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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R. ______

To authorize the Secretary of Housing and Urban Development to issue loans to certain public employees, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. LAWLER introduced the following bill; which was referred to the Committee on ______________________________

A BILL

To authorize the Secretary of Housing and Urban Development to issue loans to certain public employees, 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 "Public Service Homeownership Assistance Act".

SEC. 2. DOWNPAYMENT ASSISTANCE PROGRAM FOR CERTAIN PUBLIC EMPLOYEES.

(a) IN GENERAL.—Beginning January 1, 2027, the Secretary of Housing and Urban Development may, subject to appropriations made available to carry out this section, issue to covered public employees loans that are secured by an eligible property purchased by such employee.

(b) SUBORDINATE LIEN.—The lien held by the Secretary against an eligible property as part of a loan under this section shall be subordinate to any first mortgage against such property.

(c) LOAN AMOUNT.—A loan issued to a covered public employee under this section may not be in an amount that is—

(1) less than $10,000; or

(2) more than $20,000.

(d) USE OF AMOUNTS.—A covered public employee who receives a loan under this section may only use loan amounts for the payment of a downpayment, or any closing costs, with respect to the purchase of an eligible property by such employee.

(e) REQUIREMENT.—A covered public employee that receives a loan under this section shall occupy the eligible property that secures such loan not later than 60 days after the date of the issuance of such loan.

(f) LOAN REPAYMENT.—A covered public employee who receives a loan under this section shall begin repayment of such loan, amortized over 10 years, upon the earliest of the following:

(1) The date on which such employee sells or transfers to another person the eligible property that secures such loan.

(2) January 1 of any year following a year during which such employee did not occupy the eligible property that secures such loan for at least 182 calendar days.

(3) The date of the closing of a cash out refinance initiated by such employee with respect to the eligible property that secures such loan.

(g) RULE OF CONSTRUCTION.—Nothing in this section may be construed to prohibit a covered public employee from using any other source of Federal or State assistance, including any other loan program, in conjunction with a loan issued under this section.

(h) DEFINITIONS.—In this section:

(1) CASH OUT REFINANCE.—The term ''cash out refinance'' means a financial transaction in which a covered public employee—

(A) refinances the first mortgage against an eligible property; and

(B) receives an excess balance in cash as a result of the new mortgage resulting from such refinancing.

(2) CLOSING COST.—The term ‘‘closing cost’’ means any fee, charge, or prepaid item required to originate, process, or complete a mortgage or real estate settlement with respect to an eligible property, exclusive of the purchase price of the eligible property.

(3) COVERED PUBLIC EMPLOYEE.—The term ‘‘covered public employee’’ means an individual who is employed by an agency or department of Federal, State, Tribal, or local government.

(4) ELIGIBLE PROPERTY.—The term ‘‘eligible property’’ means a residential property that—

(A) consists of 1 to 4 dwelling units;

(B) meets any standards required by the Secretary;

(C) is located in the United States or a territory thereof; and

(D) will be occupied by the covered public employee for not less than 182 days each calendar year.