

112TH CONGRESS
1ST SESSION

H. R. 2986

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

SEPTEMBER 21, 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.

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 Neighborhood Preservation Act of 2011”.

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

7 (a) CONGRESSIONAL FINDINGS.—The Congress finds
8 that—

1 (1) teachers, law enforcement officers, fire
2 fighters, and rescue personnel help form the back-
3 bones of communities and are integral components
4 in the social capital of neighborhoods in the United
5 States; and

6 (2) providing a discounted purchase price on
7 HUD-owned properties for teachers, law enforce-
8 ment officers, fire fighters, and rescue personnel rec-
9 ognizes the intrinsic value of the services provided by
10 such employees to their communities and to family
11 life and encourages and rewards those who are dedi-
12 cated to providing public service in our most needy
13 communities.

14 (b) DISCOUNT AND DOWNPAYMENT ASSISTANCE FOR
15 TEACHERS.—Section 204(h) of the National Housing Act
16 (12 U.S.C. 1710(h)) is amended—

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

20 (2) by inserting after paragraph (6) the fol-
21 lowing new paragraph:

22 “(7) 50 PERCENT DISCOUNT FOR TEACHERS
23 AND PUBLIC SAFETY OFFICERS PURCHASING PROP-
24 erties THAT ARE ELIGIBLE ASSETS.—

1 “(A) DISCOUNT.—A property that is an el-
2 igible asset and is sold, during fiscal years 2012
3 through 2022, to a teacher or public safety offi-
4 cer for use in accordance with subparagraph
5 (B) shall be sold at a price that is equal to 50
6 percent of the appraised value of the eligible
7 property (as determined in accordance with
8 paragraph (6)(B)). In the case of a property el-
9 igible for both a discount under this paragraph
10 and a discount under paragraph (6), the dis-
11 count under paragraph (6) shall not apply.

12 “(B) PRIMARY RESIDENCE.—An eligible
13 property sold pursuant to a discount under this
14 paragraph shall be used, for not less than the
15 3-year period beginning upon such sale, as the
16 primary residence of a teacher or public safety
17 officer.

18 “(C) SALE METHODS.—The Secretary may
19 sell an eligible property pursuant to a discount
20 under this paragraph—

21 “(i) to a unit of general local govern-
22 ment or nonprofit organization (pursuant
23 to paragraph (4) or otherwise), for resale
24 or transfer to a teacher or public safety of-
25 ficer; or

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

3 “(D) RESALE.—In the case of any pur-
4 chase by a unit of general local government or
5 nonprofit organization of an eligible property
6 sold at a discounted price under this paragraph,
7 the sale agreement under paragraph (8) shall—

8 “(i) require the purchasing unit of
9 general local government or nonprofit or-
10 ganization to provide the full benefit of the
11 discount to the teacher or public safety of-
12 ficer obtaining the property; and

13 “(ii) in the case of a purchase involv-
14 ing multiple eligible assets, any of which is
15 such an eligible property, designate the
16 specific eligible property or properties to be
17 subject to the requirements of subpara-
18 graph (B).

19 “(E) MORTGAGE DOWNPAYMENT ASSIST-
20 ANCE.—If a teacher or public safety officer pur-
21 chases an eligible property pursuant to a dis-
22 counted sale price under this paragraph and fi-
23 nances such purchase through a mortgage in-
24 sured under this title, notwithstanding any pro-

1 vision of section 203 the downpayment on such
2 mortgage shall be \$100.

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

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

11 “(i) The terms ‘elementary school’
12 and ‘secondary school’ have the meanings
13 given such terms in section 14101 of the
14 Elementary and Secondary Education Act
15 of 1965 (20 U.S.C. 8801), except that, for
16 purposes of this paragraph, elementary
17 education (as used in such section) shall
18 include pre-Kindergarten education.

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

22 “(iii) The term ‘public safety officer’
23 means an individual who is employed on a
24 full-time basis as a public safety officer, as
25 such term is defined in section 1204 of the

1 Omnibus Crime Control and Safe Streets
2 Act of 1968 (42 U.S.C. 3796b).

3 “(iv) The term ‘teacher’ means an in-
4 dividual who is employed on a full-time
5 basis, in an elementary or secondary
6 school, as a State-certified or State-li-
7 censed classroom teacher or as an adminis-
8 trator.”.

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

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

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

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

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

22 (e) SENSE OF CONGRESS REGARDING INCLUSION OF
23 OTHER FEDERAL PROPERTIES IN COMMUNITY PARTNERS
24 NEXT DOOR PROGRAM.—It is the sense of the Congress
25 that the Secretary of Housing and Urban Development

1 should consult with the heads of other agencies of the Fed-
2 eral Government that own or hold properties appropriate
3 for use as housing to determine the possibility and effec-
4 tiveness of including such properties in the program pur-
5 suant to section 204(h)(7) of the National Housing Act,
6 and other programs that make housing available for law
7 enforcement officers, teachers, or fire fighters.

8 **SEC. 3. ELIGIBILITY OF COMMUNITY PARTNERS FOR PUR-**
9 **CHASE OF HUD-ACQUIRED PROPERTY.**

10 Notwithstanding any other provision of law, a public
11 safety officer or teacher (as such terms are defined in sec-
12 tion 204(h)(7)(G) of the National Housing Act (as amend-
13 ed by section 2 of this Act)) shall be eligible to purchase
14 of any property owned or held by the Secretary of Housing
15 and Urban Development pursuant to foreclosure of any
16 mortgage insured by the Secretary or pursuant to assign-
17 ment of the mortgage, deed in lieu of foreclosure, convey-
18 ance of title, or any other acquisition of the property or
19 mortgage in connection with the payment of insurance
20 benefits by the Secretary.

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

24 The Secretary of Housing and Urban Development
25 shall revise the Good Neighbor Next Door Initiative of the

1 Secretary to provide that the subordinate mortgage on the
2 property of a mortgagor who purchased a property under
3 such initiative shall be released in any case in which the
4 mortgagor loses his or her employment position as a law
5 enforcement officer, teacher, firefighter, or emergency
6 medical technician as a result of any reductions in force
7 or other reason other than dismissal for cause.

8 **SEC. 5. PREFERENCE UNDER HUD REO PROGRAM FOR**
9 **COMMUNITY PARTNERS.**

10 The Secretary of Housing and Urban Development,
11 in making any real estate owned of the Department of
12 Housing and Urban Development available for purchase,
13 shall provide a preference for purchase by public safety
14 officers and teachers (as such terms are defined in section
15 204(h)(7)(G) of the National Housing Act (as amended
16 by section 2 of this Act)).

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