

[DISCUSSION DRAFT]

116TH CONGRESS
1ST SESSION

H. R. _____

To [NOTE: To be supplied.]

IN THE HOUSE OF REPRESENTATIVES

M. _____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To [NOTE: To be supplied.]

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. SHORT TITLE.**

4 This Act may be cited as the “_____ Act
5 of 2019”.

6 **SEC. 2. ELIGIBILITY FOR RURAL HOUSING VOUCHERS.**

7 Section 542 of the Housing Act of 1949 (42 U.S.C.
8 1490r) is amended by adding at the end the following new
9 subsection:

1 “(c) ELIGIBILITY OF HOUSEHOLDS IN SECTION 514
2 AND 515 PROJECTS.—The Secretary may provide rural
3 housing vouchers under this section for any low-income
4 household (including those not receiving rental assistance)
5 residing in a property financed with a loan made or in-
6 sured under section 514 or 515 (42 U.S.C. 1484, 1485)
7 which has been prepaid, has been foreclosed, or has ma-
8 tured after September 30, 2005.”.

9 **SEC. 3. AMOUNT OF VOUCHER ASSISTANCE.**

10 Notwithstanding any other provision of law, in the
11 case of any rural housing voucher provided pursuant to
12 section 542 of the Housing Act of 1949 (42 U.S.C.
13 1490r), the amount of the monthly assistance payment for
14 the household on whose behalf such assistance is provided
15 shall be determined as provided in subsection (a) of such
16 section 542,

17 **SEC. 4. REDUCING LOAN PREPAYMENTS.**

18 Clause (ii) of section 502(c)(5)(G) of the Housing Act
19 of 1949 (42 U.S.C. 1472(c)(5)(G)(ii)) is amended—

20 (1) in subclause (II), by striking the period at
21 the end and inserting “; except that”; and

22 (2) by adding after and below subclause (II) the
23 following new flush matter:

24 “in the case of housing financed with the loan that is pre-
25 paid subject to use restrictions as provided in subclause

1 (I) of this clause, the Secretary shall not issue rural hous-
2 ing assistance vouchers to tenants of the housing who,
3 prior to the prepayment, were recipients of rental assist-
4 ance under section 521; notwithstanding any other provi-
5 sion of law, the Secretary shall, subject to the availability
6 of appropriated amounts, issue vouchers to all other re-
7 maining tenants provided that the amount of the voucher
8 on behalf of any family shall be limited to the difference
9 between the tenants' shelter payment prior to the prepay-
10 ment and the market rent approved by the Secretary for
11 the prepaid unit plus the approved cost, if any, of tenant
12 paid utilities; after the first year that such vouchers have
13 been in place, and annually thereafter, the Secretary shall
14 review and approve, all proposed shelter cost increases for
15 any tenants who are voucher recipients and increase the
16 amount of assistance under the vouchers for such tenants
17 by an amount that ensures that the voucher holder will
18 not pay more than 30 percent of household income for
19 shelter; and under no circumstance may the Secretary con-
20 sider the availability or issuance of rural housing vouchers
21 in determining whether a prepayment will have an adverse
22 impact on minority housing opportunities on current ten-
23 ants in the housing.”.

1 **SEC. 5. USE OF AVAILABLE RENTAL ASSISTANCE.**

2 Subsection (d) of section 521 of the Housing Act of
3 1949 (42 U.S.C. 1490a(d)) is amended by adding at the
4 end the following new paragraph:

5 “(3) In the case of any rental assistance contract au-
6 thority that becomes available because of the termination
7 of assistance on behalf of an assisted family—

8 “(A) at the option of the owner of the rental
9 project, the Secretary shall provide the owner a pe-
10 riod of 6 months before such assistance is made
11 available pursuant to subparagraph (B) during
12 which the owner may use such assistance authority
13 to provide assistance of behalf of an eligible unas-
14 sisted family that—

15 “(i) is residing in the same rental project
16 that the assisted family resided in prior to such
17 termination; or

18 “(ii) newly occupies a dwelling unit in such
19 rental project during such period; and

20 “(B) except for assistance used as provided in
21 subparagraph (A), the Secretary shall use such re-
22 maining authority to provide such assistance on be-
23 half of eligible families residing in other rental
24 projects originally financed under section 515 or
25 both sections 514 and 516 of this Act.”.

1 **SEC. 6. PILOT PROGRAM FOR DE-COUPLING RENTAL AS-**
2 **SISTANCE.**

3 (a) **IN GENERAL.**—Notwithstanding any provision of
4 section 521 of the Housing Act of 1949 (42 U.S.C.
5 1490a), the Secretary of Agriculture shall carry out a pilot
6 program under this section under which—

7 (1) rental assistance contracts entered into
8 under such section 521 with owners of rental
9 projects originally financed under section 515 and
10 both sections 514 and 516 of such Act shall, at the
11 owner's request and subject to the availability of ap-
12 propriated amounts, be renewed after loans for such
13 rental projects have matured or been prepaid, but
14 only if the owner maintains the assisted housing as
15 decent, safe, and sanitary housing; and

16 (2) the rental assistance payments for such
17 projects under such contracts shall be based on the
18 lesser of (A) the budget-based needs of the project,
19 or (B) the operating cost adjustment factor as a
20 payment standard as provided under section 524 of
21 the Multifamily Assisted Housing Reform and Af-
22 fordability Act of 1997 (42 U.S.C. 1437 note).

23 (b) **LIMITATION.**—The Secretary may carry out the
24 pilot program under this section with respect to not more
25 than 175 rental housing projects.