

117TH CONGRESS  
1ST SESSION

# S. 2981

To amend the National Housing Act to establish a mortgage insurance program for first responders, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

OCTOBER 7, 2021

Mr. RUBIO (for himself and Mr. OSSOFF) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To amend the National Housing Act to establish a mortgage insurance program for first responders, 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 “Homes for Every Local  
5 Protector, Educator, and Responder Act of 2021” or the  
6 “HELPER Act of 2021”.

1 **SEC. 2. FHA MORTGAGE INSURANCE PROGRAM FOR MORT-**  
2 **GAGES FOR FIRST RESPONDERS.**

3 Title II of the National Housing Act (12 U.S.C. 1707  
4 et seq.) is amended by adding at the end the following  
5 new section:

6 **“SEC. 259. FHA MORTGAGE INSURANCE PROGRAM FOR**  
7 **MORTGAGES FOR FIRST RESPONDERS.**

8 “(a) **AUTHORITY.**—Subject to subsection (i), the Sec-  
9 retary may, upon application by a mortgagee, insure any  
10 mortgage eligible for insurance under this section and,  
11 upon such terms and conditions as the Secretary may pre-  
12 scribe, make commitments for the insurance of such mort-  
13 gages prior to the date of their execution or disbursement.

14 “(b) **ELIGIBLE MORTGAGORS.**—The mortgagor for a  
15 mortgage insured under this section shall, at the time the  
16 mortgage is executed, meet the following requirements:

17 “(1) **FIRST RESPONDER.**—The mortgagor shall  
18 be—

19 “(A)(i) employed full-time by a law en-  
20 forcement agency of the Federal Government, a  
21 State (as such term is defined in section 201),  
22 or a unit of general local government; and

23 “(ii) in carrying out such full-time employ-  
24 ment, sworn to uphold, and make arrests for  
25 violations of, Federal, State, county, township,

1 or municipal laws, or authorized by law to su-  
2 pervise sentenced criminal offenders;

3 “(B) employed full-time as a firefighter,  
4 paramedic, or emergency medical technician by  
5 a fire department or emergency medical services  
6 responder unit of the Federal Government, a  
7 State, or a unit of general local government; or

8 “(C) employed as a full-time teacher by a  
9 State-accredited public school or private school  
10 that provides direct services to students in  
11 grades pre-kindergarten through 12.

12 “(2) YEARS OF SERVICE.—The mortgagor shall  
13 have been—

14 “(A) employed as required under para-  
15 graph (1) before application for a mortgage in-  
16 sured under this section for 4 or more consecu-  
17 tive years; or

18 “(B) released from employment described  
19 in paragraph (1)(C) due to an occupation-con-  
20 nected disability resulting directly from such  
21 duty or employment.

22 “(3) INTENT FOR FUTURE SERVICE.—Except in  
23 the case of a mortgagor described in paragraph  
24 (2)(B), the mortgagor shall have certified that the  
25 mortgagor in good faith intends to continue employ-

1 ment as described in paragraph (1) for at least one  
2 year following the date of closing on the mortgage.

3 “(4) GOOD STANDING.—The mortgagor shall be  
4 in good standing with respect to the employment re-  
5 quired under paragraph (1) and not on probation or  
6 under investigation for conduct that, if determined  
7 to have occurred, is grounds for termination of em-  
8 ployment.

9 “(5) ACCEPTABLE RISK.—The mortgagor meets  
10 such requirements as the Secretary shall establish to  
11 ensure that insurance of the mortgage represents an  
12 acceptable risk to the Mutual Mortgage Insurance  
13 Fund.

14 “(6) ACTUARIAL OBJECTIVES.—The mortgagor  
15 meets such underwriting requirements as the Sec-  
16 retary shall establish to meet actuarial objectives  
17 identified by the Secretary, which may include avoid-  
18 ing a positive subsidy rate or complying with the  
19 capital ratio requirement under section 205(f)(2).

20 “(7) ONE-TIME USE.—The mortgagor shall  
21 never previously have been the mortgagor under a  
22 mortgage insured under this section.

23 “(c) MORTGAGE TERMS.—A mortgage insured under  
24 this section shall comply with the following requirements:

1           “(1) USE OF PROCEEDS.—The proceeds of the  
2 mortgage shall be used only—

3           “(A) to purchase, construct, or repair a 1-  
4 family residence, including a 1-family dwelling  
5 unit in a condominium project; or

6           “(B) to purchase—

7           “(i) a manufactured home to be per-  
8 manently affixed to a lot that is owned by  
9 the mortgagor; or

10           “(ii) a manufactured home and a lot  
11 to which the home will be permanently af-  
12 fixed.

13           “(2) SECURITY.—The mortgage shall be se-  
14 cured by an interest in the residence for which the  
15 proceeds are used.

16           “(3) NO DOWNPAYMENT.—Subject to para-  
17 graph (5) of this subsection, the mortgage may in-  
18 volve an original principal obligation in an amount  
19 up to 100 percent of the cost of acquisition of the  
20 residence involved (including charges and fees re-  
21 ferred to in such paragraph (5) and the premium  
22 pursuant to subsection (d)(1)) and shall not require  
23 that the mortgagor shall pay any amount, in cash or  
24 its equivalent, on account of the property.

25           “(4) USE AS PRINCIPAL RESIDENCE.—

1           “(A) REQUIREMENT.—The residence se-  
2           curing the mortgage shall be occupied, during  
3           the term of the mortgage, by the mortgagor as  
4           the mortgagor’s principal residence.

5           “(B) CERTIFICATION.—The mortgagor  
6           shall certify compliance with subparagraph (A)  
7           upon the execution of the mortgage and annu-  
8           ally during the period specified in such subpara-  
9           graph.

10          “(5) LOAN LIMITS.—The mortgage shall involve  
11          an original principal obligation (including such ini-  
12          tial service charges, appraisal, inspection, and other  
13          fees to the extent allowable in connection with a  
14          mortgage insured under section 203) not exceeding  
15          the amount allowable with respect to a mortgage in-  
16          sured under section 203(h).

17          “(6) CLOSING COSTS.—The Secretary shall pro-  
18          vide that the seller of a residence acquired using a  
19          mortgage insured under this section may pay all or  
20          a part of any closing costs associated with such sale,  
21          subject to such limits as the Secretary shall estab-  
22          lish.

23          “(7) MORTGAGEE.—A mortgage insured under  
24          this section shall be originated by a mortgagee ap-  
25          proved by Secretary under this title.

1           “(8) INTEREST.—A mortgage insured under  
2 this section shall bear interest at rate agreed to by  
3 the mortgagor and mortgagee, which may be adjust-  
4 able.

5           “(d) MORTGAGE INSURANCE PREMIUM.—

6           “(1) UP-FRONT PREMIUM.—Subject to para-  
7 graph (2), the Secretary shall establish and collect  
8 an insurance premium in connection with each mort-  
9 gage insured under this section, at the time and in  
10 the manner provided under section 203(c)(2)(A), ex-  
11 cept that such premiums shall be in an amount  
12 equal to 3.6 percent of the amount of the original  
13 insured principal obligation of the mortgage.

14           “(2) AUTHORITY TO ADJUST.—The Secretary  
15 may adjust the percentages specified in paragraph  
16 (1) from time to time by increasing or decreasing  
17 such percentages as the Secretary considers nec-  
18 essary, based on the performance of mortgages in-  
19 sured under this section and market conditions.

20           “(3) PROHIBITION OF MONTHLY PREMIUMS.—A  
21 mortgage insured under this section shall not be  
22 subject to a monthly insurance premium, including  
23 a premium under section 203(c)(2)(B).

24           “(e) EXTENT OF INSURANCE.—Mortgage insurance  
25 under this section shall provide insurance of the mortgage

1 in the same amount as would be guaranteed under section  
2 3703(a)(1) of title 38, United States Code, for a loan  
3 guaranteed under chapter 37 of such title having an origi-  
4 nal principal obligation in the same amount as such mort-  
5 gage.

6 “(f) PROCEDURE UPON DEFAULT.—In the event of  
7 default in the payment of any mortgage insured under this  
8 section, such mortgage shall be subject to the same re-  
9 quirements, conditions, and procedures applicable under  
10 this title to mortgages insured under section 203 that are  
11 in default.

12 “(g) MMIF.—A mortgage insured under this section  
13 shall be an obligation of the Mutual Mortgage Insurance  
14 Fund established under section 202(a).

15 “(h) REAUTHORIZATION REQUIRED.—The authority  
16 to enter into new commitments to insure mortgages under  
17 this section shall expire upon the conclusion of the 5-year  
18 period beginning on the date of the enactment of this sec-  
19 tion unless otherwise specifically provided by law.”.

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