affordable housing
7 fund of the enterprise, subject to the requirements
8 under this subsection.

9 “(2) ELIGIBLE PURPOSES.—Amounts from the
10 affordable housing fund of an enterprise may be
11 used only for leveraged grants under paragraph (4)
12 for—

13 “(A) the development, preservation, reha-
14 bilitation, or purchase of affordable housing
15 that meets underserved needs for affordable
16 housing;

17 “(B) community or economic development
18 activities in economically underserved areas; or



1 “(C) a combination of the activities identi-
2 fied in subparagraphs (A) and (B).

3 “(3) ELIGIBLE SPONSORS.—A leveraged grant
4 under this subsection may be made only on behalf
5 of a sponsor that meets such requirements as the
6 Director shall establish for experience and success in
7 carrying out the types of activities proposed under
8 the application of the sponsor, such as the following
9 entities:

10 “(A) A low-income housing fund.

11 “(B) A housing finance agency of a State
12 or unit of general local government.

13 “(C) A non-profit organization having as
14 one of its principal purposes the development or
15 management of affordable housing.

16 “(D) A community development financial
17 institution.

18 “(E) A national non-profit housing inter-
19 mediary.

20 “(F) A community development corpora-
21 tion.

22 “(G) A community development entity.

23 “(4) ELIGIBLE USES.—Amounts from the af-
24 fordable housing fund of an enterprise may be used



1 under this subsection only for the following types of
2 leveraged grants:

3 “(A) To provide loan loss reserves.

4 “(B) To capitalize a revolving loan fund.

5 “(C) To provide equity capitalization of an
6 affordable housing fund.

7 “(D) To provide equity capitalization of a
8 community development or economic develop-
9 ment fund.

10 “(E) For risk sharing loans.

11 “(F) For the funding of a specific, detailed
12 investment plan that identifies the specific types
13 of uses and the expected timeframes with re-
14 spect to such uses.

15 “(5) APPLICATIONS.—The Director shall pro-
16 vide, in the application process established pursuant
17 to subsection (1)(2)(C), for eligible sponsors under
18 paragraph (3) of this subsection to submit applica-
19 tions to an enterprise for leveraged grants pursuant
20 to this subsection, which shall include a detailed de-
21 scription of—

22 “(A) the types of affordable housing or
23 community or economic development activities
24 for which the leveraged grant is made;



1 “(B) the type of eligible leveraged grants
2 under paragraph (4) to be made in the project;

3 “(C) the types, sources, and amounts of
4 other funding for the project;

5 “(D) and the expected time frame of the
6 leveraged grant under this subsection.

7 “(6) LIMITATIONS.—The Director shall by
8 regulation—

9 “(A) ensure that leveraged grants pursu-
10 ant to this subsection are designed to alleviate
11 need for affordable housing in underserved mar-
12 kets identified in section 1335(a) having the
13 greatest need for such housing or to address
14 community and economic development needs in
15 economically underserved areas having the
16 greatest need; and

17 “(B) any returns from leveraged grants
18 under this subsection accrue to the affordable
19 housing fund of the enterprise and are available
20 for use only as provided under this section.”

Page 117, line 1, strike “(e)” and insert “(f)”.

Page 117, after line 6, insert the following:

21 “(2) AMOUNTS FOR LEVERAGED GRANTS.—Of
22 any amounts allocated pursuant to subsection (b) in
23 each year to the affordable housing fund of an enter-



1 prise, not more than 12.5 percent shall be used for
2 leveraged grants under subsection (e).”

Page 117, line 7, strike “(2)” and insert “(3)”.

Page 117, line 11, strike “(3)” and insert “(4)”.

Page 117, line 16, strike “(4)” and insert “(5)”.

Page 118, line 6, strike “(5)” and insert “(6)”.

Page 118, line 16, strike “(f)” and insert “(g)”.

Page 118, line 21, strike “subsection (i)” and insert
“subsection (j)”.

Page 119, line 5, strike “subsection (j)(2)(C)” and
insert “subsection (l)(2)(C)”.

Page 119, line 10, strike “subsection (j)(2)(C)” and
insert “subsection (l)(2)(C)”.

Page 119, line 18, strike “(g)” and insert “(h)”.

Page 119, line 22, strike “(h)” and insert “(i)”.

Page 120, line 5, strike “(i)” and insert “(j)”.

Page 122, line 18, strike “subsection (j)(2)(C)” and
insert “subsection (l)(2)(C)”.

Page 123, line 2, strike “(f)(1)” and insert “(g)(1)”.



Page 123, line 6, strike “subsection (j)(2)(C)” and insert “subsection (l)(2)(C)”.

Page 123, line 8, strike “(f)(2)” and insert “(g)(2)”.

Page 123, after line 18, insert the following:

1 “(k). DEFINITION.—For purposes of this section, the
2 term ‘economically underserved area’ means an area that
3 predominantly includes census tracts for which—

4 “(1) at least 20 percent of the population is
5 below the poverty line (as such term is defined in
6 section 673(2) of the Omnibus Budget Reconcili-
7 ation Act of 1981 (42 U.S.C. 9902(2)), including
8 any revision required by such section), applicable to
9 a family of the size involved; or

10 “(2) median family income does not exceed the
11 greater of—

12 “(A) 80 percent of the median family in-
13 come for the metropolitan statistical area in
14 which such census tracts are located; or

15 “(B) 80 percent of the median family in-
16 come for the State in which such census tracts
17 are located.”

Page 123, line 19, strike “(j)” and insert “(l)”.

Page 125, after line 25, insert the following:

18 (b) CONTRIBUTIONS FOR 2006.—



1 (1) RESERVATION AND CONTRIBUTION.—In
2 2006, each enterprise (as such term is defined in
3 section 1303 of the Housing and Community Devel-
4 opment Act of 1992) shall reserve for contribution
5 to the affordable housing fund to be established by
6 the enterprise pursuant to section 1337 of such Act
7 (as amended by subsection (a) of this section), an
8 amount equal to 3.5 percent of the after-tax income
9 of the enterprise for 2005. Upon the establishment
10 of such affordable housing fund, each enterprise
11 shall allocate to such fund the amounts reserved
12 under this subsection by the enterprise.

13 (2) EXCEPTION TO DEADLINE FOR COMMIT-
14 MENT.—Section 1337(e)(2) of the Housing and
15 Community Development Act of 1992 (as amended
16 by subsection (a) of this section) shall not apply to
17 amounts allocated to the affordable housing fund of
18 an enterprise pursuant to paragraph (1).

19 (3) AFTER-TAX INCOME.—For purposes of this
20 subsection, the term “after-tax income” has the
21 meaning provided in subsection (b)(3) of the new
22 section 1337 to be inserted by the amendment made
23 by subsection (a) of this section.

24 (4) EFFECTIVE DATE.—This subsection shall
25 take effect on the date of the enactment of this Act.

