

98TH CONGRESS
2D SESSION

S. 2630

To amend the Solar Energy and Energy Conservation Bank Act to authorize appropriations for the provision of financial assistance through fiscal year 1990 and to provide financial assistance to builders of highly energy efficient buildings, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 3 (legislative day, APRIL 30), 1984

Mr. BYRD (for Mr. HART) (for himself, Mr. HATFIELD, Mr. CRANSTON, Mr. PELL, Mr. TSONGAS, Mr. LEVIN, Mr. SARBANES, and Mr. COHEN) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To amend the Solar Energy and Energy Conservation Bank Act to authorize appropriations for the provision of financial assistance through fiscal year 1990 and to provide financial assistance to builders of highly energy efficient buildings, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That this Act may be cited as the "Solar Energy and Energy
- 4 Conservation Bank Reauthorization Act of 1984".

1 TITLE I—REAUTHORIZATION OF BANK

2 EXTENSION OF BANK

3 SEC. 101. Section 505(a) of the Solar Energy and
4 Energy Conservation Bank Act (12 U.S.C. 3603(a)) is
5 amended by striking out “1987” and inserting in lieu thereof
6 “1990”.

7 PROVISION OF FINANCIAL ASSISTANCE

8 SEC. 102. Section 509 of the Solar Energy and Energy
9 Conservation Bank Act (12 U.S.C. 3607) is amended by
10 adding at the end thereof the following new subsections:

11 “(d) In making any payment to a financial institution to
12 provide financial assistance under subsection (a)(1)(B)(i), the
13 Bank shall provide that 25 percent of such payment may be
14 utilized only for financial assistance for the purchase and in-
15 stallation of solar energy systems of the active type.

16 “(e) The Board shall ensure an equitable distribution of
17 financial assistance under this subtitle between residential
18 buildings and multifamily residential buildings.

19 “(f) Each financial institution shall be permitted to apply
20 directly to the Bank for payments to provide financial assist-
21 ance under this subtitle and shall not be required to apply for
22 such payments through any State.”.

23 AUTHORIZATION OF APPROPRIATIONS

24 SEC. 103. Section 522(a) of the Solar Energy and
25 Energy Conservation Bank Act (12 U.S.C. 3620(a)) is
26 amended to read as follows:

“(a)(1) There are authorized to be appropriated to provide financial assistance under this subtitle for the purchase and installation of residential and commercial energy conserving improvements the following amounts: \$250,000,000 for fiscal year 1985, \$350,000,000 for fiscal year 1986, \$450,000,000 for fiscal year 1987, \$625,000,000 for fiscal year 1988, and \$875,000,000 for each of the fiscal years 1989 and 1990. Not more than 1 percent of the amount appropriated under this paragraph for any fiscal year may be used to carry out section 518.

“(2) There are authorized to be appropriated to provide financial assistance under this subtitle for the purchase and installation of solar energy systems the following amounts: \$50,000,000 for fiscal year 1985, \$100,000,000 for fiscal year 1986, \$200,000,000 for fiscal year 1987, \$300,000,000 for fiscal year 1988, and \$400,000,000 for each of the fiscal years 1989 and 1990. Not more than 1 percent of the amount appropriated under this paragraph for any fiscal year may be used to carry out section 518.”.

SECONDARY FINANCING ACTIVITIES OF BANK

SEC. 104. (a) Section 315(a) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723g(a)) is amended by striking out “Unless” and all that follows through “, the” and inserting in lieu thereof “The”.

(b) Section 316(a) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723h(a)) is amended by

1 striking out “Unless” and all that follows through “, the”
 2 and inserting in lieu thereof “The”.

3 TITLE II—FINANCIAL ASSISTANCE TO PROMOTE
 4 CONSTRUCTION OF HIGHLY ENERGY EFFI-
 5 CIENT BUILDINGS DEFINITION

6 SEC. 201. Section 504 of the Solar Energy and Energy
 7 Conservation Bank Act (12 U.S.C. 3602) is amended—

8 (1) by striking out “and” at the end of paragraph
 9 (10);

10 (2) by striking out the period at the end of para-
 11 graph (11) and inserting in lieu thereof “; and”; and

12 (3) by adding at the end thereof the following new
 13 paragraph:

14 “(12) the term ‘highly energy efficient building’
 15 means a residential building or multifamily residential
 16 building that utilizes not more than 40 percent of the
 17 energy utilized by a building of similar size that meets
 18 the cost-effective energy conservation standards re-
 19 ferred to in section 515(a)(3), excluding any contribu-
 20 tion made to the energy efficiency of such residential
 21 building or multifamily residential building by any solar
 22 energy system.”.

23 ADVISORY COMMITTEE

24 SEC. 202. Section 508(a) of the Solar Energy and
 25 Energy Conservation Bank Act (12 U.S.C. 3606(a)) is
 26 amended by inserting before the period at the end of the first

1 sentence the following: “and highly energy efficient
2 buildings”.

3 PROVISION OF FINANCIAL ASSISTANCE

4 SEC. 203. (a)(1) Section 509(a) of the Solar Energy and
5 Energy Conservation Bank Act (12 U.S.C. 3607(a)) is
6 amended by striking out “and 515” and inserting in lieu
7 thereof “515, and 515A”.

8 (2) Section 509(a)(1) of the Solar Energy and Energy
9 Conservation Bank Act (12 U.S.C. 3607(a)(1)) is amended—

10 (A) by striking out “and” at the end of subpara-
11 graph (A);

12 (B) by inserting “and” after the semicolon at the
13 end of subparagraph (B); and

14 (C) by adding at the end thereof the following
15 new subparagraph:

16 “(C) to builders of newly constructed or sub-
17 stantially rehabilitated highly energy efficient
18 buildings;”.

19 (b) Section 509(b) of the Solar Energy and Energy Con-
20 servation Bank Act (12 U.S.C. 3607(b)) is amended—

21 (1) by striking out “or” at the end of paragraph

22 (1);

23 (2) by striking out the period at the end of para-
24 graph (2) and inserting in lieu thereof “; or”; and

25 (3) by adding at the end thereof the following new
26 paragraph:

1 “(3) the expenditures for the new construction or
 2 substantial rehabilitation of highly energy efficient
 3 buildings, made using financial assistance provided
 4 under this subtitle, are made after the date of the en-
 5 actment of the Solar Energy and Energy Conservation
 6 Bank Reauthorization Act of 1984.”.

7 ESTABLISHING LEVELS OF FINANCIAL ASSISTANCE

8 SEC. 204. (a) Section 510(a) of the Solar Energy and
 9 Energy Conservation Bank Act (12 U.S.C. 3608(a)) is
 10 amended by striking out “and 512” and inserting in lieu
 11 thereof “512, and 512A”.

12 (b) Section 510(b) of the Solar Energy and Energy Con-
 13 servation Bank Act (12 U.S.C. 3608(b)) is amended—

14 (1) in paragraph (2), by inserting after “expendi-
 15 tures” the first place it appears the following: “, the
 16 new construction and substantial rehabilitation of
 17 highly energy efficient buildings,”;

18 (2) in paragraph (3), by inserting after “improve-
 19 ments,” the following: “the new construction and sub-
 20 stantial rehabilitation of highly energy efficient build-
 21 ings,”; and

22 (3) in paragraph (4)—

23 (A) by inserting “(A)” after “induce” the
 24 first place it appears;

25 (B) by striking out “and to induce” and in-
 26 serting in lieu thereof “; (B)”; and

(C) by adding before the period at the end thereof the following: “; and (C) the new construction and substantial rehabilitation of highly energy efficient buildings”.

MAXIMUM AMOUNTS OF FINANCIAL ASSISTANCE

SEC. 205. (a) The Solar Energy and Energy Conservation Bank Act (12 U.S.C. 3601 et seq.) is amended by inserting after section 512 the following new section:

“MAXIMUM AMOUNTS OF FINANCIAL ASSISTANCE FOR CONSTRUCTION OR SUBSTANTIAL REHABILITATION OF HIGHLY ENERGY EFFICIENT BUILDINGS

“SEC. 512A. (a) Subject to subsection (b), the maximum amount of financial assistance that may be provided under this subtitle to a builder of a newly constructed or substantially rehabilitated highly energy efficient building may not exceed—

“(1) \$2,500 in the case of a residential building with one dwelling unit, \$3,750 in the case of a residential building with 2 dwelling units, or \$5,000 in the case of a residential building with 3 or 4 dwelling units; or

“(2) in the case of a multifamily residential building, the sum of \$1,250 times the number of dwelling units in such building.

“(b) The amount of financial assistance provided under this subtitle to a builder of a newly constructed or substan-

1 tially rehabilitated highly energy efficient building shall vary
 2 by the extent to which such highly energy efficient building is
 3 estimated to utilize less energy than a building of similar size
 4 that meets the cost-effective energy conservation standards
 5 referred to in section 515(a)(3), excluding the contribution
 6 made to the energy efficiency of such highly energy efficient
 7 building by any solar energy system.”.

8 (b) The table of contents in the first section of the
 9 Energy Security Act is amended by inserting after the item
 10 relating to section 512 the following new item:

“Sec. 512A. Maximum amounts of financial assistance for construction or substan-
 tial rehabilitation of highly energy efficient buildings.”.

11 **GENERAL CONDITIONS ON FINANCIAL ASSISTANCE FOR**
 12 **LOANS**

13 **SEC. 206.** Section 513(4) of the Solar Energy and
 14 Energy Conservation Bank Act (12 U.S.C. 3611(4)) is
 15 amended—

16 (1) by striking out “or” the third place it appears;

17 (2) by inserting after “system,” the following: “or
 18 to newly construct or substantially rehabilitate a highly
 19 energy efficient building,”;

20 (3) by striking out “or” the last place it appears
 21 and inserting in lieu thereof a comma; and

22 (4) by inserting after “building,” the following:
 23 “or new construction or substantial rehabilitation of a
 24 highly energy efficient building,”.

1 SPECIFIC CONDITIONS ON FINANCIAL ASSISTANCE

2 SEC. 207. (a) The Solar Energy and Energy Conserva-
3 tion Bank Act (12 U.S.C. 3601 et seq.) is amended by insert-
4 ing after section 515 the following new section:

5 “CONDITIONS ON FINANCIAL ASSISTANCE FOR CONSTRUC-
6 TION OR SUBSTANTIAL REHABILITATION OF HIGHLY
7 ENERGY EFFICIENT BUILDINGS

8 “SEC. 515A. (a) In addition to the conditions contained
9 in section 513, financial assistance may be provided to a
10 builder under this subtitle for the new construction or sub-
11 stantial rehabilitation of a highly energy efficient building
12 only if—

13 “(1) the term of repayment of the loan does not
14 exceed 30 years in the case of a residential building, or
15 40 years in the case of a multifamily residential build-
16 ing; and

17 “(2) the Board establishes a procedure that pre-
18 vents the purchaser (who buys the building from the
19 builder) of a highly energy efficient building for which
20 a builder received financial assistance under this sub-
21 title from receiving additional assistance under this
22 subtitle with respect to any residential energy conserv-
23 ing improvement included in such building by the
24 builder.”.

(b) The table of contents in the first section of the Energy Security Act is amended by inserting after the item relating to section 515 the following new item:

“Sec. 515A. Conditions on financial assistance for construction or substantial rehabilitation of highly energy efficient buildings.”.

4

PROMOTION

5

SEC. 208. (a) Section 518(a) of the Solar Energy and Energy Conservation Bank Act (12 U.S.C. 3616(a)) is amended—

8

(1) by inserting after “systems” the first place it appears the following: “, and more new construction and substantial rehabilitation of highly energy efficient buildings”;

12

(2) by inserting before the semicolon at the end of paragraph (1) the following: “, and the dissemination of information relating to highly energy efficient buildings”;

16

(3) by inserting before the semicolon at the end of paragraph (2) the following: “, and with respect to highly energy efficient buildings”;

19

(4) by inserting before the semicolon at the end of paragraph (3) the following: “, and to undertake the new construction or substantial rehabilitation of highly energy efficient buildings”; and

23

(5) by inserting before the period at the end of paragraph (4) the following: “, and to encourage the

1 new construction and substantial rehabilitation of
2 highly energy efficient buildings”.

3 (b) Section 518(b) of the Solar Energy and Energy Con-
4 servation Bank Act (12 U.S.C. 3616(b)) is amended by
5 inserting before the period at the end thereof the following:
6 “, and the new construction and substantial rehabilitation of
7 highly energy efficient buildings”.

8 ANNUAL REPORT

9 SEC. 209. Section 519(a)(2) of the Solar Energy and
10 Energy Conservation Bank Act (12 U.S.C. 3617(a)(2)) is
11 amended—

12 (1) by striking out “or” the last place it appears
13 and inserting in lieu thereof a comma; and
14 (2) by inserting before the semicolon at the end
15 thereof the following: “, or the new construction or
16 substantial rehabilitation of highly energy efficient
17 buildings”.

18 RULES AND REGULATIONS

19 SEC. 210. Section 520(b)(2) of the Solar Energy and
20 Energy Conservation Bank Act (12 U.S.C. 3618(b)(2)) is
21 amended by inserting before the semicolon at the end thereof
22 the following: “, or in connection with any new construction
23 or substantial rehabilitation of highly energy efficient build-
24 ings under this subtitle”.

1 AUTHORIZATION OF APPROPRIATIONS

2 SEC. 211. Section 522(a)(1) of the Solar Energy and
 3 Energy Conservation Bank Act (12 U.S.C. 3620(a)(1)), as
 4 amended in section 103, is amended by inserting after
 5 “improvements” the following: “, and the new construction
 6 and substantial rehabilitation of highly energy efficient
 7 buildings,”.

8 SECONDARY FINANCING ACTIVITIES OF BANK

9 SEC. 212. (a) Section 315(h) of the Federal National
 10 Mortgage Association Charter Act (12 U.S.C. 1723g(h)) is
 11 amended—

12 (1) by redesignating paragraphs (3) through (5) as
 13 paragraphs (4) through (6), respectively; and

14 (2) by inserting after paragraph (2) the following
 15 new paragraph:

16 “(3) the term ‘highly energy efficient building’ has
 17 the meaning given such term in section 504(12) of the
 18 Solar Energy and Energy Conservation Bank Act;”.

19 (b)(1) The section heading of section 316 of the Federal
 20 National Mortgage Association Charter Act (12 U.S.C.
 21 1723h) is amended by adding at the end thereof the follow-
 22 ing: “AND BY HIGHLY ENERGY EFFICIENT BUILDINGS”.

23 (2) Section 316(b) of the Federal National Mortgage As-
 24 sociation Charter Act (12 U.S.C. 1723h(b)) is amended—

25 (A) by inserting before the period at the end of
 26 the first sentence the following: “, or which are

1 secured by newly constructed or substantially rehabili-
2 tated highly energy efficient buildings”;

3 (B) in paragraph (1), by inserting after “years”
4 the following: “(or forty years in the case of a multi-
5 family highly energy efficient building)”;

6 (C) by inserting before the semicolon at the end of
7 paragraph (3) the following: “, or under section 207(c)
8 of such Act in the case of a multifamily highly energy
9 efficient building”; and

10 (D) by inserting before the semicolon at the end of
11 paragraph (6) the following: “, or is purchased after
12 the date of the enactment of the Solar Energy and
13 Energy Conservation Bank Reauthorization Act of
14 1984 in the case of a newly constructed or substan-
15 tially rehabilitated highly energy efficient building”.

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