

112TH CONGRESS
1ST SESSION

H. R. 3649

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.

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
3 20____ through 20____, to a teacher or public
4 safety officer for use in accordance with sub-
5 paragraph (B) shall be sold at a price that is
6 equal to 50 percent of the appraised value of
7 the eligible property (as determined in accord-
8 ance with paragraph (6)(B)). In the case of a
9 property eligible for both a discount under this
10 paragraph and a discount under paragraph (6),
11 the discount under paragraph (6) shall not
12 apply.

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

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

22 “(i) to a unit of general local govern-
23 ment or nonprofit organization (pursuant
24 to paragraph (4) or otherwise), for resale

1 or transfer to a teacher or public safety of-
2 ficer; or

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

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

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

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

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

1 sured under this title, notwithstanding any pro-
2 vision of section 203 the downpayment on such
3 mortgage shall be \$100.

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

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

12 “(i) The terms ‘elementary school’
13 and ‘secondary school’ have the meanings
14 given such terms in section 9101 of the El-
15 ementary and Secondary Education Act of
16 1965 (20 U.S.C. 7801), except that, for
17 purposes of this paragraph, elementary
18 education (as used in such section) shall
19 include pre-Kindergarten education.

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

23 “(iii) The term ‘public safety officer’
24 means an individual who is employed on a
25 full-time basis as a public safety officer, as

1 such term is defined in section 1204 of the
2 Omnibus Crime Control and Safe Streets
3 Act of 1968 (42 U.S.C. 3796b).

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

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

10 “(II) an administrator.

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

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

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

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

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

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

5 (e) SENSE OF CONGRESS REGARDING INCLUSION OF
6 OTHER FEDERAL PROPERTIES IN COMMUNITY PARTNERS
7 NEXT DOOR PROGRAM.—It is the sense of the Congress
8 that the Secretary of Housing and Urban Development
9 should consult with the heads of other agencies of the Fed-
10 eral Government that own or hold properties appropriate
11 for use as housing to determine the possibility and effec-
12 tiveness of including such properties in the program pur-
13 suant to section 204(h)(7) of the National Housing Act,
14 and other programs that make housing available for law
15 enforcement officers, teachers, or fire fighters.

16 **SEC. 3. ELIGIBILITY OF COMMUNITY PARTNERS FOR PUR-**
17 **CHASE OF HUD-ACQUIRED PROPERTY.**

18 Notwithstanding any other provision of law, a public
19 safety officer or teacher (as such terms are defined in sec-
20 tion 204(h)(7)(G) of the National Housing Act (as amend-
21 ed by section 2 of this Act)) shall be eligible to purchase
22 any property owned or held by the Secretary of Housing
23 and Urban Development pursuant to foreclosure of any
24 mortgage insured by the Secretary or pursuant to assign-
25 ment of the mortgage, deed in lieu of foreclosure, convey-

1 ance of title, or any other acquisition of the property or
2 mortgage in connection with the payment of insurance
3 benefits by the Secretary.

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

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

16 **SEC. 5. PREFERENCE UNDER HUD REO PROGRAM FOR**
17 **COMMUNITY PARTNERS.**

18 The Secretary of Housing and Urban Development,
19 in making any real estate owned of the Department of
20 Housing and Urban Development available for purchase,
21 shall provide a preference for purchase by public safety
22 officers and teachers (as such terms are defined in section
23 204(h)(7)(G) of the National Housing Act (as amended
24 by section 2 of this Act)).

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