

117TH CONGRESS
2D SESSION

H. R. 8340

To direct the Secretary of Education 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

JULY 12, 2022

Mr. SWALWELL (for himself and Mrs. HAYES) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To direct the Secretary of Education to award grants to provide financial assistance to certain educators to make down payments on certain homes, 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 “Educator Down Pay-

5 ment Assistance Act of 2022”.

1 **SEC. 2. FIRST-TIME HOMEBUYER DOWN PAYMENT ASSIST-**

2 **ANCE PROGRAM.**

3 (a) ESTABLISHMENT.—The Secretary of Education
4 shall award grants, on a competitive basis, to eligible enti-
5 ties to award subgrants to eligible educators in accordance
6 with subsection (d).

7 (b) APPLICATION.—An eligible entity seeking a grant
8 under this section shall submit to the Secretary an appli-
9 cation in such form, at such time, and containing such
10 information as the Secretary determines appropriate, in-
11 cluding an assurance that such entity will utilize an exist-
12 ing, or establish a new, down payment assistance program
13 to award subgrants to eligible educators.

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

19 (d) SUBGRANTS.—

20 (1) IN GENERAL.—An eligible entity that re-
21 ceives a grant under subsection (a) shall use such
22 grant funds to award subgrants to eligible educators.

23 (2) APPLICATION.—An eligible educator seeking
24 a subgrant under this subsection shall submit to the
25 eligible entity an application in such form, at such
26 time, and containing such information as the eligible

1 entity determines appropriate, including an assurance
2 that such educator will—

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

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

5 (3) SUBGRANT USES.—An eligible educator that receives a subgrant under this subsection shall use
6 such subgrant funds to pay, with respect to the purchase of an eligible dwelling using an eligible residential mortgage loan, for—

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

8 (B) closing costs associated with such purchase; and

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

10 (4) SUBGRANT AMOUNT.—

11 (A) IN GENERAL.—Except as provided under subparagraph (B), a subgrant awarded under this subsection may not exceed \$25,000.

12 (B) EXCEPTION.—In the case of an eligible educator purchasing an eligible dwelling that is located in a high-cost area (as deter-

1 mined by the Secretary based on area median
2 income), a subgrant awarded under this sub-
3 section may exceed \$25,000.

(5) SUBGRANT LIMIT.—An eligible educator may only receive 1 subgrant under this subsection.

(6) ADDITIONAL FUNDS.—An eligible entity may award a subgrant 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.

12 (7) OCCUPANCY REQUIREMENT.—

19 (B) ENFORCEMENT.—

12 (8) HOUSING COUNSELING REQUIREMENT.—

17 (i) is offered—

18 (I) by a housing counseling agency that is approved by the Department of Housing and Urban Development; and

(ii) includes information with respect

2 to—

6 (II) fair housing rights and how

7 to file a fair housing complaint; and

(iii) is completed prior to filling out a loan application or entering into a sales purchase agreement.

16 (e) DEFINITIONS.—In this section:

17 (1) ELIGIBLE DWELLING.—

(B) LIMITATION.—An eligible dwelling does not include a residential property that contains more than 4 dwelling units.

1 (2) ELIGIBLE EDUCATOR.—The term “eligible
2 educator” means a public elementary or secondary
3 school teacher, principal, paraprofessional, school
4 leader, or other staff who—

- 5 (A) is a first-time homebuyer;
6 (B) has served in their position or another
7 position in the educational system for not less
8 than a total of 3 years (without regard to
9 whether such years were consecutive);
10 (C) has a qualifying income; and
11 (D) is in good standing.

12 (3) ELIGIBLE ENTITY.—The term “eligible enti-
13 ty” means—

- 14 (A) a unit of local government;
15 (B) a State housing finance agency; or
16 (C) a local educational agency.

17 (4) ELIGIBLE RESIDENTIAL MORTGAGE
18 LOAN.—The term “eligible residential mortgage
19 loan” means a residential mortgage loan that—

- 20 (A) meets the underwriting requirements
21 and dollar amount limitations for acquisition by
22 the Federal National Mortgage Association or
23 the Federal Home Loan Mortgage Corporation;
24 (B) is made, insured, or guaranteed under
25 title II of the National Housing Act (12 U.S.C.

1 1707 et seq.) or title V of the Housing Act of
2 1949 (42 U.S.C. 1471 et seq.);

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

6 (D) is made, insured, or guaranteed under
7 chapter 37 of title 38, United States Code; or

8 (E) is guaranteed under section 184 of the
9 Housing and Community Development Act of
10 1992 (12 U.S.C. 1715z–13a).

11 (5) EMERGENCY EVENT.—The term “emer-
12 gency event” includes—

13 (A) military deployment;

14 (B) divorce;

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

16 and

17 (D) other similar unforeseen events as de-
18 termined by the Secretary.

19 (6) ESEA TERMS.—The terms “elementary
20 school”, “local educational agency”, “other staff”,
21 “secondary school”, and “Secretary” have the mean-
22 nings given such terms in section 8101 of the Ele-
23 mentary and Secondary Education Act of 1965 (20
24 U.S.C. 7801).

9 (8) GOOD STANDING.—

24 (9) QUALIFYING INCOME.—

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

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

