To expand the Officer Next Door and Teacher Next Door initiatives of the Department of Housing and Urban Development to include fire fighters and rescue personnel, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

December 13, 2011

Mr. BACA introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To expand the Officer Next Door and Teacher Next Door initiatives of the Department of Housing and Urban Development to include fire fighters and rescue personnel, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Community Partners Neighborhood Preservation Act of 2011”.

SEC. 2. COMMUNITY PARTNERS NEXT DOOR PROGRAM.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—
(1) teachers, law enforcement officers, fire fighters, and rescue personnel help form the back-bones of communities and are integral components in the social capital of neighborhoods in the United States; and

(2) providing a discounted purchase price on HUD-owned properties for teachers, law enforcement officers, fire fighters, and rescue personnel recognizes the intrinsic value of the services provided by such employees to their communities and to family life and encourages and rewards those who are dedicated to providing public service in our most needy communities.

(b) Discount and Downpayment Assistance for Teachers.—Section 204(h) of the National Housing Act (12 U.S.C. 1710(h)) is amended—

(1) by redesignating paragraphs (7) through (10) as paragraphs (8) through (11), respectively; and

(2) by inserting after paragraph (6) the following new paragraph:

“(7) 50 PERCENT DISCOUNT FOR TEACHERS AND PUBLIC SAFETY OFFICERS PURCHASING PROPERTIES THAT ARE ELIGIBLE ASSETS.—
“(A) Discount.—A property that is an eligible asset and is sold, during fiscal years 20___ through 20___, to a teacher or public safety officer for use in accordance with subparagraph (B) shall be sold at a price that is equal to 50 percent of the appraised value of the eligible property (as determined in accordance with paragraph (6)(B)). In the case of a property eligible for both a discount under this paragraph and a discount under paragraph (6), the discount under paragraph (6) shall not apply.

“(B) Primary residence.—An eligible property sold pursuant to a discount under this paragraph shall be used, for not less than the 3-year period beginning upon such sale, as the primary residence of a teacher or public safety officer.

“(C) Sale methods.—The Secretary may sell an eligible property pursuant to a discount under this paragraph—

“(i) to a unit of general local government or nonprofit organization (pursuant to paragraph (4) or otherwise), for resale
or transfer to a teacher or public safety officer; or

“(ii) directly to a purchaser who is a

teacher or public safety officer.

“(D) Resale.—In the case of any pur-

chase by a unit of general local government or

nonprofit organization of an eligible property

sold at a discounted price under this paragraph,

the sale agreement under paragraph (8) shall—

“(i) require the purchasing unit of

general local government or nonprofit or-

ganization to provide the full benefit of the

discount to the teacher or public safety of-

ficer obtaining the property; and

“(ii) in the case of a purchase involv-

ing multiple eligible assets, any of which is

such an eligible property, designate the

specific eligible property or properties to be

subject to the requirements of subpara-

graph (B).

“(E) Mortgage Downpayment Assista-

nce.—If a teacher or public safety officer pur-

chases an eligible property pursuant to a dis-

counted sale price under this paragraph and fi-

nances such purchase through a mortgage in-
sured under this title, notwithstanding any pro-
vision of section 203 the downpayment on such
mortgage shall be $100.

“(F) PREVENTION OF UNDUE PROFIT.—
The Secretary shall issue regulations to prevent
undue profit from the resale of eligible prop-
erties in violation of the requirement under sub-
paragraph (B).

“(G) DEFINITIONS.—For the purposes of
this paragraph, the following definitions shall
apply:

“(i) The terms ‘elementary school’
and ‘secondary school’ have the meanings
given such terms in section 9101 of the El-
ementary and Secondary Education Act of
1965 (20 U.S.C. 7801), except that, for
purposes of this paragraph, elementary
education (as used in such section) shall
include pre-Kindergarten education.

“(ii) The term ‘eligible property’
means an eligible asset described in para-
graph (2)(A) of this subsection.

“(iii) The term ‘public safety officer’
means an individual who is employed on a
full-time basis as a public safety officer, as
such term is defined in section 1204 of the
Omnibus Crime Control and Safe Streets

“(iv) The term ‘teacher’ means an in-
dividual who is employed on a full-time
basis, in an elementary or secondary
school, as—

“(I) a State-certified or State-li-
censed classroom teacher; or

“(II) an administrator.

Such term does not include any adminis-
trator of, or any contractor for, a local
educational agency whose place of employ-
ment is not a public elementary or sec-
ondary school.”.

(e) CONFORMING AMENDMENTS.—Section 204(h) of
the National Housing Act (12 U.S.C. 1710(h)) is amend-
ed—

(1) in paragraph (4)(B)(ii), by striking “para-
graph (7)” and inserting “paragraph (8)”;

(2) in paragraph (5)(B)(i), by striking “para-
graph (7)” and inserting “paragraph (8)”; and

(3) in paragraph (6)(A), by striking “paragraph
(8)” and inserting “paragraph (9)”.

(d) Regulations.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall issue regulations to implement the amendments made by this section.

(e) Sense of Congress Regarding Inclusion of Other Federal Properties in Community Partners Next Door Program.—It is the sense of the Congress that the Secretary of Housing and Urban Development should consult with the heads of other agencies of the Federal Government that own or hold properties appropriate for use as housing to determine the possibility and effectiveness of including such properties in the program pursuant to section 204(h)(7) of the National Housing Act, and other programs that make housing available for law enforcement officers, teachers, or fire fighters.

SEC. 3. ELIGIBILITY OF COMMUNITY PARTNERS FOR PURCHASE OF HUD-ACQUIRED PROPERTY.

Notwithstanding any other provision of law, a public safety officer or teacher (as such terms are defined in section 204(h)(7)(G) of the National Housing Act (as amended by section 2 of this Act)) shall be eligible to purchase any property owned or held by the Secretary of Housing and Urban Development pursuant to foreclosure of any mortgage insured by the Secretary or pursuant to assignment of the mortgage, deed in lieu of foreclosure, convey-
ance of title, or any other acquisition of the property or mortgage in connection with the payment of insurance benefits by the Secretary.

SEC. 4. RELEASE OF SECOND MORTGAGE FOR LAID-OFF COMMUNITY PARTNERS UNDER GOOD NEIGHBOR NEXT DOOR INITIATIVE.

The Secretary of Housing and Urban Development shall revise the Good Neighbor Next Door Initiative of the Secretary to provide that the subordinate mortgage on the property of a mortgagor who purchased a property under such initiative shall be released in any case in which the mortgagor loses his or her employment position as a law enforcement officer, teacher, firefighter, or emergency medical technician as a result of any reductions in force or other reason other than dismissal for cause.

SEC. 5. PREFERENCE UNDER HUD REO PROGRAM FOR COMMUNITY PARTNERS.

The Secretary of Housing and Urban Development, in making any real estate owned of the Department of Housing and Urban Development available for purchase, shall provide a preference for purchase by public safety officers and teachers (as such terms are defined in section 204(h)(7)(G) of the National Housing Act (as amended by section 2 of this Act)).