

ing the low-income character of the project, or for keeping the health care facility operational to serve community needs, the Secretary may request the mortgagee, in lieu of assignment, to—

- (1) accept partial payment of the claim under the mortgage insurance contract; and
- (2) recast the mortgage, under such terms and conditions as the Secretary may determine.

(b) Existing mortgages

Notwithstanding any other provision of law, the Secretary, in connection with a mortgage restructuring under section 514 of the Multifamily Assisted Housing Reform and Affordability Act of 1997, may make a one time, non-default partial or full payment of claim under one or more mortgage insurance contracts, which shall include a determination by the Secretary or the participating administrative entity, in accordance with the Multifamily Assisted Housing Reform and Affordability Act of 1997, of the market value of the project and a restructuring of the mortgage, under such terms and conditions as are permitted by section 517(a) of such Act.

(c) Repayment

As a condition to a partial claim payment under this section, the mortgagor shall agree to repay to the Secretary the amount of such payment and such obligation shall be secured by a second mortgage on the property on such terms and conditions as the Secretary may determine.

(June 27, 1934, ch. 847, title V, § 541, as added Pub. L. 103-233, title I, § 101(e), Apr. 11, 1994, 108 Stat. 357; amended Pub. L. 105-65, title II, § 210, title V, § 523(b), Oct. 27, 1997, 111 Stat. 1366, 1406; Pub. L. 106-74, title II, § 213(a), Oct. 20, 1999, 113 Stat. 1073.)

Editorial Notes

REFERENCES IN TEXT

The Multifamily Assisted Housing Reform and Affordability Act of 1997, referred to in subsec. (b), is title V of Pub. L. 105-65, Oct. 27, 1997, 111 Stat. 1384. Sections 514 and 517(a) of the Act are set out as a note under section 1437f of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title of 1997 Amendment note set out under section 1701 of this title and Tables.

AMENDMENTS

1999—Pub. L. 106-74, § 213(a)(1), substituted “defaulted mortgages and in connection with mortgage restructuring” for “multifamily housing projects and health care facilities” in section catchline.

Subsec. (b). Pub. L. 106-74, § 213(a)(2), substituted “partial or full payment of claim under one or more mortgage insurance contracts” for “partial payment of the claim under the mortgage insurance contract”.

1997—Pub. L. 105-65, § 210(1), inserted “and health care facilities” after “housing projects” in section catchline.

Subsec. (a). Pub. L. 105-65, § 523(b)(1), substituted “Defaulted mortgages” for “Authority” in heading.

Pub. L. 105-65, § 210(2)(B), inserted “or for keeping the health care facility operational to serve community needs,” after “character of the project,” in introductory provisions.

Pub. L. 105-65, § 210(2)(A), which directed the insertion, in introductory provisions, of “or a health care fa-

cility (including a nursing home, intermediate care facility, or board and care home (as those terms are defined in section 1715w of this title), a hospital (as that term is defined in section 1715z-7 of this title), or a group practice facility (as that term is defined in section 1749aaa-5 of this title))” after “section 1701z-11(b) of this title”, was executed by inserting the language after “section 1701z-11(b) of this title)” to reflect the probable intent of Congress.

Subsecs. (b), (c). Pub. L. 105-65, § 523(b)(2), (3), added subsec. (b) and redesignated former subsec. (b) as (c).

§ 1735f-20. Authorization of appropriations for General and Special Risk Insurance Funds

There are authorized to be appropriated such sums as may be necessary for each of fiscal years 1994 and 1995, to be allocated in any manner that the Secretary determines appropriate, for the following costs incurred in conjunction with programs authorized under the General Insurance Fund, as provided by section 1735c of this title, and the Special Risk Insurance Fund, as provided by section 1715z-3 of this title:

(1) The cost to the Government, as defined in section 661a¹ of title 2, of new insurance commitments.

(2) The cost to the Government, as defined in section 661a¹ of title 2, of modifications to existing loans, loan guarantees, or insurance commitments.

(3) The cost to the Government, as defined in section 661a¹ of title 2, of loans provided under section 1701z-11(f) of this title.

(4) The costs of the rehabilitation of multifamily housing projects (as defined in section 1701z-11(b) of this title) upon disposition by the Secretary.

(June 27, 1934, ch. 847, title V, § 542, as added Pub. L. 103-233, title I, § 105(c), Apr. 11, 1994, 108 Stat. 363.)

Editorial Notes

REFERENCES IN TEXT

Section 661a of title 2, referred to in pars. (1) to (3), was in the original “section 502 of the Congressional Budget Act”, which was translated as meaning “section 502 of the Congressional Budget Act of 1974” to reflect the probable intent of Congress.

§ 1735g. Mortgage relief for homeowners who are unemployed as result of closing of Federal installation

(a) Definitions

For the purposes of this section—

(1) The term “mortgage” means a mortgage which (A) is insured under the National Housing Act [12 U.S.C. 1701 et seq.], or (B) secures a home loan guaranteed or insured under the Servicemen’s Readjustment Act of 1944 or chapter 37 of title 38.

(2) The term “Federal mortgage agency” means—

(A) The Secretary of Housing and Urban Development when used in connection with mortgages insured under the National Housing Act, and

(B) the Secretary of Veterans Affairs when used in connection with mortgages securing

¹ See References in Text note below.