

**§ 12821. Downpayment assistance initiative****(a) Definitions**

In this section:

**(1) Downpayment assistance**

The term “downpayment assistance” means assistance to help a family acquire a principal residence.

**(2) Home repairs**

The term “home repairs” means capital improvements or repairs that—

(A) are identified in an appraisal or home inspection completed in conjunction with a home purchase; or

(B) are completed within 1 year of the purchase of a home, and are necessary to bring the housing into compliance with health and safety housing codes of the unit of general local government in which the housing is located, including the remediation of lead paint or other home health hazards.

**(3) Participating jurisdiction**

The term “participating jurisdiction” means a State or unit of general local government designated under section 12746 of this title.

**(4) State**

The term “State” means any State of the United States and the District of Columbia.

**(b) Grant authority**

The Secretary may award grants to participating jurisdictions to assist low-income families to achieve homeownership, in accordance with this section.

**(c) Eligible activities****(1) In general****(A) Downpayment assistance**

Subject to subparagraph (B), grants awarded under this section may be used only for downpayment assistance toward the purchase of single family housing (including 1 to 4 unit family dwelling units, condominium units, cooperative units, and manufactured housing units which are located on land which is owned by the manufactured housing unit owner, owned as a cooperative, or is subject to a leasehold interest with a term equal to at least the term of the mortgage financing on the unit, and manufactured housing lots) by low-income families who are first-time home-buyers.

**(B) Home repairs**

Not more than 20 percent of the grant funds provided under subsection (d) of this section to a participating jurisdiction may be used to provide assistance to low-income, first-time home-buyers for home repairs.

**(2) Limitations****(A) Amount of assistance**

The amount of assistance provided to any low-income families under paragraph (1) shall not exceed the greater of—

- (i) 6 percent of the purchase price of a single family housing unit; or
- (ii) \$10,000.

**(B) Participation**

A participating jurisdiction may not use any amount of a grant awarded under this

section to provide funding to an entity or organization that provides downpayment assistance if the activities of that entity or organization are financed in whole or in part, directly or indirectly, by contributions, service fees, or other payments from the sellers of housing.

**(d) Formula allocation****(1) In general**

For each fiscal year, the Secretary shall allocate any amounts made available for assistance under this section to each State that is a participating jurisdiction in an amount equal to a percentage of the total allocation that is equal to the percentage of the national total of low-income households residing in rental housing in the State, as determined on the basis of the most recent census data compiled by the Bureau of the Census.

**(2) Participating jurisdictions other than States****(A) In general**

Subject to subparagraph (B), for each fiscal year, of the amount allocated to each State under paragraph (1), the Secretary shall further allocate from such amount to each participating jurisdiction located within such State an amount equal to the percentage of the allocation made to the State under paragraph (1) that is equal to the percentage of the State-wide total of low-income households residing in rental housing in such participating jurisdiction, as determined on the basis of the most recent census data compiled by the Bureau of the Census.

**(B) Limitation****(i) In general**

Direct allocations made under subparagraph (A) shall be made to a local participating jurisdiction only if—

(I) the participating jurisdiction has a total population of 150,000 individuals or more, as determined on the basis of the most recent census data compiled by the Bureau of the Census; or

(II) the participating jurisdiction would receive an allocation of \$50,000 or more.

**(ii) Reversion**

Any allocation that would have otherwise been made to a participating jurisdiction that does not meet the requirements of clause (i) shall revert back to the State in which the participating jurisdiction is located.

**(e) Reallocation**

If any amounts allocated to a participating jurisdiction under this section become available for reallocation, the amounts shall be reallocated to other participating jurisdictions in accordance with subsection (d) of this section.

**(f) Applicability of other provisions****(1) In general**

Except as otherwise provided in this section, grants made under this section shall not be subject to the provisions of this subchapter.

**(2) Applicable provisions**

In addition to the requirements of this section, grants made under this section shall be subject to the provisions of subchapter I of this chapter, sections 12745(b), 12748, 12749, 12751, 12753, 12754, and 12756(a) of part A of this subchapter, and part F of this subchapter.

**(3) References**

In applying the requirements of part A of this subchapter referred to in paragraph (2)—

(A) any references to funds under part A of this subchapter shall be considered to refer to amounts made available for assistance under this section; and

(B) any references to funds allocated or reallocated under section 12747 or 12747(d) of this title shall be considered to refer to amounts allocated or reallocated under subsection (d) or (e) of this section, respectively.

**(g) Housing strategy**

To be eligible to receive a grant under this section in any fiscal year, a participating jurisdiction shall include in its comprehensive housing affordability strategy developed under section 12705 of this title for such fiscal year—

(1) a description of the anticipated use of any grant received under this section;

(2) a plan for conducting targeted outreach to residents and tenants of public housing, trailer parks, and manufactured housing, and to other families assisted by public housing agencies, for the purpose of ensuring that grant amounts provided under this section to a participating jurisdiction are used for downpayment assistance for such residents, tenants, and families; and

(3) a description of the actions to be taken to ensure the suitability of families receiving downpayment assistance under this section to undertake and maintain homeownership.

**(h) Report**

Not later than June 30, 2006, the Comptroller General of the United States shall submit a report containing a State-by-State analysis of the impact of grants awarded under this section to—

(1) the Committee on Banking, Housing, and Urban Affairs of the Senate; and

(2) the Committee on Financial Services of the House of Representatives.

**(i) Sunset**

The Secretary shall have no authority to make grants under this section after December 31, 2011.

**(j) Relocation assistance and downpayment assistance**

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (84 Stat. 1894) [42 U.S.C. 4601 et seq.] shall not apply to downpayment assistance under this section.

**(k) Authorization of appropriations**

There is authorized to be appropriated to carry out this section \$200,000,000 for each of fiscal years 2004 through 2007.

(Pub. L. 101-625, title II, § 271, Nov. 28, 1990, 104 Stat. 4124; Pub. L. 108-186, title I, § 102, Dec. 16,

2003, 117 Stat. 2686; Pub. L. 111-8, div. I, title II, § 229(4), Mar. 11, 2009, 123 Stat. 978.)

## REFERENCES IN TEXT

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, referred to in subsec. (j), is Pub. L. 91-646, Jan. 2, 1971, 84 Stat. 1894, which is classified principally to chapter 61 (§ 4601 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 4601 of this title and Tables.

## AMENDMENTS

2009—Subsec. (i). Pub. L. 111-8 substituted “section after December 31, 2011” for “Act after December 31, 2007”.

2003—Pub. L. 108-186 amended section generally. Prior to amendment, section required the Comptroller General to carry out a study of ways in which financing for affordable housing may be made available to assist in the most efficient implementation of comprehensive housing affordability strategies of participating jurisdictions and to submit to Congress and the Secretary, not later than one year after Nov. 28, 1990, a report containing any recommendations for legislative or administrative actions needed to improve the availability of mortgage finance for affordable housing.

## PART F—GENERAL PROVISIONS

**§ 12831. Equal opportunity****(a) Solicitation of contracts**

Each participating jurisdiction shall prescribe procedures acceptable to the Secretary to establish and oversee a minority outreach program within each such jurisdiction to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts, entered into by the participating jurisdiction with such persons or entities, public and private, in order to facilitate the activities of the participating jurisdiction to provide affordable housing authorized under this Act or any other Federal housing law applicable to such jurisdiction.

**(b) Report to Congress**

Before the end of the 180-day period beginning on the date the first allocation of funds is made under section 12747 of this title, the Secretary shall submit to the Congress a report containing a description of the actions taken by each participating jurisdiction pursuant to subsection (a) of this section and such recommendations for administrative and legislative action as the Secretary may determine to be appropriate to carry out the purposes of such subsection.

(Pub. L. 101-625, title II, § 281, Nov. 28, 1990, 104 Stat. 4125.)

## REFERENCES IN TEXT

This Act, referred to in subsec. (a), is Pub. L. 101-625, Nov. 28, 1990, 104 Stat. 4079, known as the Cranston-Gonzalez National Affordable Housing Act. For complete classification of this Act to the Code, see Short Title note set out under section 12701 of this title and Tables.

**§ 12832. Nondiscrimination**

No person in the United States shall on the grounds of race, color, national origin, religion,