

113TH CONGRESS  
1ST SESSION

# H. R. 2339

To facilitate affordable workforce homeownership in, and develop the full-time resident communities of, high tourism areas, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 12, 2013

Mr. POLIS introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To facilitate affordable workforce homeownership in, and develop the full-time resident communities of, high tourism areas, and for other purposes.

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 “Affordable Housing  
5 Regulation Simplification Act of 2013”.

1 **SEC. 2. INAPPLICABILITY OF CERTAIN FANNIE MAE AND**  
2 **FREDDIE MAC GUIDELINES TO AFFORDABLE**  
3 **WORKFORCE HOUSING MORTGAGES.**

4 (a) FANNIE MAE.—Subsection (b) of section 302 of  
5 the Federal National Mortgage Association Charter Act  
6 (12 U.S.C. 1717(b)) is amended by adding at the end the  
7 following new paragraph:

8 “(7) MORTGAGES FOR AFFORDABLE WORKFORCE  
9 HOUSING.—

10 “(A) EXEMPTIONS FROM GUIDELINES.—Not-  
11 withstanding any other provision of law—

12 “(i) the corporation may purchase, service,  
13 sell, lend on the security of, and otherwise deal  
14 in any affordable workforce housing mortgage;  
15 and

16 “(ii) any requirements and guidelines of  
17 the corporation that are inconsistent with the  
18 authority under clause (i) shall not apply to any  
19 affordable workforce housing mortgage.

20 “(B) AFFORDABLE WORKFORCE HOUSING  
21 MORTGAGES.—For purposes of this paragraph, the  
22 term ‘affordable workforce housing mortgage’ means  
23 a mortgage that meets the following requirements:

24 “(i) PROPERTY.—The mortgage shall be  
25 made for the purchase of, and secured by, a  
26 one-family residence that—

1           “(I) shall be used as the residence of  
2 the mortgagor for not less than 8 of any  
3 12 months and 240 days of any 365 days;

4           “(II) is located within or is part of a  
5 multifamily housing development—

6           “(aa) that consists of 5 or more  
7 dwelling units or a mixed-use develop-  
8 ment that is not less than 50 percent  
9 residential, as defined in the legal de-  
10 scription of the property in the pur-  
11 chase contract or mortgage or title  
12 documents relating to such purchase,  
13 or, if the development is less than 50  
14 percent residential, has been granted  
15 an exception by the corporation;

16           “(bb) of which not less than 25  
17 percent of the dwelling units in the  
18 development are owner-occupied; ex-  
19 cept that the requirement under this  
20 item shall be considered to be com-  
21 plied with, with respect to a develop-  
22 ment, unless verifiable public records  
23 indicate an owner-occupancy rate for  
24 the development of less than 25 per-  
25 cent;

1           “(cc) that provides individual,  
2           centralized, or any other method of  
3           metering for energy use of the con-  
4           stituent dwelling units;

5           “(dd) that may include dwelling  
6           units that are used for the sole pur-  
7           pose of short-term rentals and may  
8           provide such services as a staffed  
9           front desk, a concierge, or other  
10          amenities consistent with providing  
11          customer service for non-owner occu-  
12          pied or short-term rental units in the  
13          development, including marketing that  
14          describes the property as a lodge, re-  
15          sort, or other similar facility; and

16          “(ee) of which, if at least 50 per-  
17          cent of the total units are under con-  
18          tract for owner-occupancy, not more  
19          than 50 percent of the total dwelling  
20          units are owned by the same investor;  
21          and any multifamily housing development  
22          that otherwise complies with the require-  
23          ments under this subclause may not be  
24          considered ineligible because the develop-  
25          ment or any portion of the development is

1 called or referred to as a ‘condotel’, ‘condo-  
2 hotel’, ‘lodge’, or any other title;

3 “(III) is subject to resale restrictions  
4 that—

5 “(aa) are recorded with the ap-  
6 propriate public registry for recording  
7 of titles and interests in real estate;  
8 and

9 “(bb) terminate upon foreclosure  
10 or execution of any deed-in-lieu-of-  
11 foreclosure; and

12 “(IV) is located in an area that, at  
13 the time of the origination of the mort-  
14 gage, is a high tourism area.

15 “(ii) MORTGAGOR INCOME.—The house-  
16 hold of the mortgagor shall have a gross house-  
17 hold income—

18 “(I) that does not exceed 160 percent  
19 of the area median income, as determined  
20 and updated by the Secretary of Housing  
21 and Urban Development or the Director of  
22 the Federal Housing Finance Agency on  
23 an annual basis; and

24 “(II) not less than 75 percent of  
25 which is earned from positions the dis-

1 charge of whose duties involved physical  
2 presence in one or more high tourism  
3 areas.

4 “(iii) EMPLOYMENT.—The mortgagor or  
5 another member of the mortgagor’s house-  
6 hold—

7 “(I) has been employed, during the 6-  
8 month period ending upon execution of the  
9 mortgage, in a position or multiple posi-  
10 tions the discharge of whose duties in-  
11 volved physical presence in one or more  
12 high tourism areas, in the aggregate, for  
13 an average of not less than 30 hours per  
14 weeks;

15 “(II) is employed at the time of the  
16 execution of the mortgage in a position or  
17 multiple positions the discharge of whose  
18 duties involve physical presence in one or  
19 more high tourism areas, in the aggregate,  
20 for an average of not less than 30 hours  
21 per week and the duration of such employ-  
22 ment in such position is expected to last at  
23 least 6 months;

24 “(III) is 60 years of age or older and,  
25 during the 5-year period ending up the

1 mortgagor’s retirement from employment  
2 was employed in a position or positions the  
3 discharge of whose duties involved physical  
4 presence in one or more high tourism areas  
5 for—

6 “(aa) an average of not less than  
7 30 hours per week; and

8 “(bb) for not less than 8 months  
9 per year;

10 “(IV) is a person with disabilities (as  
11 such term is defined in section 811(k) of  
12 the Cranston-Gonzalez National Affordable  
13 Housing Act (42 U.S.C. 8013)) who—

14 “(aa) was employed, during the  
15 2-year period ending upon becoming  
16 disabled, in a position or positions de-  
17 scribed in subclause (I) or (II); or

18 “(bb) is employed in a position or  
19 positions described in subclause (I) or  
20 (II), except that the 30-hour require-  
21 ment under such subclauses shall not  
22 apply to such person if—

23 “(AA) compliance with such  
24 requirement would make such  
25 person ineligible for benefits

1 made available for persons with  
2 disabilities through a program of  
3 any State agency for develop-  
4 mental disabilities or through the  
5 supplemental security income  
6 program under title XVI of the  
7 Social Security Act; and

8 “(BB) such person works  
9 the maximum number of hours  
10 per week allowable for eligibility  
11 for benefits under such program;  
12 or

13 “(V) is the head of household in a  
14 household that includes one or more de-  
15 pendents, at least one of whom is at the  
16 time of the execution of the mortgage 5  
17 years of age or younger or is enrolled full-  
18 time in a school in a high tourism area.

19 “(iv) CONFORMING LOAN.—The original  
20 principal obligation of the mortgage shall com-  
21 ply with the applicable dollar amount limita-  
22 tions established pursuant to paragraph (2).

23 “(C) HIGH TOURISM AREA.—For purposes of  
24 this paragraph, the term ‘high tourism area’ means  
25 any county that is designated as a high tourism



1 county pursuant to section 5 of the Affordable  
2 Housing Regulation Simplification Act of 2013.”.

3 (b) FREDDIE MAC.—Subsection (a) of section 305 of  
4 the Federal Home Loan Mortgage Corporation Act (12  
5 U.S.C. 1454(a)) is amended by adding at the end the fol-  
6 lowing new paragraph:

7 “(6) MORTGAGES FOR AFFORDABLE WORKFORCE  
8 HOUSING.—

9 “(A) EXEMPTIONS FROM GUIDELINES.—Not-  
10 withstanding any other provision of law—

11 “(i) the Corporation may purchase, service,  
12 sell, lend on the security of, and otherwise deal  
13 in any affordable workforce housing mortgage;  
14 and

15 “(ii) any requirements and guidelines of  
16 the Corporation that are inconsistent with the  
17 authority under clause (i) shall not apply to any  
18 affordable workforce housing mortgage.

19 “(B) AFFORDABLE WORKFORCE HOUSING  
20 MORTGAGES.—For purposes of this paragraph, the  
21 term ‘affordable workforce housing mortgage’ means  
22 a mortgage that meets the following requirements:

23 “(i) PROPERTY.—The mortgage shall be  
24 made for the purchase of, and secured by, a  
25 one-family residence that—

1           “(I) shall be used as the residence of  
2 the mortgagor for not less than 8 of any  
3 12 months and 240 days of any 365 days;

4           “(II) is located within or is part of a  
5 multifamily housing development—

6           “(aa) that consists of 5 or more  
7 dwelling units or a mixed-use develop-  
8 ment that is not less than 50 percent  
9 residential, as defined in the legal de-  
10 scription of the property in the pur-  
11 chase contract or mortgage or title  
12 documents relating to such purchase,  
13 or, if the development is less than 50  
14 percent residential, has been granted  
15 an exception by the Corporation;

16           “(bb) of which not less than 25  
17 percent of the dwelling units in the  
18 development are owner-occupied; ex-  
19 cept that the requirement under this  
20 item shall be considered to be com-  
21 plied with, with respect to a develop-  
22 ment, unless verifiable public records  
23 indicate an owner-occupancy rate for  
24 the development of less than 25 per-  
25 cent;

1           “(cc) that provides individual,  
2           centralized, or any other method of  
3           metering for energy use of the con-  
4           stituent dwelling units;

5           “(dd) that may include dwelling  
6           units that are used for the sole pur-  
7           pose of short-term rentals and may  
8           provide such services as a staffed  
9           front desk, a concierge, or other  
10          amenities consistent with providing  
11          customer service for non-owner occu-  
12          pied or short-term rental units in the  
13          development, including marketing that  
14          describes the property as a lodge, re-  
15          sort, or other similar facility; and

16          “(ee) of which, if at least 50 per-  
17          cent of the total units are under con-  
18          tract for owner-occupancy, not more  
19          than 50 percent of the total dwelling  
20          units are owned by the same investor;  
21          and any multifamily housing development  
22          that otherwise complies with the require-  
23          ments under this subclause may not be  
24          considered ineligible because the develop-  
25          ment or any portion of the development is

1 called or referred to as a ‘condotel’, ‘condo-  
2 hotel’, ‘lodge’, or any other title;

3 “(III) is subject to resale restrictions  
4 that—

5 “(aa) are recorded with the ap-  
6 propriate public registry for recording  
7 of titles and interests in real estate;  
8 and

9 “(bb) terminate upon foreclosure  
10 or execution of any deed-in-lieu-of-  
11 foreclosure; and

12 “(IV) is located in an area that, at  
13 the time of the origination of the mort-  
14 gage, is a high tourism area.

15 “(ii) MORTGAGOR INCOME.—The house-  
16 hold of the mortgagor shall have a gross house-  
17 hold income—

18 “(I) that does not exceed 160 percent  
19 of the area median income, as determined  
20 and updated by the Secretary of Housing  
21 and Urban Development or the Director of  
22 the Federal Housing Finance Agency on  
23 an annual basis; and

24 “(II) not less than 75 percent of  
25 which is earned from positions the dis-

1 charge of whose duties involved physical  
2 presence in one or more high tourism  
3 areas.

4 “(iii) EMPLOYMENT.—The mortgagor or  
5 another member of the mortgagor’s house-  
6 hold—

7 “(I) has been employed, during the 6-  
8 month period ending upon execution of the  
9 mortgage, in a position or multiple posi-  
10 tions the discharge of whose duties in-  
11 volved physical presence in one or more  
12 high tourism areas, in the aggregate, for  
13 an average of not less than 30 hours per  
14 weeks;

15 “(II) is employed at the time of the  
16 execution of the mortgage in a position or  
17 multiple positions the discharge of whose  
18 duties involve physical presence in one or  
19 more high tourism areas, in the aggregate,  
20 for an average of not less than 30 hours  
21 per week and the duration of such employ-  
22 ment in such position is expected to last at  
23 least 6 months;

24 “(III) is 60 years of age or older and,  
25 during the 5-year period ending up the

1 mortgagor’s retirement from employment  
2 was employed in a position or positions the  
3 discharge of whose duties involved physical  
4 presence in one or more high tourism areas  
5 for—

6 “(aa) an average of not less than  
7 30 hours per week; and

8 “(bb) for not less than 8 months  
9 per year;

10 “(IV) is a person with disabilities (as  
11 such term is defined in section 811(k) of  
12 the Cranston-Gonzalez National Affordable  
13 Housing Act (42 U.S.C. 8013)) who—

14 “(aa) was employed, during the  
15 2-year period ending upon becoming  
16 disabled, in a position or positions de-  
17 scribed in subclause (I) or (II); or

18 “(bb) is employed in a position or  
19 positions described in subclause (I) or  
20 (II), except that the 30-hour require-  
21 ment under such subclauses shall not  
22 apply to such person if—

23 “(AA) compliance with such  
24 requirement would make such  
25 person ineligible for benefits

1 made available for persons with  
2 disabilities through a program of  
3 any State agency for develop-  
4 mental disabilities or through the  
5 supplemental security income  
6 program under title XVI of the  
7 Social Security Act; and

8 “(BB) such person works  
9 the maximum number of hours  
10 per week allowable for eligibility  
11 for benefits under such program;  
12 or

13 “(V) is the head of household in a  
14 household that includes one or more de-  
15 pendents, at least one of whom is at the  
16 time of the execution of the mortgage 5  
17 years of age or younger or is enrolled full-  
18 time in a school in a high tourism area.

19 “(iv) CONFORMING LOAN.—The original  
20 principal obligation of the mortgage shall com-  
21 ply with the applicable dollar amount limita-  
22 tions established pursuant to paragraph (2).

23 “(C) HIGH TOURISM AREA.—For purposes of  
24 this paragraph, the term ‘high tourism area’ means  
25 any county that is designated as a high tourism

1 county pursuant to section 5 of the Affordable  
2 Housing Regulation Simplification Act of 2013.”.

3 **SEC. 3. INSURANCE OF AFFORDABLE WORKFORCE HOUS-**  
4 **ING MORTGAGES BY FHA.**

5 Section 203 of the National Housing Act (12 U.S.C.  
6 1709) is amended by adding at the end the following new  
7 subsection:

8 “(y) MORTGAGES FOR AFFORDABLE WORKFORCE  
9 HOUSING.—

10 “(1) INSURANCE AUTHORITY.—The Secretary  
11 may insure under this section any affordable work-  
12 force housing mortgage meeting the requirements of  
13 subsection (b) of this section, except as modified by  
14 this subsection.

15 “(2) EXEMPTIONS.—Notwithstanding any other  
16 provision of law, any requirements and guidelines of  
17 the Secretary that are inconsistent with the author-  
18 ity under paragraph (1) shall not apply to any af-  
19 fordable workforce housing mortgage.

20 “(3) AFFORDABLE WORKFORCE HOUSING  
21 MORTGAGES.—For purposes of this subsection, the  
22 term ‘affordable workforce housing mortgage’ means  
23 a mortgage that meets the following requirements:



1           “(A) PROPERTY.—The mortgage shall be  
2           made for the purchase of, and secured by, a  
3           one-family residence that—

4                   “(i) shall be used as the residence of  
5                   the mortgagor for not less than 8 of any  
6                   12 months and 240 days of any 365 days;

7                   “(ii) is located within or is part of a  
8                   multifamily housing development—

9                           “(I) that consists of 5 or more  
10                           dwelling units or a mixed-use develop-  
11                           ment that is not less than 50 percent  
12                           residential, as defined in the legal de-  
13                           scription of the property in the pur-  
14                           chase contract or mortgage or title  
15                           documents relating to such purchase,  
16                           or, if the development is less than 50  
17                           percent residential, has been granted  
18                           an exception by the Secretary;

19                           “(II) of which not less than 25  
20                           percent of the dwelling units in the  
21                           development are owner-occupied; ex-  
22                           cept that the requirement under this  
23                           item shall be considered to be com-  
24                           plied with, with respect to a develop-  
25                           ment, unless verifiable public records

1 indicate an owner-occupancy rate for  
2 the development of less than 25 per-  
3 cent;

4 “(III) that provides individual,  
5 centralized, or any other method of  
6 metering for energy use of the con-  
7 stituent dwelling units;

8 “(IV) that may include dwelling  
9 units that are used for the sole pur-  
10 pose of short-term rentals and may  
11 provide such services as a staffed  
12 front desk, a concierge, or other  
13 amenities consistent with providing  
14 customer service for non-owner occu-  
15 pied or short-term rental units in the  
16 development, including marketing that  
17 describes the property as a lodge, re-  
18 sort, or other similar facility; and

19 “(V) of which, if at least 50 per-  
20 cent of the total units are under con-  
21 tract for owner-occupancy, not more  
22 than 50 percent of the total dwelling  
23 units are owned by the same investor;  
24 and any multifamily housing development  
25 that otherwise complies with the require-

1           ments under this clause may not be consid-  
2           ered ineligible because the development or  
3           any portion of the development is called or  
4           referred to as a ‘condotel’, ‘condo-hotel’,  
5           ‘lodge’, or any other title;

6           “(iii) is subject to resale restrictions  
7           that—

8                       “(I) are recorded with the appro-  
9                       priate public registry for recording of  
10                      titles and interests in real estate; and

11                     “(II) terminate upon foreclosure  
12                     or execution of any deed-in-lieu-of-  
13                     foreclosure; and

14           “(iv) is located in an area that, at the  
15           time of the origination of the mortgage, is  
16           a high tourism area.

17           “(B) MORTGAGOR INCOME.—The house-  
18           hold of the mortgagor shall have a gross house-  
19           hold income—

20                     “(i) that does not exceed 160 percent  
21                     of the area median income, as determined  
22                     and updated by the Secretary on an annual  
23                     basis; and

24                     “(ii) not less than 75 percent of which  
25                     is earned from positions the discharge of

1           whose duties involved physical presence in  
2           one or more high tourism areas.

3           “(C) EMPLOYMENT.—The mortgagor or  
4           another member of the mortgagor’s house-  
5           hold—

6                   “(i) has been employed, during the 6-  
7                   month period ending upon execution of the  
8                   mortgage, in a position or multiple posi-  
9                   tions the discharge of whose duties in-  
10                  volved physical presence in one or more  
11                  high tourism areas, in the aggregate, for  
12                  an average of not less than 30 hours per  
13                  weeks;

14                   “(ii) is employed at the time of the  
15                   execution of the mortgage in a position or  
16                   multiple positions the discharge of whose  
17                   duties involve physical presence in one or  
18                   more high tourism areas, in the aggregate,  
19                   for an average of not less than 30 hours  
20                   per week and the duration of such employ-  
21                   ment in such position is expected to last at  
22                   least 6 months;

23                   “(iii) is 60 years of age or older and,  
24                   during the 5-year period ending up the  
25                   mortgagor’s retirement from employment

1 was employed in a position or positions the  
2 discharge of whose duties involved physical  
3 presence in one or more high tourism areas  
4 for—

5 “(I) an average of not less than  
6 30 hours per week; and

7 “(II) for not less than 8 months  
8 per year;

9 “(iv) is a person with disabilities (as  
10 such term is defined in section 811(k) of  
11 the Cranston-Gonzalez National Affordable  
12 Housing Act (42 U.S.C. 8013)) who—

13 “(I) was employed, during the 2-  
14 year period ending upon becoming dis-  
15 abled, in a position or positions de-  
16 scribed in clause (i) or (ii); or

17 “(II) is employed in a position or  
18 positions described in clause (i) or (ii),  
19 except that the 30-hour requirement  
20 under such clauses shall not apply to  
21 such person if—

22 “(aa) compliance with such  
23 requirement would make such  
24 person ineligible for benefits  
25 made available for persons with

1 disabilities through a program of  
2 any State agency for develop-  
3 mental disabilities or through the  
4 supplemental security income  
5 program under title XVI of the  
6 Social Security Act; and

7 “(bb) such person works the  
8 maximum number of hours per  
9 week allowable for eligibility for  
10 benefits under such program; or

11 “(v) is the head of household in a  
12 household that includes one or more de-  
13 pendents, at least one of whom is at the  
14 time of the execution of the mortgage 5  
15 years of age or younger or is enrolled full-  
16 time in a school in a high tourism area.

17 “(D) LOAN LIMIT.—The original principal  
18 obligation of the mortgage shall comply with  
19 the applicable dollar amount limitations under  
20 subsection (b)(2).

21 “(4) HIGH TOURISM AREA.—For purposes of  
22 this paragraph, the term ‘high tourism area’ means  
23 any county that is designated as a high tourism  
24 county pursuant to section 5 of the Affordable  
25 Housing Regulation Simplification Act of 2013.”.

1 **SEC. 4. FHA AUTHORITY FOR SPOT APPROVAL OF MORT-**  
2 **GAGES FOR CONDOMINIUM UNITS.**

3 Section 234 of the National Housing Act (12 U.S.C.  
4 1715y) is amended by adding at the end the following new  
5 subsection:

6 “(1) **AUTHORITY FOR SPOT APPROVALS.**—In the case  
7 of individual mortgages for one-family units in a multi-  
8 family project and an undivided interest in the common  
9 areas and facilities that serve the project and affordable  
10 workforce housing mortgages (as such term is defined in  
11 section 203(y)), the Secretary shall provide an approval  
12 process for insurance of such mortgages that does not re-  
13 quire prior approval of the entire project or of the home-  
14 owners association for the entire project.”.

15 **SEC. 5. DETERMINATION OF HIGH TOURISM AREAS.**

16 The Secretary of Commerce shall, by notice issued  
17 not later than December 31, 2014—

18 (1) establish a procedure and metric for assess-  
19 ing, for counties in all States throughout the United  
20 States, the economic impact of tourism on such  
21 counties;

22 (2) establish a minimum threshold for such eco-  
23 nomic activity for use for designating counties as  
24 high tourism counties; and

25 (3) pursuant to such procedure, metric, and  
26 threshold, designate the counties in the United

1 States that are high tourism counties at the time of  
2 such designation.

3 **SEC.**

4

5 The Secretary of Commerce shall reassess and update  
6 such designations on a biennial basis.

○