

**Amendment offered by Ms. Tokuda of Hawai'i**

**Amendment description**

This amendment restores several core elements of the Section 502 Direct Loan Program, including maintaining loan limits at no less than 80 percent of applicable FHA 203(b) area limits, permitting SNAP benefits to be treated as repayment income under section 502, and allowing loans to be obligated while appraisals are pending, subject to final closing.

**AMENDMENT**

**OFFERED BY MS. TOKUDA OF HAWAII**

Add at the end of title VI the following:

1 **SEC. \_\_\_\_ . TERMS OF DIRECT LOAN PROGRAM FOR RURAL**  
2 **HOUSING.**

3 Section 502 of the Housing Act of 1949 (42 U.S.C.  
4 1472) is amended by adding at the end the following:

5 “(j) **AREA LOAN LIMITS.**—Notwithstanding any  
6 other provision of law, regulation, handbook, or guidance,  
7 the Secretary may not establish area loan limits for direct  
8 loans made under this section at a level lower than 80  
9 percent of the applicable mortgage limits under section  
10 203(b) of the National Housing Act for the applicable  
11 area.

12 “(k) **HOUSEHOLD INCOME DETERMINATIONS.**—For  
13 purposes of assessing an applicant’s repayment income in  
14 determining the maximum loan amount for which an ap-  
15 plicant qualifies under this section, the Secretary shall  
16 permit the inclusion of Federal nutrition assistance bene-  
17 fits as countable household income, not to exceed 20 per-  
18 cent of total repayment income.

19 “(l) **LOAN OBLIGATIONS PENDING APPRAISAL.**—The  
20 Secretary shall permit direct loans made under this sec-

1 tion to be obligated prior to the completion of required  
2 appraisals, provided that final loan closing is contingent  
3 upon completion of such appraisals.”.

