

108TH CONGRESS  
1ST SESSION

**H. R. 1276**

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**AN ACT**

To provide downpayment assistance under the HOME Investment Partnerships Act, and for other purposes.



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## AN ACT

To provide downpayment assistance under the HOME Investment Partnerships Act, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “American Dream  
3 Downpayment Act”.

4 **SEC. 2. DOWNPAYMENT ASSISTANCE INITIATIVE UNDER**  
5 **HOME PROGRAM.**

6 (a) DOWNPAYMENT ASSISTANCE INITIATIVE.—Sub-  
7 title E of title II of the Cranston-Gonzalez National Af-  
8 fordable Housing Act (42 U.S.C. 12821) is amended to  
9 read as follows:

10 **“Subtitle E—Other Assistance**

11 **“SEC. 271. DOWNPAYMENT ASSISTANCE INITIATIVE.**

12 “(a) GRANT AUTHORITY.—The Secretary may make  
13 grants to participating jurisdictions to assist low-income  
14 families to achieve homeownership, in accordance with this  
15 section.

16 “(b) ELIGIBLE ACTIVITIES.—

17 “(1) IN GENERAL.—Amounts made available  
18 under this section may be used only for downpay-  
19 ment assistance toward the purchase of single family  
20 housing by eligible families. For purposes of this  
21 title, the term ‘downpayment assistance’ means as-  
22 sistance to help a family acquire a principal resi-  
23 dence.

24 “(2) ELIGIBLE FAMILIES.—For purposes of  
25 this section, the term ‘eligible family’ means a family  
26 who—

1           “(A) is a low-income family and a first-  
2 time homebuyer; or

3           “(B) notwithstanding the income limitation  
4 under section 215(b)(2)—

5           “(i) includes a uniformed employee  
6 (which shall include policemen, firemen,  
7 and sanitation and other maintenance  
8 workers) or a teacher who is an employee,  
9 of the participating jurisdiction (or an  
10 agency or school district serving such juris-  
11 diction) that is providing the downpayment  
12 assistance under this section for the fam-  
13 ily; and

14           “(ii) has an income, at the time re-  
15 ferred to in subparagraph (A), (B), or (C)  
16 of section 215(b)(2), as appropriate, and  
17 as determined by the Secretary with ad-  
18 justments for smaller and larger families,  
19 that does not exceed 115 percent of the  
20 median income of the area, except that,  
21 with respect only to such areas that the  
22 Secretary determines have high housing  
23 costs, taking into consideration median  
24 house prices and median family incomes  
25 for the area, such income limitation shall

1           be 150 percent of the median income of  
2           the area, as determined by the Secretary  
3           with adjustments for smaller and larger  
4           families.

5           “(c) HOUSING STRATEGY.—To be eligible to receive  
6 a grant under this section for a fiscal year, a participating  
7 jurisdiction shall include in its comprehensive housing af-  
8 fordability strategy under section 105 for such year—

9           “(1) a description of the use of the grant  
10 amounts;

11           “(2) a plan for conducting targeted outreach to  
12 residents and tenants of public housing, trailer  
13 parks, and manufactured housing, and to other fam-  
14 ilies assisted by public housing agencies, for the pur-  
15 pose of ensuring that grant amounts provided under  
16 this section to a participating jurisdiction are used  
17 for downpayment assistance for such residents, ten-  
18 ants, and families; and

19           “(3) a description of the actions to be taken to  
20 ensure the suitability of families provided downpay-  
21 ment assistance under this section to undertake and  
22 maintain homeownership.

23           “(d) FORMULA ALLOCATION.—For each fiscal year,  
24 the Secretary shall allocate any amounts made available  
25 for assistance under this section for the fiscal year in ac-

1 cordance with a formula, which shall be established by the  
2 Secretary, that considers a participating jurisdiction’s  
3 need for and prior commitment to assistance to home-  
4 buyers. The formula may include minimum allocation  
5 amounts. In considering a participating jurisdiction’s prior  
6 year’s commitment to assistance to homebuyers, the for-  
7 mula shall consider amounts committed to such purpose  
8 under the HOME investment partnerships program, the  
9 community development block grant program, mortgage  
10 revenue bonds, and prior year’s funding from State and  
11 local governments, provided that the data underlying such  
12 funding is uniform, verifiable, and accurate by the State  
13 and local government, and shall consider other factors that  
14 the Secretary determines to be appropriate.

15       “(e) REALLOCATION.—If any amounts allocated to a  
16 participating jurisdiction under this section become avail-  
17 able for reallocation, the amounts shall be reallocated to  
18 other participating jurisdictions in accordance with the  
19 formula established pursuant to subsection (d), except  
20 that if a local participating jurisdiction failed to receive  
21 amounts allocated under this section and is located in a  
22 State that is a participating jurisdiction, the funds shall  
23 be reallocated to the State.

24       “(f) APPLICABILITY OF OTHER PROVISIONS.—

1           “(1) IN GENERAL.—Except as otherwise pro-  
2           vided in this section, grants under this section shall  
3           not be subject to the provisions of this title.

4           “(2) APPLICABLE PROVISIONS.—In addition to  
5           the requirements of this section, grants under this  
6           section shall be subject to the provisions of title I,  
7           sections 215(b) (except as provided in subsection  
8           (b)(2)(B) of this section), 218, 219, 221, 223, 224,  
9           and 226(a) of subtitle A of this title, and subtitle F  
10          of this title.

11          “(3) REFERENCES.—In applying the require-  
12          ments of subtitle A referred to in paragraph (2)—

13                 “(A) any references to funds under subtitle  
14                 A shall be considered to refer to amounts made  
15                 available for assistance under this section; and

16                 “(B) any references to funds allocated or  
17                 reallocated under section 217 or 217(d) shall be  
18                 considered to refer to amounts allocated or re-  
19                 allocated under subsection (d) or (e) of this sec-  
20                 tion, respectively.

21          “(g) ADMINISTRATIVE COSTS.—Notwithstanding sec-  
22          tion 212(c), a participating jurisdiction may use funds  
23          under subtitle A for administrative and planning costs of  
24          the jurisdiction in carrying out this section, and the limita-

1 tion in section 212(c) shall be based on the total amount  
2 of funds available under subtitle A and this section.

3 “(h) AUTHORIZATION OF APPROPRIATIONS.—There  
4 is authorized to be appropriated to carry out this section  
5 \$200,000,000 for each of fiscal years 2004 and 2005.”.

6 (b) RELOCATION ASSISTANCE AND DOWNPAYMENT  
7 ASSISTANCE.—Subtitle F of title II of the Cranston-Gon-  
8 zalez National Affordable Housing Act is amended by in-  
9 serting after section 290 (42 U.S.C. 12840) the following  
10 new section:

11 **“SEC. 291. RELOCATION ASSISTANCE AND DOWNPAYMENT**  
12 **ASSISTANCE.**

13 “The Uniform Relocation Assistance and Real Prop-  
14 erty Acquisition Policies Act of 1970 shall not apply to  
15 downpayment assistance under this title.”.

Passed the House of Representatives October 1,  
2003.

Attest:

*Clerk.*