

JANUARY 26, 2016

**RULES COMMITTEE PRINT 114-42**  
**TEXT OF H.R. 3700, HOUSING OPPORTUNITY**  
**THROUGH MODERNIZATION ACT OF 2015**

**[Showing the text of the bill as ordered reported by the  
Committee on Financial Services.]**

1 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the  
3 “Housing Opportunity Through Modernization Act of  
4 2015”.

5 (b) **TABLE OF CONTENTS.**—The table of contents for  
6 this Act is as follows:

Sec. 1. Short title and table of contents.

**TITLE I—SECTION 8 RENTAL ASSISTANCE AND PUBLIC HOUSING**

- Sec. 101. Inspection of dwelling units.
- Sec. 102. Income reviews.
- Sec. 103. Limitation on public housing tenancy for over-income families.
- Sec. 104. Limitation on eligibility for assistance based on assets.
- Sec. 105. Units owned by public housing agencies.
- Sec. 106. PHA project-based assistance.
- Sec. 107. Establishment of fair market rent.
- Sec. 108. Collection of utility data.
- Sec. 109. Public housing Capital and Operating Funds.
- Sec. 110. Family unification program for children aging out of foster care.

**TITLE II—RURAL HOUSING**

Sec. 201. Delegation of guaranteed rural housing loan approval.

**TITLE III—FHA MORTGAGE INSURANCE FOR CONDOMINIUMS**

Sec. 301. Modification of FHA requirements for mortgage insurance for condominiums.

**TITLE IV—HOUSING REFORMS FOR THE HOMELESS AND FOR  
VETERANS**

- Sec. 401. Definition of geographic area for Continuum of Care Program.
- Sec. 402. Inclusion of public housing agencies and local redevelopment authorities in emergency solutions grants.
- Sec. 403. Special assistant for Veterans Affairs in the Department of Housing and Urban Development.
- Sec. 404. Annual supplemental report on veterans homelessness.

TITLE V—MISCELLANEOUS

- Sec. 501. Inclusion of Disaster Housing Assistance Program in certain fraud and abuse prevention measures.
- Sec. 502. Energy efficiency requirements under Self-Help Homeownership Opportunity program.
- Sec. 503. Data exchange standardization for improved interoperability.

1 **TITLE I—SECTION 8 RENTAL AS-**  
2 **SISTANCE AND PUBLIC HOUS-**  
3 **ING**

4 **SEC. 101. INSPECTION OF DWELLING UNITS.**

5 (a) IN GENERAL.—Section 8(o)(8) of the United  
6 States Housing Act of 1937 (42 U.S.C. 1437f(o)(8)) is  
7 amended—

8 (1) by striking subparagraph (A) and inserting  
9 the following new subparagraph:

10 “(A) INITIAL INSPECTION.—

11 “(i) IN GENERAL.—For each dwelling  
12 unit for which a housing assistance pay-  
13 ment contract is established under this  
14 subsection, the public housing agency (or  
15 other entity pursuant to paragraph (11))  
16 shall inspect the unit before any assistance  
17 payment is made to determine whether the  
18 dwelling unit meets the housing quality  
19 standards under subparagraph (B), except

1 as provided in clause (ii) or (iii) of this  
2 subparagraph.

3 “(ii) CORRECTION OF NON-LIFE-  
4 THREATENING CONDITIONS.—In the case  
5 of any dwelling unit that is determined,  
6 pursuant to an inspection under clause (i),  
7 not to meet the housing quality standards  
8 under subparagraph (B), assistance pay-  
9 ments may be made for the unit notwith-  
10 standing subparagraph (C) if failure to  
11 meet such standards is a result only of  
12 non-life-threatening conditions, as such  
13 conditions are established by the Secretary.  
14 A public housing agency making assistance  
15 payments pursuant to this clause for a  
16 dwelling unit shall, 30 days after the be-  
17 ginning of the period for which such pay-  
18 ments are made, withhold any assistance  
19 payments for the unit if any deficiency re-  
20 sulting in noncompliance with the housing  
21 quality standards has not been corrected  
22 by such time. The public housing agency  
23 shall recommence assistance payments  
24 when such deficiency has been corrected,  
25 and may use any payments withheld to

1 make assistance payments relating to the  
2 period during which payments were with-  
3 held.

4 “(iii) USE OF ALTERNATIVE INSPEC-  
5 TION METHOD FOR INTERIM PERIOD.—In  
6 the case of any property that within the  
7 previous 24 months has met the require-  
8 ments of an inspection that qualifies as an  
9 alternative inspection method pursuant to  
10 subparagraph (E), a public housing agency  
11 may authorize occupancy before the inspec-  
12 tion under clause (i) has been completed,  
13 and may make assistance payments retro-  
14 active to the beginning of the lease term  
15 after the unit has been determined pursu-  
16 ant to an inspection under clause (i) to  
17 meet the housing quality standards under  
18 subparagraph (B). This clause may not be  
19 construed to exempt any dwelling unit  
20 from compliance with the requirements of  
21 subparagraph (D).”;

22 (2) by redesignating subparagraph (G) as sub-  
23 paragraph (H); and

24 (3) by inserting after subparagraph (F) the fol-  
25 lowing new subparagraph:

1                   “(G) ENFORCEMENT OF HOUSING QUALITY  
2                   STANDARDS.—

3                   “(i) DETERMINATION OF NONCOMPLI-  
4                   ANCE.—A dwelling unit that is covered by  
5                   a housing assistance payments contract  
6                   under this subsection shall be considered,  
7                   for purposes of subparagraphs (D) and  
8                   (F), to be in noncompliance with the hous-  
9                   ing quality standards under subparagraph  
10                  (B) if—

11                  “(I) the public housing agency or  
12                  an inspector authorized by the State  
13                  or unit of local government deter-  
14                  mines upon inspection of the unit that  
15                  the unit fails to comply with such  
16                  standards;

17                  “(II) the agency or inspector no-  
18                  tifies the owner of the unit in writing  
19                  of such failure to comply; and

20                  “(III) the failure to comply is not  
21                  corrected—

22                  “(aa) in the case of any  
23                  such failure that is a result of  
24                  life-threatening conditions, within

1 24 hours after such notice has  
2 been provided; and

3 “(bb) in the case of any  
4 such failure that is a result of  
5 non-life-threatening conditions,  
6 within 30 days after such notice  
7 has been provided or such other  
8 reasonable longer period as the  
9 public housing agency may estab-  
10 lish.

11 “(ii) WITHHOLDING OF ASSISTANCE  
12 AMOUNTS DURING CORRECTION.—The  
13 public housing agency may withhold assist-  
14 ance amounts under this subsection with  
15 respect to a dwelling unit for which a no-  
16 tice pursuant to clause (i)(II), of failure to  
17 comply with housing quality standards  
18 under subparagraph (B) as determined  
19 pursuant to an inspection conducted under  
20 subparagraph (D) or (F), has been pro-  
21 vided. If the unit is brought into compli-  
22 ance with such housing quality standards  
23 during the periods referred to in clause  
24 (i)(III), the public housing agency shall re-  
25 commence assistance payments and may

1 use any amounts withheld during the cor-  
2 rection period to make assistance payments  
3 relating to the period during which pay-  
4 ments were withheld.

5 “(iii) ABATEMENT OF ASSISTANCE  
6 AMOUNTS.—The public housing agency  
7 shall abate all of the assistance amounts  
8 under this subsection with respect to a  
9 dwelling unit that is determined, pursuant  
10 to clause (i) of this subparagraph, to be in  
11 noncompliance with housing quality stand-  
12 ards under subparagraph (B). Upon com-  
13 pletion of repairs by the public housing  
14 agency or the owner sufficient so that the  
15 dwelling unit complies with such housing  
16 quality standards, the agency shall recom-  
17 mence payments under the housing assist-  
18 ance payments contract to the owner of the  
19 dwelling unit.

20 “(iv) NOTIFICATION.—If a public  
21 housing agency providing assistance under  
22 this subsection abates rental assistance  
23 payments pursuant to clause (iii) with re-  
24 spect to a dwelling unit, the agency shall,  
25 upon commencement of such abatement—

1                   “(I) notify the tenant and the  
2                   owner of the dwelling unit that—

3                           “(aa) such abatement has  
4                           commenced; and

5                           “(bb) if the dwelling unit is  
6                           not brought into compliance with  
7                           housing quality standards within  
8                           60 days after the effective date of  
9                           the determination of noncompli-  
10                          ance under clause (i) or such rea-  
11                          sonable longer period as the  
12                          agency may establish, the tenant  
13                          will have to move; and

14                          “(II) issue the tenant the nec-  
15                          essary forms to allow the tenant to  
16                          move to another dwelling unit and  
17                          transfer the rental assistance to that  
18                          unit.

19                          “(v) PROTECTION OF TENANTS.—An  
20                          owner of a dwelling unit may not terminate  
21                          the tenancy of any tenant because of the  
22                          withholding or abatement of assistance  
23                          pursuant to this subparagraph. During the  
24                          period that assistance is abated pursuant

1 to this subparagraph, the tenant may ter-  
2 minate the tenancy by notifying the owner.

3 “(vi) TERMINATION OF LEASE OR AS-  
4 SISTANCE PAYMENTS CONTRACT.—If as-  
5 sistance amounts under this section for a  
6 dwelling unit are abated pursuant to clause  
7 (iii) and the owner does not correct the  
8 noncompliance within 60 days after the ef-  
9 fective date of the determination of non-  
10 compliance under clause (i), or such other  
11 reasonable longer period as the public  
12 housing agency may establish, the agency  
13 shall terminate the housing assistance pay-  
14 ments contract for the dwelling unit.

15 “(vii) RELOCATION.—

16 “(I) LEASE OF NEW UNIT.—The  
17 agency shall provide the family resid-  
18 ing in such a dwelling unit a period of  
19 90 days or such longer period as the  
20 public housing agency determines is  
21 reasonably necessary to lease a new  
22 unit, beginning upon termination of  
23 the contract, to lease a new residence  
24 with tenant-based rental assistance  
25 under this section.

1                   “(II) AVAILABILITY OF PUBLIC  
2 HOUSING UNITS.—If the family is un-  
3 able to lease such a new residence  
4 during such period, the public housing  
5 agency shall, at the option of the fam-  
6 ily, provide such family a preference  
7 for occupancy in a dwelling unit of  
8 public housing that is owned or oper-  
9 ated by the agency that first becomes  
10 available for occupancy after the expi-  
11 ration of such period.

12                   “(III) ASSISTANCE IN FINDING  
13 UNIT.—The public housing agency  
14 may provide assistance to the family  
15 in finding a new residence, including  
16 use of up to two months of any assist-  
17 ance amounts withheld or abated pur-  
18 suant to clause (ii) or (iii), respec-  
19 tively, for costs directly associated  
20 with relocation of the family to a new  
21 residence, which shall include security  
22 deposits as necessary and may include  
23 reimbursements for reasonable moving  
24 expenses incurred by the household,  
25 as established by the Secretary. The

1           agency may require that a family re-  
2           ceiving assistance for a security de-  
3           posit shall remit, to the extent of such  
4           assistance, the amount of any security  
5           deposit refunds made by the owner of  
6           the dwelling unit for which the lease  
7           was terminated.

8           “(viii) TENANT-CAUSED DAMAGES.—  
9           If a public housing agency determines that  
10          any damage to a dwelling unit that results  
11          in a failure of the dwelling unit to comply  
12          with housing quality standards under sub-  
13          paragraph (B), other than any damage re-  
14          sulting from ordinary use, was caused by  
15          the tenant, any member of the tenant’s  
16          household, or any guest or other person  
17          under the tenant’s control, the agency may  
18          waive the applicability of this subpara-  
19          graph, except that this clause shall not ex-  
20          onerate a tenant from any liability other-  
21          wise existing under applicable law for dam-  
22          ages to the premises caused by such ten-  
23          ant.

24          “(ix) APPLICABILITY.—This subpara-  
25          graph shall apply to any dwelling unit for

1                   which a housing assistance payments con-  
2                   tract is entered into or renewed after the  
3                   date of the effectiveness of the regulations  
4                   implementing this subparagraph.”.

5           (b) **EFFECTIVE DATE.**—The Secretary of Housing  
6 and Urban Development shall issue notice or regulations  
7 to implement subsection (a) of this section and such sub-  
8 section shall take effect upon such issuance.

9 **SEC. 102. INCOME REVIEWS.**

10           (a) **INCOME REVIEWS FOR PUBLIC HOUSING AND**  
11 **SECTION 8 PROGRAMS.**—Section 3 of the United States  
12 Housing Act of 1937 (42 U.S.C. 1437a) is amended—

13                   (1) in subsection (a)—

14                           (A) in the second sentence of paragraph  
15                           (1), by striking “at least annually” and insert-  
16                           ing “pursuant to paragraph (6)”; and

17                           (B) by adding at the end the following new  
18                   paragraphs:

19                   “(6) **REVIEWS OF FAMILY INCOME.**—

20                           “(A) **FREQUENCY.**—Reviews of family in-  
21                           come for purposes of this section shall be  
22                           made—

23                                   “(i) in the case of all families, upon  
24                                   the initial provision of housing assistance  
25                                   for the family;

1           “(ii) annually thereafter, except as  
2           provided in paragraph (1) with respect to  
3           fixed-income families;

4           “(iii) upon the request of the family,  
5           at any time the income or deductions  
6           (under subsection (b)(5)) of the family  
7           change by an amount that is estimated to  
8           result in a decrease of 10 percent (or such  
9           lower amount as the Secretary may, by no-  
10          tice, establish, or permit the public housing  
11          agency or owner to establish) or more in  
12          annual adjusted income; and

13          “(iv) at any time the income or deduc-  
14          tions (under subsection (b)(5)) of the fam-  
15          ily change by an amount that is estimated  
16          to result in an increase of 10 percent or  
17          more in annual adjusted income, or such  
18          other amount as the Secretary may by no-  
19          tice establish, except that any increase in  
20          the earned income of a family shall not be  
21          considered for purposes of this clause (ex-  
22          cept that earned income may be considered  
23          if the increase corresponds to previous de-  
24          creases under clause (iii)), except that a  
25          public housing agency or owner may elect

1 not to conduct such review in the last three  
2 months of a certification period.

3 “(B) IN GENERAL.—Reviews of family in-  
4 come for purposes of this section shall be sub-  
5 ject to the provisions of section 904 of the  
6 Stewart B. McKinney Homeless Assistance  
7 Amendments Act of 1988 (42 U.S.C. 3544).

8 “(7) CALCULATION OF INCOME.—

9 “(A) USE OF CURRENT YEAR INCOME.—In  
10 determining family income for initial occupancy  
11 or provision of housing assistance pursuant to  
12 clause (i) of paragraph (6)(A) or pursuant to  
13 reviews pursuant to clause (iii) or (iv) of such  
14 paragraph, a public housing agency or owner  
15 shall use the income of the family as estimated  
16 by the agency or owner for the upcoming year.

17 “(B) USE OF PRIOR YEAR INCOME.—In  
18 determining family income for annual reviews  
19 pursuant to paragraph (6)(A)(ii), a public hous-  
20 ing agency or owner shall, except as otherwise  
21 provided in this paragraph and paragraph (1),  
22 use the income of the family as determined by  
23 the agency or owner for the preceding year,  
24 taking into consideration any redetermination

1 of income during such prior year pursuant to  
2 clause (iii) or (iv) of paragraph (6)(A).

3 “(C) OTHER INCOME.—In determining the  
4 income for any family based on the prior year’s  
5 income, with respect to prior year calculations  
6 of income not subject to subparagraph (B), a  
7 public housing agency or owner may make other  
8 adjustments as it considers appropriate to re-  
9 flect current income.

10 “(D) SAFE HARBOR.—A public housing  
11 agency or owner may, to the extent such infor-  
12 mation is available to the public housing agency  
13 or owner, determine the family’s income prior  
14 to the application of any deductions based on  
15 timely income determinations made for pur-  
16 poses of other means-tested Federal public as-  
17 sistance programs (including the program for  
18 block grants to States for temporary assistance  
19 for needy families under part A of title IV of  
20 the Social Security Act, a program for Medicaid  
21 assistance under a State plan approved under  
22 title XIX of the Social Security Act, and the  
23 supplemental nutrition assistance program (as  
24 such term is defined in section 3 of the Food  
25 and Nutrition Act of 2008 (7 U.S.C. 2012))).

1           The Secretary shall, in consultation with other  
2           appropriate Federal agencies, develop proce-  
3           dures to enable public housing agencies and  
4           owners to have access to such income deter-  
5           minations made by other means-tested Federal  
6           programs that the Secretary determines to have  
7           comparable reliability. Exchanges of such infor-  
8           mation shall be subject to the same limitations  
9           and tenant protections provided under section  
10          904 of the Stewart B. McKinney Homeless As-  
11          sistance Act Amendments of 1988 (42 U.S.C.  
12          3544) with respect to information obtained  
13          under the requirements of section 303(i) of the  
14          Social Security Act (42 U.S.C. 503(i)).

15                 “(E) PHA AND OWNER COMPLIANCE.—A  
16          public housing agency or owner may not be con-  
17          sidered to fail to comply with this paragraph or  
18          paragraph (6) due solely to any de minimis er-  
19          rors made by the agency or owner in calculating  
20          family incomes.”;

21                 (2) by striking subsections (d) and (e); and

22                 (3) by redesignating subsection (f) as sub-  
23          section (d).

24          (b) CERTIFICATION REGARDING HARDSHIP EXCEP-  
25          TION TO MINIMUM MONTHLY RENT.—Not later than the

1 expiration of the 6-month period beginning on the date  
2 of the enactment of this Act, the Secretary of Housing  
3 and Urban Development shall submit to the Congress a  
4 certification that the hardship and tenant protection provi-  
5 sions in clause (i) of section 3(a)(3)(B) of the United  
6 States Housing Act of 1937 (42 U.S.C.  
7 1437a(a)(3)(B)(i)) are being enforced at such time and  
8 that the Secretary will continue to provide due consider-  
9 ation to the hardship circumstances of persons assisted  
10 under relevant programs of this Act.

11 (c) INCOME; ADJUSTED INCOME.—Section 3(b) of  
12 the United States Housing Act of 1937 (42 U.S.C.  
13 1437a(b)) is amended by striking paragraphs (4) and (5)  
14 and inserting the following new paragraphs:

15 “(4) INCOME.—The term ‘income’ means, with  
16 respect to a family, income received from all sources  
17 by each member of the household who is 18 years  
18 of age or older or is the head of household or spouse  
19 of the head of the household, plus unearned income  
20 by or on behalf of each dependent who is less than  
21 18 years of age, as determined in accordance with  
22 criteria prescribed by the Secretary, in consultation  
23 with the Secretary of Agriculture, subject to the fol-  
24 lowing requirements:

1           “(A) INCLUDED AMOUNTS.—Such term in-  
2           cludes recurring gifts and receipts, actual in-  
3           come from assets, and profit or loss from a  
4           business.

5           “(B) EXCLUDED AMOUNTS.—Such term  
6           does not include—

7                   “(i) any imputed return on assets, ex-  
8                   cept to the extent that net family assets  
9                   exceed \$50,000, except that such amount  
10                  (as it may have been previously adjusted)  
11                  shall be adjusted for inflation annually by  
12                  the Secretary in accordance with an infla-  
13                  tionary index selected by the Secretary;

14                   “(ii) any amounts that would be eligi-  
15                   ble for exclusion under section 1613(a)(7)  
16                   of the Social Security Act (42 U.S.C.  
17                   1382b(a)(7));

18                   “(iii) deferred disability benefits from  
19                   the Department of Veterans Affairs that  
20                   are received in a lump sum amount or in  
21                   prospective monthly amounts;

22                   “(iv) any expenses related to aid and  
23                   attendance under section 1521 of title 38,  
24                   United States Code, to veterans who are in  
25                   need of regular aid and attendance; and

1                   “(v) exclusions from income as estab-  
2                   lished by the Secretary by regulation or  
3                   notice, or any amount required by Federal  
4                   law to be excluded from consideration as  
5                   income.

6                   “(C) EARNED INCOME OF STUDENTS.—

7                   Such term does not include—

8                   “(i) earned income, up to an amount  
9                   as the Secretary may by regulation estab-  
10                  lish, of any dependent earned during any  
11                  period that such dependent is attending  
12                  school or vocational training on a full-time  
13                  basis; or

14                  “(ii) any grant-in-aid or scholarship  
15                  amounts related to such attendance used—

16                          “(I) for the cost of tuition or  
17                          books; or

18                          “(II) in such amounts as the Sec-  
19                          retary may allow, for the cost of room  
20                          and board.

21                  “(D) EDUCATIONAL SAVINGS ACCOUNTS.—

22                  Income shall be determined without regard to  
23                  any amounts in or from, or any benefits from,  
24                  any Coverdell education savings account under  
25                  section 530 of the Internal Revenue Code of

1           1986 or any qualified tuition program under  
2           section 529 of such Code.

3           “(E) RECORDKEEPING.—The Secretary  
4           may not require a public housing agency or  
5           owner to maintain records of any amounts ex-  
6           cluded from income pursuant to this subpara-  
7           graph.

8           “(5) ADJUSTED INCOME.—The term ‘adjusted  
9           income’ means, with respect to a family, the amount  
10          (as determined by the public housing agency or  
11          owner) of the income of the members of the family  
12          residing in a dwelling unit or the persons on a lease,  
13          after any deductions from income as follows:

14                 “(A) ELDERLY AND DISABLED FAMI-  
15                 LIES.—\$525 in the case of any family that is  
16                 an elderly family or a disabled family.

17                 “(B) DEPENDENTS.—In the case of any  
18                 family, \$525 for each member who—

19                         “(i) is less than 18 years of age or at-  
20                         tending school or vocational training on a  
21                         full-time basis; or

22                         “(ii) is a person who is 18 years of  
23                         age or older, resides in the household, and  
24                         is certified as disabled and unable to work

1           by the public housing agency of jurisdic-  
2           tion.

3           “(C) CHILD CARE.—The amount, if any,  
4           that exceeds 5 percent of annual family income  
5           that is used to pay for unreimbursed child care  
6           expenses, which shall include child care for pre-  
7           school-age children, for before- and after-care  
8           for children in school, and for other child care  
9           necessary to enable a member of the family to  
10          be employed or further his or her education.

11          “(D) HEALTH AND MEDICAL EXPENSES.—  
12          The amount, if any, by which 10 percent of an-  
13          nual family income is exceeded by the sum of—

14                 “(i) in the case of any elderly or dis-  
15                 abled family, any unreimbursed health and  
16                 medical care expenses; and

17                 “(ii) any unreimbursed reasonable at-  
18                 tendant care and auxiliary apparatus ex-  
19                 penses for each handicapped member of  
20                 the family, if determined necessary by the  
21                 public housing agency or owner to enable  
22                 any member of such family to be employed.

23          The Secretary shall, by regulation, provide  
24          hardship exemptions to the requirements of this  
25          subparagraph and subparagraph (C) for im-

1           pacted families who demonstrate an inability to  
2           pay calculated rents because of financial hard-  
3           ship. Such regulations shall include a require-  
4           ment to notify tenants regarding any changes  
5           to the determination of adjusted income pursu-  
6           ant to such subparagraphs based on the deter-  
7           mination of the family’s claim of financial hard-  
8           ship exemptions required by the preceding sen-  
9           tence. Such regulations shall be promulgated in  
10          consultation with tenant organizations, industry  
11          participants, and the Secretary of Health and  
12          Human Services, with an adequate comment  
13          period provided for interested parties.

14                 “(E) PERMISSIVE DEDUCTIONS.—Such ad-  
15          ditional deductions as a public housing agency  
16          may, at its discretion, establish, except that the  
17          Secretary shall establish procedures to ensure  
18          that such deductions do not materially increase  
19          Federal expenditures.

20          The Secretary shall annually calculate the amounts  
21          of the deductions under subparagraphs (A) and (B),  
22          as such amounts may have been previously cal-  
23          culated, by applying an inflationary factor as the  
24          Secretary shall, by regulation, establish, except that  
25          the actual deduction determined for each year shall

1 be established by rounding such amount to the next  
2 lowest multiple of \$25.”.

3 (d) HOUSING CHOICE VOUCHER PROGRAM.—Section  
4 8(o) of the United States Housing Act of 1937 (42 U.S.C.  
5 1437f(o)) is amended—

6 (1) in paragraph (1)(D), by inserting before the  
7 period at the end the following: “, except that a pub-  
8 lic housing agency may establish a payment stand-  
9 ard of not more than 120 percent of the fair market  
10 rent where necessary as a reasonable accommodation  
11 for a person with a disability, without approval of  
12 the Secretary. A public housing agency may use a  
13 payment standard that is greater than 120 percent  
14 of the fair market rent as a reasonable accommoda-  
15 tion for a person with a disability, but only with the  
16 approval of the Secretary. In connection with the use  
17 of any increased payment standard established or  
18 approved pursuant to either of the preceding two  
19 sentences as a reasonable accommodation for a per-  
20 son with a disability, the Secretary may not estab-  
21 lish additional requirements regarding the amount of  
22 adjusted income paid by such person for rent”; and

23 (2) in paragraph (5)—

24 (A) in the paragraph heading, by striking  
25 “ANNUAL REVIEW” and inserting “REVIEWS”;

1 (B) in subparagraph (A)—

2 (i) by striking “the provisions of” and  
3 inserting “paragraphs (1), (6), and (7) of  
4 section 3(a) and to”; and

5 (ii) by striking “and shall be con-  
6 ducted” and all that follows through the  
7 end of the subparagraph and inserting a  
8 period; and

9 (C) in subparagraph (B), by striking the  
10 second sentence.

11 (e) ENHANCED VOUCHER PROGRAM.—Section  
12 8(t)(1)(D) of the United States Housing Act of 1937 (42  
13 U.S.C. 1437f(t)(1)(D)) is amended by striking “income”  
14 each place such term appears and inserting “annual ad-  
15 justed income”.

16 (f) PROJECT-BASED HOUSING.—Paragraph (3) of  
17 section 8(c) of the United States Housing Act of 1937  
18 (42 U.S.C. 1437f(c)(3)) is amended by striking the last  
19 sentence.

20 (g) IMPACT ON PUBLIC HOUSING REVENUES.—

21 (1) ADJUSTMENTS TO OPERATING FORMULA.—

22 If the Secretary of Housing and Urban Development  
23 determines that the application of subsections (a)  
24 through (e) of this section results in a material and  
25 disproportionate reduction in the rental income of

1 certain public housing agencies during the first year  
2 in which such subsections are implemented, the Sec-  
3 retary may make appropriate adjustments in the for-  
4 mula income for such year of those agencies experi-  
5 encing such a reduction.

6 (2) HUD REPORTS ON REVENUE AND COST IM-  
7 PACT.—In each of the first two years after the first  
8 year in which subsections (a) through (e) are imple-  
9 mented, the Secretary of Housing and Urban Devel-  
10 opment shall submit a report to Congress identifying  
11 and calculating the impact of changes made by such  
12 subsections and section 104 of this Act on the reve-  
13 nues and costs of operating public housing units, the  
14 voucher program for rental assistance under section  
15 8 of the United States Housing Act of 1937, and  
16 the program under such section 8 for project-based  
17 rental assistance. If such report identifies a material  
18 reduction in the net income of public housing agen-  
19 cies nationwide or a material increase in the costs of  
20 funding the voucher program or the project-based  
21 assistance program, the Secretary shall include in  
22 such report recommendations for legislative changes  
23 to reduce or eliminate such a reduction.

24 (h) EFFECTIVE DATE.—The Secretary of Housing  
25 and Urban Development shall issue notice or regulations

1 to implement this section and this section shall take effect  
2 after such issuance, except that this section may only take  
3 effect upon the commencement of a calendar year.

4 **SEC. 103. LIMITATION ON PUBLIC HOUSING TENANCY FOR**  
5 **OVER-INCOME FAMILIES.**

6 Subsection (a) of section 16 of the United States  
7 Housing Act of 1937 (42 U.S.C. 1437n(a)) is amended  
8 by adding at the end the following new paragraph:

9 “(5) LIMITATIONS ON TENANCY FOR OVER-IN-  
10 COME FAMILIES.—

11 “(A) LIMITATIONS.—Except as provided in  
12 subparagraph (D), in the case of any family re-  
13 siding in a dwelling unit of public housing  
14 whose income for the most recent two consecu-  
15 tive years, as determined pursuant to income  
16 reviews conducted pursuant to section 3(a)(6),  
17 has exceeded the applicable income limitation  
18 under subparagraph (C), the public housing  
19 agency shall—

20 “(i) notwithstanding any other provi-  
21 sion of this Act, charge such family as  
22 monthly rent for the unit occupied by such  
23 family an amount equal to the greater of—

24 “(I) the applicable fair market  
25 rental established under section 8(c)

1 for a dwelling unit in the same mar-  
2 ket area of the same size; or

3 “(II) the amount of the monthly  
4 subsidy provided under this Act for  
5 the dwelling unit, which shall include  
6 any amounts from the Operating  
7 Fund and Capital Fund under section  
8 9 used for the unit, as determined by  
9 the agency in accordance with regula-  
10 tions that the Secretary shall issue to  
11 carry out this subclause; or

12 “(ii) terminate the tenancy of such  
13 family in public housing not later than 6  
14 months after the income determination de-  
15 scribed in subparagraph (A).

16 “(B) NOTICE.—In the case of any family  
17 residing in a dwelling unit of public housing  
18 whose income for a year has exceeded the appli-  
19 cable income limitation under subparagraph  
20 (C), upon the conclusion of such year the public  
21 housing agency shall provide written notice to  
22 such family of the requirements under subpara-  
23 graph (A).

24 “(C) INCOME LIMITATION.—The income  
25 limitation under this subparagraph shall be 120

1           percent of the median income for the area, as  
2           determined by the Secretary with adjustments  
3           for smaller and larger families, except that the  
4           Secretary may establish income limitations  
5           higher or lower than 120 percent of such me-  
6           dian income on the basis of the Secretary's  
7           findings that such variations are necessary be-  
8           cause of prevailing levels of construction costs,  
9           or unusually high or low family incomes, va-  
10          cancy rates, or rental costs.

11           “(D) EXCEPTION.—Subparagraph (A)  
12          shall not apply to a family occupying a dwelling  
13          unit in public housing pursuant to paragraph  
14          (5) of section 3(a) (42 U.S.C. 1437a(a)(5)).

15           “(E) REPORTS ON OVER-INCOME FAMILIES  
16          AND WAITING LISTS.—The Secretary shall re-  
17          quire that each public housing agency shall—

18                   “(i) submit a report annually, in a  
19                   format required by the Secretary, that  
20                   specifies—

21                           “(I) the number of families resid-  
22                           ing, as of the end of the year for  
23                           which the report is submitted, in pub-  
24                           lic housing administered by the agen-  
25                           cy who had incomes exceeding the ap-

1 plicable income limitation under sub-  
2 paragraph (C); and

3 “(II) the number of families, as  
4 of the end of such year, on the wait-  
5 ing lists for admission to public hous-  
6 ing projects of the agency; and

7 “(ii) make the information reported  
8 pursuant to clause (i) publicly available.”.

9 **SEC. 104. LIMITATION ON ELIGIBILITY FOR ASSISTANCE**  
10 **BASED ON ASSETS.**

11 Section 16 of the United States Housing Act of 1937  
12 (42 U.S.C. 1437n) is amended by inserting after sub-  
13 section (d) the following new subsection:

14 “(e) **ELIGIBILITY FOR ASSISTANCE BASED ON AS-**  
15 **SETS.—**

16 “(1) **LIMITATION ON ASSETS.—**Subject to para-  
17 graph (3) and notwithstanding any other provision  
18 of this Act, a dwelling unit assisted under this Act  
19 may not be rented and assistance under this Act  
20 may not be provided, either initially or at each recer-  
21 tification of family income, to any family—

22 “(A) whose net family assets exceed  
23 \$100,000, as such amount is adjusted annually  
24 by applying an inflationary factor as the Sec-  
25 retary considers appropriate; or

1           “(B) who has a present ownership interest  
2 in, a legal right to reside in, and the effective  
3 legal authority to sell, real property that is suit-  
4 able for occupancy by the family as a residence,  
5 except that the prohibition under this subpara-  
6 graph shall not apply to—

7                   “(i) any property for which the family  
8 is receiving assistance under subsection (y)  
9 or (o)(12) of section 8 of this Act;

10                   “(ii) any person that is a victim of do-  
11 mestic violence; or

12                   “(iii) any family that is offering such  
13 property for sale.

14           “(2) NET FAMILY ASSETS.—

15                   “(A) IN GENERAL.—For purposes of this  
16 subsection, the term ‘net family assets’ means,  
17 for all members of the household, the net cash  
18 value of all assets after deducting reasonable  
19 costs that would be incurred in disposing of real  
20 property, savings, stocks, bonds, and other  
21 forms of capital investment. Such term does not  
22 include interests in Indian trust land, equity in  
23 property for which the family is receiving assist-  
24 ance under subsection (y) or (o)(12) of section  
25 8, equity accounts in homeownership programs

1 of the Department of Housing and Urban De-  
2 velopment, or Family Self Sufficiency accounts.

3 “(B) EXCLUSIONS.—Such term does not  
4 include—

5 “(i) the value of personal property, ex-  
6 cept for items of personal property of sig-  
7 nificant value, as the Secretary may estab-  
8 lish or the public housing agency may de-  
9 termine;

10 “(ii) the value of any retirement ac-  
11 count;

12 “(iii) real property for which the fam-  
13 ily does not have the effective legal author-  
14 ity necessary to sell such property;

15 “(iv) any amounts recovered in any  
16 civil action or settlement based on a claim  
17 of malpractice, negligence, or other breach  
18 of duty owed to a member of the family  
19 and arising out of law, that resulted in a  
20 member of the family being disabled;

21 “(v) the value of any Coverdell edu-  
22 cation savings account under section 530  
23 of the Internal Revenue Code of 1986 or  
24 any qualified tuition program under sec-  
25 tion 529 of such Code; and

1                   “(vi) such other exclusions as the Sec-  
2                   retary may establish.

3                   “(C) TRUST FUNDS.—In cases in which a  
4                   trust fund has been established and the trust is  
5                   not revocable by, or under the control of, any  
6                   member of the family or household, the value of  
7                   the trust fund shall not be considered an asset  
8                   of a family if the fund continues to be held in  
9                   trust. Any income distributed from the trust  
10                  fund shall be considered income for purposes of  
11                  section 3(b) and any calculations of annual  
12                  family income, except in the case of medical ex-  
13                  penses for a minor.

14                  “(3) SELF-CERTIFICATION.—

15                  “(A) NET FAMILY ASSETS.—A public  
16                  housing agency or owner may determine the net  
17                  assets of a family, for purposes of this section,  
18                  based on a certification by the family that the  
19                  net assets of such family do not exceed  
20                  \$50,000, as such amount is adjusted annually  
21                  by applying an inflationary factor as the Sec-  
22                  retary considers appropriate.

23                  “(B) NO CURRENT REAL PROPERTY OWN-  
24                  ERSHIP.—A public housing agency or owner  
25                  may determine compliance with paragraph

1           (1)(B) based on a certification by the family  
2           that such family does not have any current  
3           ownership interest in any real property at the  
4           time the agency or owner reviews the family's  
5           income.

6                   “(C) STANDARDIZED FORMS.—The Sec-  
7           retary may develop standardized forms for the  
8           certifications referred to in subparagraphs (A)  
9           and (B).

10                   “(4) COMPLIANCE FOR PUBLIC HOUSING  
11           DWELLING UNITS.—When recertifying family income  
12           with respect to families residing in public housing  
13           dwelling units, a public housing agency may, in the  
14           discretion of the agency and only pursuant to a pol-  
15           icy that is set forth in the public housing agency  
16           plan under section 5A for the agency, choose not to  
17           enforce the limitation under paragraph (1).

18                   “(5) ENFORCEMENT.—When recertifying the  
19           income of a family residing in a dwelling unit as-  
20           sisted under this Act, a public housing agency or  
21           owner may choose not to enforce the limitation  
22           under paragraph (1) or may establish exceptions to  
23           such limitation based on eligibility criteria, but only  
24           pursuant to a policy that is set forth in the public  
25           housing agency plan under section 5A for the agency

1 or under a policy adopted by the owner. Eligibility  
2 criteria for establishing exceptions may provide for  
3 separate treatment based on family type and may be  
4 based on different factors, such as age, disability, in-  
5 come, the ability of the family to find suitable alter-  
6 native housing, and whether supportive services are  
7 being provided.

8 “(6) **AUTHORITY TO DELAY EVICTIONS.**—In the  
9 case of a family residing in a dwelling unit assisted  
10 under this Act who does not comply with the limita-  
11 tion under paragraph (1), the public housing agency  
12 or project owner may delay eviction or termination  
13 of the family based on such noncompliance for a pe-  
14 riod of not more than 6 months.”.

15 **SEC. 105. UNITS OWNED BY PUBLIC HOUSING AGENCIES.**

16 Paragraph (11) of section 8(o) of the United States  
17 Housing Act of 1937 (42 U.S.C. 1437f(o)(11)) is amend-  
18 ed—

19 (1) by striking “(11) **LEASING OF UNITS**  
20 **OWNED BY PHA.—If**” and inserting the following:

21 “(11) **LEASING OF UNITS OWNED BY PHA.—**

22 “(A) **INSPECTIONS AND RENT DETERMINA-**  
23 **TIONS.—If**”; and

24 (2) by adding at the end the following new sub-  
25 paragraph:

1           “(B) UNITS OWNED BY PHA.—For pur-  
2           poses of this subsection, the term ‘owned by a  
3           public housing agency’ means, with respect to a  
4           dwelling unit, that the dwelling unit is in a  
5           project that is owned by such agency, by an en-  
6           tity wholly controlled by such agency, or by a  
7           limited liability company or limited partnership  
8           in which such agency (or an entity wholly con-  
9           trolled by such agency) holds a controlling in-  
10          terest in the managing member or general part-  
11          ner. A dwelling unit shall not be deemed to be  
12          owned by a public housing agency for purposes  
13          of this subsection because the agency holds a  
14          fee interest as ground lessor in the property on  
15          which the unit is situated, holds a security in-  
16          terest under a mortgage or deed of trust on the  
17          unit, or holds a non-controlling interest in an  
18          entity which owns the unit or in the managing  
19          member or general partner of an entity which  
20          owns the unit.”.

21 **SEC. 106. PHA PROJECT-BASED ASSISTANCE.**

22           (a) IN GENERAL.—Paragraph (13) of section 8(o) of  
23 the United States Housing Act of 1937 (42 U.S.C.  
24 1437f(o)(13)) is amended—

1           (1) by striking “structure” each place such  
2 term appears and inserting “project”;

3           (2) by striking subparagraph (B) and inserting  
4 the following new subparagraph:

5                   “(B) PERCENTAGE LIMITATION.—

6                           “(i) IN GENERAL.—Subject to clause  
7 (ii), a public housing agency may use for  
8 project-based assistance under this para-  
9 graph not more than 20 percent of the au-  
10 thorized units for the agency.

11                           “(ii) EXCEPTION.—A public housing  
12 agency may use up to an additional 10  
13 percent of the authorized units for the  
14 agency for project-based assistance under  
15 this paragraph, to provide units that house  
16 individuals and families that meet the defi-  
17 nition of homeless under section 103 of the  
18 McKinney-Vento Homeless Assistance Act  
19 (42 U.S.C. 11302), that house families  
20 with veterans, that provide supportive  
21 housing to persons with disabilities or el-  
22 derly persons, or that are located in areas  
23 where vouchers under this subsection are  
24 difficult to use, as specified in subpara-  
25 graph (D)(ii)(II). Any units of project-

1 based assistance that are attached to units  
2 previously subject to federally required  
3 rent restrictions or receiving another type  
4 of long-term housing subsidy provided by  
5 the Secretary shall not count toward the  
6 percentage limitation under clause (i) of  
7 this subparagraph. The Secretary may, by  
8 regulation, establish additional categories  
9 for the exception under this clause.”;

10 (3) by striking subparagraph (D) and inserting  
11 the following new subparagraph:

12 “(D) INCOME-MIXING REQUIREMENT.—

13 “(i) IN GENERAL.—Except as pro-  
14 vided in clause (ii), not more than the  
15 greater of 25 dwelling units or 25 percent  
16 of the dwelling units in any project may be  
17 assisted under a housing assistance pay-  
18 ment contract for project-based assistance  
19 pursuant to this paragraph. For purposes  
20 of this subparagraph, the term ‘project’  
21 means a single building, multiple contig-  
22 uous buildings, or multiple buildings on  
23 contiguous parcels of land.

24 “(ii) EXCEPTIONS.—

1                   “(I) CERTAIN FAMILIES.—The  
2                   limitation under clause (i) shall not  
3                   apply to dwelling units assisted under  
4                   a contract that are exclusively made  
5                   available to elderly families or to  
6                   households eligible for supportive serv-  
7                   ices that are made available to the as-  
8                   sisted residents of the project, accord-  
9                   ing to standards for such services the  
10                  Secretary may establish.

11                  “(II) CERTAIN AREAS.—With re-  
12                  spect to areas in which tenant-based  
13                  vouchers for assistance under this  
14                  subsection are difficult to use, as de-  
15                  termined by the Secretary, and with  
16                  respect to census tracts with a poverty  
17                  rate of 20 percent or less, clause (i)  
18                  shall be applied by substituting ‘40  
19                  percent’ for ‘25 percent’, and the Sec-  
20                  retary may, by regulation, establish  
21                  additional conditions.

22                  “(III) CERTAIN CONTRACTS.—  
23                  The limitation under clause (i) shall  
24                  not apply with respect to contracts or  
25                  renewal of contracts under which a

1 greater percentage of the dwelling  
2 units in a project were assisted under  
3 a housing assistance payment contract  
4 for project-based assistance pursuant  
5 to this paragraph on the date of the  
6 enactment of the Housing Oppor-  
7 tunity Through Modernization Act of  
8 2015.

9 “(IV) CERTAIN PROPERTIES.—  
10 Any units of project-based assistance  
11 under this paragraph that are at-  
12 tached to units previously subject to  
13 federally required rent restrictions or  
14 receiving other project-based assist-  
15 ance provided by the Secretary shall  
16 not count toward the percentage limi-  
17 tation imposed by this subparagraph  
18 (D).

19 “(iii) ADDITIONAL MONITORING AND  
20 OVERSIGHT REQUIREMENTS.—The Sec-  
21 retary may establish additional require-  
22 ments for monitoring and oversight of  
23 projects in which more than 40 percent of  
24 the dwelling units are assisted under a  
25 housing assistance payment contract for

1 project-based assistance pursuant to this  
2 paragraph.”;

3 (4) by striking subparagraph (F) and inserting  
4 the following new subparagraph:

5 “(F) CONTRACT TERM.—

6 “(i) TERM.—A housing assistance  
7 payment contract pursuant to this para-  
8 graph between a public housing agency  
9 and the owner of a project may have a  
10 term of up to 20 years, subject to—

11 “(I) the availability of sufficient  
12 appropriated funds for the purpose of  
13 renewing expiring contracts for assist-  
14 ance payments, as provided in appro-  
15 priation Acts and in the agency’s an-  
16 nual contributions contract with the  
17 Secretary, provided that in the event  
18 of insufficient appropriated funds,  
19 payments due under contracts under  
20 this paragraph shall take priority if  
21 other cost-saving measures that do  
22 not require the termination of an ex-  
23 isting contract are available to the  
24 agency; and

1                   “(II) compliance with the inspec-  
2                   tion requirements under paragraph  
3                   (8), except that the agency shall not  
4                   be required to make biennial inspec-  
5                   tions of each assisted unit in the de-  
6                   velopment.

7                   “(ii) ADDITION OF ELIGIBLE UNITS.—  
8                   Subject to the limitations of subparagraphs  
9                   (B) and (D), the agency and the owner  
10                  may add eligible units within the same  
11                  project to a housing assistance payments  
12                  contract at any time during the term  
13                  thereof without being subject to any addi-  
14                  tional competitive selection procedures.

15                  “(iii) HOUSING UNDER CONSTRUC-  
16                  TION OR RECENTLY CONSTRUCTED.—An  
17                  agency may enter into a housing assistance  
18                  payments contract with an owner for any  
19                  unit that does not qualify as existing hous-  
20                  ing and is under construction or recently  
21                  has been constructed whether or not the  
22                  agency has executed an agreement to enter  
23                  into a contract with the owner, provided  
24                  that the owner demonstrates compliance  
25                  with applicable requirements prior to exe-

1                   cution of the housing assistance payments  
2                   contract. This clause shall not subject a  
3                   housing assistance payments contract for  
4                   existing housing under this paragraph to  
5                   such requirements or otherwise limit the  
6                   extent to which a unit may be assisted as  
7                   existing housing.

8                   “(iv) ADDITIONAL CONDITIONS.—The  
9                   contract may specify additional conditions,  
10                  including with respect to continuation, ter-  
11                  mination, or expiration, and shall specify  
12                  that upon termination or expiration of the  
13                  contract without extension, each assisted  
14                  family may elect to use its assistance  
15                  under this subsection to remain in the  
16                  same project if its unit complies with the  
17                  inspection requirements under paragraph  
18                  (8), the rent for the unit is reasonable as  
19                  required by paragraph (10)(A), and the  
20                  family pays its required share of the rent  
21                  and the amount, if any, by which the unit  
22                  rent (including the amount allowed for ten-  
23                  ant-based utilities) exceeds the applicable  
24                  payment standard.”;

1           (5) in subparagraph (G), by striking “15 years”  
2           and inserting “20 years”;

3           (6) by striking subparagraph (I) and inserting  
4           the following new subparagraph:

5                   “(I) RENT ADJUSTMENTS.—A housing as-  
6                   sistance payments contract pursuant to this  
7                   paragraph entered into after the date of the en-  
8                   actment of the Housing Opportunity Through  
9                   Modernization Act of 2015 shall provide for an-  
10                  nual rent adjustments upon the request of the  
11                  owner, except that—

12                           “(i) by agreement of the parties, a  
13                           contract may allow a public housing agency  
14                           to adjust the rent for covered units using  
15                           an operating cost adjustment factor estab-  
16                           lished by the Secretary pursuant to section  
17                           524(c) of the Multifamily Assisted Housing  
18                           Reform and Affordability Act of 1997  
19                           (which shall not result in a negative ad-  
20                           justment), in which case the contract may  
21                           require an additional adjustment, if re-  
22                           quested, up to the reasonable rent periodi-  
23                           cally during the term of the contract, and  
24                           shall require such an adjustment, if re-

1                    requested, upon extension pursuant to sub-  
2                    paragraph (G);

3                    “(ii) the adjusted rent shall not ex-  
4                    ceed the maximum rent permitted under  
5                    subparagraph (H);

6                    “(iii) the contract may provide that  
7                    the maximum rent permitted for a dwelling  
8                    unit shall not be less than the initial rent  
9                    for the dwelling unit under the initial  
10                   housing assistance payments contract cov-  
11                   ering the units; and

12                   “(iv) the provisions of subsection  
13                   (c)(2)(C) shall not apply.”;

14                   (7) in subparagraph (J)—

15                   (A) in the first sentence—

16                   (i) by striking “shall” and inserting  
17                   “may”; and

18                   (ii) by inserting before the period the  
19                   following: “or may permit owners to select  
20                   applicants from site-based waiting lists as  
21                   specified in this subparagraph”;

22                   (B) by striking the third sentence and in-  
23                   serting the following: “The agency or owner  
24                   may establish preferences or criteria for selec-  
25                   tion for a unit assisted under this paragraph

1 that are consistent with the public housing  
2 agency plan for the agency approved under sec-  
3 tion 5A and that give preference to families  
4 who qualify for voluntary services, including  
5 disability-specific services, offered in conjunc-  
6 tion with assisted units.”; and

7 (C) by striking the fifth and sixth sen-  
8 tences and inserting the following: “A public  
9 housing agency may establish and utilize proce-  
10 dures for owner-maintained site-based waiting  
11 lists, under which applicants may apply at, or  
12 otherwise designate to the public housing agen-  
13 cy, the project or projects in which they seek to  
14 reside, except that all eligible applicants on the  
15 waiting list of an agency for assistance under  
16 this subsection shall be permitted to place their  
17 names on such separate list, subject to policies  
18 and procedures established by the Secretary. All  
19 such procedures shall comply with title VI of  
20 the Civil Rights Act of 1964, the Fair Housing  
21 Act, section 504 of the Rehabilitation Act of  
22 1973, and other applicable civil rights laws. The  
23 owner or manager of a project assisted under  
24 this paragraph shall not admit any family to a  
25 dwelling unit assisted under a contract pursu-

1           ant to this paragraph other than a family re-  
2           ferred by the public housing agency from its  
3           waiting list, or a family on a site-based waiting  
4           list that complies with the requirements of this  
5           subparagraph. A public housing agency shall  
6           disclose to each applicant all other options in  
7           the selection of a project in which to reside that  
8           are provided by the public housing agency and  
9           are available to the applicant.”;

10           (8) in subparagraph (M)(ii), by inserting before  
11           the period at the end the following: “relating to  
12           funding other than housing assistance payments”;  
13           and

14           (9) by adding at the end the following new sub-  
15           paragraphs:

16                   “(N) STRUCTURE OWNED BY AGENCY.—A  
17           public housing agency engaged in an initiative  
18           to improve, develop, or replace a public housing  
19           property or site may attach assistance to an ex-  
20           isting, newly constructed, or rehabilitated struc-  
21           ture in which the agency has an ownership in-  
22           terest or which the agency has control of with-  
23           out following a competitive process, provided  
24           that the agency has notified the public of its in-  
25           tent through its public housing agency plan and

1 subject to the limitations and requirements of  
2 this paragraph.

3 “(O) SPECIAL PURPOSE VOUCHERS.—A  
4 public housing agency that administers vouch-  
5 ers authorized under subsection (o)(19) or (x)  
6 of this section may provide such assistance in  
7 accordance with the limitations and require-  
8 ments of this paragraph, without additional re-  
9 quirements for approval by the Secretary.”.

10 (b) EFFECTIVE DATE.—The Secretary of Housing  
11 and Urban Development shall issue notice or regulations  
12 to implement subsection (a) of this section and such sub-  
13 section shall take effect upon such issuance.

14 **SEC. 107. ESTABLISHMENT OF FAIR MARKET RENT.**

15 (a) IN GENERAL.—Paragraph (1) of section 8(c) of  
16 the United States Housing Act of 1937 (42 U.S.C.  
17 1437f(c)(1)) is amended—

18 (1) by inserting “(A)” after the paragraph des-  
19 ignation;

20 (2) by striking the fourth, seventh, eighth, and  
21 ninth sentences; and

22 (3) by adding at the end the following:

23 “(B) Fair market rentals for an area shall be pub-  
24 lished not less than annually by the Secretary on the site  
25 of the Department on the World Wide Web and in any

1 other manner specified by the Secretary. Notice that such  
2 fair market rentals are being published shall be published  
3 in the Federal Register, and such fair market rentals shall  
4 become effective no earlier than 30 days after the date  
5 of such publication. The Secretary shall establish a proce-  
6 dure for public housing agencies and other interested par-  
7 ties to comment on such fair market rentals and to re-  
8 quest, within a time specified by the Secretary, reevalua-  
9 tion of the fair market rentals in a jurisdiction before such  
10 rentals become effective. The Secretary shall cause to be  
11 published for comment in the Federal Register notices of  
12 proposed material changes in the methodology for esti-  
13 mating fair market rentals and notices specifying the final  
14 decisions regarding such proposed substantial methodo-  
15 logical changes and responses to public comments.”.

16 (b) PAYMENT STANDARD.—Subparagraph (B) of sec-  
17 tion 8(o)(1) of the United States Housing Act of 1937  
18 (42 U.S.C. 1437f(o)(1)(B)) is amended by inserting be-  
19 fore the period at the end the following: “, except that  
20 no public housing agency shall be required as a result of  
21 a reduction in the fair market rental to reduce the pay-  
22 ment standard applied to a family continuing to reside in  
23 a unit for which the family was receiving assistance under  
24 this section at the time the fair market rental was reduced.  
25 The Secretary shall allow public housing agencies to re-

1 quest exception payment standards within fair market  
2 rental areas subject to criteria and procedures established  
3 by the Secretary”.

4 (c) EFFECTIVE DATE.—The amendments made by  
5 this section shall take effect upon the date of the enact-  
6 ment of this Act.

7 **SEC. 108. COLLECTION OF UTILITY DATA.**

8 Section 8(o) of the United States Housing Act of  
9 1937 (42 U.S.C. 1437f(o)) is amended by adding at the  
10 end the following new paragraph:

11 “(20) COLLECTION OF UTILITY DATA.—

12 “(A) PUBLICATION.—The Secretary shall,  
13 to the extent that data can be collected cost ef-  
14 fectively, regularly publish such data regarding  
15 utility consumption and costs in local areas as  
16 the Secretary determines will be useful for the  
17 establishment of allowances for tenant-paid util-  
18 ities for families assisted under this subsection.

19 “(B) USE OF DATA.—The Secretary shall  
20 provide such data in a manner that—

21 “(i) avoids unnecessary administrative  
22 burdens for public housing agencies and  
23 owners; and

24 “(ii) protects families in various unit  
25 sizes and building types, and using various

1 utilities, from high rent and utility cost  
2 burdens relative to income.”.

3 **SEC. 109. PUBLIC HOUSING CAPITAL AND OPERATING**  
4 **FUNDS.**

5 (a) CAPITAL FUND REPLACEMENT RESERVES.—Sec-  
6 tion 9 of the United States Housing Act of 1937 (42  
7 U.S.C. 1437g) is amended—

8 (1) in subsection (j), by adding at the end the  
9 following new paragraph:

10 “(7) TREATMENT OF REPLACEMENT RE-  
11 SERVE.—The requirements of this subsection shall  
12 not apply to funds held in replacement reserves es-  
13 tablished pursuant to subsection (n).”; and

14 (2) by adding at the end the following new sub-  
15 section:

16 “(n) ESTABLISHMENT OF REPLACEMENT RE-  
17 SERVES.—

18 “(1) IN GENERAL.—Public housing agencies  
19 shall be permitted to establish a replacement reserve  
20 to fund any of the capital activities listed in sub-  
21 section (d)(1).

22 “(2) SOURCE AND AMOUNT OF FUNDS FOR RE-  
23 PLACEMENT RESERVE.—At any time, a public hous-  
24 ing agency may deposit funds from such agency’s

1 Capital Fund into a replacement reserve, subject to  
2 the following:

3 “(A) At the discretion of the Secretary,  
4 public housing agencies may transfer and hold  
5 in a replacement reserve funds originating from  
6 additional sources.

7 “(B) No minimum transfer of funds to a  
8 replacement reserve shall be required.

9 “(C) At any time, a public housing agency  
10 may not hold in a replacement reserve more  
11 than the amount the public housing authority  
12 has determined necessary to satisfy the antici-  
13 pated capital needs of properties in its portfolio  
14 assisted under this section, as outlined in its  
15 Capital Fund 5-Year Action Plan, or a com-  
16 parable plan, as determined by the Secretary.

17 “(D) The Secretary may establish, by reg-  
18 ulation, a maximum replacement reserve level  
19 or levels that are below amounts determined  
20 under subparagraph (C), which may be based  
21 upon the size of the portfolio assisted under  
22 this section or other factors.

23 “(3) TRANSFER OF OPERATING FUNDS.—In  
24 first establishing a replacement reserve, the Sec-  
25 retary may allow public housing agencies to transfer

1 more than 20 percent of its operating funds into its  
2 replacement reserve.

3 “(4) EXPENDITURE.—Funds in a replacement  
4 reserve may be used for purposes authorized by sub-  
5 section (d)(1) and contained in its Capital Fund 5-  
6 Year Action Plan.

7 “(5) MANAGEMENT AND REPORT.—The Sec-  
8 retary shall establish appropriate accounting and re-  
9 porting requirements to ensure that public housing  
10 agencies are spending funds on eligible projects and  
11 that funds in the replacement reserve are connected  
12 to capital needs.”.

13 (b) FLEXIBILITY OF OPERATING FUND AMOUNTS.—  
14 Paragraph (1) of section 9(g) of the United States Hous-  
15 ing Act of 1937 (42 U.S.C. 1437g(g)(1)) is amended—

16 (1) by striking “(1)” and all that follows  
17 through “—Of” and inserting the following:

18 “(1) FLEXIBILITY IN USE OF FUNDS.—

19 “(A) FLEXIBILITY FOR CAPITAL FUND  
20 AMOUNTS.—Of”; and

21 (2) by adding at the end the following new sub-  
22 paragraph:

23 “(B) FLEXIBILITY FOR OPERATING FUND  
24 AMOUNTS.—Of any amounts appropriated for  
25 fiscal year 2016 or any fiscal year thereafter

1           that are allocated for fiscal year 2016 or any  
2           fiscal year thereafter from the Operating Fund  
3           for any public housing agency, the agency may  
4           use not more than 20 percent for activities that  
5           are eligible under subsection (d) for assistance  
6           with amounts from the Capital Fund, but only  
7           if the public housing plan under section 5A for  
8           the agency provides for such use.”.

9   **SEC. 110. FAMILY UNIFICATION PROGRAM FOR CHILDREN**  
10                           **AGING OUT OF FOSTER CARE.**

11           Section 8(x) of the United States Housing Act of  
12 1937 (42 U.S.C. 1437f(x)) is amended—

13           (1) in paragraph (2)(B)—

14                   (A) by striking “18 months” and inserting  
15                   “36 months”;

16                   (B) by striking “21 years of age” and in-  
17                   serting “24 years of age”; and

18                   (C) by inserting after “have left foster  
19                   care” the following: “, or will leave foster care  
20                   within 90 days, in accordance with a transition  
21                   plan described in section 475(5)(H) of the So-  
22                   cial Security Act, and is homeless or is at risk  
23                   of becoming homeless”;

24           (2) by redesignating paragraph (4) as para-  
25           graph (5); and

1           (3) by inserting after paragraph (3) the fol-  
2           lowing new paragraph:

3           “(4) COORDINATION BETWEEN PUBLIC HOUS-  
4           ING AGENCIES AND PUBLIC CHILD WELFARE AGEN-  
5           CIES.—The Secretary shall, not later than the expi-  
6           ration of the 180-day period beginning on the date  
7           of the enactment of the Housing Opportunity  
8           Through Modernization Act of 2015 and after con-  
9           sultation with other appropriate Federal agencies,  
10          issue guidance to improve coordination between pub-  
11          lic housing agencies and public child welfare agen-  
12          cies in carrying out the program under this sub-  
13          section, which shall provide guidance on—

14                 “(A) identifying eligible recipients for as-  
15                 sistance under this subsection;

16                 “(B) coordinating with other local youth  
17                 and family providers in the community and par-  
18                 ticipating in the Continuum of Care program  
19                 established under subtitle C of title IV of the  
20                 McKinney-Vento Homeless Assistance Act (42  
21                 U.S.C. 11381 et seq.);

22                 “(C) implementing housing strategies to  
23                 assist eligible families and youth;

1           “(D) aligning system goals to improve out-  
2 comes for families and youth and reducing  
3 lapses in housing for families and youth; and

4           “(E) identifying resources that are avail-  
5 able to eligible families and youth to provide  
6 supportive services available through parts B  
7 and E of title IV of the Social Security Act (42  
8 U.S.C. 621 et seq.; 670 et seq.) or that the  
9 head of household of a family or youth may be  
10 entitled to receive under section 477 of the So-  
11 cial Security Act (42 U.S.C. 677).”.

## 12           **TITLE II—RURAL HOUSING**

### 13           **SEC. 201. DELEGATION OF GUARANTEED RURAL HOUSING**

#### 14                           **LOAN APPROVAL.**

15           Subsection (h) of section 502 of the Housing Act of  
16 1949 (42 U.S.C. 1472(h)) is amended by adding at the  
17 end the following new paragraph:

18                           “(18) DELEGATION OF APPROVAL.—The Sec-  
19 retary may delegate, in part or in full, the Sec-  
20 retary’s authority to approve and execute binding  
21 Rural Housing Service loan guarantees pursuant to  
22 this subsection to certain preferred lenders, in ac-  
23 cordance with standards established by the Sec-  
24 retary.”.

1 **TITLE III—FHA MORTGAGE IN-**  
2 **SURANCE FOR CONDOMIN-**  
3 **IUMS**

4 **SEC. 301. MODIFICATION OF FHA REQUIREMENTS FOR**  
5 **MORTGAGE INSURANCE FOR CONDOMIN-**  
6 **IUMS.**

7 Section 203 of the National Housing Act (12 U.S.C.  
8 1709) is amended by adding at the end the following new  
9 subsection:

10 “(y) REQUIREMENTS FOR MORTGAGES FOR CON-  
11 DOMINIUMS.—

12 “(1) PROJECT RECERTIFICATION REQUIRE-  
13 MENTS.—Notwithstanding any other law, regulation,  
14 or guideline of the Secretary, including chapter 2.4  
15 of the Condominium Project Approval and Proc-  
16 essing Guide of the FHA, the Secretary shall  
17 streamline the project certification requirements that  
18 are applicable to the insurance under this section for  
19 mortgages for condominium projects so that recer-  
20 tifications are substantially less burdensome than  
21 certifications. The Secretary shall consider length-  
22 ening the time between certifications for approved  
23 properties, and allowing updating of information  
24 rather than resubmission.

1           “(2) COMMERCIAL SPACE REQUIREMENTS.—  
2           Notwithstanding any other law, regulation, or guide-  
3           line of the Secretary, including chapter 2.1.3 of the  
4           Condominium Project Approval and Processing  
5           Guide of the FHA, in providing for exceptions to the  
6           requirement for the insurance of a mortgage on a  
7           condominium property under this section regarding  
8           the percentage of the floor space of a condominium  
9           property that may be used for nonresidential or com-  
10          mercial purposes, the Secretary shall provide that—

11                   “(A) any request for such an exception and  
12                   the determination of the disposition of such re-  
13                   quest may be made, at the option of the re-  
14                   quester, under the direct endorsement lender  
15                   review and approval process or under the HUD  
16                   review and approval process through the appli-  
17                   cable field office of the Department; and

18                   “(B) in determining whether to allow such  
19                   an exception for a condominium property, fac-  
20                   tors relating to the economy for the locality in  
21                   which such project is located or specific to  
22                   project, including the total number of family  
23                   units in the project, shall be considered.

24          Not later than the expiration of the 90-day period  
25          beginning on the date of the enactment of this para-

1 graph, the Secretary shall issue regulations to imple-  
2 ment this paragraph, which shall include any stand-  
3 ards, training requirements, and remedies and pen-  
4 alties that the Secretary considers appropriate.

5 “(3) TRANSFER FEES.—Notwithstanding any  
6 other law, regulation, or guideline of the Secretary,  
7 including chapter 1.8.8 of the Condominium Project  
8 Approval and Processing Guide of the FHA and sec-  
9 tion 203.41 of the Secretary’s regulations (24  
10 C.F.R. 203.41), existing standards of the Federal  
11 Housing Finance Agency relating to encumbrances  
12 under private transfer fee covenants shall apply to  
13 the insurance of mortgages by the Secretary under  
14 this section to the same extent and in the same  
15 manner that such standards apply to the pur-  
16 chasing, investing in, and otherwise dealing in mort-  
17 gages by the Federal National Mortgage Association  
18 and the Federal Home Loan Mortgage Corporation.  
19 If the provisions of part 1228 of the Director of the  
20 Federal Housing Finance Agency’s regulations (12  
21 C.F.R. part 1228) are amended or otherwise  
22 changed after the date of the enactment of this  
23 paragraph, the Secretary of Housing and Urban De-  
24 velopment shall adopt any such amendments or  
25 changes for purposes of this paragraph, unless the

1 Secretary causes to be published in the Federal Reg-  
2 ister a notice explaining why the Secretary will dis-  
3 regard such amendments or changes within 90 days  
4 after the effective date of such amendments or  
5 changes.

6 “(4) OWNER-OCCUPANCY REQUIREMENT.—

7 “(A) ESTABLISHMENT OF PERCENTAGE  
8 REQUIREMENT.—Not later than the expiration  
9 of the 90-day period beginning on the date of  
10 the enactment of this paragraph, the Secretary  
11 shall, by rule, notice, or mortgagee letter, issue  
12 guidance regarding the percentage of units that  
13 must be occupied by the owners as a principal  
14 residence or a secondary residence (as such  
15 terms are defined by the Secretary), or must  
16 have been sold to owners who intend to meet  
17 such occupancy requirements, including jus-  
18 tifications for the percentage requirements, in  
19 order for a condominium project to be accept-  
20 able to the Secretary for insurance under this  
21 section of a mortgage within such condominium  
22 property.

23 “(B) FAILURE TO ACT.—If the Secretary  
24 fails to issue the guidance required under sub-  
25 paragraph (A) before the expiration of the 90-

1           day period specified in such clause, the fol-  
2           lowing provisions shall apply:

3                   “(i) 35 PERCENT REQUIREMENT.—In  
4                   order for a condominium project to be ac-  
5                   ceptable to the Secretary for insurance  
6                   under this section, at least 35 percent of  
7                   all family units (including units not cov-  
8                   ered by FHA-insured mortgages) must be  
9                   occupied by the owners as a principal resi-  
10                  dence or a secondary residence (as such  
11                  terms are defined by the Secretary), or  
12                  must have been sold to owners who intend  
13                  to meet such occupancy requirement.

14                  “(ii) OTHER CONSIDERATIONS.—The  
15                  Secretary may increase the percentage ap-  
16                  plicable pursuant to clause (i) to a condo-  
17                  minium project on a project-by-project or  
18                  regional basis, and in determining such  
19                  percentage for a project shall consider fac-  
20                  tors relating to the economy for the local-  
21                  ity in which such project is located or spe-  
22                  cific to project, including the total number  
23                  of family units in the project.”.

1 **TITLE IV—HOUSING REFORMS**  
2 **FOR THE HOMELESS AND FOR**  
3 **VETERANS**

4 **SEC. 401. DEFINITION OF GEOGRAPHIC AREA FOR CON-**  
5 **TINUUM OF CARE PROGRAM.**

6 (a) DEFINITION.—Subtitle C of the McKinney-Vento  
7 Homeless Assistance Act is amended—

8 (1) by redesignating sections 432 and 433 (42  
9 U.S.C. 11387, 11388) as sections 433 and 434, re-  
10 spectively; and

11 (2) by inserting after section 431 (42 U.S.C.  
12 11386e) the following new section:

13 **“SEC. 432. GEOGRAPHIC AREAS.**

14 “(a) REQUIREMENT TO DEFINE.—For purposes of  
15 this subtitle, the term ‘geographic area’ shall have such  
16 meaning as the Secretary shall by notice provide.

17 “(b) ISSUANCE OF NOTICE.—Not later than the expi-  
18 ration of the 90-day period beginning on the date of the  
19 enactment of the Housing Opportunity Through Mod-  
20 ernization Act of 2015, the Secretary shall issue a notice  
21 setting forth the definition required by subsection (a).”.

22 (b) CLERICAL AMENDMENT.—The table of contents  
23 in section 101(b) of the McKinney-Vento Homeless Assist-  
24 ance Act (42 U.S.C. 11301 note) is amended by striking

1 the items relating to sections 432 and 433 and inserting  
2 the following new items:

“Sec. 432. Geographic areas.  
“Sec. 433. Regulations.  
“Sec. 434. Reports to Congress.”.

3 **SEC. 402. INCLUSION OF PUBLIC HOUSING AGENCIES AND**  
4 **LOCAL REDEVELOPMENT AUTHORITIES IN**  
5 **EMERGENCY SOLUTIONS GRANTS.**

6 Section 414(c) of the McKinney-Vento Homeless As-  
7 sistance Act (42 U.S.C. 11373(c)) is amended—

8 (1) in the subsection heading, by inserting “,  
9 PUBLIC HOUSING AGENCIES, AND LOCAL REDEVEL-  
10 OPMENT AUTHORITIES” after “ORGANIZATIONS”;  
11 and

12 (2) in the first sentence, by inserting before the  
13 period at the end the following: “, to public housing  
14 agencies (as defined under section 3(b)(6) of the  
15 United States Housing Act of 1937), or to local re-  
16 development authorities (as defined under State  
17 law)”.

18 **SEC. 403. SPECIAL ASSISTANT FOR VETERANS AFFAIRS IN**  
19 **THE DEPARTMENT OF HOUSING AND URBAN**  
20 **DEVELOPMENT.**

21 (a) TRANSFER OF POSITION TO OFFICE OF THE SEC-  
22 RETARY.—Section 4 of the Department of Housing and  
23 Urban Development Act (42 U.S.C. 3533) is amended by  
24 adding at the end the following new subsection:

1       “(h) SPECIAL ASSISTANT FOR VETERANS AF-  
2 FAIRS.—

3           “(1) POSITION.—There shall be in the Office of  
4 the Secretary a Special Assistant for Veterans Af-  
5 fairs, who shall report directly to the Secretary.

6           “(2) APPOINTMENT.—The Special Assistant for  
7 Veterans Affairs shall be appointed based solely on  
8 merit and shall be covered under the provisions of  
9 title 5, United States Code, governing appointments  
10 in the competitive service.

11          “(3) RESPONSIBILITIES.—The Special Assist-  
12 ant for Veterans Affairs shall be responsible for—

13           “(A) ensuring veterans have fair access to  
14 housing and homeless assistance under each  
15 program of the Department providing either  
16 such assistance;

17           “(B) coordinating all programs and activi-  
18 ties of the Department relating to veterans;

19           “(C) serving as a liaison for the Depart-  
20 ment with the Department of Veterans Affairs,  
21 including establishing and maintaining relation-  
22 ships with the Secretary of Veterans Affairs;

23           “(D) serving as a liaison for the Depart-  
24 ment, and establishing and maintaining rela-  
25 tionships with the United States Interagency

1 Council on Homelessness and officials of State,  
2 local, regional, and nongovernmental organiza-  
3 tions concerned with veterans;

4 “(E) providing information and advice re-  
5 garding—

6 “(i) sponsoring housing projects for  
7 veterans assisted under programs adminis-  
8 tered by the Department; or

9 “(ii) assisting veterans in obtaining  
10 housing or homeless assistance under pro-  
11 grams administered by the Department;

12 “(F) coordinating with the Secretary of  
13 Housing and Urban Development and the Sec-  
14 retary of Veterans Affairs in carrying out sec-  
15 tion 404 of the Housing Opportunity Through  
16 Modernization Act of 2015; and

17 “(G) carrying out such other duties as may  
18 be assigned to the Special Assistant by the Sec-  
19 retary or by law.”.

20 (b) TRANSFER OF POSITION IN OFFICE OF DEPUTY  
21 ASSISTANT SECRETARY FOR SPECIAL NEEDS.—On the  
22 date that the initial Special Assistant for Veterans Affairs  
23 is appointed pursuant to section 4(h)(2) of the Depart-  
24 ment of Housing and Urban Development Act, as added  
25 by subsection (a) of this section, the position of Special

1 Assistant for Veterans Programs in the Office of the Dep-  
2 uty Assistant Secretary for Special Needs of the Depart-  
3 ment of Housing and Urban Development shall be termi-  
4 nated.

5 **SEC. 404. ANNUAL SUPPLEMENTAL REPORT ON VETERANS**  
6 **HOMELESSNESS.**

7 (a) IN GENERAL.—The Secretary of Housing and  
8 Urban Development and the Secretary of Veterans Af-  
9 fairs, in coordination with the United States Interagency  
10 Council on Homelessness, shall submit annually to the  
11 Committees of the Congress specified in subsection (b),  
12 together with the annual reports required by such Secre-  
13 taries under section 203(c)(1) of the McKinney-Vento  
14 Homeless Assistance Act (42 U.S.C. 11313(c)(1)), a sup-  
15 plemental report that includes the following information  
16 with respect to the preceding year:

17 (1) The same information, for such preceding  
18 year, that was included with respect to 2010 in the  
19 report by the Secretary of Housing and Urban De-  
20 velopment and the Secretary of Veterans Affairs en-  
21 titled “Veterans Homelessness: A Supplemental Re-  
22 port to the 2010 Annual Homeless Assessment Re-  
23 port to Congress”.

24 (2) Information regarding the activities of the  
25 Department of Housing and Urban Development re-

1       lating to veterans during such preceding year, as fol-  
2       lows:

3               (A) The number of veterans provided as-  
4               sistance under the housing choice voucher pro-  
5               gram for Veterans Affairs supported housing  
6               under section 8(o)(19) of the United States  
7               Housing Act of 1937 (42 U.S.C. 1437f(o)(19)),  
8               the socioeconomic characteristics of such home-  
9               less veterans, and the number, types, and loca-  
10              tions of entities contracted under such section  
11              to administer the vouchers.

12             (B) A summary description of the special  
13             considerations made for veterans under public  
14             housing agency plans submitted pursuant to  
15             section 5A of the United States Housing Act of  
16             1937 (42 U.S.C. 1437e-1) and under com-  
17             prehensive housing affordability strategies sub-  
18             mitted pursuant to section 105 of the Cranston-  
19             Gonzalez National Affordable Housing Act (42  
20             U.S.C. 12705).

21             (C) A description of the activities of the  
22             Special Assistant for Veterans Affairs of the  
23             Department of Housing and Urban Develop-  
24             ment.

1           (D) A description of the efforts of the De-  
2           partment of Housing and Urban Development  
3           and the other members of the United States  
4           Interagency Council on Homelessness to coordi-  
5           nate the delivery of housing and services to vet-  
6           erans.

7           (E) The cost to the Department of Hous-  
8           ing and Urban Development of administering  
9           the programs and activities relating to veterans.

10          (F) Any other information that the Sec-  
11          retary of Housing and Urban Development and  
12          the Secretary of Veterans Affairs consider rel-  
13          evant in assessing the programs and activities  
14          of the Department of Housing and Urban De-  
15          velopment relating to veterans.

16          (b) COMMITTEES.—The Committees of the Congress  
17          specified in this subsection are as follows:

18               (1) The Committee on Banking, Housing, and  
19               Urban Affairs of the Senate.

20               (2) The Committee on Veterans' Affairs of the  
21               Senate.

22               (3) The Committee on Appropriations of the  
23               Senate.

24               (4) The Committee on Financial Services of the  
25               House of Representatives.

1           (5) The Committee on Veterans' Affairs of the  
2           House of Representatives.

3           (6) The Committee on Appropriations of the  
4           House of Representatives.

## 5           **TITLE V—MISCELLANEOUS**

### 6           **SEC. 501. INCLUSION OF DISASTER HOUSING ASSISTANCE** 7                           **PROGRAM IN CERTAIN FRAUD AND ABUSE** 8                           **PREVENTION MEASURES.**

9           The Disaster Housing Assistance Program adminis-  
10          tered by the Department of Housing and Urban Develop-  
11          ment shall be considered a “program of the Department  
12          of Housing and Urban Development” under section 904  
13          of the Stewart B. McKinney Homeless Assistance Amend-  
14          ments Act of 1988 (42 U.S.C. 3544) for the purpose of  
15          income verifications.

### 16          **SEC. 502. ENERGY EFFICIENCY REQUIREMENTS UNDER** 17                           **SELF-HELP HOMEOWNERSHIP OPPORTUNITY** 18                           **PROGRAM.**

19          Section 11 of the Housing Opportunity Program Ex-  
20          tension Act of 1996 (42 U.S.C. 12805 note) is amended  
21          by inserting after subsection (f) the following new sub-  
22          section:

23          “(g) **ENERGY EFFICIENCY REQUIREMENTS.**—The  
24          Secretary may not require any dwelling developed using  
25          amounts from a grant made under this section to meet

1 any energy efficiency standards other than the standards  
2 applicable at such time pursuant to section 109 of the  
3 Cranston-Gonzalez National Affordable Housing Act (42  
4 U.S.C. 12709) to housing specified in subsection (a) of  
5 such section.”.

6 **SEC. 503. DATA EXCHANGE STANDARDIZATION FOR IM-**  
7 **PROVED INTEROPERABILITY.**

8 (a) DATA EXCHANGE STANDARDIZATION.—Title I of  
9 the United States Housing Act of 1937 (42 U.S.C. 1437  
10 et seq.) is amended by adding at the end the following  
11 new section:

12 **“SEC. 37. DATA EXCHANGE STANDARDS FOR IMPROVED**  
13 **INTEROPERABILITY.**

14 “(a) DESIGNATION.—The Secretary shall, in con-  
15 sultation with an interagency work group established by  
16 the Office of Management and Budget, and considering  
17 State government perspectives, designate data exchange  
18 standards to govern, under this Act—

19 “(1) necessary categories of information that  
20 State agencies operating related programs are re-  
21 quired under applicable law to electronically ex-  
22 change with another State agency; and

23 “(2) Federal reporting and data exchange re-  
24 quired under applicable law.

1           “(b) REQUIREMENTS.—The data exchange standards  
2 required by subsection (a) shall, to the maximum extent  
3 practicable—

4           “(1) incorporate a widely accepted, nonpropri-  
5 etary, searchable, computer-readable format, such as  
6 the eXtensible Markup Language;

7           “(2) contain interoperable standards developed  
8 and maintained by intergovernmental partnerships,  
9 such as the National Information Exchange Model;

10           “(3) incorporate interoperable standards devel-  
11 oped and maintained by Federal entities with au-  
12 thority over contracting and financial assistance;

13           “(4) be consistent with and implement applica-  
14 ble accounting principles;

15           “(5) be implemented in a manner that is cost-  
16 effective and improves program efficiency and effec-  
17 tiveness; and

18           “(6) be capable of being continually upgraded  
19 as necessary.

20           “(c) RULES OF CONSTRUCTION.—Nothing in this  
21 section requires a change to existing data exchange stand-  
22 ards for Federal reporting found to be effective and effi-  
23 cient.”.

24           (b) APPLICABILITY.—

1           (1) IN GENERAL.—Not later than 2 years after  
2           the date of the enactment of this Act, the Secretary  
3           of Housing and Urban Development shall issue a  
4           proposed rule to carry out the amendments made by  
5           subsection (a).

6           (2) REQUIREMENTS.—The rule shall—

7                   (A) identify federally required data ex-  
8                   changes;

9                   (B) include specification and timing of ex-  
10                  changes to be standardized;

11                  (C) address the factors used in deter-  
12                  mining whether and when to standardize data  
13                  exchanges;

14                  (D) specify State implementation options;  
15                  and

16                  (E) describe future milestones.

