

HR 5818

Neighborhood Stabilization Act of 2008

Congress: 110 (2007–2009, Ended)

Chamber: House

Policy Area: Housing and Community Development

Introduced: Apr 16, 2008

Current Status: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban A

Latest Action: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (May 12, 2008)

Official Text: <https://www.congress.gov/bill/110th-congress/house-bill/5818>

Sponsor

Name: Rep. Waters, Maxine [D-CA-35]

Party: Democratic • **State:** CA • **Chamber:** House

Cosponsors (27 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Carson, Andre [D-IN-7]	D · IN		Apr 16, 2008
Rep. Clay, Wm. Lacy [D-MO-1]	D · MO		Apr 16, 2008
Rep. Ellison, Keith [D-MN-5]	D · MN		Apr 16, 2008
Rep. Frank, Barney [D-MA-4]	D · MA		Apr 16, 2008
Rep. Green, Al [D-TX-9]	D · TX		Apr 16, 2008
Rep. Gutierrez, Luis V. [D-IL-4]	D · IL		Apr 16, 2008
Rep. Lynch, Stephen F. [D-MA-9]	D · MA		Apr 16, 2008
Rep. Mahoney, Tim [D-FL-16]	D · FL		Apr 16, 2008
Rep. Maloney, Carolyn B. [D-NY-14]	D · NY		Apr 16, 2008
Rep. Velazquez, Nydia M. [D-NY-12]	D · NY		Apr 16, 2008
Rep. Watt, Melvin L. [D-NC-12]	D · NC		Apr 16, 2008
Rep. Clarke, Yvette D. [D-NY-11]	D · NY		Apr 17, 2008
Rep. Moore, Gwen [D-WI-4]	D · WI		Apr 17, 2008
Rep. Wilson, Charles A. [D-OH-6]	D · OH		Apr 17, 2008
Rep. Sherman, Brad [D-CA-27]	D · CA		Apr 23, 2008
Rep. Tsongas, Niki [D-MA-5]	D · MA		Apr 23, 2008
Rep. Higgins, Brian [D-NY-27]	D · NY		Apr 24, 2008
Rep. Moran, James P. [D-VA-8]	D · VA		Apr 24, 2008
Rep. McGovern, James P. [D-MA-3]	D · MA		Apr 29, 2008
Rep. Sires, Albio [D-NJ-13]	D · NJ		Apr 29, 2008
Rep. Berkley, Shelley [D-NV-1]	D · NV		Apr 30, 2008
Rep. Capuano, Michael E. [D-MA-8]	D · MA		Apr 30, 2008
Rep. Pastor, Ed [D-AZ-4]	D · AZ		Apr 30, 2008
Rep. Cohen, Steve [D-TN-9]	D · TN		May 1, 2008
Rep. Lee, Barbara [D-CA-9]	D · CA		May 1, 2008
Rep. McCollum, Betty [D-MN-4]	D · MN		May 1, 2008
Rep. Meek, Kendrick B. [D-FL-17]	D · FL		May 1, 2008

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	May 12, 2008
Financial Services Committee	House	Reported By	May 1, 2008

Subjects & Policy Tags

Policy Area:

Housing and Community Development

Related Bills

Bill	Relationship	Last Action
110 HRES 1174	Procedurally related	May 7, 2008: On motion to table the motion to reconsider the vote Agreed to by recorded vote: 212 - 183 (Roll no. 290).

Neighborhood Stabilization Act of 2008 - (Sec. 3) Directs the Secretary of Housing and Urban Development (HUD) to make grants and loans to qualified states, metropolitan cities, and urban counties, in accordance with HUD-approved plans, to carry out eligible housing stimulus activities.

Requires such program to be administered through HUD's Office of Community Planning and Development (or any successor office responsible for administering the community development block grant program under the Housing and Community Development Act of 1974).

(Sec. 4) Specifies the contents of a grant or loan applicant's plan, which must be submitted for the Secretary's approval.

Requires a plan, among other things, to give priority emphasis and consideration to metropolitan areas, metropolitan cities, urban areas, rural areas, low- and moderate-income areas, census tracts and other areas having the greatest need.

(Sec. 5) Prescribes formulas for distribution of foreclosure grant amounts and foreclosure loan authority amounts to a qualified state, metropolitan city, or urban county (allocation recipient), based on ratios reflecting the number of foreclosures on mortgages for single family housing and subprime mortgage loans for such housing over 90 days delinquent which have occurred in the state during the most recently completed four calendar quarters for which such information is available.

Requires the Secretary to establish or select an index to account for differences between qualified states in the medium price of single family housing in such states.

(Sec. 6) Authorizes the use of such loans by the allocation recipient, a local government or its entity, or any other entity, as provided in the allocation recipient's HUD-approved plan.

States that, upon the Secretary's entering a binding commitment to make a loan for use in the recipient's area, the loan authority allocated to each recipient shall be decreased by the principal amount of such a loan, but be increased again by such amount upon repayment of the loan.

Requires such loans: (1) to bear no interest; (2) be non-recourse; (3) have a maturity of three years if a loan made to purchase (or finance the purchase of) qualified foreclosed housing for homeownership, and of five years if a loan to purchase (or finance the purchase of) such housing for rental property; (4) not provide for amortization of the principal obligation; and (5) require payment of the original principal obligation only.

Requires an allocation recipient to repay 90% or more under all previous loans before being eligible to reborrow. Authorizes the Secretary to waive such requirement upon allocation recipient request, if the borrower has demonstrated satisfactory progress in utilizing outstanding loans and sufficient capacity to utilize additional loan amounts effectively.

Sunsets this program for new loans after 48 months.

(Sec. 7) Authorizes the use of grant amounts for eligible housing stimulus activities by the allocation recipient, a local government or its entity, or a nonprofit organization.

(Sec. 8) Limits the use of such loans to homeownership housing, rental housing, and housing rehabilitation, subject to specified requirements.

Allows the use of such a loan for purchasing, or financing the purchase of, qualified foreclosed housing for resale as housing for homeownership to families having incomes of up to 140% of the median income for the area in which the housing is located.

Allows the use of such a loan also for rental, lease-purchase, or rent-to-own housing, but only for families whose incomes do not exceed 100% of the area median income. Prohibits rents from exceeding market rents for comparable dwelling units located in the area. Requires such rents to accord with any requirements of the Secretary intended to ensure that rents are established in a fair, objective, and arms-length manner.

Allows the use of such a loan also for rehabilitation of qualified foreclosed property as necessary to: (1) comply with applicable laws, codes, and other requirements relating to housing safety, quality, and habitability; or (2) make improvements to increase the housing's energy efficiency or its conservation, or to provide a renewable energy source (or sources) for it for the purpose of reselling it within three months at a price as close as possible to its acquisition price.

Limits the use of grants to: (1) property holding and operating costs; (2) property-related acquisition costs; (3) allocation recipient-related administrative costs; (4) certain state planning costs; (5) housing rehabilitation activities; and (6) demolition costs, but only if the Secretary determines that the neighborhood or other area in which the housing is located has a high incidence of vacant and abandoned housing (or other vacant and abandoned structures), and is experiencing a significant decline in population.

Prohibits the use of grant amounts to provide assistance of any kind (including grants, loans, and closing cost financing) for downpayments for any homebuyers of single family housing.

Requires the Secretary, by regulation, to prohibit the use of such grants or loans for: (1) political activities; (2) advocacy; (3) direct or indirect lobbying; (4) counseling services; (5) travel expenses; or (6) preparing or providing advice on tax returns.

Requires the use of: (1) 50% of such grants to provide housing only for very low-income families (whose incomes do not exceed 50% of the median income in the area); and (2) 50% of such grants to provide housing only for extremely low-income families (whose income does not exceed 30% of such median income).

Authorizes the Secretary, with respect to families with extremely low incomes, to allow an eligibility ceiling greater than 30%, but less than 50%, in specified circumstances if the higher ceiling will not result in an overall loss of housing affordable to families whose income does not exceed 30% of the area median income.

Requires an allocation recipient that includes rural areas to use a portion of its grant or loan amount for eligible activities located in rural areas proportionate to the identified need for such activities there.

Requires a qualified state, or at its election, a qualified metropolitan city or qualified urban county, to record a lien in the Secretary's name on any qualified foreclosed housing purchased or financed with a loan under this Act.

Declares that this Act may not be construed to prevent the resale of qualified foreclosed housing to a prior owner or occupant who meets income requirements.

Prohibits a loan or grant recipient from discriminating against a prospective tenant because the individual holds a voucher or certificate of eligibility under section 8 (public housing rental assistance) of the United States Housing Act of 1937.

Subjects the owner (and any successor in interest) to the lease and to the housing assistance payments contract for the

occupied unit, in the case of any qualified foreclosed housing: (1) for which funds made available under this Act are used; and (2) in which a recipient of section 8 rental assistance resides at the time of acquisition or financing of such property.

Subjects any successor in interest in any foreclosed property (such as a subsequent purchaser) to: (1) the requirement of delivering a 90-day notice to vacate to any bona fide tenant; and (2) the tenant's rights.

Prohibits the use of such grant or loan amounts to demolish any public housing.

(Sec. 9) Prohibits the use of such grant or loan amounts for any qualified foreclosed housing unless binding agreements are entered into that ensure that the federal government, upon any sale or disposition of the property by the owner acquiring the housing pursuant to assistance under this Act, shall receive at least 20% or, in the case of a for-profit owner, 50% of the difference between the net proceeds from its sale or disposition and the cost of its acquisition, after deductions for certain expenditures.

(Sec. 10) Establishes deadlines by which an allocation recipient must obligate and spend grant and loan authority amounts.

(Sec. 11) Requires the servicer of a federally related mortgage loan to: (1) notify the local government in which the property securing the mortgage is located upon becoming responsible for a qualified foreclosed property; and (2) provide it with the name and 24-hour contact information of a representative authorized to negotiate purchases.

(Sec. 12) Sets forth reporting and contingent reimbursement requirements for allocation recipients.

(Sec. 14) Authorizes appropriations.

(Sec. 15) Declares that nothing in this Act shall affect the right to bear arms under the Second Amendment of the Constitution.

(Sec. 16) Makes illegal aliens ineligible for financial assistance under this Act.

Actions Timeline

- **May 12, 2008:** Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
- **May 8, 2008:** Considered as unfinished business. (consideration: CR H3191-3202)
- **May 8, 2008:** The House resolved into Committee of the Whole House on the state of the Union for further consideration.
- **May 8, 2008:** POINT OF ORDER - Mr. Westmoreland made a point of order that roll call 295 was held open for the sole purpose of changing the outcome. The Chair ruled that the most effective remedy was raising a question of privilege of the House as opposed to a point of order.
- **May 8, 2008:** Mr. Westmoreland appealed the ruling of the Chair. The question was then put on sustaining the ruling of the Chair.
- **May 8, 2008:** On sustaining the ruling of the Chair. Agreed to by recorded vote: 235 - 182, 6 Present (Roll no. 296). (consideration: CR H3192-3194)
- **May 8, 2008:** The House rose from the Committee of the Whole House on the state of the Union to report H.R. 5818.
- **May 8, 2008:** The previous question was ordered pursuant to the rule. (consideration: CR H3195)
- **May 8, 2008:** The House adopted the amendment in the nature of a substitute as agreed to by the Committee of the Whole House on the state of the Union. (text: CR 5/7/2008 H31563-3166)
- **May 8, 2008:** Mr. Shadegg moved to recommit with instructions to Financial Services. (consideration: CR H3196; text: CR H3196)
- **May 8, 2008:** DEBATE - The House proceeded with 10 minutes of debate on the Shadegg motion to recommit with instructions. The instructions contained in the motion seek to require the bill to be reported back to the House with sundry amendments.
- **May 8, 2008:** The previous question on the motion to recommit with instructions was ordered without objection. (consideration: CR H3201-3202)
- **May 8, 2008:** On motion to recommit with instructions Failed by recorded vote: 210 - 216 (Roll no. 298).
- **May 8, 2008:** Passed/agreed to in House: On passage Passed by recorded vote: 239 - 188 (Roll no. 299).
- **May 8, 2008:** On passage Passed by recorded vote: 239 - 188 (Roll no. 299).
- **May 8, 2008:** Motion to reconsider laid on the table Agreed to without objection.
- **May 8, 2008:** The Clerk was authorized to correct section numbers, punctuation, and cross references, and to make other necessary technical and conforming corrections in the engrossment of H.R. 5818.
- **May 7, 2008:** Rule H. Res. 1174 passed House.
- **May 7, 2008:** Considered under the provisions of rule H. Res. 1174. (consideration: CR H3154-3177)
- **May 7, 2008:** Rule provides for consideration of H.R. 5818. Previous question shall be considered as ordered without intervening motions except motion to recommit with or without instructions. Measure will be considered read. Specified amendments are in order. All points of order against the committee amendment in the nature of a substitute are waived except those arising under clause 10 of rule XXI. Notwithstanding clause 11 of rule XVIII, no amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution.
- **May 7, 2008:** House resolved itself into the Committee of the Whole House on the state of the Union pursuant to H. Res. 1174 and Rule XVIII.
- **May 7, 2008:** The Speaker designated the Honorable Ellen O. Tauscher to act as Chairwoman of the Committee.
- **May 7, 2008:** GENERAL DEBATE - The Committee of the Whole proceeded with one hour of general debate on H.R. 5818.
- **May 7, 2008:** DEBATE - Pursuant the the provisions of H. Res. 1174, the Committee of the Whole proceeded with ten minutes of debate on the Waters amendment.
- **May 7, 2008:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Waters amendment, the Chair put the question on adoption of the amendment and by voice vote, announced that the ayes had prevailed. Mrs. Capito demanded a recorded vote and the Chair postponed further proceedings on the question of adoption of the amendment until later in the legislative day.
- **May 7, 2008:** DEBATE - Pursuant to the provisions of H. Res. 1174, the Committee of the Whole proceeded with ten minutes of debate on the Capito amendment.
- **May 7, 2008:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Capito amendment, the Chair put the question on adoption of the amendment and by voice vote, announced that the ayes had prevailed. Mrs. Capito

demanded a recorded vote and the Chair postponed further proceedings on the question of adoption of the amendment until later in the legislative day.

- **May 7, 2008:** Mr. Simpson moved that the Committee rise.
- **May 7, 2008:** UNFINISHED BUSINESS - The Chair announced that the unfinished business was the question of adoption on amendments which had been debated earlier and on which further proceedings had been postponed.
- **May 7, 2008:** On motion that the Committee rise Failed by recorded vote: 184 - 231 (Roll no. 292).
- **May 7, 2008:** DEBATE - Pursuant to the provisions of H. Res. 1174, the Committee of the Whole proceeded with ten minutes of debate on the Mahoney (FL) amendment.
- **May 7, 2008:** DEBATE - Pursuant to the provisions of H. Res. 1174, the Committee of the Whole proceeded with ten minutes of debate on the Hensarling amendment.
- **May 7, 2008:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Hensarling amendment, the Chair put the question on adoption of the amendment and by voice vote, announced that the noes had prevailed. Mr. Hensarling demanded a recorded vote and the Chair postponed further proceedings on the question of adoption of the amendment until later in the legislative day.
- **May 7, 2008:** DEBATE - Pursuant to the provisions of H. Res. 1174, the Committee of the Whole proceeded with ten minutes of debate on the Kucinich amendment.
- **May 7, 2008:** DEBATE - Pursuant to the provisions of H. Res. 1174, the Committee of the Whole proceeded with ten minutes of debate on the McCotter amendment.
- **May 7, 2008:** DEBATE - Pursuant to the provisions of H. Res. 1174, the Committee of the Whole proceeded with ten minutes of debate on the Altmire amendment.
- **May 7, 2008:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Altmire amendment, the Chair put the question on adoption of the amendment and by voice vote, announced that the ayes had prevailed. Mr. Altmire demanded a recorded vote and the Chair postponed further proceedings on the question of adoption of the amendment until later in the legislative day.
- **May 7, 2008:** Ms. Waters moved that the Committee rise.
- **May 7, 2008:** On motion that the Committee rise Agreed to by voice vote.
- **May 7, 2008:** Committee of the Whole House on the state of the Union rises leaving H.R. 5818 as unfinished business.
- **May 6, 2008:** Rules Committee Resolution H. Res. 1174 Reported to House. Rule provides for consideration of H.R. 5818. Previous question shall be considered as ordered without intervening motions except motion to recommit with or without instructions. Measure will be considered read. Specified amendments are in order. All points of order against the committee amendment in the nature of a substitute are waived except those arising under clause 10 of rule XXI. Notwithstanding clause 11 of rule XVIII, no amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution.
- **May 1, 2008:** Reported (Amended) by the Committee on Financial Services. H. Rept. 110-616.
- **May 1, 2008:** Placed on the Union Calendar, Calendar No. 383.
- **Apr 23, 2008:** Committee Consideration and Mark-up Session Held.
- **Apr 23, 2008:** Ordered to be Reported (Amended) by the Yeas and Nays: 38 - 26.
- **Apr 16, 2008:** Introduced in House
- **Apr 16, 2008:** Referred to the House Committee on Financial Services.