

HR 2336 IH

111th CONGRESS
1st Session
H. R. 2336

To encourage energy efficiency and conservation and development of renewable energy sources for housing, commercial structures, and other buildings, and to create sustainable communities.

IN THE HOUSE OF REPRESENTATIVES

May 7, 2009

Mr. PERLMUTTER (for himself, Mrs. BIGGERT, Mr. BLUMENAUER, Mr. ELLISON, Mr. FRANK of Massachusetts, Mr. GUTIERREZ, Mr. HODES, Mr. ISRAEL, Mr. MARKEY of Massachusetts, Mrs. MCCARTHY of New York, Mr. MCNERNEY, Mr. SHERMAN, Mr. SIRES, Ms. TSONGAS, and Mr. HIMES) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To encourage energy efficiency and conservation and development of renewable energy sources for housing, commercial structures, and other buildings, and to create sustainable communities.

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

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) Short Title- This Act may be cited as the 'Green Resources for Energy Efficient Neighborhoods Act of 2009' or the 'GREEN Act of 2009'.

(b) Table of Contents- The table of contents for this Act is as follows:

Sec. 1. Short title and table of contents.

Sec. 2. Definitions.

Sec. 3. Implementation of energy efficiency participation incentives for HUD programs.

Sec. 4. Basic HUD energy efficiency standards and standards for additional credit.

Sec. 5. Energy efficiency and conservation demonstration program for multifamily housing projects assisted with project-based rental assistance.

Sec. 6. Additional credit for Fannie Mae and Freddie Mac housing goals for energy-efficient and location-efficient mortgages.

Sec. 7. Duty to serve underserved markets for energy-efficient and location-efficient mortgages.

Sec. 8. Consideration of energy efficiency under FHA mortgage insurance programs and Native American and Native Hawaiian loan guarantee programs.

Sec. 9. Energy-efficient mortgages and location-efficient mortgages education and outreach campaign.

Sec. 10. Collection of information on energy-efficient and location-efficient mortgages through Home Mortgage Disclosure Act.

Sec. 11. Ensuring availability of homeowners insurance for homes not connected to electricity grid.

Sec. 12. Mortgage incentives for energy-efficient multifamily housing.

Sec. 13. Energy-efficient certifications for manufactured housing with mortgages.

Sec. 14. Assisted housing energy loan pilot program.

Sec. 15. Making it green.

Sec. 16. Residential energy efficiency block grant program.

Sec. 17. Including sustainable development and transportation strategies in comprehensive housing affordability strategies.

Sec. 18. Grant program to increase sustainable low-income community development capacity.

Sec. 19. HOPE VI green developments requirement.

Sec. 20. Consideration of energy efficiency improvements in appraisals.

Sec. 21. Housing Assistance Council.

Sec. 22. Rural housing and economic development assistance.

Sec. 23. Revolving fund for loans to States and Indian tribes to carry out renewable energy sources activities.

Sec. 24. Green banking centers.

Sec. 25. GAO reports on availability of affordable mortgages.

Sec. 26. Public housing energy cost report.

Sec. 27. Insurance coverage for loans for financing of renewable energy systems leased for residential use.

Sec. 28. Green guarantees.

SEC. 2. DEFINITIONS.

For purposes of this Act, the following definitions shall apply:

(1) GREEN BUILDING STANDARDS- The term 'green building standards' means standards to require use of sustainable design principles to reduce the use of nonrenewable resources, encourage energy-efficient construction and rehabilitation and the use of renewable energy resources, minimize the impact of development on the environment, and improve indoor air quality.

(2) HUD- The term 'HUD' means the Department of Housing and Urban Development.

(3) HUD ASSISTANCE- The term 'HUD assistance' means financial assistance that is awarded, competitively or noncompetitively, allocated by formula, or provided by HUD through loan insurance or guarantee.

(4) NONRESIDENTIAL STRUCTURE- The term 'nonresidential structures' means only nonresidential structures that are appurtenant to single-family or multifamily housing residential structures, or those that are funded by the Secretary of Housing and Urban Development through the HUD Community Development Block Grant program.

(5) SECRETARY- The term 'Secretary', unless otherwise specified, means the Secretary of Housing and Urban Development.

SEC. 3. IMPLEMENTATION OF ENERGY EFFICIENCY PARTICIPATION INCENTIVES FOR HUD PROGRAMS.

(a) In General- Not later than 180 days after the date of the enactment of this Act, the Secretary shall issue such regulations as may be necessary to establish annual energy efficiency participation incentives to encourage participants in programs administered by the Secretary, including recipients under programs for which HUD assistance is provided, to achieve substantial improvements in energy efficiency.

(b) Requirement for Appropriation of Funds- The requirement under subsection (a) for the Secretary to provide annual energy efficiency participation incentives pursuant to the provisions of this Act shall be subject to the annual appropriation of necessary funds.

SEC. 4. BASIC HUD ENERGY EFFICIENCY STANDARDS AND STANDARDS FOR ADDITIONAL CREDIT.

(a) Basic HUD Standard-

(1) RESIDENTIAL STRUCTURES- A residential single-family or multifamily structure shall be considered to comply with the energy efficiency standards under this subsection if--

(A) the structure complies with the applicable provisions of the American Society of Heating, Refrigerating, and Air-Conditioning Engineers Standard 90.1-2007, as such standard or successor standard is in effect for purposes of this section pursuant subsection (c);

(B) the structure complies with the applicable provisions of the 2009 International Energy Conservation Code, as such standard or successor standard is in effect for purposes of this section pursuant subsection (c);

(C) in the case only of an existing structure, where determined cost effective, the structure has undergone rehabilitation or improvements, completed after the date of the enactment of this Act, and the energy consumption for the structure has been reduced by at least 20 percent from the previous level of consumption, as determined in accordance with energy audits performed both before and after any rehabilitation or improvements undertaken to reduce such consumption; or

(D) the structure complies with the applicable provisions of such other energy efficiency requirements, standards, checklists, or ratings systems as the Secretary may adopt and apply by regulation, as may be necessary, for purposes of this section for specific types of residential single-family or multifamily structures or otherwise, except that the Secretary shall make a determination regarding whether to adopt and apply any such requirements, standards, checklists, or rating system for purposes of this section not later than the expiration of the 180-day period beginning upon the date of receipt of any written request, made in such form as the Secretary shall provide, for such adoption and application.

In addition to compliance with any of subparagraphs (A) through (D), the Secretary shall by regulation require, for any newly constructed residential single-family or multifamily structure to be considered to comply with the energy efficiency standards under this subsection, that the structure have appropriate electrical outlets with the facility and capacity to recharge a standard electric passenger vehicle, including an electric hybrid vehicle, where such vehicle would normally be parked.

(2) NONRESIDENTIAL STRUCTURES- For purposes of this section, the Secretary shall identify and adopt by regulation, as may be necessary, energy efficiency requirements, standards, checklists, or rating systems applicable to nonresidential structures that are constructed or rehabilitated with HUD assistance. A nonresidential structure shall be considered to comply with the energy efficiency standards under this subsection if the structure complies with the applicable provisions of any such energy efficiency requirements, standards, checklist, or rating systems identified and adopted by the Secretary pursuant to this paragraph, as such standards are in effect for purposes of this section pursuant to subsection (c).

(3) EFFECT- Nothing in this subsection may be construed to require any structure to comply with any standard established or adopted pursuant to this subsection, or identified in this subsection, or to provide any benefit or credit under any Federal program for any structure that complies with any such standard, except to the extent that--

(A) any provision of law other than this subsection provides a benefit or credit under a Federal program for compliance with a standard established or adopted pursuant to this subsection, or identified in this subsection; or

(B) the Secretary specifically provides pursuant to subsection (c) for the applicability of such standard.

(b) Enhanced Energy Efficiency Standards for Purposes of Providing Additional Credit Under Certain Federally Assisted Housing Programs-

(1) PURPOSE AND EFFECT-

(A) PURPOSE- The purpose of this subsection is to establish energy efficiency and conservation standards and green building standards that--

(i) provide for greater energy efficiency and conservation in structures than is required for compliance with the energy efficiency standards under subsection (a) and then in effect;

(ii) provide for green and sustainable building standards not required by such standards; and

(iii) can be used in connection with Federal housing, housing finance, and development programs to provide incentives for greater energy efficiency and conservation and for green and sustainable building methods, elements, practices, and materials.

(B) EFFECT- Nothing in this subsection may be construed to require any structure to comply with any standard established pursuant to this subsection or to provide any benefit or credit under any Federal program for any structure, except to the extent that any provision of law other than this subsection provides a benefit or credit under a Federal program for compliance with a standard established pursuant to this subsection.

(2) COMPLIANCE- A residential or nonresidential structure shall be considered to comply with the enhanced energy efficiency and conservation standards or the green building standards under this subsection, to the extent that such structure complies with the applicable provisions of the standards under paragraph (3) or (4), respectively (as such standards are in effect for purposes of this section, pursuant to paragraph (7)), in a manner that is not required for compliance with the energy efficiency standards under subsection (a) then in effect and subject to the Secretary's determination of which standards are applicable to which structures.

(3) ENERGY EFFICIENCY AND CONSERVATION STANDARDS- The energy efficiency and conservation standards under this paragraph are as follows:

(A) RESIDENTIAL STRUCTURES- With respect to residential structures:

(i) NEW CONSTRUCTION- For new construction, the Energy Star standards established by the Environmental Protection Agency, as such standards are in effect for

purposes of this subsection pursuant to paragraph (7);

(ii) EXISTING STRUCTURES- For existing structures, a reduction in energy consumption from the previous level of consumption for the structure, as determined in accordance with energy audits performed both before and after any rehabilitation or improvements undertaken to reduce such consumption, that exceeds the reduction necessary for compliance with the energy efficiency standards under subsection (a) then in effect and applicable to existing structures.

(B) NONRESIDENTIAL STRUCTURES- With respect to nonresidential structures, such energy efficiency and conservation requirements, standards, checklists, or rating systems for nonresidential structures as the Secretary shall identify and adopt by regulation, as may be necessary, for purposes of this paragraph.

(4) GREEN BUILDING STANDARDS- The green building standards under this paragraph are as follows:

(A) The national Green Communities criteria checklist for residential construction that provides criteria for the design, development, and operation of affordable housing, as such checklist or successor checklist is in effect for purposes of this section pursuant to paragraph (7).

(B) The gold certification level for the LEED for New Construction rating system, the LEED for Homes rating system, the LEED for Core and Shell rating system, as applicable, as such systems or successor systems are in effect for purposes of this section pursuant to paragraph (7).

(C) The Green Globes assessment and rating system of the Green Buildings Initiative.

(D) For manufactured housing, energy star rating with respect to fixtures, appliances, and equipment in such housing, as such standard or successor standard is in effect for purposes of this section pursuant to paragraph (7).

(E) The National Green Building Standard.

(F) Any other requirements, standards, checklists, or rating systems for green building or sustainability as the Secretary may identify and adopt by regulation,

as may be necessary for purposes of this paragraph, except that the Secretary shall make a determination regarding whether to adopt and apply any such requirements, standards, checklist, or rating system for purposes of this section not later than the expiration of the 180-day period beginning upon date of receipt of any written request, made in such form as the Secretary shall provide, for such adoption and application.

(5) GREEN BUILDING- For purposes of this subsection, the term 'green building' means, with respect to standards for structures, standards to require use of sustainable design principles to reduce the use of nonrenewable resources, minimize the impact of development on the environment, and to improve indoor air quality.

(6) ENERGY AUDITS- The Secretary shall establish standards and requirements for energy audits for purposes of paragraph (3)(A)(ii) and, in establishing such standards, may consult with any advisory committees established pursuant to section 5(c)(2) of this Act.

(7) APPLICABILITY AND UPDATING OF STANDARDS-

(A) APPLICABILITY- Except as provided in subparagraph (B), the requirements, standards, checklists, and rating systems referred to in this subsection that are in effect for purposes of this subsection are such requirements, standards, checklists, and systems as in existence upon the date of the enactment of this Act.

(B) UPDATING- For purposes of this section, the Secretary may adopt and apply by regulation, as may be necessary, future amendments and supplements to, and editions of, the requirements, standards, checklists, and rating systems referred to in this subsection.

(c) Authority of Secretary To Apply Standards to Federally Assisted Housing and Programs-

(1) HUD HOUSING AND PROGRAMS- The Secretary of Housing and Urban Development may, by regulation, provide for the applicability of the energy efficiency standards under subsection (a) or the enhanced energy efficiency and conservation standards and green building standards under subsection (b), or both, with respect to any covered federally assisted housing described in paragraph (3)(A) or any HUD assistance.

(2) RURAL HOUSING- The Secretary of Agriculture may, by regulation, provide for the applicability of the energy efficiency standards under subsection (a) or the enhanced energy efficiency and conservation standards and green building standards under subsection (b), or both, with respect to any covered federally assisted housing described in paragraph (3)(B) or any assistance provided with respect to rural housing by the Rural Housing Service of the Department of Agriculture.

(3) COVERED FEDERALLY ASSISTED HOUSING- For purposes of this subsection, the term 'covered federally assisted housing' means--

- (A) any residential or nonresidential structure for which any HUD assistance is provided; and
- (B) any new construction of single-family housing (other than manufactured homes) subject to mortgages insured, guaranteed, or made by the Secretary of Agriculture under title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.).

SEC. 5. ENERGY EFFICIENCY AND CONSERVATION DEMONSTRATION PROGRAM FOR MULTIFAMILY HOUSING PROJECTS ASSISTED WITH PROJECT-BASED RENTAL ASSISTANCE.

(a) Authority- For multifamily housing projects for which project-based rental assistance is provided under a covered multifamily assistance program, the Secretary shall, subject to the availability of amounts provided in advance in appropriation Acts, carry out a program to demonstrate the effectiveness of funding a portion of the costs of meeting the enhanced energy efficiency standards under section 4(b). At the discretion of the Secretary, the demonstration program may include incentives for housing that is assisted with Indian housing block grants provided pursuant to the Native American Housing Assistance and Self-Determination Act of 1996, but only to the extent that such inclusion does not violate such Act, its regulations, and the goal of such Act of tribal self-determination.

(b) Goals- The demonstration program under this section shall be carried out in a manner that--

- (1) protects the financial interests of the Federal Government;
- (2) reduces the proportion of funds provided by the Federal Government and by owners and residents of

multifamily housing projects that are used for costs of utilities for the projects;

(3) encourages energy efficiency and conservation by owners and residents of multifamily housing projects and installation of renewable energy improvements, such as improvements providing for use of solar, wind, geothermal, or biomass energy sources;

(4) creates incentives for project owners to carry out such energy efficiency renovations and improvements by allowing a portion of the savings in operating costs resulting from such renovations and improvements to be retained by the project owner, notwithstanding otherwise applicable limitations on dividends;

(5) promotes the installation, in existing residential buildings, of energy-efficient and cost-effective improvements and renewable energy improvements, such as improvements providing for use of solar, wind, geothermal, or biomass energy sources;

(6) tests the efficacy of a variety of energy efficiency measures for multifamily housing projects of various sizes and in various geographic locations;

(7) tests methods for addressing the various, and often competing, incentives that impede owners and residents of multifamily housing projects from working together to achieve energy efficiency or conservation; and

(8) creates a database of energy efficiency and conservation, and renewable energy, techniques, energy-savings management practices, and energy efficiency and conservation financing vehicles.

(c) Approaches- In carrying out the demonstration program under this section, the Secretary may--

(1) enter into agreements with the Building America Program of the Department of Energy and other consensus committees under which such programs, partnerships, or committees assume some or all of the functions, obligations, and benefits of the Secretary with respect to energy savings;

(2) establish advisory committees to advise the Secretary and any such third-party partners on technological and other developments in the area of energy efficiency and the creation of an energy efficiency and conservation credit facility and other financing opportunities, which committees shall include representatives of homebuilders, realtors, architects, nonprofit housing organizations,

environmental protection organizations, renewable energy organizations, and advocacy organizations for the elderly and persons with disabilities; any advisory committees established pursuant to this paragraph shall not be subject to the Federal Advisory Committee Act (5 U.S.C. App.);

(3) approve, for a period not to exceed 10 years, additional adjustments in the maximum monthly rents or additional project rental assistance, or additional Indian housing block grant funds under the Native American Housing Assistance and Self-Determination Act of 1996, as applicable, for dwelling units in multifamily housing projects that are provided project-based rental assistance under a covered multifamily assistance program, in such amounts as may be necessary to amortize a portion of the cost of energy efficiency and conservation measures for such projects;

(4) develop a competitive process for the award of such additional assistance for multifamily housing projects seeking to implement energy efficiency, renewable energy sources, or conservation measures; and

(5) waive or modify any existing statutory or regulatory provision that would otherwise impair the implementation or effectiveness of the demonstration program under this section, including provisions relating to methods for rent adjustments, comparability standards, maximum rent schedules, and utility allowances; notwithstanding the preceding provisions of this paragraph, the Secretary may not waive any statutory requirement relating to fair housing, nondiscrimination, labor standards, or the environment, except pursuant to existing authority to waive nonstatutory environmental and other applicable requirements.

(d) Requirement- During the 4-year period beginning 12 months after the date of the enactment of this Act, the Secretary shall carry out demonstration programs under this section with respect to not fewer than 50,000 dwelling units.

(e) Selection-

(1) SCOPE- In order to provide a broad and representative profile for use in designing a program which can become operational and effective nationwide, the Secretary shall carry out the demonstration program under this section with respect to dwelling units located in a wide variety of geographic areas and project types assisted by the various covered multifamily assistance programs and using a

variety of energy efficiency and conservation and funding techniques to reflect differences in climate, types of dwelling units and technical and scientific methodologies, and financing options. The Secretary shall ensure that the geographic areas included in the demonstration program include dwelling units on Indian lands (as such term is defined in section 2601 of the Energy Policy Act of 1992 (25 U.S.C. 3501), to the extent that dwelling units on Indian land have the type of residential structures that are the focus of the demonstration program.

(2) PRIORITY- The Secretary shall provide priority for selection for participation in the program under this section based on the extent to which, as a result of assistance provided, the project will comply with the energy efficiency standards under subsection (a), (b), or (c) of section 4 of this Act.

(f) Use of Existing Partnerships- To the extent feasible, the Secretary shall--

(1) utilize the Partnership for Advancing Technology in Housing of the Department of Housing and Urban Development to assist in carrying out the requirements of this section and to provide education and outreach regarding the demonstration program authorized under this section; and

(2) consult with the Secretary of Energy, the Administrator of the Environmental Protection Agency, and the Secretary of the Army regarding utilizing the Building America Program of the Department of Energy, the Energy Star Program, and the Army Corps of Engineers, respectively, to determine the manner in which they might assist in carrying out the goals of this section and providing education and outreach regarding the demonstration program authorized under this section.

(g) Limitation- No amounts made available under the American Recovery and Reinvestment Act of 2009 (Public Law 111-5) may be used to carry out the demonstration program under this section.

(h) Reports-

(1) ANNUAL- Not later than the expiration of the 2-year beginning upon the date of the enactment of this Act, and for each year thereafter during the term of the demonstration program, the Secretary shall submit a report to the Congress annually that describes and assesses the demonstration program under this section.

(2) FINAL- Not later than 6 months after the expiration of the 4-year period described in subsection (d), the Secretary shall submit a final report to the Congress assessing the demonstration program, which--

(A) shall assess the potential for expanding the demonstration program on a nationwide basis; and

(B) shall include descriptions of--

(i) the size of each multifamily housing project for which assistance was provided under the program;

(ii) the geographic location of each project assisted, by State and region;

(iii) the criteria used to select the projects for which assistance is provided under the program;

(iv) the energy efficiency and conservation measures and financing sources used for each project that is assisted under the program;

(v) the difference, before and during participation in the demonstration program, in the amount of the monthly assistance payments under the covered multifamily assistance program for each project assisted under the program;

(vi) the average length of the term of the such assistance provided under the program for a project;

(vii) the aggregate amount of savings generated by the demonstration program and the amount of savings expected to be generated by the program over time on a per-unit and aggregate program basis;

(viii) the functions performed in connection with the implementation of the demonstration program that were transferred or contracted out to any third parties;

(ix) an evaluation of the overall successes and failures of the demonstration program; and

(x) recommendations for any actions to be taken as a result of the such successes and failures.

(3) CONTENTS- Each annual report pursuant to paragraph (1) and the final report pursuant to paragraph (2) shall include--

- (A) a description of the status of each multifamily housing project selected for participation in the demonstration program under this section; and
- (B) findings from the program and recommendations for any legislative actions.

(i) Covered Multifamily Assistance Program- For purposes of this section, the term `covered multifamily assistance program' means--

- (1) the program under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) for project-based rental assistance;
- (2) the program under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q) for assistance for supportive housing for the elderly;
- (3) the program under section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013) for supportive housing for persons with disabilities;
- (4) the program under section 236 of the National Housing Act (12 U.S.C. 1715z-1) for assistance for rental housing projects;
- (5) the program under section 515 of the Housing Act of 1949 (42 U.S.C. 1485) for rural rental housing; and
- (6) the program for assistance under the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111).

(j) Authorization of Appropriations- There is authorized to be appropriated to carry out this section, including providing rent adjustments, additional project rental assistance, and incentives, \$50,000,000 for each fiscal year in which the demonstration program under this section is carried out.

(k) Regulations- Not later than the expiration of the 180-day period beginning on the date of the enactment of this Act, the Secretary shall issue any regulations necessary to carry out this section.

SEC. 6. ADDITIONAL CREDIT FOR FANNIE MAE AND FREDDIE MAC HOUSING GOALS FOR ENERGY-EFFICIENT AND LOCATION-EFFICIENT MORTGAGES.

Section 1336(a) of the Housing and Community Development Act of 1992 (12 U.S.C. 4566(a)), as amended by the Federal Housing Finance Regulatory Reform Act of 2008 (Public Law 110-289; 122 Stat. 2654), is amended--

(1) in paragraph (2), by striking `paragraph (5)' and inserting `paragraphs (5) and (6)'; and

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

`(6) ADDITIONAL CREDIT-

 `(A) IN GENERAL- In assigning credit toward achievement under this section of the housing goals for mortgage purchase activities of the enterprises, the Director shall assign--

 `(i) more than 125 percent credit, for any such purchase that both--

 `(I) complies with the requirements of such goals; and

 `(II)(aa) supports housing that meets the energy efficiency standards under section 4(a) of the Green Resources for Energy Efficient Neighborhoods Act of 2009; or

 `(bb) is a location-efficient mortgage, as such term is defined in section 1335(e); and

 `(ii) credit in addition to credit under clause (i), for any such purchase that both--

 `(I) complies with the requirements of such goals, and

 `(II) supports housing that complies with the enhanced energy efficiency and conservation standards, or the green building standards, under section 4(b) of such Act, or both,

 and such additional credit shall be given based on the extent to which the housing supported with such purchases complies with such standards.

 `(B) TREATMENT OF ADDITIONAL CREDIT- The availability of additional credit under this paragraph shall not be used to increase any housing goal, subgoal, or target established under this subpart.'

SEC. 7. DUTY TO SERVE UNDERSERVED MARKETS FOR ENERGY-EFFICIENT AND LOCATION-EFFICIENT MORTGAGES.

Section 1335 of Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4565), as amended by the

Federal Housing Finance Regulatory Reform Act of 2008 (Public Law 110-289; 122 Stat. 2654), is amended--

(1) in subsection (a)(1), by adding at the end the following new subparagraph:

`(D) MARKETS FOR ENERGY-EFFICIENT AND LOCATION-EFFICIENT MORTGAGES-

`(i) DUTY- Subject to clause (ii), the enterprise shall develop loan products and flexible underwriting guidelines to facilitate a secondary market for energy-efficient and location-efficient mortgages on housing for very low-, low-, and moderate-income families, and for second and junior mortgages made for purposes of energy efficiency or renewable energy improvements, or both.

`(ii) AUTHORITY TO SUSPEND-

Notwithstanding any other provision of this section, the Director may suspend the applicability of the requirement under clause (i) with respect to an enterprise, for such period as is necessary, if the Director determines that exigent circumstances exist and such suspension is appropriate to ensure the safety and soundness of the portfolio holdings of the enterprise.';

(2) by adding at the end the following new subsection:

`(e) Definitions- For purposes of this section, the following definitions shall apply:

`(1) ENERGY-EFFICIENT MORTGAGE- The term 'energy-efficient mortgage' means a mortgage loan under which the income of the borrower, for purposes of qualification for such loan, is considered to be increased by not less than \$1 for each \$1 of savings projected to be realized by the borrower as a result of cost-effective energy-saving design, construction or improvements (including use of renewable energy sources, such as solar, geothermal, biomass, and wind, super-insulation, energy-saving windows, insulating glass and film, and radiant barrier) for the home for which the loan is made.

`(2) LOCATION-EFFICIENT MORTGAGE- The term 'location-efficient mortgage' means a mortgage loan under which--

`(A) the income of the borrower, for purposes of qualification for such loan, is considered to be

increased by not less than \$1 for each \$1 of savings projected to be realized by the borrower because the location of the home for which loan is made will result in decreased transportation costs for the household of the borrower; or

`(B) the sum of the principal, interest, taxes, and insurance due under the mortgage loan is decreased by not less than \$1 for each \$1 of savings projected to be realized by the borrower because the location of the home for which loan is made will result in decreased transportation costs for the household of the borrower.'.

SEC. 8. CONSIDERATION OF ENERGY EFFICIENCY UNDER FHA MORTGAGE INSURANCE PROGRAMS AND NATIVE AMERICAN AND NATIVE HAWAIIAN LOAN GUARANTEE PROGRAMS.

(a) FHA Mortgage Insurance-

(1) REQUIREMENT- Title V of the National Housing Act is amended by adding after section 542 (12 U.S.C. 1735f-20) the following new section:

` SEC. 543. CONSIDERATION OF ENERGY EFFICIENCY.

`(a) Underwriting Standards- The Secretary shall establish a method to consider, in its underwriting standards for mortgages on single-family housing meeting the energy efficiency standards under section 4(a) of the Green Resources for Energy Efficient Neighborhoods Act of 2009 that are insured under this Act, the impact that savings on utility costs has on the income of the mortgagor.

`(b) Goal- It is the sense of the Congress that, in carrying out this Act, the Secretary should endeavor to insure mortgages on single-family housing meeting the energy efficiency standards under section 4(a) of the Green Resources for Energy Efficient Neighborhoods Act of 2009 such that at least 50,000 such mortgages are insured during the period beginning upon the date of the enactment of such Act and ending on December 31, 2012.'.

(2) REPORTING ON DEFAULTS- Section 540(b) of the National Housing Act (12 U.S.C. 1735f-18(b)) is amended by adding at the end the following new paragraph:

` (3) With respect to each collection period that commences after December 31, 2011, the total number of mortgages on single-family housing meeting the energy efficiency standards under section 4(a) of the Green Resources for Energy Efficient Neighborhoods Act of 2009 that are insured by the Secretary during the applicable collection period, the number of defaults and foreclosures occurring on such mortgages during such period, the percentage of the total of such mortgages insured during such period on which defaults and foreclosure occurred, and the rate for such period of defaults and foreclosures on such mortgages compared to the overall rate for such period of defaults and foreclosures on mortgages for single-family housing insured under this Act by the Secretary.'.

(b) Indian Housing Loan Guarantees-

(1) REQUIREMENT- Section 184 of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z-13a) is amended--

(A) by redesignating subsection (l) as subsection (m); and

(B) by inserting after subsection (k) the following new subsection:

` (l) Consideration of Energy Efficiency- The Secretary shall establish a method to consider, in its underwriting standards for loans for single-family housing meeting the energy efficiency standards under section 4(a) of the Green Resources for Energy Efficient Neighborhoods Act of 2009 that are guaranteed under this section, the impact that savings on utility costs has on the income of the borrower.'.

(2) REPORTING ON DEFAULTS- Section 540(b) of the National Housing Act (12 U.S.C. 1735f-18(b)), as amended by subsection (a)(2) of this section, is further amended by adding at the end the following new paragraph:

` (4) With respect to each collection period that commences after December 31, 2011, the total number of loans guaranteed under section 184 of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z-13a) on single-family housing meeting the energy efficiency standards under section 4(a) of the Green Resources for Energy Efficient Neighborhoods Act of 2009 that are guaranteed by the Secretary during the applicable collection period, the number of defaults and foreclosures occurring on such loans during such period, the percentage

of the total of such loans guaranteed during such period on which defaults and foreclosure occurred, and the rate for such period of defaults and foreclosures on such loans compared to the overall rate for such period of defaults and foreclosures on loans for single-family housing guaranteed under such section 184 by the Secretary.'

(c) Native Hawaiian Housing Loan Guarantees-

(1) REQUIREMENT- Section 184A of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z-13b) is amended by inserting after subsection (l) the following new subsection:

` (m) Energy-Efficient Housing Requirement- The Secretary shall establish a method to consider, in its underwriting standards for loans for single-family housing meeting the energy efficiency standards under section 4(a) of the Green Resources for Energy Efficient Neighborhoods Act of 2009 that are guaranteed under this section, the impact that savings on utility costs has on the income of the borrower.'

(2) REPORTING ON DEFAULTS- Section 540(b) of the National Housing Act (12 U.S.C. 1735f-18(b)), as amended by the preceding provisions of this section, is further amended by adding at the end the following new paragraph:

` (5) With respect to each collection period that commences after December 31, 2011, the total number of loans guaranteed under section 184A of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z-13b) on single-family housing meeting the energy efficiency standards under section 4(a) of the Green Resources for Energy Efficient Neighborhoods Act of 2009 that are guaranteed by the Secretary during the applicable collection period, the number of defaults and foreclosures occurring on such loans during such period, the percentage of the total of such loans guaranteed during such period on which defaults and foreclosure occurred, and the rate for such period of defaults and foreclosures on such loans compared to the overall rate for such period of defaults and foreclosures on loans for single-family housing guaranteed under such section 184A by the Secretary.'

SEC. 9. ENERGY-EFFICIENT MORTGAGES AND LOCATION-EFFICIENT MORTGAGES EDUCATION AND OUTREACH CAMPAIGN.

Section 106 of the Energy Policy Act of 1992 (12 U.S.C. 1701z-16) is amended by adding at the end the following new subsection:

`(g) Education and Outreach Campaign-

`(1) DEVELOPMENT OF ENERGY- AND LOCATION-EFFICIENT MORTGAGES OUTREACH PROGRAM-

`(A) COMMISSION- The Secretary, in consultation and coordination with the Secretary of Energy, the Secretary of Education, the Secretary of Agriculture, and the Administrator of the Environmental Protection Agency, shall establish a commission to develop and recommend model mortgage products and underwriting guidelines that provide market-based incentives to prospective home buyers, lenders, and sellers to incorporate energy efficiency upgrades and location efficiencies in new mortgage loan transactions.

`(B) REPORT- Not later than 24 months after the date of the enactment of this Act, the Secretary shall provide a written report to the Congress on the results of work of the commission established pursuant to subparagraph (A) and that identifies model mortgage products and underwriting guidelines that may encourage energy and location efficiency.

`(2) IMPLEMENTATION- After submission of the report under paragraph (1)(B), the Secretary, in consultation and coordination with the Secretary of Energy, the Secretary of Education, and the Administrator of the Environmental Protection Agency, shall carry out a public awareness, education, and outreach campaign based on the findings of the commission established pursuant to paragraph (1) to inform and educate residential lenders and prospective borrowers regarding the availability, benefits, advantages, and terms of energy-efficient mortgages and location-efficient mortgages made available pursuant to this section, energy-efficient and location-efficient mortgages that meet the requirements of section 1335 of the Housing and Community Development Act of 1992 (42 U.S.C. 4565), and other mortgages, including mortgages for multifamily housing, that have energy improvement features or location efficiency features and to publicize such availability, benefits, advantages, and terms. Such actions may include entering into a contract with an

appropriate entity to publicize and market such mortgages through appropriate media.

`(3) RENEWABLE ENERGY HOME PRODUCT EXPOS- The Congress hereby encourages the Secretary of Housing and Urban Development to work with appropriate entities to organize and hold renewable energy expositions that provide an opportunity for the public to view and learn about renewable energy products for the home that are currently on the market.

`(4) AUTHORIZATION OF APPROPRIATIONS- There is authorized to be appropriated to the Secretary to carry out this subsection \$5,000,000 for each of fiscal years 2010 through 2014.'.

SEC. 10. COLLECTION OF INFORMATION ON ENERGY-EFFICIENT AND LOCATION-EFFICIENT MORTGAGES THROUGH HOME MORTGAGE DISCLOSURE ACT.

(a) In General- Section 304(b) of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2803(b)) is amended--

(1) in paragraph (3), by striking `and' at the end;

(2) in paragraph (4), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

`(5) the number and dollar amount of mortgage loans for single-family housing and for multifamily housing that are energy-efficient mortgages (as such term is defined in section 1335 of Housing and Community Development Act of 1992); and

`(6) the number and dollar amount of mortgage loans for single-family housing and for multifamily housing that are location-efficient mortgages (as such term is defined in section 1335 of Housing and Community Development Act of 1992).'

(b) Applicability- The amendment made by subsection (a) shall apply with respect to the first calendar year that begins after the expiration of the 30-day period beginning on the date of the enactment of this Act.

SEC. 11. ENSURING AVAILABILITY OF HOMEOWNERS INSURANCE FOR HOMES NOT CONNECTED TO ELECTRICITY GRID.

- (a) Congressional Intent- The Congress intends that--
- (1) consumers shall not be denied homeowners insurance for a dwelling (as such term is defined in subsection (c)) based solely on the fact that the dwelling is not connected to or able to receive electricity service from any wholesale or retail electric power provider;
 - (2) States should ensure that consumers are able to obtain homeowners insurance for such dwellings;
 - (3) States should support insurers that develop voluntary incentives to provide such insurance; and
 - (4) States may not prohibit insurers from offering a homeowners insurance product specifically designed for such dwellings.
- (b) Insuring Homes and Related Property in Indian Areas- Notwithstanding any other provision of law, dwellings located in Indian areas (as such term is defined in section 4 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103)) and constructed or maintained using assistance, loan guarantees, or other authority under the Native American Housing Assistance and Self-Determination Act of 1996 may be insured by any tribally owned self-insurance risk pool approved by the Secretary of Housing and Urban Development.
- (c) Dwelling- For purposes of this section, the term `dwelling' means a residential structure that--
- (1) consists of one to four dwelling units;
 - (2) is provided electricity from renewable energy sources; and
 - (3) is not connected to any wholesale or retail electrical power grid.

SEC. 12. MORTGAGE INCENTIVES FOR ENERGY-EFFICIENT MULTIFAMILY HOUSING.

(a) In General- The Secretary of Housing and Urban Development shall establish incentives for increasing the energy efficiency of multifamily housing that is subject to a mortgage to be insured under title II of the National Housing Act (12 U.S.C. 1707 et seq.) so that the housing meets the energy efficiency standards under section 4(a) of this Act and incentives to encourage compliance of such housing with the energy efficiency and conservation standards, and the green building standards, under section 4(b) of this Act, to the extent that such incentives are based on the impact that savings on utility costs has on the operating costs of the housing, as determined by the Secretary.

(b) Incentives- Such incentives may include, for any such multifamily housing that complies with the energy efficiency standards under section 4(a)--

- (1) providing a discount on the chargeable premiums for the mortgage insurance for such housing from the amount otherwise chargeable for such mortgage insurance;
- (2) allowing mortgages to exceed the dollar amount limits otherwise applicable under law to the extent such additional amounts are used to finance improvements or measures designed to meet the standards referred to in subsection (a); and
- (3) reducing the amount that the owner of such multifamily housing meeting the standards referred to in subsection (a) is required to contribute.

SEC. 13. ENERGY-EFFICIENT CERTIFICATIONS FOR MANUFACTURED HOUSING WITH MORTGAGES.

Section 526 of the National Housing Act (12 U.S.C. 1735f-4(a)) is amended--

(1) in subsection (a)--

(A) by striking ` , other than manufactured homes,' each place such term appears;

(B) by inserting after the period at the end the following: `The energy performance requirements developed and established by the Secretary under this section for manufactured homes shall require energy star rating for wall fixtures, appliances, and equipment in such housing.';

(C) by inserting `(1)' after `(a)'; and

(D) by adding at the end the following new paragraphs:

(2) The Secretary shall require, with respect to any single- or multi-family residential housing subject to a mortgage insured under this Act, that any approval or certification of the housing for meeting any energy efficiency or conservation criteria, standards, or requirements pursuant to this title and any approval or certification required pursuant to this title with respect to energy-conserving improvements or any renewable energy sources, such as wind, solar energy geothermal, or biomass, shall be conducted only by an individual certified by a home energy rating system provider who has been accredited to conduct such ratings by the Home Energy Ratings System Council, the Residential Energy Services Network, or such other

appropriate national organization, as the Secretary may provide, or by licensed professional architect or engineer. If any organization makes a request to the Secretary for approval to accredit individuals to conduct energy efficiency or conservation ratings, the Secretary shall review and approve or disapprove such request not later than the expiration of the 6-month period beginning upon receipt of such request.

(3) The Secretary shall periodically examine the method used to conduct inspections for compliance with the requirements under this section, analyze various other approaches for conducting such inspections, and review the costs and benefits of the current method compared with other methods.'; and

(2) in subsection (b), by striking ` , other than a manufactured home,'.

SEC. 14. ASSISTED HOUSING ENERGY LOAN PILOT PROGRAM.

(a) Authority- Not later than the expiration of the 12-month period beginning on the date of the enactment of this Act, the Secretary shall develop and implement a pilot program under this section to facilitate the financing of cost-effective capital improvements for covered assisted housing projects to improve the energy efficiency and conservation of such projects.

(b) Loans- The pilot program under this section shall involve not less than three and not more than five lenders, and shall provide for a privately financed loan to be made for a covered assisted housing project, which shall--

(1) finance capital improvements for the project that meet such requirements as the Secretary shall establish, and may involve contracts with third parties to perform such capital improvements, including the design of such improvements by licensed professional architects or engineers;

(2) have a term to maturity of not more than 20 years, which shall be based upon the duration necessary to realize cost savings sufficient to repay the loan;

(3) be secured by a mortgage subordinate to the mortgage for the project that is insured under the National Housing Act; and

(4) provide for a reduction in the remaining principal obligation under the loan based on the actual resulting cost savings realized from the capital improvements financed with the loan.

(c) Underwriting Standards- The Secretary shall establish underwriting requirements for loans made under the pilot program under this section, which shall--

(1) require the cost savings projected to be realized from the capital improvements financed with the loan, during the term of the loan, to exceed the costs of repaying the loan;

(2) allow the designer or contractor involved in designing capital improvements to be financed with a loan under the program to carry out such capital improvements; and

(3) include such energy, audit, property, financial, ownership, and approval requirements as the Secretary considers appropriate.

(d) Treatment of Savings- The pilot program under this section shall provide that the project owner shall receive the full financial benefit from any reduction in the cost of utilities resulting from capital improvements financed with a loan made under the program.

(e) Covered Assisted Housing Projects- For purposes of this section, the term 'covered assisted housing project' means a housing project that--

(1) is financed by a loan or mortgage that is--

(A) insured by the Secretary under--

(i) subsection (d)(3) of section 221 of the National Housing Act (12 U.S.C. 1715l), and bears interest at a rate determined under the proviso of section 221(d)(5) of such Act; or

(ii) subsection (d)(4) of such section 221.

(B) insured or assisted under section 236 of the National Housing Act (12 U.S.C. 1715z-1);

(2) at the time a loan under this section is made, is provided project-based rental assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) for 50 percent or more of the dwelling units in the project; and

(3) is not a housing project owned or held by the Secretary, or subject to a mortgage held by the Secretary.

SEC. 15. MAKING IT GREEN.

(a) Partnerships With Tree-Planting Organizations- The Secretary shall establish and provide incentives for developers of housing for which any HUD financial assistance, as determined by the Secretary, is provided for development, maintenance, operation,

or other costs, to enter into agreements and partnerships with tree-planting organizations, nurseries, and landscapers to certify that trees, shrubs, grasses, and other plants are planted in the proper manner, are provided adequate maintenance, and survive for at least 3 years after planting or are replaced. The financial assistance determined by the Secretary as eligible under this section shall take into consideration such factors as cost effectiveness and affordability.

(b) Making It Green Plan- In the case of any new or substantially rehabilitated housing for which HUD financial assistance, as determined in accordance with subsection (a), is provided by the Secretary for the development, construction, maintenance, rehabilitation, improvement, operation, or costs of the housing, including financial assistance provided through the Community Development Block Grant program under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.), the Secretary shall require the development of a plan that provides for--

(1) in the case of new construction and improvements, siting of such housing and improvements in a manner that provides for energy efficiency and conservation to the extent feasible, taking into consideration location and project type;

(2) minimization of the effects of construction, rehabilitation, or other development on the condition of existing trees;

(3) selection and installation of indigenous trees, shrubs, grasses, and other plants based upon applicable design guidelines and standards of the International Society for Arboriculture;

(4) post-planting care and maintenance of the landscaping relating to or affected by the housing in accordance with best management practices; and

(5) establishment of a goal for minimum greenspace or tree canopy cover for the housing site for which such financial assistance is provided, including guidelines and timetables within which to achieve compliance with such minimum requirements.

(c) Partnerships- In carrying out this section, the Secretary is encouraged to consult, as appropriate, with national organizations dedicated to providing housing assistance and related services to low-income families, such as the Alliance for Community Trees and its affiliates, the American Nursery and

Landscape Association, the American Society of Landscape Architects, and the National Arbor Day Foundation.

SEC. 16. RESIDENTIAL ENERGY EFFICIENCY BLOCK GRANT PROGRAM.

Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) is amended by adding at the end the following new section:

` SEC. 123. RESIDENTIAL ENERGY EFFICIENCY BLOCK GRANT PROGRAM.

`(a) In General- To the extent amounts are made available for grants under this section, the Secretary shall make grants under this section to States, metropolitan cities and urban counties, Indian tribes, and insular areas to carry out energy efficiency improvements in new and existing single-family and multifamily housing.

`(b) Allocations-

`(1) IN GENERAL- Of the total amount made available for each fiscal year for grants under this section that remains after reserving amounts pursuant to paragraph (2), the Secretary shall allocate for insular areas, for metropolitan cities and urban counties, and for States, an amount that bears the same ratio to such total amount as the amount allocated for such fiscal year under section 106 for Indian tribes, for insular areas, for metropolitan cities and urban counties, and for States, respectively, bears to the total amount made available for such fiscal year for grants under section 106.

`(2) SET ASIDE FOR INDIAN TRIBES- Of the total amount made available for each fiscal year for grants under this section, the Secretary shall allocate not less than 1 percent to Indian tribes.

`(c) Grant Amounts-

`(1) ENTITLEMENT COMMUNITIES- From the amounts allocated pursuant to subsection (b) for metropolitan cities and urban counties for each fiscal year, the Secretary shall make a grant for such fiscal year to each metropolitan city and urban county that complies with the requirement under subsection (d), in the amount that bears the same ratio such total amount so allocated as the amount of the grant for such fiscal year under section 106 for such

metropolitan city or urban county bears to the aggregate amount of all grants for such fiscal year under section 106 for all metropolitan cities and urban counties.

`(2) STATES- From the amounts allocated pursuant to subsection (b) for States for each fiscal year, the Secretary shall make a grant for such fiscal year to each State that complies with the requirement under subsection (d), in the amount that bears the same ratio such total amount so allocated as the amount of the grant for such fiscal year under section 106 for such State bears to the aggregate amount of all grants for such fiscal year under section 106 for all States. Grant amounts received by a State shall be used only for eligible activities under subsection (e) carried out in nonentitlement areas of the State.

`(3) INDIAN TRIBES- From the amounts allocated pursuant to subsection (b) for Indian tribes, the Secretary shall make grants to Indian tribes that comply with the requirement under subsection (d) on the basis of a competition conducted pursuant to specific criteria, as the Secretary shall establish by regulation, for the selection of Indian tribes to receive such amount.

`(4) INSULAR AREAS- From the amounts allocated pursuant to subsection (b) for insular areas, the Secretary shall make a grant to each insular area that complies with the requirement under subsection (d) on the basis of the ratio of the population of the insular area to the aggregate population of all insular areas. In determining the distribution of amounts to insular areas, the Secretary may also include other statistical criteria as data become available from the Bureau of Census of the Department of Labor, but only if such criteria are set forth by regulation issued after notice and an opportunity for comment.

`(d) Statement of Activities-

`(1) REQUIREMENT- Before receipt the receipt in any fiscal year of a grant under subsection (c) by any grantee, the grantee shall have prepared a final statement of housing energy efficiency objectives and projected use of funds as the Secretary shall require and shall have provided the Secretary with such certifications regarding such objectives and use as the Secretary may require. In the case of metropolitan cities, urban counties, units of general local government, and insular areas receiving grants, the statement of projected use of funds shall consist of proposed housing energy efficiency activities. In the case

of States receiving grants, the statement of projected use of funds shall consist of the method by which the States will distribute funds to units of general local government.

`(2) PUBLIC PARTICIPATION- The Secretary may establish requirements to ensure the public availability of information regarding projected use of grant amounts and public participation in determining such projected use.

`(e) Eligible Activities-

`(1) REQUIREMENT- Amounts from a grant under this section may be used only to carry out activities for single-family or multifamily housing that are designed to improve the energy efficiency of the housing so that the housing complies with the energy efficiency standards under section 4(a) of the Green Resources for Energy Efficient Neighborhoods Act of 2009, including such activities to provide energy for such housing from renewable sources, such as wind, waves, solar, biomass, and geothermal sources.

`(2) PREFERENCE FOR COMPLIANCE BEYOND BASIC REQUIREMENTS- In selecting activities to be funded with amounts from a grant under this section, a grantee shall give more preference to activities based on the extent to which the activities will result in compliance by the housing with the enhanced energy efficiency and conservation standards, and the green building standards, under section 4(b) of such Act.

`(f) Reports- Each grantee of a grant under this section for a fiscal year shall submit to the Secretary, at a time determined by the Secretary, a performance and evaluation report concerning the use of grant amounts, which shall contain an assessment by the grantee of the relationship of such use to the objectives identified in the grantees statement under subsection (d).

`(g) Applicability of CDBG Provisions- Sections 109, 110, and 111 of the Housing and Community Development Act of 1974 (42 U.S.C. 5309, 5310, 5311) shall apply to assistance received under this section to the same extent and in the same manner that such sections apply to assistance received under title I of such Act.

`(h) Authorization of Appropriations- There is authorized to be appropriated for grants under this section \$2,500,000,000 for fiscal year 2010 and such sums as may be necessary for each fiscal year thereafter.'.

SEC. 17. INCLUDING SUSTAINABLE DEVELOPMENT AND TRANSPORTATION STRATEGIES IN COMPREHENSIVE HOUSING AFFORDABILITY STRATEGIES.

Section 105(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12705(b)) is amended--

(1) by striking `and' at the end of paragraph (19);
(2) by striking the period at the end of paragraph (20) and inserting `; and';

(3) and by inserting after paragraph (20) the following new paragraphs:

`(21) describe the jurisdiction's strategies to encourage sustainable development for affordable housing, including single-family and multifamily housing, as measured by--

`(A) greater energy efficiency and use of renewable energy sources, including any strategies regarding compliance with the energy efficiency standards under section 4(a) of the Green Resources for Energy Efficient Neighborhoods Act of 2009 and with the enhanced energy efficiency and conservation standards, and the green building standards, under section 4(b) of such Act;

`(B) increased conservation, recycling, and reuse of resources;

`(C) more effective use of existing infrastructure;

`(D) use of building materials and methods that are healthier for residents of the housing, including use of building materials that are free of added known carcinogens that are classified as Group 1 Known Carcinogens by the International Agency for Research on Cancer; and

`(E) such other criteria as the Secretary determines, in consultation with the Secretary of Energy, the Secretary of Agriculture, and the Administrator of the Environmental Protection Agency, are in accordance with the purposes of this paragraph; and

`(22) describe the jurisdiction's efforts to coordinate its housing strategy with its transportation planning strategies to ensure to the extent practicable that residents of affordable housing have access to public transportation.'.

SEC. 18. GRANT PROGRAM TO INCREASE SUSTAINABLE LOW-INCOME COMMUNITY DEVELOPMENT CAPACITY.

(a) In General- The Secretary may make grants to nonprofit organizations to use for any of the following purposes:

(1) Training, educating, supporting, or advising an eligible community development organization or qualified youth service and conservation corps in improving energy efficiency, resource conservation and reuse, design strategies to maximize energy efficiency, installing or constructing renewable energy improvements (such as wind, wave, solar, biomass, and geothermal energy sources), and effective use of existing infrastructure in affordable housing and economic development activities in low-income communities, taking into consideration energy efficiency standards under section 4(a) of this Act and with the enhanced energy efficiency and conservation standards, and the green building standards, under section 4(b) of this Act.

(2) Providing loans, grants, or predevelopment assistance to eligible community development organizations or qualified youth service and conservation corps to carry out energy efficiency improvements that comply with the energy efficiency standards under section 4(a) of this Act, resource conservation and reuse, and effective use of existing infrastructure in affordable housing and economic development activities in low-income communities. In providing assistance under this paragraph, the Secretary shall give more preference to activities based on the extent to which the activities will result in compliance with the enhanced energy efficiency and conservation standards, and the green building standards, under section 4(b) of this Act.

(3) Such other purposes as the Secretary determines are in accordance with the purposes of this subsection.

(b) Application Requirement- To be eligible for a grant under this section, a nonprofit organization shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

(c) Award of Contracts- Contracts for architectural or engineering services funded with amounts from grants made under this section shall be awarded in accordance with chapter 11 of title 40, United States Code (relating to selection of architects and engineers).

(d) Matching Requirement- A grant made under this section may not exceed the amount that the nonprofit organization receiving the grant certifies, to the Secretary, will be provided (in cash or

in-kind) from nongovernmental sources to carry out the purposes for which the grant is made.

(e) Definitions- For purposes of this section, the following definitions shall apply:

(1) The term `nonprofit organization' has the meaning given such term in section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704).

(2) The term `eligible community development organization' means--

(A) a unit of general local government (as defined in section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704));

(B) a community housing development organization (as defined in section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704));

(C) an Indian tribe or tribally designated housing entity (as such terms are defined in section 4 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103)); or

(D) a public housing agency, as such term is defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437(b)).

(3) The term `low-income community' means a census tract in which 50 percent or more of the households have an income which is less than 80 percent of the greater of--

(A) the median gross income for such year for the area in which such census tract is located; or

(B) the median gross income for such year for the State in which such census tract is located.

(f) Authorization of Appropriations- There are authorized to be appropriated to the Secretary to carry out this section \$10,000,000 for each of fiscal years 2010 through 2014.

SEC. 19. HOPE VI GREEN DEVELOPMENTS REQUIREMENT.

(a) Mandatory Component- Section 24(e) of the United States Housing Act of 1937 (42 U.S.C. 1437v(e)) is amended by adding at the end the following new paragraph:

`(4) GREEN DEVELOPMENTS REQUIREMENT-

`(A) REQUIREMENT- The Secretary may not make a grant under this section to an applicant unless the proposed revitalization plan of the applicant to be

carried out with such grant amounts meets the following requirements:

` (i) GREEN COMMUNITIES CRITERIA CHECKLIST- All residential construction under the proposed plan complies with the national Green Communities criteria checklist for residential construction that provides criteria for the design, development, and operation of affordable housing, as such checklist is in effect for purposes of this paragraph pursuant to subparagraph (D) at the date of the application for the grant, or any substantially equivalent standard or standards as determined by the Secretary, as follows:

` (I) The proposed plan shall comply with all items of the national Green Communities criteria checklist for residential construction that are identified as mandatory.

` (II) The proposed plan shall comply with such other nonmandatory items of such national Green Communities criteria checklist so as to result in a cumulative number of points attributable to such nonmandatory items under such checklist of not less than--

` (aa) 25 points, in the case of any proposed plan (or portion thereof) consisting of new construction; and

` (bb) 20 points, in the case of any proposed plan (or portion thereof) consisting of rehabilitation.

` (ii) GREEN BUILDINGS CERTIFICATION SYSTEM- All nonresidential construction under the proposed plan complies with all minimum required levels of the green building rating systems and levels identified by the Secretary pursuant to subparagraph (C), as such systems and levels are in effect for purposes of this paragraph pursuant to subparagraph (D) at the time of the application for the grant.

` (B) VERIFICATION-

` (i) IN GENERAL- The Secretary shall verify, or provide for verification, sufficient to ensure that each proposed revitalization plan carried out with amounts from a grant under this section complies with the requirements under subparagraph (A) and that the revitalization plan is carried out in accordance with such requirements and plan.

` (ii) TIMING- In providing for such verification, the Secretary shall establish procedures to ensure such compliance with respect to each grantee, and shall report to the Congress with respect to the compliance of each grantee, at each of the following times:

` (I) Not later than 6 months after execution of the grant agreement under this section for the grantee.

` (II) Upon completion of the revitalization plan of the grantee.

` (C) IDENTIFICATION OF GREEN BUILDINGS RATING SYSTEMS AND LEVELS-

` (i) IN GENERAL- For purposes of this paragraph, the Secretary shall identify rating systems and levels for green buildings that the Secretary determines to be the most likely to encourage a comprehensive and environmentally sound approach to ratings and standards for green buildings. The identification of the ratings systems and levels shall be based on the criteria specified in clause (ii), shall identify the highest levels the Secretary determines are appropriate above the minimum levels required under the systems selected. Within 90 days of the completion of each study required by clause (iii), the Secretary shall review and update the rating systems and levels, or identify alternative systems and levels for purposes of this paragraph, taking into account the conclusions of such study.

` (ii) CRITERIA- In identifying the green rating systems and levels, the Secretary shall take into consideration--

- ` (I) the ability and availability of assessors and auditors to independently verify the criteria and measurement of metrics at the scale necessary to implement this paragraph;
- ` (II) the ability of the applicable ratings system organizations to collect and reflect public comment;
- ` (III) the ability of the standards to be developed and revised through a consensus-based process;
- ` (IV) An evaluation of the robustness of the criteria for a high-performance green building, which shall give credit for promoting--

- ` (aa) efficient and sustainable use of water, energy, and other natural resources;

- ` (bb) use of renewable energy sources;

- ` (cc) improved indoor and outdoor environmental quality through enhanced indoor and outdoor air quality, thermal comfort, acoustics, outdoor noise pollution, day lighting, pollutant source control, sustainable landscaping, and use of building system controls and low- or no-emission materials, including preference for materials with no added carcinogens that are classified as Group 1 Known Carcinogens by the International Agency for Research on Cancer; and

- ` (dd) such other criteria as the Secretary determines to be appropriate; and

- ` (V) national recognition within the building industry.

- ` (iii) 5-year EVALUATION- At least once every 5 years, the Secretary shall conduct a study to evaluate and compare available third-party green building rating systems and levels, taking into account the criteria listed in clause (ii).

- ` (D) APPLICABILITY AND UPDATING OF STANDARDS-

- ` (i) APPLICABILITY- Except as provided in clause (ii) of this subparagraph, the national

Green Communities criteria checklist and green building rating systems and levels referred to in clauses (i) and (ii) of subparagraph (A) that are in effect for purposes of this paragraph are such checklist systems, and levels as in existence upon the date of the enactment of the Green Resources for Energy Efficient Neighborhoods Act of 2009.

`(ii) UPDATING- The Secretary may, by regulation, adopt and apply, for purposes of this paragraph, future amendments and supplements to, and editions of, the national Green Communities criteria checklist, any standard or standards that the Secretary has determined to be substantially equivalent to such checklist, and the green building ratings systems and levels identified by the Secretary pursuant to subparagraph (C).'

(b) Selection Criteria; Graded Component- Section 24(e)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437v(e)(2)) is amended--

- (1) in subparagraph (K), by striking `and' at the end;
- (2) by redesignating subparagraph (L) as subparagraph (M); and
- (3) by inserting after subparagraph (K) the following new subparagraph:

`(L) the extent to which the proposed revitalization plan--

`(i) in the case of residential construction, complies with the nonmandatory items of the national Green Communities criteria checklist identified in paragraph (4)(A)(i), or any substantially equivalent standard or standards as determined by the Secretary, but only to the extent such compliance exceeds the compliance necessary to accumulate the number of points required under such paragraph; and

`(ii) in the case of nonresidential construction, complies with the components of the green building rating systems and levels identified by the Secretary pursuant to paragraph (4)(C), but only to the extent such compliance

exceeds the minimum level required under such systems and levels; and'.

SEC. 20. CONSIDERATION OF ENERGY EFFICIENCY IMPROVEMENTS IN APPRAISALS.

(a) Appraisals in Connection With Federally Related Transactions-

(1) REQUIREMENT- Section 1110 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3339) is amended--

(A) in paragraph (1), by striking `and' at the end;

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1) the following new paragraph:

`(2) that such appraisals be performed in accordance with appraisal standards that require, in determining the value of a property, consideration of any renewable energy sources for, or energy efficiency or energy-conserving improvements or features of, the property; and'.

(2) REVISION OF APPRAISAL STANDARDS- Each Federal financial institutions regulatory agency shall, not later than 6 months after the date of the enactment of this Act, revise its standards for the performance of real estate appraisals in connection with federally related transactions under the jurisdiction of the agency to comply with the requirement under the amendments made by paragraph (1) of this subsection.

(b) Appraiser Certification and Licensing Requirements- Section 1116 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3345) is amended--

(1) in subsection (a), by inserting before the period at the end the following: `, and meets the requirements established pursuant to subsection (f) for qualifications regarding consideration of any renewable energy sources for, or energy efficiency or energy-conserving improvements or features of, the property';

(2) in subsection (c), by inserting before the period at the end the following: `, which shall include compliance with the requirements established pursuant to subsection (f) regarding consideration of any renewable energy sources for, or energy efficiency or energy-conserving improvements or features of, the property';

- (3) in subsection (e), by striking `The' and inserting
`Except as provided in subsection (f), the'; and
- (4) by adding at the end the following new subsection:
` (f) Requirements for Appraisers Regarding Energy Efficiency Features- The Appraisal Subcommittee shall establish requirements for State certification of State certified real estate appraisers and for State licensing of State licensed appraisers, to ensure that appraisers consider and are qualified to consider, in determining the value of a property, any renewable energy sources for, or energy efficiency or energy-conserving improvements or features of, the property.'.
- (c) Guidelines for Appraising Photovoltaic Measures and Training of Appraisers- Section 1122 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3351) is amended by adding at the end the following new subsection:
` (g) Guidelines for Appraising Photovoltaic Measures and Training of Appraisers- The Appraisal Subcommittee shall, in consultation with the Secretary of Housing and Urban Development, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation, establish specific guidelines for--
- ` (1) appraising off- and on-grid photovoltaic measures for compliance with the appraisal standards prescribed pursuant to section 1110(2);
 - ` (2) requirements under section 1116(f) for certification of State certified real estate appraisers and for State licensing of State licensed appraisers, to ensure that appraisers consider, and are qualified to consider, such photovoltaic measures in determining the value of a property; and
 - ` (3) training of appraisers to meet the requirements established pursuant to paragraph (2) of this subsection.'.

SEC. 21. HOUSING ASSISTANCE COUNCIL.

- The Secretary shall require the Housing Assistance Council--
- (1) to encourage each organization that receives assistance from the Council with any amounts made available from the Secretary to provide that any structures and buildings developed or assisted under projects, programs, and activities funded with such amounts complies with the energy efficiency standards under section 4(a) of this Act; and

(2) to establish incentives to encourage each such organization to provide that any such structures and buildings comply with the energy efficiency and conservation standards, and the green building standards, under section 4(b) of such Act.

SEC. 22. RURAL HOUSING AND ECONOMIC DEVELOPMENT ASSISTANCE.

The Secretary shall--

(1) require each tribe, agency, organization, corporation, and other entity that receives any assistance from the Office of Rural Housing and Economic Development of the Department of Housing and Urban Development to provide that any structures and buildings developed or assisted under activities funded with such amounts complies with the energy efficiency standards under section 4(a) of this Act; and

(2) establish incentives to encourage each such tribe, agency, organization, corporation, and other entity to provide that any such structures and buildings comply with the enhanced energy efficiency and conservation standards, and the green building standards, under section 4(b) of such Act.

SEC. 23. REVOLVING FUND FOR LOANS TO STATES AND INDIAN TRIBES TO CARRY OUT RENEWABLE ENERGY SOURCES ACTIVITIES.

(a) Establishment of Fund- There is established in the Treasury of the United States a revolving fund, to be known as the 'Alternative Energy Sources State Revolving Fund'.

(b) Credits- The Fund shall be credited with--

(1) any amounts appropriated to the Fund pursuant to subsection (g);

(2) any amounts of principal and interest from loan repayments received by the Secretary pursuant to subsection (d)(7); and

(3) any interest earned on investments of amounts in the Fund pursuant to subsection (e).

(c) Expenditures-

(1) IN GENERAL- Subject to paragraph (2), on request by the Secretary, the Secretary of the Treasury shall transfer

from the Fund to the Secretary such amounts as the Secretary determines are necessary to provide loans under subsection (d)(1).

(2) ADMINISTRATIVE EXPENSES- Of the amounts in the Fund, not more than 5 percent shall be available for each fiscal year to pay the administrative expenses of the Department of Housing and Urban Development to carry out this section.

(d) Loans to States and Indian Tribes-

(1) IN GENERAL- The Secretary shall use amounts in the Fund to provide loans to States and Indian tribes to provide incentives to owners of single-family and multifamily housing, commercial properties, and public buildings to provide--

(A) renewable energy sources for such structures, such as wind, wave, solar, biomass, or geothermal energy sources, including incentives to companies and business to change their source of energy to such renewable energy sources and for changing the sources of energy for public buildings to such renewable energy sources;

(B) energy efficiency and energy-conserving improvements and features for such structures; or

(C) infrastructure related to the delivery of electricity and hot water for structures lacking such amenities.

(2) ELIGIBILITY- To be eligible to receive a loan under this subsection, a State or Indian tribe, directly or through an appropriate State or tribal agency, shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

(3) CRITERIA FOR APPROVAL- The Secretary may approve an application of a State or Indian tribe under paragraph (2) only if the Secretary determines that the State or tribe will use the funds from the loan under this subsection to carry out a program to provide incentives described in paragraph (1) that--

(A) requires that any such renewable energy sources, and energy efficiency and energy-conserving improvements and features, developed pursuant to assistance under the program result in compliance of the structure so improved with the energy efficiency standards under section 4(a) of this Act; and

(B) includes such compliance and audit requirements as the Secretary determines are necessary to ensure that the program is operated in a sound and effective manner.

(4) PREFERENCE- In making loans during each fiscal year, the Secretary shall give preference to States and Indian tribes that have not previously received a loan under this subsection.

(5) MAXIMUM AMOUNT- The aggregate outstanding principal amount from loans under this subsection to any single State or Indian tribe may not exceed \$500,000,000.

(6) LOAN TERMS- Each loan under this subsection shall have a term to maturity of not more than 10 years and shall bear interest at annual rate, determined by the Secretary, that shall not exceed interest rate charged by the Federal Reserve Bank of New York to commercial banks and other depository institutions for very short-term loans under the primary credit program, as most recently published in the Federal Reserve Statistical Release on selected interest rates (daily or weekly), and commonly referred to as the H.15 release, preceding the date of a determination for purposes of applying this paragraph.

(7) LOAN REPAYMENT- The Secretary shall require full repayment of each loan made under this section.

(e) Investment of Amounts-

(1) IN GENERAL- The Secretary of the Treasury shall invest such amounts in the Fund that are not, in the judgment of the Secretary of the Treasury, required to meet needs for current withdrawals.

(2) OBLIGATIONS OF UNITED STATES- Investments may be made only in interest-bearing obligations of the United States.

(f) Reports-

(1) REPORTS TO SECRETARY- For each year during the term of a loan made under subsection (d), the State or Indian tribe that received the loan shall submit to the Secretary a report describing the State or tribal alternative energy sources program for which the loan was made and the activities conducted under the program using the loan funds during that year.

(2) REPORT TO CONGRESS- Not later than September 30 of each year that loans made under subsection (d) are outstanding, the Secretary shall submit a report to the Congress describing the total amount of such loans

provided under subsection (d) to each eligible State and Indian tribe during the fiscal year ending on such date, and an evaluation on effectiveness of the Fund.

(g) Authorization of Appropriations- There is authorized to be appropriated to the Fund \$5,000,000,000.

(h) Definitions- For purposes of this section, the following definitions shall apply:

(1) INDIAN TRIBE- The term `Indian tribe' has the meaning given such term in section 4 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103).

(2) STATE- The term `State' means each of the several States, the Commonwealth of Puerto Rico, the District of Columbia, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, the Trust Territories of the Pacific, or any other possession of the United States.

SEC. 24. GREEN BANKING CENTERS.

(a) Insured Depository Institutions- Section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) is amended by adding at the end the following new subsection:

`(x) `Green Banking' Centers-

`(1) IN GENERAL- The Federal banking agencies shall prescribe guidelines encouraging the establishment and maintenance of `green banking' centers by insured depository institutions to provide any consumer who seeks information on obtaining a mortgage, home improvement loan, home equity loan, or renewable energy lease with additional information on--

`(A) obtaining an home energy rating or audit for the residence for which such mortgage or loan is sought;

`(B) obtaining financing for cost-effective energy-saving improvements to such property; and

`(C) obtaining beneficial terms for any mortgage or loan, or qualifying for a larger mortgage or loan, secured by a residence which meets or will meet energy efficiency standards.

`(2) INFORMATION AND REFERRALS- The information made available to consumers under paragraph (1) may include--

- ` (A) information on obtaining a home energy rating and contact information on qualified energy raters in the area of the residence;
- ` (B) information on the secondary market guidelines that permit lenders to provide more favorable terms by allowing lenders to increase the ratio on debt-to-income requirements or to use the projected utility savings as a compensating factor;
- ` (C) information including eligibility information about, and contact information for, any conservation or renewable energy programs, grants, or loans offered by the Secretary of Housing and Urban Development, including the Energy Efficient Mortgage Program;
- ` (D) information including eligibility information about, and contact information for, any conservation or renewable energy programs, grants, or loans offered for qualified military personal, reservists, and veterans by the Secretary of Veterans Affairs;
- ` (E) information about, and contact information for, the Office of Efficiency and Renewable Energy at the Department of Energy, including the weatherization assistance program;
- ` (F) information about, and contact information for, the Energy Star Program of the Environmental Protection Agency;
- ` (G) information from, and contact information for, the Federal Citizen Information Center of the General Services Administration on energy-efficient mortgages and loans, home energy rating systems, and the availability of energy-efficient mortgage information from a variety of Federal agencies; and
- ` (H) such other information as the agencies or the insured depository institution may determine to be appropriate or useful.'

(b) Insured Credit Unions- Section 206 of the Federal Credit Union Act (12 U.S.C. 1786) is amended by adding at the end the following new subsection:

` (x) `Green Banking' Centers-

` (1) IN GENERAL- The Board shall prescribe guidelines encouraging the establishment and maintenance of `green banking' centers by insured credit unions to provide any member who seeks information on obtaining a mortgage,

home improvement loan, home equity loan, or renewable energy lease with additional information on--

- ` (A) obtaining an home energy rating or audit for the residence for which such mortgage or loan is sought;

- ` (B) obtaining financing for cost-effective energy-saving improvements to such property; and

- ` (C) obtaining beneficial terms for any mortgage or loan, or qualifying for a larger mortgage or loan, secured by a residence which meets or will meet energy efficiency standards.

` (2) INFORMATION AND REFERRALS- The information made available to members under paragraph (1) may include--

- ` (A) information on obtaining a home energy rating and contact information on qualified energy raters in the area of the residence;

- ` (B) information on the secondary market guidelines that permit lenders to provide more favorable terms by allowing lenders to increase the ratio on debt-to-income requirements or to use the projected utility savings as a compensating factor;

- ` (C) information including eligibility information about, and contact information for, any conservation or renewable energy programs, grants, or loans offered by the Secretary of Housing and Urban Development, including the Energy Efficient Mortgage Program;

- ` (D) information including eligibility information about, and contact information for, any conservation or renewable energy programs, grants, or loans offered for qualified military personal, reservists, and veterans by the Secretary of Veterans Affairs;

- ` (E) information about, and contact information for, the Office of Efficiency and Renewable Energy at the Department of Energy, including the weatherization assistance program;

- ` (F) information from, and contact information for, the Federal Citizen Information Center of the General Services Administration on energy-efficient mortgages and loans, home energy rating systems, and the availability of energy-efficient mortgage information from a variety of Federal agencies; and

`(G) such other information as the Board or the insured credit union may determine to be appropriate or useful.'.

SEC. 25. GAO REPORTS ON AVAILABILITY OF AFFORDABLE MORTGAGES.

(a) Study- The Comptroller General of the United States shall periodically, as necessary to comply with subsection (b), examine the impact of this Act and the amendments made by this Act on the availability of affordable mortgages in various areas throughout the United States, including cities having older infrastructure and limited space for the development of new housing.

(b) Triennial Reports- The Comptroller General shall submit a report once every 3 years to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate that shall include--

- (1) a detailed statement of the most recent findings pursuant to subsection (a); and
- (2) if the Comptroller General finds that this Act or the amendments made by this Act have directly or indirectly resulted in consequences that limit the availability or affordability of mortgages in any area or areas within the United States, including any city having older infrastructure and limited space for the development of new housing, any recommendations for any additional actions at the Federal, State, or local levels that the Comptroller General considers necessary or appropriate to mitigate such effects.

The first report under this subsection shall be submitted not later than the expiration of the 3-year period beginning on the date of the enactment of this Act.

SEC. 26. PUBLIC HOUSING ENERGY COST REPORT.

(a) Collection of Information by HUD- The Secretary of Housing and Urban Development shall obtain from each public housing agency, by such time as may be necessary to comply with the reporting requirement under subsection (b), information regarding the energy costs for public housing administered or operated by the agency. For each public housing agency, such information shall include the monthly energy costs associated

with each separate building and development of the agency, for the most recently completed 12-month period for which such information is available, and such other information as the Secretary determines is appropriate in determining which public housing buildings and developments are most in need of repairs and improvements to reduce energy needs and costs and become more energy efficient.

(b) Report- Not later than the expiration of the 12-month period beginning on the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit a report to the Congress setting forth the information collected pursuant to subsection (a).

SEC. 27. INSURANCE COVERAGE FOR LOANS FOR FINANCING OF RENEWABLE ENERGY SYSTEMS LEASED FOR RESIDENTIAL USE.

(a) Purposes- The purposes of this section are--

- (1) to encourage residential use of renewable energy systems by minimizing up-front costs and providing immediate utility cost savings to consumers through leasing of such systems to homeowners;
- (2) to reduce carbon emissions and the use of nonrenewable resources;
- (3) to encourage energy-efficient residential construction and rehabilitation;
- (4) to encourage the use of renewable resources by homeowners;
- (5) to minimize the impact of development on the environment;
- (6) to reduce consumer utility costs; and
- (7) to encourage private investment in the green economy.

(b) Authority- The Secretary of Housing and Urban Development may, upon application by an authorized renewable energy lender and in accordance with such terms and conditions as the Secretary may prescribe, consistent with the purposes of this section, make commitments to insure, and insure, loans made by such lenders to homebuilders, renewable energy installers or manufacturers, public or private corporations or partnerships, associations, trusts, or other qualified persons or entities, to finance the acquisition of renewable energy systems for lease to homeowners for use at their residences.

(c) Effective Date of Insurance- Insurance provided pursuant to this section for a loan shall become effective only upon the

expiration of the 5-year period beginning upon the original execution of a renewable energy system lease (as such term is defined in subsection (p)) for the renewable energy system.

(d) Limitation on Principal Amount-

(1) LIMITATION- The principal amount of the loan insured under this section shall not exceed the residual value of the renewable energy system.

(2) RESIDUAL VALUE- For purposes of this subsection--

(A) the residual value of a renewable energy system shall be the amount that is equal to the fair market value of the future revenue stream from the sale of the expected remaining electricity production from the system, pursuant to the easement granted in accordance with subsection (e); and

(B) the fair market value of the future revenue stream for each year of the remaining life of the renewable energy system shall be determined based on the net present value of the renewable energy system manufacturer's power output production warranty for the system and the forecast of regional residential electricity prices made by the Energy Information Administration of the Department of Energy.

(e) Easement for Sale of Remaining Electricity- The Secretary may not insure a loan for financing of renewable energy systems under this section unless the borrower under the loan ensures, in accordance with such requirements as the Secretary shall establish, consistent with the purposes of this section, that the systems financed will be leased only to homeowners that grant easements sufficient to provide for the sale of remaining electricity production from the system to a wholesale or retail electrical power grid.

(f) Discount or Prepayment- To encourage utilization of renewable energy systems, the Secretary shall ensure that a homebuilder's or other investor's discount or prepayment of a homeowner's renewable energy system lease shall not adversely affect that homeowner's mortgage requirements.

(g) Eligibility of Lenders- The Secretary may not insure a loan under this section unless the lender making the loan--

(1)(A) is an institution that qualifies as a green banking center pursuant to section 8(x) of the Federal Deposit Insurance Act (12 U.S.C. 1818(x)) or section 206(x) of the Federal Credit Union Act (12 U.S.C. 1786(x)); or

- (B) meets such other requirements as the Secretary shall establish for participation of renewable energy lenders in the program under this section; and
 - (2) meets such qualifications as the Secretary shall establish for all lenders for participation in the program under this section and is approved by the Secretary as meeting such qualifications.
- (h) Certificate of Insurance- Insurance of a loan under this section shall be evidenced by a certificate of insurance coverage issued by the Secretary to the lender under the loan. Such certificate shall set forth the fair market value of the future revenue stream for each year of the remaining life of the renewable energy system as determined in accordance with subsection (d).
- (i) Payment of Insurance-
- (1) IN GENERAL- The Secretary shall provide for the filing of claims for insurance under this section and the payment of such claims. A claim may be paid only upon a default under the loan insured under this section and the assignment, transfer, and delivery to the Secretary of all rights and interests arising under the loan and all claims of the lender or the assigns of the lender against the borrower or others arising under the loan transaction.
 - (2) LIEN- Upon payment of a claim for insurance of a loan under this section, the Secretary shall be granted a lien on the underlying renewable energy system assets and any associated revenue stream from use of that system, which shall be superior to all other liens on such assets, and the residual value of that system and the revenue stream shall be at least equal to the unpaid balance of the loan amount covered by the certificate of insurance. The Secretary shall be entitled to any revenue generated by the renewable energy system from selling electricity to the grid when an insurance claim has been paid out.
- (j) Assignment and Transferability of Insurance- The holder of insurance provided under this section may assign or transfer the insurance in whole or in part, to another lender, subject to such requirements as the Secretary may prescribe.
- (k) Premiums and Charges-
- (1) INSURANCE FEE- The Secretary shall fix and collect premiums for insurance of loans under this section, that shall be paid by the qualified applicant at the time of issuance of the certificate of insurance to the lender and shall be adequate, in the determination of the Secretary,

to cover expenses and probable losses, including any costs (as such term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a) of loan insurance under this section. In no event may such premium exceed 3 percent of the principal obligation of the loan being insured. The Secretary shall deposit any premiums collected under this subsection in the Renewable Energy Lease Insurance Fund established under subsection (l).

(2) PROHIBITION ON OTHER CHARGES- Except as provided in paragraph (1), the Secretary may not assess any fees, including user fees, insurance premiums, or charges in connection with loan insurance provided under this section.

(l) Renewable Energy Lease Insurance Fund-

(1) ESTABLISHMENT- There is hereby established the Renewable Energy Lease Insurance Fund, which shall be available to the Secretary without fiscal year limitation, for the purpose of providing insurance under this section.

(2) CREDITS- The Fund shall be credited with any premiums collected under subsection (k)(1), any amounts collected by the Secretary under subsection (i)(2), and any associated interest or earnings.

(3) AVAILABILITY- Amounts in the Fund shall be available to the Secretary, in amounts provided in advance in appropriation Acts, for fulfilling any obligations with respect to insurance for loans provided under this section and paying administrative expenses in connection with this section. Any amounts in the Fund determined by the Secretary to be in excess of amounts currently required at the time of the determination to carry out this section may be invested in obligations of the United States.

(m) Full Faith and Credit- The certificate of insurance issued by the Secretary under this section shall be backed by the full faith and credit of the United States of America.

(n) Regulations- The Secretary shall issue such regulations as may be necessary to carry out this section. The Secretary shall issue final or interim final regulations not later than the expiration of the 180-day period beginning on the date of the enactment of this Act.

(o) Ineligibility for Purchase by Federal Financing Bank- Notwithstanding the provisions of the Federal Financing Bank Act of 1973 (12 U.S.C. 2281 et seq.) or any other provision of law, no debt obligation that is insured or committed to be insured by

the Secretary under this section shall be subject to the provisions of such Act.

(p) Definitions- For purposes of this section, the following definitions apply:

(1) RENEWABLE ENERGY SYSTEM LEASE- The term `renewable system energy lease' means an agreement between a qualified investor in a renewable energy system and a homeowner pursuant to which the homeowner grants an easement to the investor to install, maintain, use, and otherwise access the renewable energy system and leases the use of that system from the qualified investor for a specified term.

(2) RENEWABLE ENERGY SYSTEM- The term `renewable energy system' means a system that generates energy from naturally replenished energy sources such as sunlight, wind, rain, tides or geothermal heat.

(3) RENEWABLE ENERGY MANUFACTURER- The term `renewable energy manufacturer' means a manufacturer of renewable energy systems.

SEC. 28. GREEN GUARANTEES.

(a) Authority To Guarantee `Green Portion' of Eligible Mortgages-

(1) IN GENERAL- The Secretary of Housing and Urban Development may make commitments to guarantee under this section and may guarantee, the repayment of the portions of the principal obligations of eligible mortgages that are used to finance eligible sustainable building elements for the housing that is subject to the mortgage.

(2) AMOUNT OF GUARANTEE- A guarantee under this section by the Secretary in connection with an eligible mortgage shall not exceed a percentage of the green portion (as such term is defined in subsection (g)) of the mortgage, as shall be established by the Secretary and may be established on a regional basis as the Secretary determines appropriate.

(b) Eligible Mortgages- To be considered an eligible mortgage for purposes of this section, a mortgage shall comply with all of the following requirements:

(1) ACQUISITION OR CONSTRUCTION OF HOUSING- The mortgage shall be made for the acquisition or construction of single- or multifamily housing and repayment of the mortgage shall be secured by an interest in such housing.

(2) FINANCING OF ELIGIBLE SUSTAINABLE BUILDING ELEMENTS THROUGH GREEN PORTION OF MORTGAGE- A portion of the principal obligation of the mortgage, which meets the requirements under subsection (c), shall be used only for financing the provision of eligible sustainable building elements for the housing for which the mortgage was made.

(3) MAXIMUM MORTGAGE AMOUNT- The principal obligation of the mortgage (including the eligible portion of such mortgage, and such initial service charges, appraisal, inspection, and other fees as the Secretary shall approve) may not exceed the following amounts:

(A) SINGLE-FAMILY HOUSING- Such dollar amounts for single-family housing as the Secretary shall establish, which may be established on the basis of the number of dwelling units in the housing, as the Secretary considers appropriate.

(B) MULTIFAMILY HOUSING- Such dollar amounts for multifamily housing as the Secretary shall establish, which may be established on the basis of the number of dwelling units in the housing and the number of bedrooms in such dwelling units, as the Secretary considers appropriate.

(4) REPAYMENT- The mortgage meets such requirements as the Secretary shall establish to ensure that there is a reasonable prospect of repayment of the principal and interest on the obligation by the mortgagor.

(5) MORTGAGE TERMS- The mortgage shall meet such requirements with respect to loan-to-value ratio, mortgagor credit scores, debt-to-income ratio, and other underwriting standards, term to maturity, interest rates and amortization, including amortization of the green portion of the mortgage, and other mortgage terms as the Secretary shall establish.

(c) Limitations on Green Portion of Mortgage- The requirements under this subsection with respect to the green portion of an eligible mortgage are as follows:

(1) PERCENTAGE LIMITATION- Such portion shall not exceed, in the case of single-family or multifamily housing, 10 percent of the total principal obligation of the mortgage.

(2) DOLLAR AMOUNT LIMITATION- Such portion shall not exceed--

(A) in the case of single-family housing, such maximum dollar amount limitation as the Secretary shall establish, which may be established on the basis of the number of dwelling units in the housing, as the Secretary considers appropriate; and
(B) in the case of multifamily housing, such maximum dollar amount limitation as the Secretary shall establish, which limitation may be established on the basis of the number of dwelling units in the housing and the number of bedrooms in such dwelling units, as the Secretary considers appropriate.

(3) COST-EFFECTIVENESS LIMITATION- Such portion shall not exceed the total present value of the savings (as determined in accordance with subsection (d)) attributable to the incorporation of the eligible sustainable building elements to be financed with the green portion of the mortgage that are to be realized over the useful life of such elements.

(d) Eligible Sustainable Building Elements- The Secretary may not guarantee any eligible mortgage under this section unless the mortgagor has demonstrated, in accordance with such requirements as the Secretary shall establish, the amount of savings attributable to incorporation of the sustainable building elements to be financed with the green portion of the mortgage, as measured by the National Green Building Standard for all residential construction developed by the National Association of Home Builders and the U.S. Green Building Council, and approved by the American National Standards Institute, as updated and in effect at the time of such demonstration.

(e) Guarantee Fee-

(1) ASSESSMENT AND COLLECTION- The Secretary shall assess and collect fees for guarantees under this section in amounts that the Secretary determines are sufficient to cover the costs (as such term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) of such guarantees.

(2) AVAILABILITY- Fees collected under this subsection shall be deposited by the Secretary in the Treasury of the United States and shall remain available until expended, subject to such other conditions as are contained in annual appropriations Acts.

(f) Payment of Guarantee-

(1) DEFAULT-

(A) RIGHT TO PAYMENT- If a mortgagor under a mortgage guaranteed under this section defaults (as defined in regulations issued by the Secretary and specified in the guarantee contract) on the obligation under the mortgage--

(i) the holder of the guarantee shall have the right to demand payment of the unpaid amount of the guaranteed portion of the mortgage, to the extent provided under subsection (a)(2), from the Secretary; and

(ii) within such period as may be specified in the guarantee or related agreements, the Secretary shall pay to the holder of the guarantee, to the extent provided under subsection (a)(2), the unpaid interest on, and unpaid principal of the portion of guaranteed portion of the mortgage with respect to which the borrower has defaulted, unless the Secretary finds that there was no default by the borrower in the payment of interest or principal or that the default has been remedied.

(B) FORBEARANCE- Nothing in this paragraph precludes any forbearance by the holder of an eligible mortgage for the benefit of the mortgagor which may be agreed upon by the parties to the mortgage and approved by the Secretary.

(2) SUBROGATION-

(A) IN GENERAL- If the Secretary makes a payment under paragraph (1), the Secretary shall be subrogated to the rights of the recipient of the payment as specified in the guarantee or related agreements including, if appropriate, the authority (notwithstanding any other provision of law)--

(i) to complete, maintain, operate, lease, or otherwise dispose of any property acquired pursuant to such guarantee or related agreements; or

(ii) to permit the mortgagor, pursuant to an agreement with the Secretary, to continue to occupy the property subject to the mortgage, if the Secretary determines such occupancy to be appropriate.

(B) SUPERIORITY OF RIGHTS- The rights of the Secretary, with respect to any property acquired pursuant to a guarantee or related agreements, shall be superior to the rights of any other person with respect to the property.

(C) TERMS AND CONDITIONS- A guarantee agreement shall include such detailed terms and conditions as the Secretary determines appropriate to protect the interests of the United States in the case of default.

(3) FULL FAITH AND CREDIT- The full faith and credit of the United States is pledged to the payment of all guarantees issued under this section with respect to principal and interest.

(g) Definitions- For purposes of this section, the following definitions shall apply:

(1) ELIGIBLE MORTGAGE- The term `eligible mortgage' means a mortgage that meets the requirements under subsection (b).

(2) GREEN PORTION- The term `green portion' means, with respect to an eligible mortgage, the portion of the mortgage principal referred to in subsection (b)(2) that is attributable, as determined in accordance with regulations issued by the Secretary, to the increased costs incurred in financing provision of sustainable building elements for the housing for which the mortgage was made, as compared to the costs that would have been incurred in financing the provision of other building elements for the housing for the same purposes that are commonly or conventionally used but are not sustainable building elements.

(3) GUARANTEED PORTION- The term `guaranteed portion' means, with respect to an eligible mortgage guaranteed under this section, the green portion of the mortgage that is so guaranteed.

(4) MORTGAGE- The term `mortgage' has the meaning given such term in section 201 of the National Housing Act (12 U.S.C. 1707).

(5) MULTIFAMILY HOUSING- The term `multifamily housing' means a residential property consisting of five or more dwelling units.

(6) SECRETARY- The term `Secretary' means the Secretary of Housing and Urban Development.

(7) SINGLE-FAMILY HOUSING- The term `single-family housing' means a residential property consisting of one to four dwelling units.

(8) SUSTAINABLE BUILDING ELEMENT- The term `sustainable building element' means such building elements, as the Secretary shall define, that have energy efficiency or environmental sustainability qualities that are superior to such qualities for other building elements for the same purposes that are commonly or conventionally used.

(h) Authorization of Appropriations- There is authorized to be appropriated for costs (as such term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a) of guarantees under this section \$500,000,000 for each of fiscal years 2010 through 2014.

(i) Regulations- The Secretary shall issue any regulations necessary to carry out this section.

END