

22 USC 2151
note.
22 USC 2751
note.
Suspension.

Effective
period.

to Turkey until and unless the President certifies to the Congress that the Government of Turkey is in compliance with the Foreign Assistance Act of 1961, the Foreign Military Sales Act, and any agreement entered into under such Acts, and that substantial progress toward agreement has been made regarding military forces in Cyprus: *Provided*, That the President is authorized to suspend the provisions of this section and said Acts if he determines that such suspension will further negotiations for a peaceful solution of the Cyprus conflict. Any such suspension shall be effective only until December 10, 1974 and only if, during that time, Turkey shall observe the ceasefire and shall neither increase its forces on Cyprus nor transfer to Cyprus any U.S. supplied implements of war.

Approved October 17, 1974.

Public Law 93-449

AN ACT

October 18, 1974
[S. 3979]

To increase on an emergency basis the availability of reasonably priced mortgage credit for housing.

Emergency Home
Purchase Assist-
ance Act of 1974.

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

SHORT TITLE

12 USC 1723e
note.

SECTION 1. This Act may be cited as the "Emergency Home Purchase Assistance Act of 1974".

FINDINGS

12 USC 1723e
note.

SEC. 2. The Congress finds and declares that—

(1) in many parts of the Nation, residential mortgage credit is or is likely soon to become prohibitively expensive or unavailable at any price;

(2) the unavailability of mortgage credit severely restricts housing production, causes hardship for those who wish to purchase or sell new and existing housing, and delays the achievement of the national goal of a decent home for every American family; and

(3) there is an urgent need to provide an alternate source of residential mortgage credit on an emergency basis.

INTERIM AUTHORITY

SEC. 3. (a) Title III of the National Housing Act is amended by adding at the end thereof the following new section:

"INTERIM AUTHORITY TO PURCHASE CERTAIN MORTGAGES

12 USC 1723e.

"SEC. 313. (a) (1) Whenever the Secretary finds inflationary conditions and related governmental actions are having a severely disproportionate effect on the housing industry and the resulting reduction in the volume of home construction or acquisition threatens seriously to affect the economy and to delay the orderly achievement of the national housing goals contained in title XVI of the Housing and Urban Development Act of 1968, the Secretary shall direct the Association to begin making commitments to purchase and to purchase mortgages in accordance with the provisions of this section.

42 USC 1441a.

Termination.

"(2) The Secretary may direct the Association to terminate its activities under this section whenever he determines that the conditions

which gave rise to his determination under paragraph (1) are no longer present.

“(b) Whenever the Secretary issues a directive under subsection (a) (1), the Association shall make commitments to purchase and purchase, and may service, sell (with or without recourse), or otherwise deal in, mortgages (1) which cover more than four-family residences (including cooperatives and condominiums and the individual units therein) and which are insured under the National Housing Act and chapter 37 of title 38 of the United States Code, or (2) which cover one- to four-family residences and which are insured under the National Housing Act or guaranteed under chapter 37 of title 38 of the United States Code or by qualified private insurers as determined by the Association or the outstanding principal balances of which do not exceed 80 per centum of the value of the property securing the mortgages. A mortgage may be purchased under this section only if—

12 USC 1701
and note.
38 USC 1801.

“(A) such mortgage was executed to finance the acquisition of a one- to four-family residence which will be the principal residence of the mortgagor or to finance the purchase of a more than four-family residence and is subject to a mortgage insured under the National Housing Act;

12 USC 1701
and note.
Mortgage principal obligation, limitation.

“(B) such mortgage involves an original principal obligation not to exceed \$42,000 per family residence or dwelling unit, and except that the original principal obligation may not exceed \$55,000 in the case of properties in Alaska, Hawaii, and Guam;

“(C) such mortgage involves an interest rate or yield not in excess of that which the Secretary may prescribe, taking into account the cost of funds and administrative costs under this section, the importance of making mortgage credit available on reasonable terms, and current conditions in the mortgage market, but in no event shall such rate exceed a rate equal to the average yield during the month preceding the month in which a commitment to purchase such mortgage was issued on all marketable bonds of the United States maturing in more than six but less than twelve years from the date of such commitment (exclusive of bonds with a coupon rate of less than 6 per centum) plus one-half of 1 per centum, adjusted upward to the nearest one-eighth of 1 per centum and taking into account the need to assure that the funds are available in all States pursuant to any maximum mortgage interest rate permitted under the laws or constitutions of the various States and, notwithstanding any State law or constitution to the contrary, discount points and other charges collected in connection with mortgage transactions under this section and recognized by the Association shall not be considered in determining whether the interest rate on any such mortgage exceeds any State usury ceiling.

Interest rate.

“(c) The Association may issue to the Secretary of the Treasury its obligations in an amount outstanding at any one time sufficient to enable the Association to carry out its functions under this section. Each such obligation shall mature at such time and be redeemable at the option of the Association in such manner as may be determined by the Association, and shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the obligation of the Association. The Secretary of the Treasury is authorized and directed to purchase any obligations of the Association issued under this section, and for such purposes the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter

Interest rate.

31 USC 774.

in force, are extended to include any purchase of the Association's obligations hereunder.

12 USC 1721.

"(d) (1) The Association is authorized to guarantee securities based on pools or trusts of the mortgages purchased by the Association under this section as provided in section 306(g) of this Act with respect to federally insured or guaranteed mortgages and to act as issuer of such guaranteed securities. The Association shall possess with respect to securities under this section all the powers it possesses with respect to securities guaranteed under such section 306(g), and the provisions of such section shall apply to guarantees under this section, except that such section shall not be deemed to prohibit the Secretary from guaranteeing payment of only a part of the principal and interest on securities issued under the provisions of this section.

"(2) The Association may offer and sell any securities guaranteed under this subsection to the Federal Financing Bank, and such Bank is authorized to purchase any securities so offered. The Association may also offer and sell any securities guaranteed under this subsection to any Federal Reserve bank. The proceeds from the sale of such securities when issued by the Association shall be treated in the accounts in the same manner as if such proceeds were from the sale of the underlying mortgages.

"(e) The Secretary may make available a portion of his authority under this section to purchase mortgages covering housing which has been constructed more than twelve months prior to enactment of this section in areas where he determines that there is a serious shortage of mortgage credit to purchase such housing.

"(f) The Association is authorized to—

"(1) sell mortgages purchased under this section of prices which it determines will help promote the objective of assuring that operations under this section are, to the extent feasible, fully self-supporting;

"(2) pay for services performed in carrying out its functions under this section without regard to any limitation on administrative expenses heretofore enacted.

Limitation.

"(g) The total amount of purchases and commitments authorized by the Secretary to be made pursuant to this section shall not exceed \$7,750,000,000 outstanding at any one time."

Effective date.
12 USC 1723e
note.

(b) The amendment made by subsection (a) becomes effective upon the date of enactment of this Act and shall remain in effect for a period of one year following such date of enactment, except that it shall remain in effect after the expiration of such period to the extent necessary (1) to honor commitments to purchase mortgages issued prior to the expiration of such period, and (2) to provide for the liquidation of assets and discharge of liabilities acquired or incurred prior to the expiration of such period.

AMENDMENTS TO OTHER LAWS

12 USC 1703.

SEC. 4. (a) The National Housing Act is amended as follows:

(1) The first sentence of section 2(a) of such Act is amended by inserting before the period at the end thereof the following: "; and for the purpose of financing the preservation of historic structures, and, as used in this section, the term 'historic structures' means residential structures which are registered in the National Register of Historic Places or which are certified by the Secretary of the Interior to conform to National Register criteria; and the term 'preservation' means restoration or rehabilitation undertaken for such purposes as are approved by the Secretary in regulations issued by him, after consulting with the Secretary of the Interior".

"Historic structures."

"Preservation."

(2) Section 2(b) of such Act is amended by adding at the end thereof the following new paragraph:

“A loan financing the preservation of a historic structure shall—

“(1) involve an amount not exceeding \$15,000 per family unit;

and

“(2) have a maturity not exceeding fifteen years and thirty-two days.”.

(b) Section 203 of the National Housing Act is amended by adding at the end thereof the following:

Cooperative housing projects, mortgage insurance.

“(n) (1) The Secretary is authorized to insure under this section any mortgage meeting the requirements of subsection (b) of this section, except as modified by this subsection. To be eligible, the mortgage shall involve a dwelling unit in a cooperative housing project which is covered by a blanket mortgage insured under this Act. The mortgage amount as determined under the other provisions of subsection (b) of this section shall be reduced by an amount equal to the portion of the unpaid balance of the blanket mortgage covering the project which is attributable (as of the date the mortgage is accepted for insurance) to such unit.

12 USC 1709.

“(2) For the purpose of this subsection—

Definitions.

“(A) The terms ‘home mortgage’ and ‘mortgage’ include a first lien given (in accordance with the laws of the State where the property is located and accompanied by such security and other undertakings as may be required under regulations of the Secretary) to secure a loan made to finance the purchase of stock or membership in a nonprofit cooperative ownership housing corporation the permanent occupancy of the dwelling units of which is restricted to members of such corporation, where the purchase of such stock or membership will entitle the purchaser to the permanent occupancy of one of such units.

“(B) The terms ‘appraised value of the property’, ‘value of the property’, and ‘value’ include the appraised value of a dwelling unit in a cooperative housing project of the type described in subparagraph (A) where the purchase of the stock or membership involved will entitle the purchaser to the permanent occupancy of that unit; and the term ‘property’ includes a dwelling unit in such a cooperative project.

“(C) The term ‘mortgagor’ includes a person or persons giving a first lien (of the type describe in subparagraph (A)) to secure a loan to finance the purchase of stock or membership in a cooperative housing corporation.”

(c) Section 10(b) of the Federal Home Loan Bank Act (12 U.S.C. 1430(b)), as amended, is amended by striking the dollar figure “\$40,000” and inserting in lieu thereof “\$55,000 (except that with respect to dwellings in Alaska, Guam, and Hawaii the foregoing limitation may, by regulation of the Board, be increased by not to exceed 50 per centum)”.

Home mortgages used as security.

(d) Section 5(c) of the Home Owners’ Loan Act of 1933 (12 U.S.C. 1464(c)), as amended, is amended by adding in the nineteenth paragraph thereof after the phrase “section 401(d)” the following phrase: “or section 408(a)”.

(e) Section 5 of Public Law 93-387 is amended to read: “The Council shall report to the President, and through him to the Congress, on a quarterly basis and not later than thirty days after the close of each calendar quarter, concerning its activities, findings, and recommendations with respect to the containment of inflation and the maintenance of a vigorous and prosperous peacetime economy.”.

Ante, p. 751.
12 USC 1904
note.

FEDERAL RESERVE ACT AMENDMENT

Time notes, ad-
vances,
12 USC 347b.

SEC. 5. Section 10(b) of the Federal Reserve Act is amended by adding the following at the end thereof:

Interest rate.

"Notwithstanding the foregoing, any Federal Reserve bank, under rules and regulations prescribed by the Board of Governors of the Federal Reserve System, may make advances to any member bank on its time notes having such maturities as the Board may prescribe and which are secured by mortgage loans covering a one-to-four family residence. Such advances shall bear interest at a rate equal to the lowest discount rate in effect at such Federal Reserve bank on the date of such note."

Approved October 18, 1974.

Public Law 93-450

JOINT RESOLUTION

October 18, 1974
[S. J. Res. 251]

To extend the authority of the Export-Import Bank of the United States.

Ante, p. 1166.

12 USC 635f
note.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 of the Export-Import Bank Act of 1945 is amended by striking out "October 15, 1974" and inserting in lieu thereof "November 30, 1974": Provided, however, That the Bank shall not authorize any financial assistance to the Union of Soviet Socialist Republics during the life of this resolution.

Approved October 18, 1974.

Public Law 93-451

AN ACT

October 18, 1974
[S. 283]

To declare that the United States holds in trust for the Bridgeport Indian Colony certain lands in Mono County, California.

Bridgeport
Indian Colony,
Calif.
Lands in trust.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all of the right, title, and interest of the United States in the following described public domain land located in Mono County, California, are hereby declared to be held by the United States in trust for the Bridgeport Indian Colony:

The southeast quarter of the northeast quarter of section 28, township 5 north, range 25 east, Mount Diablo base and meridian, Mono County, California, containing forty acres more or less.
Provided further, That said parcel shall be subject to the easement to the Bridgeport Public Utility District for a sewer main.

Approved October 18, 1974.