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The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 1604), as amended, was considered read the third time, and passed.

TELEMARKETING FRAUD PREVENTION ACT OF 1997

Mr. SESSIONS. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of calendar No. 206, H.R. 1847.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 1847) to improve the criminal law relating to fraud against consumers.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Telemarketing Fraud Prevention Act of 1997".

SEC. 2. CRIMINAL FORFEITURE OF FRAUD PROCEEDS.

Section 982 of title 18, United States code, is amended—

(1) in subsection (a)—

(A) by redesignating the second paragraph designated as paragraph (6) as paragraph (7); and

(B) by adding at the end the following:

"(8) The Court, in sentencing a defendant convicted of an offense under section 1028, 1029, 1341, 1342, 1343, or 1344, or of a conspiracy to commit such an offense, if the offense involves telemarketing (as that term is defined in section 2325), shall order that the defendant forfeit to the United States any real or personal property—

"(A) used or intended to be used to commit, to facilitate, or to promote the commission of such offense; and

"(B) constituting, derived from, or traceable to the gross proceeds that the defendant obtained directly or indirectly as a result of the offense."; and

(2) in subsection (b)(1)(A), by striking "(a)(1) or (a)(6)" and inserting "(a)(1), (a)(6), or (a)(8)".

SEC. 3. PENALTY FOR TELEMARKETING FRAUD.

Section 2326 of title 18, United States Code, is amended by striking "may" each place it appears and inserting "shall".

SEC. 4. ADDITION OF CONSPIRACY OFFENSES TO SECTION 2326 ENHANCEMENT.

Section 2326 of title 18, United States Code, is amended by inserting ", or a conspiracy to commit such an offense," after "or 1344".

SEC. 5. CLARIFICATION OF MANDATORY RESTITUTION.

Section 2327 of title 18, United States Code, is amended—

(1) in subsection (a), by striking "for any offense under this chapter" and inserting "to all victims of any offense for which an enhanced penalty is provided under section 2326"; and

(2) by striking subsection (c) and inserting the following:

"(c) VICTIM DEFINED.—In this section, the term 'victim' has the meaning given that term in section 3663A(a)(2).".

SEC. 6. AMENDMENT OF FEDERAL SENTENCING GUIDELINES.

(a) DEFINITION OF TELEMARKETING.—In this section, the term "telemarketing" has the meaning given that term in section 2326 of title 18, United States Code.

(b) DIRECTIVE TO SENTENCING COMMISSION.—Pursuant to its authority under section 994(p) of title 28, United States Code, and in accordance with this section, the United States Sentencing Commission shall—

(1) promulgate Federal sentencing guidelines or amend existing sentencing guidelines (and policy statements, if appropriate) to provide for substantially increased penalties for persons convicted of offenses described in section 2326 of title 18, United States Code, as amended by this Act, in connection with the conduct of telemarketing;

(2) submit to Congress an explanation of each action taken under paragraph (1) and any additional policy recommendations for combating the offenses described in that paragraph.

(c) REQUIREMENTS.—In carrying out this section, the Commission shall—

(1) ensure that the guidelines and policy statements promulgated or amended pursuant to subsection (b)(1) and any recommendations submitted thereunder reflect the serious nature of the offenses;

(2) provide an additional appropriate sentencing enhancement if offense involved sophisticated means, including but not limited to sophisticated concealment efforts, such as perpetrating the offense from outside the United States;

(3) provide an additional appropriate sentencing enhancement for cases in which a large number of vulnerable victims, including but not limited to victims described in section 2326(2) of title 18, United States Code, are affected by a fraudulent scheme or schemes;

(4) ensure that guidelines and policy statements promulgated or amended pursuant to subsection (b)(1) are reasonably consistent with other relevant statutory directives to the Commission and with other guidelines;

(5) account for any aggravating or mitigating circumstances that might justify upward or downward departures;

(6) ensure that the guidelines adequately meet the purposes of sentencing as set forth in section 3553(a)(2) of title 18, United States Code; and

(7) take any other action the Commission considers necessary to carry out this section.

(d) EMERGENCY AUTHORITY.—The Commission shall promulgate the guidelines or amendments provided for under this subsection as soon as practicable, and in any event not later than 120 days after the date of enactment of the Telemarketing Fraud Prevention Act of 1997, in accordance with the procedures set forth in section 21(a) of the Sentencing Reform Act of 1987, as though the authority under that authority had not expired, except that the Commission shall submit to Congress the emergency guidelines or amendments promulgated under this section, and shall set an effective date for those guidelines or amendments not earlier than 30 days after their submission to Congress.

AMENDMENT NO. 1628

(Purpose: To prohibit false advertising or misuse of a name to indicate the United States Marshals Service)

Mr. SESSIONS. Mr. President, I send an amendment to the desk on behalf of Mr. LEAHY and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Alabama [Mr. SESSIONS], for Mr. LEAHY, proposes an amendment numbered 1628.

Mr. SESSIONS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . FALSE ADVERTISING OR MISUSE OF NAME TO INDICATE UNITED STATES MARSHALS SERVICE.

Section 709 of title 18, United States Code, is amended by inserting after the thirteenth undesignated paragraph the following:

"Whoever, except with the written permission of the Director of the United States Marshals Service, knowingly uses the words 'United States Marshals Service', 'U.S. Marshals Service', 'United States Marshal', 'U.S. Marshal', 'U.S.M.S.' or any colorable imitation of any such words, or the likeness of the United States Marshals Service badge, logo, or insignia on any item of apparel, in connection with any advertisement, circular, book, pamphlet, software, or other publication, or any play, motion picture, broadcast, telecast, or other production, in a manner that is reasonably calculated to convey the impression that the wearer of the item of apparel is acting pursuant to the legal authority of the United States Marshals Service, or to convey the impression that such advertisement, circular, book, pamphlet, software, or other publication, or such play, motion picture, broadcast, telecast, or other production, is approved, endorsed, or authorized by the United States Marshals Service;".

Mr. LEAHY. Mr. President, I am glad to support this measure with my amendment to prevent the misuse of the name and likeness of the U.S. Marshals Service.

The U.S. Marshals Service is the Nation's oldest Federal law enforcement agency. Since 1789, U.S. marshals have served the country through a variety of vital law enforcement activities, such as the protection of Federal judicial officials, the apprehension of Federal fugitives, and the transportation of Federal prisoners. Today, approximately 4,000 deputy U.S. marshals and career employees perform these important services across the Nation. I receive frequent reports about the day-to-day activities of the Service from Vermont's U.S. marshal, Jack Rouille, who has been a model public servant and has been a linchpin of coordination for Federal and local law enforcement agencies in Vermont.

The amendment I have offered will assist the Marchals Service by amending 18 U.S.C. 709—the part of the U.S. Code that deals with misuse of names to indicate Federal agencies—to include the Marshals Service among the Federal agencies whose name and likeness are protected from imitation on items of apparel or in connection with any commercial enterprise.

At present, the name and likeness of many other Federal law enforcement agencies are protected under law. For instance, the name and likeness of the Federal Bureau of Investigation [FBI], Secret Service, and Drug Enforcement Agency [DEA] are protected under 18 u.S.C. 709. Moreover, the name and likeness of several non-law enforcement agencies are protected under law. For example, the name and likeness of the Federal Deposit Insurance Corporation, the National Credit Union, the Federal Home Loan Bank, the Overseas Private Investment Corporation, and

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The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. SESSIONS. I ask unanimous consent that the bill be deemed read the third time, and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill appear at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1511) was deemed read the third time, and passed, as follows:

S. 1511

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

SECTION 1. CLARIFICATION OF AUTHORITY.

(a) CLARIFICATION.—Section 3165 of the National Defense Authorization Act of Fiscal Year 1998 is amended—

(1) in subsection (b)(1), by striking out "under the jurisdiction" and all that follows through "Los Alamos National Laboratory" and inserting in lieu thereof "under the jurisdiction or administrative control of the Secretary at or in the vicinity of Los Alamos National Laboratory"; and

(2) in subsection (e), by striking out ", the Secretary of the Interior" and all that follows through the end and inserting in lieu thereof "but not later than 90 days after the submittal of the report under subsection (d)(1)(C), the County and the Pueblo shall submit to the Secretary an agreement between the County and the Pueblo which allocates between the County and the Pueblo the parcels identified for conveyance or transfer under subsection (b).".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as if included in the provisions of section 3165 of the National Defense Authorization Act for Fiscal Year 1998 to which such amendments relate.

ELIGIBLE TELECOMMUNICATIONS CARRIERS ACT OF 1997

Mr. SESSIONS. I ask unanimous consent that the Senate now proceed to the consideration of calendar No. 289, S. 1354.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1354) to amend the Communications Act of 1934 to provide for the designation of common carriers not subject to the jurisdiction of a State commission as eligible telecommunications carriers.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. SESSIONS. Mr. President, I ask unanimous consent that the bill be considered read the third time, and passed, the motion to reconsider laid upon the table, and that any statements relating to the bill appear at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1354) was considered read the third time, and passed, as follows:

S. 1354

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

SECTION 1. AMENDMENT OF COMMUNICATIONS ACT OF 1934.

Section 214(e) of the Communications Act of 1934 (47 U.S.C. 214(e)) is amended—

(1) by striking "(2) or (3)" in paragraph (1) and inserting "(2), (3), or (6)";

(2) by striking "interstate services," in paragraph (3) and inserting "interstate services or an area served by a common carrier to which paragraph (6) applies,";

(3) by inserting "(or the Commission in the case of a common carrier designated under paragraph (6))" in paragraph (4) after "State commission" each place such term appears;

(4) by inserting "(or the Commission under paragraph (6))" in paragraph (5) after "State commission"; and

(5) by inserting after paragraph (5) the following:

"(6) COMMON CARRIERS NOT SUBJECT TO STATE COMMISSION JURISDICTION.—In the case of a common carrier providing telephone exchange service and exchange access that is not subject to the jurisdiction of a State commission, the Commission shall upon request designate such a common carrier that meets the requirements of paragraph (1) as an eligible telecommunications carrier for a service area designated by the Commission consistent with applicable federal and State law. Upon request and consistent with the public interest, convenience and necessity, the Commission may, with respect to an area served by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an eligible telecommunications carrier for a service area designated under this paragraph, so long as each additional requesting carrier meets the requirements of paragraph (1). Before designating an additional eligible telecommunications carrier for an area served by a rural telephone company, the Commission shall find that the designation is in the public interest.".

DISTRIBUTION OF JUDGMENT FUNDS OF THE OTTAWA AND CHIPPEWA INDIANS OF MICHIGAN

Mr. SESSIONS. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 1604 just received from the House.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 1604) to provide for the division, use, and distribution of judgment funds of the Ottawa and Chippewa Indians of Michigan, pursuant to dockets 18–E, 58, 364, and 18–R before the Indian Claims Commission.

AMENDMENTS NOS. 1625 AND 1627, EN BLOC

Mr. SESSIONS. Mr. President, I send two amendments, en bloc, to the desk on behalf of Mr. MURKOWSKI and Mr. INOUYE and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alabama [Mr. SESSIONS], for Mr. MURKOWSKI and Mr. INOUYE, proposes amendments numbered 1625 and 1627, en bloc.

Mr. SESSIONS. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 1625

(Purpose: To limit the number of health care contracts and compacts that the Indian Health Service may execute for the Ketchikan Gateway Borough)

At the appropriate place, insert:

SECTION 1. FINDINGS.

Congress finds that—

(1) the execution of more than 1 contract or compact between an Alaska native village or regional or village corporation in the Ketchikan Gateway Borough and the Secretary to provide for health care services in an area with a small population leads to duplicative and wasteful administrative costs; and

(2) incurring the wasteful costs referred to in paragraph (1) leads to decrease in the quality of health care that is provided to Alaska Natives in an affected area.

SECTION 2. DEFINITIONS.

In this Act:

(1) ALASKA NATIVE.—The term "Alaska Native" has the meaning given the term "Native" in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)).

(2) ALASKA NATIVE VILLAGE OR REGIONAL OR VILLAGE CORPORATION.—The term "Alaska native village or regional or village corporation" means an Alaska native village or regional or village corporation defined in, or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.).

(3) CONTRACT; COMPACT.—The terms "contract" and "compact" mean a self-determination contract and a self-governance compact as these terms are defined in the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et. seq.).

(4) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

SEC. 3. LIMITATION.

(a) IN GENERAL.—The Secretary shall take such action as may be necessary to ensure that, in considering a renewal of a contract or compact, or signing of a new contract or compact for the provision of health care services in the Ketchikan Gateway Borough, there will be only one contract or compact in effect.

(b) CONSIDERATION.—In any case in which the Secretary, acting though the Director of the Indian Health Service, is required to select from more than 1 application for a contract or compact described in subsection (a), in awarding the contract or compact, the Secretary shall take into consideration—

(1) the ability and experience of the applicant;

(2) the potential for the applicant to acquire and develop the necessary ability; and

(3) the potential for growth in the health care needs of the covered borough.

AMENDMENT NO. 1627

(Purpose: To provide for a technical correction to Section 2 concerning the Sault Ste. Marie)

On page 2, line 7, of Section 2, delete the word "Tribe" and insert the word "Band".

The PRESIDING OFFICER. The question is on agreeing to the amendments, en bloc.

The amendments (Nos. 1625 and 1627) were agreed to.

Mr. SESSIONS. Mr. President, I ask unanimous consent that the bill, as amended, be considered read the third time, and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed in the RECORD at the appropriate place.

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the U.S. Mint, to name a few, are protected under 18 U.S.C. 709.

The lack of protection for the Marshals Service has generated serious security concerns. At a minimum, the public may be falsely lead to believe that the Marshals Service approves or endorses an unauthorized product. Even more problematic is the possibility that unauthorized individuals may wear apparel to look like marshals to effectuate criminal purposes or to gain undesired access to secured areas such as courtrooms or witness security facilities.

Recent cases highlight the need for this amendment:

In 1994, an individual dressed in full marshal "swat team" apparel and in possession of a loaded weapon made a series of presentations to a group of students at a local high school in Virginia.

An organization known as the United States Marshals and Peace Officers Association of America markets home security systems. Its advertisements use a replica of the Marshals Service badge, implying government endorsement of the organization and its product. The organization is not endorsed or authorized by the Marshals Service.

A Texas company offers bullet-resistant panels as an alternative home protection system. The company advertises that these bullet-proof panels are approved by the Marshals Service. This product is not officially endorsed by the Marshals Service.

While the amendment that I am introducing would protect the Marshals Service against these illegitimate uses of its name and likeness, the amendment is purposely limited in its scope. Specifically, this amendment would not prevent the use of the name or likeness in those instances where the use would not be reasonably calculated to convey the impression that either, first, the wearer of the item of apparel with the name or likeness is acting pursuant to legal authority; or, second, the use is approved, endorsed, or authorized by the Marshals Service.

Thus, for example, there was a case brought before the Patent Office Trademark Trial and Appeal Board in 1971 in which a French clothing manufacturer used the initials FBI in conjunction with the words "Fabrication Bril International" on clothing. The Trial and Appeal Board ruled that the law did not create an absolute prohibition against the use of the initials FBI, but was applicable only in those cases in which the initials were used in a manner reasonably calculated to convey a mistaken impression that the item of clothing was approved, endorsed, or authorized by the FBI. In that case, the Board ruled, there was little chance that anyone would think that the clothing was approved, endorsed, or authorized by the FBI, hence there was no violation of the statute.

In a case of political satire, the use of the Marshals Service name or likeness would almost always be permissible. In such instances, there would be little chance that any reasonable person would think that the satirist was acting pursuant to legal authority. This amendment should not interfere with the Capitol Steps or other satirists. As the court stated in Cliff Notes versus Bantam Doubleday Dell Pub. Group in 1989, trademark law courts have uniformly ruled that noncommercial parodies and satires do not infringe legitimate trademarks because there is little chance of confusion as to sponsorship.

Allowing unauthorized individuals to pose as Marshals Service officials or allowing unauthorized individuals to use the name in a manner that mistakenly conveys the impression that the use is sanctioned by the Marshals Service is an affront to those who legitimately and nobly serve under its banner and wear its badge. For this reason, I am delighted that the Senate has accepted this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1628) was agreed to.

AMENDMENT NO. 1629

(Purpose: To combat telemarketing fraud through reasonable disclosure of certain records for telemarketing investigations)

Mr. SESSIONS. Mr. President, I send an amendment to the desk on behalf of Mr. HARKIN and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Alabama [Mr. SESSIONS], for Mr. HARKIN, proposes an amendment numbered 1629.

Mr. SESSIONS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, add the following:

SEC. . DISCLOSURE OF CERTAIN RECORDS FOR INVESTIGATIONS OF TELEMARKETING FRAUD.

Section 2703(c)(1)(B) of title 18, United States Code, is amended—

(1) by striking out "or" at the end of clause (ii);

(2) by striking out the period at the end of clause (iii) and inserting in lieu thereof "; or"; and

(3) by adding at the end the following:

"(iv) submits a formal written request relevant to law enforcement investigation concerning telemarketing fraud for the name, address, and place of business of a subscriber or customer of such provider, which subscriber or customer is engaged in telemarketing (as such term is in section 2325 of this title.".

Mr. HARKIN. Mr. President, Every year thousands of Americans are victimized by fraudulent telemarketing promotions. And, unfortunately, these scam artists prey most often on our senior citizens. The losses every year are estimated to be in the billions of dollars. My amendment will help law enforcement to more effectively combat these abuses.

Today, it's all to easy for telemarketing rip-off artists to profit from the current system. How do these rip-offs occur? Advertisements regarding sweepstakes, contests, loans, credit reports and other promotions appear in newspapers, magazines, and other direct mail and telephone solicitations. The operators of many of these phoney promotions set up telephone boiler rooms for a few months in which a number of phones are operated to receive calls responding to their ads. They steal thousands—even millions—of dollars from innocent victims and then they simply disappear. They take the money and run—moving on to another location to start all over again.

Here's just one example. Not too long ago, 30,000 Iowans received postcards from an organization calling itself Sweepstakes International, Inc. The postcard enticed recipients to call a 900-number and they were charged $9.95 on their phone bill.

Based on a Postal Service investigation, civil action was initiated in U.S. District Court in Iowa. As a result, the promotion was halted and $1.7 million was frozen. This represented just one and a half month's revenue from the scam!

My amendment will protect telemarketing victims by providing law enforcement the authority to more quickly obtain the name, address, and physical location of businesses suspected of telemarketing fraud. Phone companies would have to provide law enforcement officials ONLY the name, address and physical location of a telemarketing business holding a phone number if the officials submitted a formal written request for this information relevant to a legitimate law enforcement investigation. It will make it easier for officers to identify and locate these operations. This is similar to the procedure that is already in place for post office box investigations.

Mr. President, it is necessary to crack down on serious consumer fraud. With this change, we will have many more successful efforts to shut down these rip-off artists like several recent cases in my home state of Iowa.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1629) was agreed to.

Mr. SESSIONS. Mr. President, I ask unanimous consent that the committee substitute be agreed to, the bill be considered read the third time, and passed, as amended, the motion to reconsider be laid upon the table, and that any statements relating to the bill appear at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment was agreed to.

The bill (H.R. 1847), as amended, was considered read the third time, and passed.

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MAKING FURTHER CONTINUING APPROPRIATIONS FOR THE FISCAL YEAR 1998

Mr. SESSIONS. Mr. President, I ask unanimous consent that when the Senate receives House Joint Resolution 104 regarding continuing funding for the Government, that the joint resolution be considered read a third time and passed, the motion to reconsider be laid upon the table, and Senator ENZI be authorized to sign enrolled legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

A joint resolution (H.J. Res. 104) making further continuing appropriations for the fiscal year 1998, and for other purposes.

The PRESIDING OFFICER. The joint resolution is passed. The joint resolution (H.J. Res. 104) was read the third time and passed.

MEASURE READ THE FIRST TIME—H.R. 2513

Mr. SESSIONS. Mr. President, I understand that H.R. 2513 is at the desk, and I now ask for its first reading.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2513) to amend the Internal Revenue Code of 1986 to restore and modify the provision of the Taxpayer Relief Act of 1997 relating to exempting active financing income from foreign personal holding company and to provide for the nonrecognition of gain on the sale of stock in agricultural processors to certain farmers' cooperatives, and for other purposes.

Mr. SESSIONS. I now ask for its second reading, and object to my own request on behalf of the other side of the aisle.

The PRESIDING OFFICER. Objection is heard.

SENIOR CITIZEN HOME EQUITY PROTECTION ACT

Mr. SESSIONS. President, I ask the Chair lay before the Senate a message from the House of Representatives on (S. 562) to amend section 255 of the National Housing Act of to prevent the funding of unnecessary or excessive costs for obtaining a home equity conversion mortgage.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 562) entitled "An Act to amend section 255 of the National Housing Act to prevent the funding of unnecessary or excessive costs for obtaining a home equity conversion mortgage.", do pass with the following amendments:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Housing Programs Extension Act of 1997".

TITLE I—SENIOR CITIZEN HOME EQUITY PROTECTION

SEC. 101. SHORT TITLE.

This title may be cited as the "Senior Citizen Home Equity Protection Act".

SEC. 102. DISCLOSURE REQUIREMENTS; PROHIBITION OF FUNDING OF UNNECESSARY OR EXCESSIVE COSTS.

Section 255(d) of the National Housing Act (12 U.S.C. 1715z–20(d)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (B), by striking "and" at the end;

(B) by redesignating subparagraph (C) as subparagraph (D); and

(C) by inserting after subparagraph (B) the following:

"(C) has received full disclosure of all costs to the mortgagor for obtaining the mortgage, including any costs of estate planning, financial advice, or other related services; and";

(2) in paragraph (9)(F), by striking "and";

(3) in paragraph (10), by striking the period at the end and inserting "; and"; and

(4) by adding at the end the following:

"(11) have been made with such restrictions as the Secretary determines to be appropriate to ensure that the mortgagor does not fund any unnecessary or excessive costs for obtaining the mortgage, including any costs of estate planning, financial advice, or other related services.".

SEC. 103. IMPLEMENTATION.

(a) NOTICE.—The Secretary of Housing and Urban Development shall, by interim notice, implement the amendments made by section 102 in an expeditious manner, as determined by the Secretary. Such notice shall not be effective after the date of the effectiveness of the final regulations issued under subsection (b).

(b) REGULATIONS.—The Secretary shall, not later than the expiration of the 90-day period beginning on the date of the enactment of this Act, issue final regulations to implement the amendments made by section 102. Such regulations shall be issued only after notice and opportunity for public comment pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (a)(2) and (b)(B) of such section).

TITLE II—TEMPORARY EXTENSION OF PUBLIC HOUSING AND SECTION 8 RENTAL ASSISTANCE PROVISIONS

SEC. 201. PUBLIC HOUSING CEILING RENTS AND INCOME ADJUSTMENTS AND PREFERENCES FOR ASSISTED HOUSING.

Section 402(f) of The Balanced Budget Downpayment Act, I (42 U.S.C. 1437aa note) is amended by striking "and 1997" and inserting ", 1997, and 1998".

SEC. 202. PUBLIC HOUSING DEMOLITION AND DISPOSITION.

Section 1002(d) of the Emergency Supplemental Appropriations for Additional Disaster Assistance, for Anti-terrorism Initiatives, for Assistance in the Recovery from the Tragedy that Occurred at Oklahoma City, and Rescissions Act, 1995 (42 U.S.C. 1437c note) is amended by striking "September 30, 1997" and inserting "September 30, 1998".

SEC. 203. PUBLIC HOUSING FUNDING FLEXIBILITY AND MIXED-FINANCE DEVELOPMENTS.

Section 201(a)(2) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (as contained in section 101(e) of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104–134)) (42 U.S.C. 1437l note) is amended by striking "fiscal year 1997" and inserting "fiscal year 1998".

SEC. 204. MINIMUM RENTS.

Section 402(a) of The Balanced Budget Downpayment Act, I (Public Law 104–99; 110 Stat. 40) is amended in the matter preceding paragraph (1) by striking "fiscal year 1997" and inserting "fiscal years 1997 and 1998".

SEC. 205. PROVISIONS RELATING TO SECTION 8 RENTAL ASSISTANCE PROGRAM.

(a) TAKE-ONE-TAKE-ALL, NOTICE REQUIREMENTS, AND ENDLESS LEASE PROVISIONS.—Section 203(d) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (as contained in section 101(e) of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104–134)) (42 U.S.C. 1437f note) is amended by striking "and 1997" and inserting ", 1997, and 1998".

(b) FAIR MARKET RENTALS.—The first sentence of section 403(a) of The Balanced Budget Downpayment Act, I (Public Law 104–99; 110 Stat. 43) is amended by striking "fiscal year 1997" and inserting "fiscal years 1997 and 1998".

TITLE III—REAUTHORIZATION OF FEDERALLY ASSISTED MULTIFAMILY RENTAL HOUSING PROVISIONS

SEC. 301. MULTIFAMILY HOUSING FINANCE PILOT PROGRAMS.

Section 542 of the Housing and Community Development Act of 1992 (12 U.S.C. 1707 note) is amended—

(1) in subsection (b)(5), by inserting before the period at the end of the first sentence the following: ", and not more than an additional 15,000 units during fiscal year 1998"; and

(2) in the first sentence of subsection (c)(4)—

(A) by striking "and" and inserting a comma; and

(B) by inserting before the period at the end the following: ", and not more than an additional 15,000 units during fiscal year 1998".

SEC. 302. HUD DISPOSITION OF MULTIFAMILY HOUSING.

Section 204 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (12 U.S.C. 1715z–11a) is amended by inserting after "owned by the Secretary" the following: ", including the provision of grants and loans from the General Insurance Fund for the necessary costs of rehabilitation or demolition,".

SEC. 303. MULTIFAMILY MORTGAGE AUCTIONS.

Section 221(g)(4)(C) of the National Housing Act (12 U.S.C. 1715l(g)(4)(C)) is amended—

(1) in the first sentence of clause (viii), by striking "September 30, 1996" and inserting "December 31, 2005"; and

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

"(ix) Subject to the limitation in clause (x), the costs of any multifamily auctions under this subparagraph occurring during any fiscal year shall be paid from amounts in the General Insurance Fund established under section 519.

"(x) This authority of the Secretary to conduct multifamily auctions under this subparagraph shall be effective for any fiscal year only to the extent or in such amounts that amounts in the General Insurance Fund are or have been approved in appropriation Acts for costs of such auctions occurring during such fiscal year.".

SEC. 304. INTEREST REDUCTION PAYMENTS IN CONNECTION WITH SALES OF SECTION 236 MORTGAGES HELD BY HUD.

Section 236 of the National Housing Act (12 U.S.C. 1715z–1) is amended—

(1) in the first sentence of subsection (b), by inserting before the colon at the end of the first proviso the following: "and when the mortgage is assigned or otherwise transferred to a subsequent holder or purchaser (including any successors and assignees)"; and

(2) in subsection (c)—

(A) by inserting "(1)" after the subsection designation; and

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

"(2)(A) The Secretary may continue to make interest reduction payments to the holder or purchaser (including any successors and assignees) of a mortgage formerly held by the Secretary upon such terms and conditions as the Secretary may determine. In exercising the authority under the preceding sentence, upon cancellation of any contract for such interest reduction payments as a result of foreclosure or transfer of a deed in lieu of foreclosure, any

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