

110TH CONGRESS  
1ST SESSION

# H. R. 172

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

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 2007

Ms. LEE introduced the following bill; which was referred to the Committee on Financial Services

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## 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 2007”.

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 2008 through 2015 such sums as may be necessary for  
10 carrying out the program under this section.

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