

107TH CONGRESS
1ST SESSION

H. R. 421

To make single family properties owned by the Department of Housing and Urban Development available at a discount to elementary and secondary school teachers and public safety officers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 6, 2001

Mr. BECERRA introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To make single family properties owned by the Department of Housing and Urban Development available at a discount to elementary and secondary school teachers and public safety officers, 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 “Home Ownership Must
5 Expand for Teachers and Public Safety Officers Act”.

1 **SEC. 2. DISCOUNT AND DOWNPAYMENT ASSISTANCE FOR**
2 **PURCHASE OF HOMES IN REVITALIZATION**
3 **AREAS BY TEACHERS AND PUBLIC SAFETY**
4 **OFFICERS.**

5 (a) IN GENERAL.—Section 204(h) of the National
6 Housing Act (12 U.S.C. 1710(h)) is amended—

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

10 (2) by inserting after paragraph (6) the fol-
11 lowing new paragraph:

12 “(7) 50 PERCENT DISCOUNT FOR TEACHERS
13 AND PUBLIC SAFETY OFFICERS PURCHASING PROP-
14 erties THAT ARE ELIGIBLE ASSETS.—

15 “(A) DISCOUNT.—A property that is an el-
16 igible asset, is sold during fiscal years 2001
17 through 2005 for use in accordance with sub-
18 paragraph (B), and is sold to a teacher or pub-
19 lic safety officer who complies with the require-
20 ment under subparagraph (C), shall be sold at
21 a price that is equal to 50 percent of the ap-
22 praised value of the eligible property (as deter-
23 mined in accordance with paragraph (6)(B)). In
24 the case of a property eligible for both a dis-
25 count under this paragraph and a discount

1 under paragraph (6), the discount under para-
2 graph (6) shall not apply.

3 “(B) SOLE RESIDENCE.—An eligible prop-
4 erty sold pursuant to a discount under this
5 paragraph shall be used, for not less than the
6 3-year period beginning upon such sale, as the
7 sole residence of the purchasing teacher or pub-
8 lic safety officer.

9 “(C) REQUIREMENT REGARDING EMPLOY-
10 MENT AT TIME OF PURCHASE.—A teacher or
11 public safety officer complies with the require-
12 ment under this subparagraph if, at the time of
13 the purchase of an eligible property under this
14 paragraph—

15 “(i) in the case of property sold to a
16 teacher, the teacher is employed (I) in a
17 school of a local educational agency whose
18 jurisdiction includes the property, or (II)
19 in a private school located within the juris-
20 diction of a local educational agency whose
21 jurisdiction includes the property; or

22 “(ii) in the case of a public safety offi-
23 cer, the officer is employed by a public
24 agency whose jurisdiction includes the
25 property.

1 “(D) 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 a 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 “(E) 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 that
25 meet the requirements of subparagraph

1 (C) and that are to be subject to the re-
2 quirements of subparagraphs (B).

3 “(F) 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 “(G) MONITORING AND PREVENTION OF
12 UNDUE PROFIT.—The Secretary shall issue reg-
13 ulations to prevent undue profit from the resale
14 of properties in violation of the requirement
15 under subparagraph (B) and to provide for co-
16 ordination with local educational agencies, and
17 with States and units of general local govern-
18 ment (and public agencies thereof), to monitor
19 compliance with the requirement under sub-
20 paragraph (B) and ensure compliance with the
21 requirement under subparagraph (C).

22 “(H) AWARENESS PROGRAM.—From funds
23 made available for salaries and expenses for the
24 Office of Policy Support of the Department of
25 Housing and Urban Development, each field of-

1 fice of the Department shall make available to
2 elementary schools and secondary schools with-
3 in the jurisdiction of the field office, to State
4 and local agencies within the jurisdiction of the
5 field office that employ public safety officers,
6 and to the public—

7 “(i) a list of properties located within
8 the jurisdiction of the field office that are
9 available for purchase at a discount under
10 this paragraph and under subsection (k);
11 and

12 “(ii) other information designed to
13 make teachers, public safety officers, and
14 the public aware of the discount and down-
15 payment assistance available under this
16 paragraph and subsection (k).

17 “(I) DEFINITIONS.—For the purposes of
18 this paragraph, the following definitions shall
19 apply:

20 “(i) The terms ‘elementary school’
21 and ‘secondary school’ have the meanings
22 given such terms in section 14101 of the
23 Elementary and Secondary Education Act
24 of 1965 (20 U.S.C. 8801), except that, for
25 purposes of this paragraph, elementary

1 education (as used in such section) shall
2 include pre-kindergarten education.

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

6 “(iii) The term ‘local educational
7 agency’ has the meaning given such term
8 in section 14101 of the Elementary and
9 Secondary Education Act of 1965 (20
10 U.S.C. 8801).

11 “(iv) The term ‘public safety officer’
12 has the meaning given such term in section
13 1204 of the Omnibus Crime Control and
14 Safe Streets Act of 1968 (42 U.S.C.
15 3796b), except that such term shall not in-
16 clude any officer serving a public agency of
17 the Federal Government.

18 “(v) The term ‘teacher’ means an in-
19 dividual who is employed on a full-time
20 basis, in an elementary or secondary
21 school, as a State-certified or State-li-
22 censed classroom teacher or as an adminis-
23 trator.”.

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

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 **SEC. 3. AVAILABILITY OF HOMES IN OTHER AREAS FOR**
11 **PURCHASE AT DISCOUNT BY TEACHERS AND**
12 **PUBLIC SAFETY OFFICERS.**

13 Section 204 of the National Housing Act (12 U.S.C.
14 1710) is amended by inserting after subsection (j) the fol-
15 lowing new subsection:

16 “(k) DISPOSITION OF SINGLE FAMILY HOMES TO
17 TEACHERS AND PUBLIC SAFETY OFFICERS.—

18 “(1) IN GENERAL.—Notwithstanding the au-
19 thority under the last sentence of subsection (g), the
20 Secretary shall dispose of covered HUD-owned sin-
21 gle family properties pursuant to the requirements
22 of this subsection.

23 “(2) DESIGNATION OF PROPERTIES.—The Sec-
24 retary shall designate covered HUD-owned single
25 family properties as available for disposition under

1 this subsection. The Secretary shall make such des-
2 ignations such that—

3 “(A) among properties so designated, there
4 is a widespread and reasonable geographic dis-
5 tribution on a nationwide basis;

6 “(B) at all times, not less than 25 percent
7 of the covered single family properties that are,
8 at the time, HUD-owned are so designated; and

9 “(C) priority is given to designating cov-
10 ered HUD-owned single family properties that
11 are located in distressed areas, as determined
12 by the Secretary, that are adjacent to or near
13 areas designated as revitalization areas for pur-
14 poses of subsection (h).

15 “(3) DISCOUNT.—A covered HUD-owned single
16 family property that is designated under paragraph
17 (2) for disposition under this subsection and is sold,
18 during fiscal years 2001 through 2005, to a teacher
19 or public safety officer who agrees to comply with
20 the requirements under paragraphs (4) and (5),
21 shall be sold at a price that is equal to 50 percent
22 of the appraised value of the eligible property (as de-
23 termined in an appraisal conducted in the manner
24 required for appraisals of eligible assets under sub-
25 section (h)(6)(B)).

1 “(4) SOLE RESIDENCE REQUIREMENT.—A cov-
2 ered HUD-owned single family property sold pursu-
3 ant to a discount under this subsection shall be
4 used, for not less than the 3-year period beginning
5 upon such sale, as the sole residence of the pur-
6 chasing teacher or public safety officer.

7 “(5) 3-YEAR EMPLOYMENT REQUIREMENT.—A
8 teacher or public safety officer complies with the re-
9 quirement under this paragraph if, during the 3-year
10 period referred to in paragraph (4)—

11 “(A) in the case of property sold to a
12 teacher, the teacher is employed—

13 “(i) in a school of a local educational
14 agency whose jurisdiction includes the
15 property; or

16 “(ii) in a private school located within
17 the jurisdiction of a local educational agen-
18 cy whose jurisdiction includes the property;
19 or

20 “(B) in the case of a public safety officer,
21 the officer is employed by a public agency
22 whose jurisdiction includes the property.

23 This paragraph may not be construed to require any
24 teacher or public safety officer to comply with the
25 requirements of this paragraph, to maintain for such

1 3-year period the same employment position or sta-
2 tus, or the same employer that the teacher or officer
3 had at the time of the purchase of the property pur-
4 suant to a discount under this subsection.

5 “(6) MORTGAGE DOWNPAYMENT ASSISTANCE.—

6 If a teacher purchases a property pursuant to a dis-
7 counted sale price under this subsection and fi-
8 nances such purchase through a mortgage insured
9 under this title, notwithstanding any provision of
10 section 203 the downpayment on such mortgage
11 shall be \$100.

12 “(7) MONITORING AND PREVENTION OF UNDUE

13 PROFIT.—The Secretary shall issue regulations to
14 prevent undue profit from the resale of properties in
15 violation of the requirements under paragraphs (4)
16 and (5) and to provide for coordination with local
17 educational agencies, and with States and units of
18 general local government (and public agencies there-
19 of), to monitor compliance with the requirements
20 under such paragraphs.

21 “(8) DEFINITIONS.—For purposes of this sub-

22 section, the following definitions shall apply:

23 “(A) COVERED.—The term ‘covered’

24 means, with respect to a property, that the
25 property is not located in an area designated as

1 a revitalization area for purposes of subsection
2 (h).

3 “(B) HUD-OWNED.—The term ‘HUD-
4 owned’ means, with respect to a property, that
5 the property—

6 “(i) was previously subject to a mort-
7 gage insured under the provisions of this
8 Act; and

9 “(ii) is owned by the Secretary pursu-
10 ant to the payment of insurance benefits
11 under this Act.

12 “(C) PUBLIC SAFETY OFFICER.—The term
13 ‘public safety officer’ has the meaning given
14 such term in section (h)(7)(I).

15 “(D) SINGLE FAMILY PROPERTY.—The
16 term ‘single family property’ means a property
17 that is designed as a dwelling for occupancy by
18 1 to 4 families.

19 “(E) TEACHER.—The term ‘teacher’ has
20 the meaning given such term in subsection
21 (h)(7)(I).”.

22 **SEC. 4. FUNDING FOR STAFF.**

23 There are authorized to be appropriated such sums
24 as may be necessary for any increased expenses of the De-
25 partment of Housing and Urban Development, including

1 any additional salaries and other administrative and non-
2 administrative expenses, resulting from implementation of
3 the programs under subsection 204(k) of the National
4 Housing Act, as added by section 3 of this Act.

5 **SEC. 5. TERMINATION OF EXISTING HUD PROGRAMS.**

6 This Act and the amendments made by this Act are
7 enacted to replace the programs of the Department of
8 Housing and Urban Development known as the Teacher
9 Next Door Initiative and Officer Next Door Initiative, car-
10 ried out pursuant to Notice H 99–30 (November 17,
11 1999) of the Department and the notices and interim rules
12 incorporated in such notice. Upon the enactment of this
13 Act, the Secretary shall cease carrying out such programs
14 or shall make such changes in such programs as may be
15 necessary so that this Act and the amendments made by
16 this Act are carried out through such programs.

17 **SEC. 6. REGULATIONS.**

18 Not later than 90 days after the date of the enact-
19 ment of this Act, the Secretary of Housing and Urban
20 Development shall issue regulations to implement the
21 amendments made by this Act.

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