

109TH CONGRESS
1ST SESSION

H. R. 4278

To assist teachers and public safety officers in obtaining affordable housing.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 9, 2005

Ms. LEE (for herself, Mrs. CHRISTENSEN, Mr. OWENS, Ms. MCKINNEY, Mr. GRIJALVA, Ms. CARSON, Mr. KUCINICH, and Mr. CLAY) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To assist teachers and public safety officers in obtaining
affordable housing.

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 “Community Partners
5 Next Door Act of 2005”.

6 **SEC. 2. COMMUNITY PARTNERS NEXT DOOR PROGRAM.**

7 (a) DISCOUNT AND DOWNPAYMENT ASSISTANCE FOR
8 TEACHERS AND PUBLIC SAFETY OFFICERS.—Section
9 204(h) of the National Housing Act (12 U.S.C. 1710(h))
10 is amended—

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

4 (2) by inserting after paragraph (6) the fol-
5 lowing new paragraph:

6 “(7) 50 PERCENT DISCOUNT FOR TEACHERS
7 AND PUBLIC SAFETY OFFICERS PURCHASING PROP-
8 ERTIES THAT ARE ELIGIBLE ASSETS.—

9 “(A) DISCOUNT.—A property that is an el-
10 igible asset and is sold to a teacher or public
11 safety officer for use in accordance with sub-
12 paragraph (B) shall be sold at a price that is
13 equal to 50 percent of the appraised value of
14 the eligible property (as determined in accord-
15 ance with paragraph (6)(B)). In the case of a
16 property eligible for both a discount under this
17 paragraph and a discount under paragraph (6),
18 the discount under paragraph (6) shall not
19 apply.

20 “(B) PRIMARY RESIDENCE.—An eligible
21 property sold pursuant to a discount under this
22 paragraph shall be used, for not less than the
23 3-year period beginning upon such sale, as the
24 primary residence of a teacher or public safety
25 officer.

1 “(C) SALE METHODS.—The Secretary may
2 sell an eligible property pursuant to a discount
3 under this paragraph—

4 “(i) to a unit of general local govern-
5 ment or nonprofit organization (pursuant
6 to paragraph (4) or otherwise), for resale
7 or transfer to a teacher or public safety of-
8 ficer; or

9 “(ii) directly to a purchaser who is a
10 teacher or public safety officer.

11 “(D) RESALE.—In the case of any pur-
12 chase by a unit of general local government or
13 nonprofit organization of an eligible property
14 sold at a discounted price under this paragraph,
15 the sale agreement under paragraph (8) shall—

16 “(i) require the purchasing unit of
17 general local government or nonprofit or-
18 ganization to provide the full benefit of the
19 discount to the teacher or public safety of-
20 ficer obtaining the property; and

21 “(ii) in the case of a purchase involv-
22 ing multiple eligible assets, any of which is
23 such an eligible property, designate the
24 specific eligible property or properties to be

1 subject to the requirements of subpara-
2 graph (B).

3 “(E) MORTGAGE DOWNPAYMENT ASSIST-
4 ANCE.—If a teacher or public safety officer pur-
5 chases an eligible property pursuant to a dis-
6 counted sale price under this paragraph and fi-
7 nances such purchase through a mortgage in-
8 sured under this title, notwithstanding any pro-
9 vision of section 203 the downpayment on such
10 mortgage shall be \$100.

11 “(F) HIGHER FHA LOAN LIMIT FOR PUR-
12 CHASE OF ELIGIBLE PROPERTIES IN HIGH-COST
13 AREAS.—

14 “(i) IN GENERAL.—Notwithstanding
15 any other provision of this title relating to
16 the maximum amount of the principal obli-
17 gation of a mortgage that may be insured
18 under this title, in the case of an eligible
19 property that is located in a high-cost area
20 and is purchased pursuant to a discounted
21 sale price under this paragraph, the Sec-
22 retary may insure a mortgage for the pur-
23 chase of such eligible property that in-
24 volves a principal obligation (including
25 such initial service charges, appraisal, in-

1 specification, and other fees as the Secretary
2 shall approve) in an amount not exceeding
3 150 percent of the limitation on such prin-
4 cipal obligation otherwise applicable under
5 section 203(b)(2)(A).

6 “(ii) HIGH-COST AREA.—For purposes
7 of this subparagraph, the term ‘high-cost
8 area’ means any area for which the median
9 1-family house price in the area exceeds
10 the maximum amount limitation on the
11 principal obligation of a mortgage deter-
12 mined at such time under section
13 203(b)(2)(A)(ii).

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

19 “(H) DEFINITIONS.—For the purposes of
20 this paragraph, the following definitions shall
21 apply:

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

1 “(ii) The term ‘public safety officer’
2 has the meaning given such term in section
3 1204 of the Omnibus Crime Control and
4 Safe Streets Act of 1968 (42 U.S.C.
5 3796b).

6 “(iii) The term ‘teacher’ means an in-
7 dividual who is employed on a part- or full-
8 time basis as a teacher, teacher assistant,
9 or administrator in a public or private
10 school that provides elementary or sec-
11 ondary education, as determined under
12 State law, except that elementary edu-
13 cation shall include pre-Kindergarten edu-
14 cation, and except that secondary edu-
15 cation shall not include any education be-
16 yond grade 12.

17 “(I) PROGRAM INTEGRITY.—Notwith-
18 standing any other provision of this paragraph,
19 the Secretary may suspend the applicability of
20 this paragraph for such period as the Secretary
21 considers appropriate if the Secretary deter-
22 mines such suspension is necessary because of
23 fraud or other issues regarding program integ-
24 rity.”.

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

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

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

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

10 (c) REGULATIONS.—Not later than 60 days after the
 11 date of the enactment of this Act, the Secretary shall issue
 12 regulations to implement the amendments made by this
 13 section.

14 **SEC. 3. TEACHER AND PUBLIC SAFETY OFFICER AWARE-**
 15 **NESS CAMPAIGN.**

16 (a) IN GENERAL.—The Secretary of Housing and
 17 Urban Development, in coordination with the Secretary of
 18 Education and the Attorney General, shall carry out a pro-
 19 gram of activities to inform and educate teachers and pub-
 20 lic safety officers of the availability and terms of the pro-
 21 gram established by the amendments made by section 2.

22 (b) ELIGIBLE ACTIVITIES.—Amounts made available
 23 for the program under this section may be used only for
 24 activities designed to accomplish the purpose specified in
 25 subsection (a), which may include public service announce-

1 ments, bus tours, advertising in teacher or public safety
2 officer journals, development of web sites, establishment
3 of toll-free telephone numbers for providing information,
4 and such other activities as the Secretary of Housing and
5 Urban Development may consider appropriate.

6 (c) AUTHORIZATION OF APPROPRIATIONS.—There
7 are authorized to be appropriated to the Secretary of
8 Housing and Urban Development for each of fiscal years
9 2006 through 2013 such sums as may be necessary for
10 carrying out the program under this section.

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