

106TH CONGRESS
1ST SESSION

H. R. 2657

To amend section 204 of the National Housing Act to make HUD-owned single family properties available at a discount to individuals who teach in inner city schools.

IN THE HOUSE OF REPRESENTATIVES

JULY 30, 1999

Mr. CROWLEY (for himself, Mr. FROST, Mr. TOWNS, Mr. MEEKS of New York, Mr. HILLIARD, Ms. LEE, and Mr. ACKERMAN) introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

To amend section 204 of the National Housing Act to make HUD-owned single family properties available at a discount to individuals who teach in inner city schools.

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 “Teacher Next Door
5 Act”.

6 **SEC. 2. CONGRESSIONAL FINDINGS.**

7 The Congress finds that—

1 (1) urban and inner city school districts have
2 greater difficulty attracting and retaining qualified
3 teachers than their suburban counterparts; and

4 (2) the cost of property is higher in urban areas
5 and inner cities than in suburban areas.

6 **SEC. 3. TEACHER NEXT DOOR PROGRAM.**

7 Section 204 of the National Housing Act (12 U.S.C.
8 1710) is amended by inserting after subsection (j) the fol-
9 lowing new subsection:

10 “(k) DISPOSITION OF ASSETS UNDER TEACHER
11 NEXT DOOR PROGRAM.—

12 “(1) IN GENERAL.—The Secretary may sell eli-
13 gible properties (as such term is defined in para-
14 graph (9)) at a discount to teachers, as provided
15 under this subsection. In the case of eligible prop-
16 erties under paragraph (9)(B)(i), the provisions of
17 subsection (h) shall apply to such properties, except
18 to the extent specifically provided otherwise in this
19 subsection.

20 “(2) PRIMARY RESIDENCE.—An eligible prop-
21 erty may be sold pursuant to a discount under para-
22 graph (3) only if the property is used, for not less
23 than the 3-year period beginning upon such sale, as
24 the primary residence of a teacher. The Secretary

1 shall ensure compliance with this paragraph through
2 inclusion of appropriate deed restrictions.

3 “(3) DISCOUNT.—If an eligible property is sold
4 to a teacher for use in accordance with paragraph
5 (2), the sale price shall be equal to 50 percent of the
6 appraised value of the eligible property (as deter-
7 mined in accordance with the procedure under sub-
8 section (h)(6)(B)). In the case of an eligible property
9 under paragraph (9)(B)(i) that is eligible for both a
10 discount under this paragraph and a discount under
11 subsection (h)(6), the discount under subsection
12 (h)(6) shall not apply.

13 “(4) SALE METHODS.—The Secretary may sell
14 an eligible property pursuant to a discount under
15 this subsection—

16 “(A) to a unit of general local government
17 or nonprofit organization, for resale or transfer
18 to a teacher; or

19 “(B) directly (or through a real estate
20 broker) to a purchaser who is a teacher.

21 “(5) RESALE.—In the case of any purchase by
22 a unit of general local government or nonprofit orga-
23 nization of an eligible property sold at a discounted
24 price under this subsection, the sale agreement
25 shall—

1 “(A) require the purchasing unit of general
2 local government or nonprofit organization to
3 provide the full benefit of the discount to the
4 teacher obtaining the property; and

5 “(B) in the case of a purchase involving
6 multiple properties, any of which is such an eli-
7 gible property, designate the specific eligible
8 property or properties to be subject to the re-
9 quirements of paragraph (2).

10 “(6) MORTGAGE DOWNPAYMENT ASSISTANCE.—
11 If a teacher purchases an eligible property pursuant
12 to a discounted sale price under this paragraph and
13 finances such purchase through a mortgage insured
14 under this title, notwithstanding any provision of
15 section 203 the downpayment on such mortgage
16 shall be \$100.

17 “(7) PREVENTION OF UNDUE PROFIT.—The
18 Secretary shall issue regulations to prevent undue
19 profit from the resale of eligible properties in viola-
20 tion of the requirement under paragraph (2).

21 “(8) AWARENESS PROGRAM.—The Secretary
22 shall provide for field offices of the Department to
23 take appropriate actions necessary to inform elemen-
24 tary schools and secondary schools within the juris-
25 diction of the field office and the public of the pro-

1 gram under this subsection and of the properties lo-
2 cated within the jurisdiction of the field office that
3 are available for purchase by teachers under this
4 subsection.

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

7 “(A) The terms ‘elementary school’ and
8 ‘secondary school’ have the meaning given such
9 terms in section 14101 of the Elementary and
10 Secondary Education Act of 1965 (20 U.S.C.
11 8801).

12 “(B) The term ‘eligible property’ means—

13 “(i) an eligible asset described in sub-
14 section (h)(2)(A); or

15 “(ii) a property that is—

16 “(I) designed as a dwelling for
17 occupancy for 1 to 4 families;

18 “(II) was previously subject to a
19 mortgage insured under the provisions
20 of this Act;

21 “(III) is owned by the Secretary
22 pursuant to the payment of insurance
23 benefits under this Act; and

24 “(IV) is located in an area that
25 is not a revitalization area designated

1 under subsection (h)(3), but is an
 2 area that the Secretary determines is
 3 appropriate for participation in the
 4 program under this subsection be-
 5 cause of a need for economic develop-
 6 ment, the incidence in transactions in-
 7 volving properties in such area of sell-
 8 er concessions (such as take-back fi-
 9 nancing), a high rate of property own-
 10 ership by investor-owners, or such
 11 other factors as the Secretary con-
 12 siders appropriate.

13 “(C) The term ‘teacher’ means an indi-
 14 vidual who is employed on a full-time basis as
 15 a teacher in an elementary or secondary school.

16 “(10) EFFECTIVE DATE.—This subsection shall
 17 apply beginning on January 1, 2001.”.

18 **SEC. 4. REGULATIONS.**

19 Not later than 90 days after the date of the enact-
 20 ment of this Act, the Secretary shall issue regulations to
 21 implement section 204(k) of the National Housing Act (12
 22 U.S.C. 1710(k)), as added by the amendment made by
 23 section 3 of this Act.

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