

**AMENDMENT TO H.R. 1852**  
**OFFERED BY MRS. BIGGERT OF ILLINOIS AND MS.**  
**GINNY BROWN-WAITE OF FLORIDA**

Page 42, strike lines 8 through 18, and insert the following new section:

**1 SEC. 21. USE OF FHA SAVINGS FOR TITLE II SINGLE FAMILY**  
**2 MORTGAGE INSURANCE PROGRAMS.**

**3 (a) ANNUAL STUDY.**—Before the commencement of  
**4** each fiscal year, the Secretary of Housing and Urban De-  
**5** velopment shall conduct a study of the single family hous-  
**6** ing mortgage insurance programs under title II of the Na-  
**7** tional Housing Act to determine the following:

**8 (1) APPROPRIATE RESERVES.**—The amounts,  
**9** and a method of determining such amounts, that are  
**10** appropriate to be held in reserve for such programs  
**11** to ensure that such programs—

**12 (A)** are operated in a safe and sound man-  
**13** ner; and

**14 (B)** comply with the operational goals and  
**15** the requirements under such title for such pro-  
**16** grams.

**17 (2) APPROPRIATE INSURANCE PREMIUMS.**—The  
**18** appropriate premium amounts to charge for such

1 mortgage insurance, that comply with the require-  
2 ments of such title and are sufficient to provide  
3 for—

4 (A) maintaining an appropriate reserve  
5 amount for such programs, as determined by  
6 the Secretary pursuant to paragraph (1); and

7 (B) operation of such programs in compli-  
8 ance with subparagraphs (A) and (B) of para-  
9 graph (1).

10 (b) REPORT AND ADJUSTMENTS.—

11 (1) REPORT.—Before the commencement of  
12 each fiscal year, the Secretary shall submit to the  
13 Congress a report setting forth the findings and con-  
14 clusions of the study under subsection (a) for such  
15 fiscal year, including specific determinations for ap-  
16 propriate reserve and premium amounts pursuant to  
17 paragraphs (1) and (2), respectively, of subsection  
18 (a). The report shall also set forth any adjustments  
19 made, or to be made, under paragraph (2) of this  
20 subsection pursuant to such determinations.

21 (2) ADJUSTMENTS.—If, for a fiscal year, the  
22 Secretary determines that the single family housing  
23 mortgage insurance programs under title II of the  
24 National Housing Act are operating in a manner  
25 that will result in a negative credit subsidy for such

1 programs for such fiscal year in an amount that, in  
2 the aggregate, exceeds the amount necessary to pro-  
3 vide for appropriate reserves and appropriate mort-  
4 gage insurance premiums as determined under the  
5 study pursuant to subsection (a) for such fiscal year  
6 and set forth in the report pursuant to paragraph  
7 (1) of this subsection, the Secretary shall take the  
8 following actions:

9 (A) RESERVES.—Make such adjustments  
10 as necessary to the amounts held in reserve for  
11 such programs, and to the method of deter-  
12 mining such amounts, such that the reserve  
13 amounts held for such programs will be con-  
14 sistent with the determination made pursuant  
15 to subsection (a)(1).

16 (B) PREMIUMS.—Restructure the pre-  
17 miums for single family housing mortgage in-  
18 surance under such programs in a manner such  
19 that—

20 (i) the aggregate receipts from such  
21 premiums are reduced; and

22 (ii) the resulting applicable premium  
23 charges are consistent with the appropriate  
24 premium amounts determined pursuant to  
25 subsection (a)(2).