

HR 4146

Preservation Enhancement and Savings Opportunity Act of 2014

Congress: 113 (2013–2015, Ended)

Chamber: House

Policy Area: Housing and Community Development

Introduced: Mar 4, 2014

Current Status: Referred to the House Committee on Financial Services.

Latest Action: Referred to the House Committee on Financial Services. (Mar 4, 2014)

Official Text: <https://www.congress.gov/bill/113th-congress/house-bill/4146>

Sponsor

Name: Rep. Paulsen, Erik [R-MN-3]

Party: Republican • **State:** MN • **Chamber:** House

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Financial Services Committee	House	Referred To	Mar 4, 2014

Subjects & Policy Tags

Policy Area:

Housing and Community Development

Related Bills

No related bills are listed.

Preservation Enhancement and Savings Opportunity Act of 2014 - Amends the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRHA) with respect to a plan of action the Secretary of Housing and Urban Development (HUD) may approve for extension of the low-income affordability restrictions on any eligible low-income housing.

Entitles the owner of a property subject to a plan of action or use agreement to distribute:

- annually all surplus cash generated by the property; and
- any funds accumulated in a residual receipts account, upon request made to the Secretary and notwithstanding any conflicting provision in the use agreement, but only if the individual is in material compliance with the use agreement.

Requires an owner distributing any such amounts to:

- continue to operate the property in accordance with the affordability requirements of its use agreement for its remaining useful life;
- continue to renew or extend any project-based rental assistance contract for at least 20 years, as required by the property's plan of action; and
- have the option to extend the contract to a 20-year term, if he or she has an existing multi-year project-based rental assistance contract for less than 20 years.

Declares that neither LIHPRHA, nor any plan of action or use agreement implementing it, shall restrict an owner from obtaining a new loan or refinancing an existing loan secured by a low-income housing project, or from distributing the proceeds of such a loan, except that, in conjunction with such refinancing:

- the owner shall provide for adequate rehabilitation pursuant to a capital needs assessment to ensure long-term sustainability of the property satisfactory to the lender or bond issuance agency;
- any resulting budget-based rent increase shall include debt service on the new financing, commercially reasonable debt service coverage, and replacement reserves as required by the lender; and
- rent increases for units not covered by a project-based rental subsidy contract or tenant-based rental subsidy shall be limited to 10%.

Actions Timeline

- **Mar 4, 2014:** Introduced in House
- **Mar 4, 2014:** Referred to the House Committee on Financial Services.