

[DISCUSSION DRAFT]

119TH CONGRESS
1ST SESSION

H. R. _____

To amend the Housing Act of 1949 to clarify that accessory dwelling units which are leased qualify for certain loan guarantees under section 502 of such Act, and for other purposes

IN THE HOUSE OF REPRESENTATIVES

Mr. NUNN of Iowa introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Housing Act of 1949 to clarify that accessory dwelling units which are leased qualify for certain loan guarantees under section 502 of such Act, and for other purposes

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. LOAN GUARANTEES WITH RESPECT TO ACCES-**
4 **SORY DWELLING UNITS.**

5 Section 502(h)(4) of the Housing Act of 1949 (42
6 U.S.C. 1472(h)(4)) is amended—

1 (1) by redesignating subparagraphs (A), (B),
2 and (C) as clauses (i), (ii), and (iii), respectively;

3 (2) by striking “Loans may be guaranteed” and
4 inserting the following:

5 “(A) DEFINITION.—In this paragraph, the
6 term ‘accessory dwelling unit’ means a single,
7 habitable living unit—

8 “(i) with means of separate ingress
9 and egress;

10 “(ii) that is usually subordinate in
11 size;

12 “(iii) that can be added to, created
13 within, or detached from a primary 1-unit,
14 single-family dwelling; and

15 “(iv) in combination with a primary
16 1-unit, single family dwelling, constitutes a
17 single interest in real estate.

18 “(B) SINGLE FAMILY REQUIREMENT.—
19 Loans may be guaranteed”; and

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

21 “(C) RULE OF CONSTRUCTION.—Nothing
22 in this paragraph shall be construed to prohibit
23 the leasing of an accessory dwelling unit or the
24 use of rental income derived from such a lease

1 to qualify for a loan guaranteed under this sub-
2 section—

3 “(i) after the date of enactment of
4 this subparagraph; and

5 “(ii) if the property that is the subject
6 of the loan was constructed before the date
7 of enactment of this subparagraph.”.