

Tuesday, September 18, 2007

| House Meets At... | Votes Predicted At... |
|---|-----------------------|
| 9:00 a.m. For Morning Hour 10:00 a.m. For Legislative Business | Last Vote: 4:00 p.m. |
| Unlimited "One-Minutes" Per Side | |

Any anticipated Member absences for votes this week should be reported to the Office of the Majority Whip at 226-3210.

Floor Schedule and Procedure

- **H. Res. 650–Rule providing for consideration of H.R. 1852 - Expanding American Homeownership Act of 2007 (Rep. Matsui - Rules):** The structured rule provides one hour of general debate equally divided and controlled by the chairman and ranking minority member of the Committee on Financial Services. The rule also makes in order the substitute reported by the Committee on Financial Services, modified by the amendment in part A of the Rules Committee report, as an original bill for the purpose of amendment. The rule makes in order only those further amendments printed in Part B of the Rules Committee report. Finally, the rule provides one motion to recommit with or without instruction. Debate on the rule will be managed by Rep. Matsui and consideration will proceed as follows:
 - One hour of debate on the rule.
 - Possible vote on a Democratic motion to move the previous question. **Democrats are urged to vote yes on the motion.**
 - Vote on adoption of the rule. **Democrats are urged to vote yes on adoption of the rule.**

- **H.R. 1852 - Expanding American Homeownership Act of 2007 (Rep. Waters – Financial Services):** Pursuant to the rule, debate on the bill will be managed by Financial Services Committee Chair Rep. Barney Frank, or his designee, and will proceed in the following order:
 - One hour of debate on the bill.
 - Debate and votes on amendments to the bill.
 - Possible debate and vote on a Republican motion to recommit the bill.
 - Vote on final passage of the bill. **Democrats are urged to vote yes on final passage.**

- **Suspension Bills:** Today, the House will consider several bills on the Suspension calendar. Bills considered on the Suspension calendar are debatable for 40 minutes; may not be amended; and require a two-thirds vote for passage. If a recorded vote is requested, it will be postponed.
 1. **H.Res. 326** – Commemorating the 25th anniversary of the Vietnam Veterans Memorial (*Rep. Hooley – Armed Services*)
 2. **H.Con.Res. 207** - Recognizing the 60th anniversary of the United States Air Force as an independent military service (*Rep. Spratt – Armed Services*)
 3. **H.Res. 443** - Recognizing the service of the 65th Infantry Borinqueneers during the Korean War, honoring the people of Puerto Rico who continue to serve and volunteer for service in the Armed Forces and make sacrifices for the country, and commending all efforts to promote and preserve the history of the 65th Infantry Borinqueneers (*Rep. McGovern – Armed Services*)
 4. **H.Res. 604** - Expressing the nation's sincerest appreciation and thanks for the service of the members of the 303rd Bombardment Group (Heavy) upon the occasion of the final reunion of the 303rd Bomb Group (H) Association (*Rep. McCotter – Armed Services*)
- **Postponed Suspension Vote:** At some point today, the House will take a recorded vote on the following bill, which was debated on Monday:
 1. **H.R. 3096** - Vietnam Human Rights Act of 2007 (*Rep. Chris Smith - Foreign Affairs*)

Bill Summary and Key Issues

H.R. 1852 - Expanding American Homeownership Act of 2007

The Expanding American Homeownership Act of 2007 will revitalize the Federal Housing Administration (FHA), a federally insured loan program that for over 60 years has been a reliable source of affordable fixed rate mortgage loans, especially for first-time homebuyers. H.R. 1852 will enable FHA to serve more subprime borrowers at affordable rates and terms, recapture borrowers that have turned to predatory loans in recent years, and offer refinancing loan opportunities to borrowers struggling to meet their mortgage payments in the midst of the current turbulent mortgage markets.

Specifically, the bill includes the following important provisions:

- **Lower Down Payments.** Authorizes zero and lower down payment loans for borrowers that can afford mortgage payments, but lack the cash for a required down payment.
- **Higher Loan Limits.** Increases loan limits to make FHA relevant in high cost markets where FHA is currently barred from making loans up to the local median home price.

- **Housing Counseling.** Authorizes more than double the current funding level for housing counseling, to help subprime homebuyers and borrowers late on mortgage loan payments.
- **Subprime borrowers.** Directs FHA to provide mortgage loans to higher risk (but qualified) borrowers, without authorizing unnecessary fee hikes on such borrowers.
- **Reverse Mortgages.** Enhances the FHA reverse mortgage loan program to help seniors pay for health and other expenses, by removing the loan cap to avoid program shutdowns, raising loan limits, and by reducing the maximum fee lenders can charge for these loans.
- **Multifamily Loans.** Raises FHA multifamily loan limits, so these loans can fully fund construction costs in high cost areas, and enhances sale of foreclosed FHA rental housing loans to localities, so that affordable housing can be maintained in local communities.
- **Affordable Housing Fund.** Authorizes up to \$300 million a year from the bill's excess profits for affordable housing, instead of returning such funds to the General Treasury.

Anticipated Amendments to H.R. 1852

Tierney (MA): The amendment directs the Secretary of the Department of Housing and Urban Development to provide mortgage insurance premium refunds to eligible borrowers of FHA insured loans, which were closed prior to December 8, 2004, but which were not endorsed until December 8, 2004 or after that date, and authorizes such sums as may be necessary for such refunds. (10 minutes)

Frank (MA)/Miller, Gary (CA)/Cardoza (CA): The amendment raises the FHA single family loan limit, by establishing such limit in each area as the lower of (a) 125% of the local median area home price or (b) 175% of the national GSE conforming loan limit. Retains the FHA loan floor provision in the reported bill of 65% of the GSE conforming loan limit. Also gives HUD authority to raise these resulting loan limit amounts by up to \$100,000 by area and/or by unit size "if market conditions warrant." (10 minutes)

Miller, Gary (CA): The amendment will allow qualified down payment assistance providers to participate in FHA Program if certain conditions are satisfied (i.e. no obligation for mortgagor to repay and net worth requirement). The Secretary shall consider as cash or its equivalent any amounts gifted by a family member, the mortgagor's employer or labor union, or a qualified homeownership assistance entity, but only if there is no obligation on the part of the mortgagor to repay the gift. (10 minutes)

Bishop, Tim (NY): The amendment would clarify requirements on reverse mortgages for seniors who own permanent foundation homes on leased land. (10 minutes)

Hensarling (TX): The amendment strikes the allowable use of FHA savings for an affordable housing fund. (10 minutes)

Tiberi (OH): The amendment requires the Secretary to ensure the mortgagor receives counseling at the time of application. Under current language the Secretary may, but is not required to, provide counseling. (10 minutes)

Biggert (IL): Amendment in the Nature of a Substitute. The substitute amendment would reform for the Federal Housing Administration's (FHA) single-family mortgage insurance activities and would allow FHA to base each borrower's mortgage insurance premiums on the risk that the borrower poses to the FHA Mortgage Insurance Fund, with slight variations. Under this proposal, mortgage insurance premiums will be based on the borrower's credit history, loan-to-value ratio, debt-to-income ratio, and on FHA's historical experience with similar borrowers. This amendment maintains FHA reserves within the insurance fund to preserve the future solvency of the FHA program. (20 minutes)

Quote of the Day

"A person may cause evil to others not only by his actions but by his inaction, and in either case he is justly accountable to them for the injury."
-John Stuart Mill

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