

106TH CONGRESS
2D SESSION

S. 2714

To amend the Internal Revenue Code of 1986 to provide a higher purchase price limitation applicable to mortgage subsidy bonds based on median family income.

IN THE SENATE OF THE UNITED STATES

JUNE 13, 2000

Mrs. LINCOLN (for herself, Mr. HATCH, Mr. HUTCHINSON, Mr. JEFFORDS, and Mr. BREAU) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide a higher purchase price limitation applicable to mortgage subsidy bonds based on median family income.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. INCREASE IN PURCHASE PRICE LIMITATION**
4 **UNDER MORTGAGE SUBSIDY BOND RULES**
5 **BASED ON MEDIAN FAMILY INCOME.**

6 (a) IN GENERAL.—Paragraph (1) of section 143(e)
7 of the Internal Revenue Code of 1986 (relating to pur-
8 chase price requirement) is amended to read as follows:

1 “(1) IN GENERAL.—An issue meets the require-
2 ments of this subsection only if the acquisition cost
3 of each residence the owner-financing of which is
4 provided under the issue does not exceed the greater
5 of—

6 “(A) 90 percent of the average area pur-
7 chase price applicable to the residence, or

8 “(B) 3.5 times the applicable median fam-
9 ily income (as defined in subsection (f)(4)).”.

10 (b) EFFECTIVE DATE.—The amendment made by
11 this section shall apply to obligations issued after the date
12 of the enactment of this Act.

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