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118TH CONGRESS
2D SESSION

H. R. 8285

To direct the Secretary of Housing and Urban Development to award grants to provide financial assistance to certain educators to make down payments on certain homes, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2024

Mr. SWALWELL (for himself, Mrs. HAYES, Mr. CARSON, Ms. NORTON, Mr. SOTO, Ms. STRICKLAND, Ms. TOKUDA, and Ms. WILLIAMS of Georgia) introduced the following bill; which was referred to the Committee on Financial Services

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A BILL

To direct the Secretary of Housing and Urban Development to award grants to provide financial assistance to certain educators to make down payments on certain homes, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ‘‘Educator Down Payment Assistance Act of 2024’’.

SEC. 2. FIRST-TIME HOMEBUYER DOWN PAYMENT ASSISTANCE PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Housing and Urban Development shall award grants, on a competitive basis, to eligible entities to provide financial assistance to eligible educators in accordance with subsection (d).

(b) APPLICATION.—An eligible entity seeking a grant under this section shall submit to the Secretary an application in such form, at such time, and containing such information as the Secretary determines appropriate, including an assurance that such entity will use an existing, or establish a new, down payment assistance program to provide financial assistance to eligible educators.

(c) GEOGRAPHIC AREAS.—In the case of a geographic area that is served by an eligible entity that is a unit of local government and an eligible entity that is a local educational agency, the Secretary may only award a grant to 1 such entity in such geographic area.

(d) USE OF AMOUNTS TO PROVIDE FINANCIAL ASSISTANCE.—

(1) IN GENERAL.—An eligible entity that receives a grant under subsection (a) shall use such grant funds to provide financial assistance to eligible educators.

(2) APPLICATION.—An eligible educator seeking a financial assistance under this subsection shall

submit to the eligible entity an application in such form, at such time, and containing such information as the eligible entity determines appropriate, including an assurance that such educator will—

(A) complete the housing counseling required under paragraph (8); and

(B) use an eligible residential mortgage loan to purchase an eligible dwelling.

(3) USE OF FINANCIAL ASSISTANCE.—An eligible educator who receives financial assistance under this subsection shall use such financial assistance to pay, with respect to the purchase of an eligible dwelling using an eligible residential mortgage loan, for—

(A) direct down payment costs associated with such purchase;

(B) closing costs associated with such purchase; and

(C) costs related to reducing the rates of interest on such eligible residential mortgage loan associated with such purchase.

(4) AMOUNT OF FINANCIAL ASSISTANCE.—

(A) IN GENERAL.—Except as provided under subparagraph (B), the amount of financial assistance awarded to an eligible educator under this subsection may not exceed $25,000.

(B) EXCEPTION.—In the case of an eligible educator purchasing an eligible dwelling that is located in a high cost area (as determined each year by the Federal Housing Finance Agency under the Housing and Economic Recovery Act of 2008), the amount of financial assistance awarded to an eligible educator under this subsection may exceed $25,000.

(5) LIMITATION.—An eligible educator may only receive financial assistance under this subsection one time.

(6) ADDITIONAL FUNDS.—An eligible entity may award financial assistance under this subsection to an eligible educator who is receiving funds from other sources, including other State, Federal, local, private, public, and nonprofit sources, for the purpose of purchasing an eligible dwelling.

(7) OCCUPANCY REQUIREMENT.—

(A) IN GENERAL.—An eligible educator who is awarded financial assistance under this subsection shall use the eligible dwelling purchased using such financial assistance as a primary residence for a period of not less than 3 years beginning on the date on which the eligible educator receives financial assistance under this subsection.

(B) ENFORCEMENT.—

(i) RETURN OF FUNDS.—An eligible educator who does not comply with the requirement under subparagraph (A) shall return to the eligible entity the total amount of the financial assistance awarded to such educator under this subsection.

(ii) TIMING.—Such funds shall be returned in accordance with clause (i) not later than 1 year after such educator ceases to use such dwelling as a primary residence in violation of the requirement under subparagraph (A).

(iii) EXCEPTION.—An eligible educator who does not comply with the requirement under subparagraph (A) due to an emergency event shall not be required to return financial assistance under clause (i).

(8) SERVICE REQUIREMENT.—

(A) IN GENERAL.—An eligible educator who is awarded financial assistance under this subsection shall be required by the Secretary to continue in their role as a public elementary or secondary school teacher, principal, paraprofessional, school leader, or other staff for not less than 3 years after the date on which the eligible educator is awarded financial assistance.

(B) EXCEPTION.—Subparagraph (A) shall not apply if an eligible educator is a military spouse as such term is defined in section 45AA(d)(1) of title 26, United States Code.

(e) REPORTING REQUIREMENTS.—The Secretary shall, each year submit a report to the Congress that includes include a breakdown of financial assistance provided under this section, by demographic breakdown, mean income, and mean purchase price.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $30,000,000 for fiscal year 2025 and 5 years thereafter.

(g) DEFINITIONS.—In this section:

(1) ELIGIBLE DWELLING.—The term "eligible dwelling" means a residential property with not greater than 4 dwelling units, an apartment, a condominium, or a manufactured dwelling unit

(2) ELIGIBLE EDUCATOR.—The term "eligible educator" means a public elementary or secondary

school teacher, principal, paraprofessional, school leader, or other staff who—

(A) is a first-time homebuyer;

(B) has served in their position or another position in the educational system for not less than a total of 3 years (without regard to whether such years were consecutive);

(C) has a qualifying income; and

(D) is in good standing.

(3) ELIGIBLE ENTITY.—The term ''eligible entity'' means—

(A) a unit of local government;

(B) a State housing finance agency; or

(C) a local educational agency.

(4) ELIGIBLE RESIDENTIAL MORTGAGE LOAN.—The term ''eligible residential mortgage loan'' means a residential mortgage loan that—

(A) meets the underwriting requirements and dollar amount limitations for acquisition by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation;

(B) is made, insured, or guaranteed under title II of the National Housing Act (12 U.S.C. 1707 et seq.) or title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.);

(C) is made, insured, or guaranteed under title VIII of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4221 et seq.

(D) is a qualified mortgage, as such term is defined in section 129C(b)(2) of the Truth in Lending Act (15 U.S.C. 1639c(b)(2));

(E) is made, insured, or guaranteed under title V of the Housing Act of 1949; or

(F) is guaranteed under section 184 of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13a).

(5) EMERGENCY EVENT.—The term ''emergency event'' includes—

(A) military deployment;

(B) divorce;

(C) death of an eligible educator or spouse; and

(D) other similar unforeseen events as determined by the Secretary.

(6) ESEA TERMS.—The terms ''elementary school'', ''local educational agency'', ''other staff'', ''secondary school'', and ''Secretary'' have the meanings given such terms in section 8101 of the Ele-

mentary and Secondary Education Act of 1965 (20 U.S.C. 7801).

(7) FIRST-TIME HOMEBUYER.—The term ''first-time homebuyer'' has the meaning given such term in section 92.2 of title 24, Code of Federal Regulations (as in effect on the date of the enactment of this Act), except that any reference in such section to the American Dream Downpayment Initiative shall be deemed to be a reference to the grant program established under this section.

(8) GOOD STANDING.—

(A) IN GENERAL.—The term ''good standing'' means that, with respect to an eligible educator and for the period described in subparagraph (B), such educator has not received disciplinary action from the local educational agency that serves the school at which such educator works as an educator.

(B) PERIOD.—The period described in subparagraph (A)—

(i) begins on the date that is 3 years before the date described in clause (ii); and

(ii) ends on the date on which such educator submits an application under subsection (c).

(9) QUALIFYING INCOME.—

(A) IN GENERAL.—The term "qualifying income" means, except as provided in subparagraph (B), an income that does not exceed 120 percent of the area median income in which the eligible dwelling to be purchased is located.

(B) HIGH-COST AREA.—If the Secretary makes a determination that an area described in subparagraph (A) is a high-cost area, the qualifying income shall be an income that does not exceed 180 percent of the median income of such area.

(10) SECRETARY.—The term "Secretary" means the Secretary of Housing and Urban Development.

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