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(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R.

To prohibit Community Development Block Grant funding and Federal mortgage support in municipalities that allow squatting.

IN THE HOUSE OF REPRESENTATIVES

Mr. LAWLER introduced the following bill; which was referred to the Committee on _____

A BILL

To prohibit Community Development Block Grant funding and Federal mortgage support in municipalities that allow squatting.

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. SHORT TITLE.**

4 This Act may be cited as the “The Protecting Home-
5 owners from Squatters Act”.

6 **SEC. 2. COMBATTING SQUATTING.**

7 (a) CONGRESSIONAL FINDINGS.—The Congress finds
8 that—

1 (1) unlawfully entering a property without the
2 permission of the property owner and residing in
3 that property for consecutive days without the per-
4 mission of the property owner and without the pay-
5 ment of rent or a rental contract agreed to by the
6 property owner can be defined as “squatting” and
7 should not confer any special status as a tenant or
8 lawful occupant of the property;

9 (2) local law enforcement should take actions to
10 expeditiously remove from a property any persons or
11 persons engaging in squatting and should prosecute
12 such actions as prescribed by local law;

13 (3) Federal Government benefits, including
14 loans, loan guarantees, subsidies, and tax credits,
15 should not be used to reinforce, condone, or other-
16 wise incentivize squatting; and

17 (4) real estate collateral securing a government
18 or government-sponsored enterprise loan, or subject
19 to a loan guarantee, mortgage insurance or other
20 Federal mortgage support program must be pro-
21 tected from persons engaging in squatting as it cre-
22 ates undue risks for the value of such property.

23 (b) PROHIBITION ON CDBG FUNDING.—Section 104
24 of the Housing and Community Development Act of 1974

1 (42 U.S.C. 5304) is amended by adding at the end the
2 following:

3 “(n) WITHHOLDING OF FUNDS FOR JURISDICTIONS
4 THAT PERMIT SQUATTING.—

5 “(1) PROHIBITION.—The Secretary shall, by
6 regulation—

7 “(A) prohibit the allocation and provision
8 of funds under this title for any unit of general
9 local government that permits squatting or con-
10 fers special status for rights of tenancy for a
11 person or persons engaging in the practice of
12 squatting; and

13 “(B) provide for—

14 “(i) units of general local government
15 to take corrective actions to remedy the
16 applicability of the prohibition under sub-
17 paragraph (A) to such unit of general local
18 government; and

19 “(ii) certification by the Secretary
20 upon a determination that such actions
21 taken by a unit of general local govern-
22 ment are sufficient for the unit of general
23 local government to receive funds under
24 this title.

1 “(2) PUBLIC NOTICE.—The Secretary shall
2 make publicly available for each fiscal year a list of
3 all units of general local government that are prohib-
4 ited by paragraph (1) from receiving funds under
5 this title and the justification for inclusion in the list
6 of each such unit of general local government.

7 “(3) SQUATTING.—For purposes of this sub-
8 section, the term ‘squatting’ means the practice of
9 entering a property without the permission of the
10 property owner and residing in that property for 10
11 or more consecutive days without the permission of
12 the property owner and without the payment of rent
13 or a rental contract agreed to by the property
14 owner.”.

15 (c) PROHIBITION ON FEDERAL MORTGAGE SUP-
16 PORT.—

17 (1) PROHIBITION.—No Federal support may be
18 provided for any loan that is secured by a first or
19 subordinate lien on residential real property (includ-
20 ing individual units of condominiums and coopera-
21 tives) and designed principally for the occupancy of
22 from 1- to 4-families if the property securing such
23 loan is located in a unit of general local government
24 that is, at such time, prohibited from receiving funds
25 under title I of the Housing and Community Devel-

1 opment Act of 1974 by section 104(n)(1)(A) of such
2 Act.

3 (2) REGULATIONS.—The heads of the covered
4 agencies shall jointly develop, by regulations issued
5 not later than 90 days after the date of the enact-
6 ment of this Act, guidelines for such covered agen-
7 cies to carry out this subsection.

8 (3) DEFINITIONS.—For purposes of this sub-
9 section, the following definitions shall apply:

10 (A) COVERED AGENCY.—The term “cov-
11 ered agency” means—

12 (i) the Department of Housing and
13 Urban Development;

14 (ii) the Federal Housing Finance
15 Agency;

16 (iii) the Department of Veterans Af-
17 fairs; and

18 (iv) the Department of Agriculture.

19 (B) FEDERAL SUPPORT.—The term “Fed-
20 eral support” means, with respect to a loan—

21 (i) insurance of the loan by the Fed-
22 eral Housing Administration under title II
23 of the National Housing Act (12 U.S.C.
24 1707 et seq.);

1 (ii) insurance of the loan under sec-
2 tion 255 of the National Housing Act (12
3 U.S.C. 1715z-20);

4 (iii) guarantee of the loan under sec-
5 tion 184 or 184A of the Housing and
6 Community Development Act of 1992 (12
7 U.S.C. 1715z-13a, 1715z-13b);

8 (iv) guarantee or insurance of the
9 loan by the Department of Veterans Af-
10 fairs;

11 (v) guarantee or insurance of the loan
12 by the Department of Agriculture;

13 (vi) making of the loan by the Depart-
14 ment of Agriculture; or

15 (vii) purchase or securitization of the
16 loan by the Federal Home Loan Mortgage
17 Corporation or the Federal National Mort-
18 gage Association.

19 (C) SQUATTING.—The term “squatting”
20 means the practice of entering a property with-
21 out the permission of the property owner and
22 residing in that property for 14 or more con-
23 secutive days without the permission of the
24 property owner and without the payment of

1 rent or a rental contract agreed to by the prop-
2 erty owner.