

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 assur-
2 ance that such educator will—

3 (A) complete the housing counseling re-
4 quired under paragraph (8); and

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

7 (3) SUBGRANT USES.—An eligible educator that
8 receives a subgrant under this subsection shall use
9 such subgrant funds to pay, with respect to the pur-
10 chase of an eligible dwelling using an eligible resi-
11 dential mortgage loan, for—

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

14 (B) closing costs associated with such pur-
15 chase; and

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

19 (4) SUBGRANT AMOUNT.—

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

23 (B) EXCEPTION.—In the case of an eligi-
24 ble educator purchasing an eligible dwelling
25 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.

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

6 (6) ADDITIONAL FUNDS.—An eligible entity
7 may award a subgrant under this subsection to an
8 eligible educator who is receiving funds from other
9 sources, including other State, Federal, local, pri-
10 vate, public, and nonprofit sources, for the purpose
11 of purchasing an eligible dwelling.

12 (7) OCCUPANCY REQUIREMENT.—

13 (A) IN GENERAL.—An eligible educator
14 who is awarded a subgrant under this sub-
15 section and makes a down payment on an eligi-
16 ble dwelling with such subgrant funds shall use
17 such dwelling as a primary residence for a pe-
18 riod of not less than 3 years.

19 (B) ENFORCEMENT.—

20 (i) RETURN OF FUNDS.—An eligible
21 educator who does not comply with the re-
22 quirement under subparagraph (A) shall
23 return to the eligible entity the total
24 amount of the subgrant funds awarded to
25 such educator under this subsection.

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

7 (iii) EXCEPTION.—An eligible educa-
8 tor who does not comply with the require-
9 ment under subparagraph (A) due to an
10 emergency event shall not be required to
11 return subgrant funds under clause (i).

12 (8) HOUSING COUNSELING REQUIREMENT.—

13 (A) IN GENERAL.—An eligible educator
14 shall provide to the eligible entity, in accordance
15 with clause (iii), proof of completion of a pro-
16 gram of housing counseling that—

17 (i) is offered—

18 (I) by a housing counseling agen-
19 cy that is approved by the Depart-
20 ment of Housing and Urban Develop-
21 ment; and

22 (II) in person, virtually, by tele-
23 phone, or by any other method deter-
24 mined by the Secretary to be accept-
25 able;

1 (ii) includes information with respect
2 to—

3 (I) the responsibilities and finan-
4 cial management required with re-
5 spect to owning a home; and

6 (II) fair housing rights and how
7 to file a fair housing complaint; and

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

11 (B) FUNDING.—The Secretary shall re-
12 serve not less than 5 percent of the funds made
13 available to carry out this section to pay for the
14 costs of the housing counseling required under
15 subparagraph (A) for eligible educators.

16 (e) DEFINITIONS.—In this section:

17 (1) ELIGIBLE DWELLING.—

18 (A) IN GENERAL.—The term “eligible
19 dwelling” means a residential property, an
20 apartment, a condominium, or a manufactured
21 dwelling unit.

22 (B) LIMITATION.—An eligible dwelling
23 does not include a residential property that con-
24 tains 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 ings given such terms in section 8101 of the Ele-
23 mentary and Secondary Education Act of 1965 (20
24 U.S.C. 7801).

1 (7) FIRST-TIME HOMEBUYER.—The term “first-
2 time homebuyer” has the meaning given such term
3 in section 92.2 of title 24, Code of Federal Regula-
4 tions (as in effect on the date of the enactment of
5 this Act), except that any reference in such section
6 to the American Dream Downpayment Initiative
7 shall be deemed to be a reference to the grant pro-
8 gram established under this section.

9 (8) GOOD STANDING.—

10 (A) IN GENERAL.—The term “good stand-
11 ing” means that, with respect to an eligible ed-
12 ucator and for the period described in subpara-
13 graph (B), such educator has not received dis-
14 ciplinary action from the local educational agen-
15 cy that serves the school at which such educator
16 works as an educator.

17 (B) PERIOD.—The period described in sub-
18 paragraph (A)—

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

21 (ii) ends on the date on which such
22 educator submits an application under sub-
23 section (c).

24 (9) QUALIFYING INCOME.—

1 (A) IN GENERAL.—The term “qualifying
2 income” means, except as provided in subpara-
3 graph (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.

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