

AMENDMENT TO RULE COMMITTEE PRINT 119-33
OFFERED BY MS. MENG OF NEW YORK

At the end of subtitle B of title XVII, insert the following:

1 **SEC. 17__.** **IMPROVEMENT OF DEPARTMENT OF VET-**
2 **ERANS AFFAIRS LOAN GUARANTEE FOR PUR-**
3 **CHASE OF RESIDENTIAL COOPERATIVE**
4 **HOUSING UNITS.**

5 (a) LOANS FOR THE PURCHASE OF STOCK OR MEM-
6 BERSHIP IN A COOPERATIVE HOUSING CORPORATION.—

7 (1) IN GENERAL.—Section 3710 of title 38,
8 United States Code, is amended—

9 (A) in subsection (a)(12), by striking
10 “With respect to a loan guaranteed after the
11 date of the enactment of this paragraph and be-
12 fore the date that is five years after that date,
13 to” and inserting “To”; and

14 (B) by striking subsection (h) and insert-
15 ing the following new subsection (h):

16 “(h) LOANS FOR THE PURCHASE OF STOCK OR MEM-
17 BERSHIP IN A COOPERATIVE HOUSING CORPORATION.—

18 (1) The Secretary shall prescribe regulations setting forth
19 requirements for underwriting, loan processing, project

1 standards, share eligibility, valuation, and such other cri-
2 teria applicable to loans guaranteed under subsection
3 (a)(12) as the Secretary determines necessary. The Sec-
4 retary shall ensure that such regulations are consistent,
5 to the extent the Secretary determines suitable, with the
6 requirements of the Government National Mortgage Asso-
7 ciation for the purchase or securitization of cooperative
8 housing loans.

9 “(2) If a cooperative housing corporation in which a
10 veteran holds stock or membership guaranteed under sub-
11 section (a)(12) becomes insolvent or is dissolved through
12 no fault of the veteran, the Secretary may provide relief
13 consistent with the purposes of this chapter.

14 “(3)(A) The Secretary shall establish procedures for
15 the termination, default resolution, and guaranty claim
16 process applicable to loans guaranteed under subsection
17 (a)(12), accounting for the unique ownership structure of
18 cooperative housing.

19 “(B) The procedures established by the Secretary
20 under paragraph (1) shall—

21 “(i) provide for valuation and liquidation of co-
22 operative shares or membership interests without re-
23 quiring the Secretary to assume ownership or share-
24 holder status; and

1 “(ii) ensure that guaranty payments, loss miti-
2 gation, and recovery processes are consistent with
3 the purposes of this chapter.”.

4 (2) TIMELINE FOR IMPLEMENTATION.—

5 (A) IN GENERAL.—Not later than 180
6 days after the date of the enactment of this
7 Act, the Secretary shall prescribe regulations to
8 carry out subsection (h) of section 3710 of title
9 38, United States Code, as added by paragraph
10 (1). Before prescribing such regulations, the
11 Secretary shall consult with cooperative housing
12 experts and mortgage finance experts.

13 (B) INTERIM PERIOD.—Notwithstanding
14 section 501 of title 38, United States Code, the
15 Secretary may issue guidance to implement
16 such subsection before prescribing such regula-
17 tions.

18 (b) LOAN FEES.—Section 3729(b) of such title is
19 amended—

20 (1) in paragraph (1), by striking “The amount”
21 and inserting “Except as provided in paragraph (5),
22 the amount”; and

23 (2) by adding at the end the following new
24 paragraph:

1 “(5) In the case of a loan guaranteed under section
2 3710(a)(12) of this title, the amount of the fee shall be—

3 “(A) the amount determined from the loan fee
4 table under paragraph (2), plus

5 “(B) 3.25 percent of the total amount of the
6 loan guaranteed, insured, or made, or, in the case of
7 a loan assumption, the unpaid principal balance of
8 the loan on the date of the transfer of the prop-
9 erty.”.

10 (c) AMOUNT OF LOAN.—Section
11 3703(a)(1)(A)(i)(IV) of such title is amended by striking
12 “or (8)” and inserting “(8), or (12)”.

13 (d) TREATMENT AS RESIDENTIAL PROPERTY.—Such
14 title is further amended—

15 (1) in section 3704(c), by adding at the end the
16 following new paragraph:

17 “(3) For purposes of this subsection, stock or mem-
18 bership in a cooperative housing corporation (as defined
19 in section 216(b) of the Internal Revenue Code of 1986)
20 for the purpose of entitling a person to occupy for dwelling
21 purposes a single family residential unit in a development,
22 project, or structure owned or leased by such corporation
23 shall be treated as residential property.”; and

24 (2) in section 3714, by adding at the end the
25 following new subsection:

1 “(g) For purposes of this section, stock or member-
2 ship in a cooperative housing corporation (as defined in
3 section 216(b) of the Internal Revenue Code of 1986) for
4 the purpose of entitling a person to occupy for dwelling
5 purposes a single family residential unit in a development,
6 project, or structure owned or leased by such corporation
7 shall be treated as residential property.”.

8 (e) **AUTHORITY TO ADVERTISE.**—The Secretary of
9 Veterans Affairs shall use the authority of the Secretary
10 under section 532 of title 38, United States Code, to ad-
11 vertise the availability of loan guarantees for housing co-
12 operative share loans under section 3710(a)(12) of such
13 title and shall take such other appropriate actions as may
14 be necessary, including by the issuance of guidance, to no-
15 tify eligible veterans, participating lenders, and interested
16 realtors of the availability of such loan guarantees and the
17 procedures and requirements that apply to the obtaining
18 of such guarantees.

