116TH CONGRESS
2D SESSION
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To establish a Housing Assistance Fund at the Department of the Treasury.

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IN THE SENATE OF THE UNITED STATES

Mr. REED (for himself and Mr. BROWN) introduced the following bill; which was read twice and referred to the Committee on

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A BILL

To establish a Housing Assistance Fund at the Department of the Treasury.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

2 SECTION 1. HOUSING ASSISTANCE FUND.

3 (a) DEFINITIONS.—In this section:

4 (1) SECRETARY.—The term “Secretary” means the Secretary of the Treasury.

5 (2) STATE.—The term “State” means any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Northern Mariana Islands.
(b) **Establishment of Fund.**—There is established at the Department of the Treasury a Housing Assistance Fund to provide such funds as are appropriated in subsection (f) to State housing finance agencies and any entity named under subsection (j) for the purpose of preventing homeowner mortgage defaults, foreclosures, and displacements of individuals and families experiencing financial hardship after January 21, 2020.

(c) **Allocation of Funds.**—

(1) **In general.**—The Secretary shall establish such criteria as are necessary to allocate the funds available within the Housing Assistance Fund to each state. The Secretary shall allocate such funds among all States taking into consideration the number of unemployment claims within a State relative to the nation-wide number of unemployment claims.

(2) **Small state minimum.**—Each State shall receive no less than $250,000,000 for the purposes established in (b).

(3) **Tribal set-aside.**—The Secretary shall allocate funds to an entity designated under subsection (j) pursuant to the requirements of that subsection.

(d) **Disbursement of Funds.**—
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(1) INITIAL DISBURSEMENT.—The Secretary shall disburse to the State housing finance agencies and entities designated under subsection (j) not less than $\frac{1}{2}$ of the amount made available pursuant to this section, and in accordance with the allocations established under subsections (c) and (j), not later than 120 days after the date of enactment of this Act. The Secretary or designee shall enter into a contract with each State housing finance agency and each entity designated under subsection (j), which may be amended from time to time, establishing the terms of the use of such funds prior to the disbursement of such funds.

(2) SECOND DISBURSEMENT.—The Secretary shall disburse all funds made available pursuant to this section, and in accordance with the allocations established under subsections (c) and (j), not later than 180 days after the date of enactment of this Act.

(e) PERMISSIBLE USES OF FUND.—

(1) IN GENERAL.—Funds made available to State housing finance agencies and designated entities under subsection (j) pursuant to this section may be used for the purposes established under subsection (b), which may include—
(A) mortgage payment assistance;

(B) financial assistance to allow a borrower to reinstate their mortgage following a period of forbearance;

(C) principal reduction;

(D) payment assistance for—

(i) utilities, including electric, gas, and water; and

(ii) internet service, including broadband internet access service, as defined in section 8.1(b) of title 47, Code of Federal Regulations (or any successor regulation);

(E) any program established under the Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets;

(F) reimbursement of funds expended by a State or local government during the period beginning on January 21, 2020, and ending on the date that the first funds are disbursed by the State under the Housing Assistance Fund, for the purpose of providing housing or utility payment assistance to individuals or otherwise providing funds to prevent foreclosure or eviction of a homeowner or prevent mortgage delin-
quency or loss of housing or utilities as a response to the coronavirus disease 2019 (COVID–19) pandemic; and

(G) any other assistance to prevent eviction, mortgage delinquency or default, foreclosure, or the loss of utility services.

(2) ADMINISTRATIVE EXPENSES.—Not greater than 10 percent of the amount allocated to a State or an entity pursuant to subsections (c) or (j) may be used by a State housing financing agency or an entity for administrative expenses. Any amounts allocated to administrative expenses that are no longer necessary for administrative expenses may be used in accordance with paragraph (1).

(f) APPROPRIATION.—There is appropriated, out of amounts in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2020, to remain available until expended or transferred or credited under subsection (h) or subsection (j), $75,000,000,000 to the Housing Assistance Fund established under subsection (b).

(g) USE OF HOUSING FINANCE AGENCY INNOVATION FUND FOR THE HARDEST HIT HOUSING MARKETS FUNDS.—A State housing finance agency may reallocate any administrative or programmatic funds it has received
as an allocation from the Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets created pursuant to section 101(a) of the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5211(a)) that have not been otherwise allocated or disbursed as of the date of enactment of this Act to supplement any administrative or programmatic funds received from the Housing Assistance Fund. Such reallocated funds shall not be considered when allocating resources from the Housing Assistance Fund using the process established under subsection (c) and shall remain available for the uses permitted and under the terms and conditions established by the contract with the Secretary created pursuant to subsection (d)(1) and the terms of subsection (h).

(h) RESCISSION OF FUNDS.—Any funds that have not been allocated by a State housing finance agency to provide assistance as described under subsection (e) by December 31, 2030, shall be reallocated by the Secretary in the following manner:

(1) 65 percent shall be transferred or credited to the Housing Trust Fund established under section 1338 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4568); and

(i) REPORTING REQUIREMENTS.—The Secretary shall provide public reports not less frequently than quarterly regarding the use of funds provided by the Housing Assistance Funds. Such reports shall include the following data by State or entity receiving funds pursuant to subsection (j) and by program within each State or entity receiving funds pursuant to subsection (j), both for the past quarter and for the life of the program—

(1) the amount of funds allocated;

(2) the amount of funds disbursed;

(3) the number of households and individuals assisted;

(4) the acceptance rate of applicants;

(5) the average amount of assistance provided per household receiving assistance;

(6) the average length of assistance provided per household receiving assistance;

(7) the income ranges of households for each household receiving assistance; and

(8) the outcome 12 months after the household has received assistance.
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(j) TRIBAL SET-ASIDE.—

(1) DEFINITIONS.—In this subsection:

(A) DEPARTMENT OF HAWAIIAN HOME LANDS.—The term “Department of Hawaiian Home Lands” has the meaning given the term in section 801 of the Native American Housing Assistance and Self-Determination Act of 1996 (42 U.S.C. 4221).

(B) ELIGIBLE RECIPIENT.—The term “eligible recipient” means any entity eligible to receive a grant under section 101 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111).

(2) SET-ASIDE.—

(A) IN GENERAL.—Notwithstanding any other provision of this section, of the amounts appropriated under subsection (f), the Secretary shall use 5 percent to make grants to eligible recipients for the purposes described in subsection (e)(1).

(B) NATIVE HAWAIIAN SET-ASIDE.—Of the funds set aside under subparagraph (A), the Secretary shall use 0.3 percent to make grants to the Department of Hawaiian Home Lands for the purposes described in subsection (e)(1).
(3) REQUIREMENTS.—

(A) ALLOCATION.—Except for the funds set aside under paragraph (2)(B), the Secretary shall allocate the funds set aside under paragraph (2)(A) using the allocation formula described in subpart D of part 1000 of title 24, Code of Federal Regulations (or successor regulations).

(B) NATIVE HAWAIANS.—The Secretary shall use the funds made available under paragraph (2)(B) in accordance with part 1006 of title 24, Code of Federal Regulations (or successor regulations).

(4) RESCISSION.—The Secretary shall transfer any funds made available under paragraph (2) that have not been allocated by an eligible recipient or the Department of Hawaiian Home Lands, as applicable, to provide the assistance described in subsection (e)(1) by December 31, 2030, to the Secretary of Housing and Urban Development to carry out the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.).