

EDUCATOR DOWN PAYMENT ASSISTANCE ACT

BACKGROUND

In recent years we've seen existing teacher shortages become worse and recent polling indicates that 55% of polled teachers intend to leave the profession earlier than expected. The National Education Association's number one priority is teacher recruitment and retention, but we all need to look at what we can do so that our children have access to healthy and happy classrooms.

If educators live in the communities where they teach, they understand the challenges their students may face, they're putting their career to work in their own community, and their own children go to school close by, making every morning a bit easier. However, home ownership is out of reach for many educators. Teachers spend nearly half of their salaries on rent and typical rent prices are unaffordable for entry-level teachers in 49 of the 50 largest metro areas in the United States. This makes saving up for a down payment on a home extremely challenging.

AT A GLANCE

For decades, down payment assistance programs with special incentives for public servants, have been making a difference. These programs encourage homeownership, allow public servants live close to where they work, and help recruit and retain key service personnel. Some examples include:

- San Francisco's down-payment loan program known as Teacher Next Door. It provides \$40,000 for a market-rate unit, or \$20,000 for a below-market-rate unit loan, which is forgiven after 10 years if all the program requirements are met.
- D.C. offers its workers help buying homes through the Employer Assisted Housing Program, which can provide up to \$5,000 in matched funds for a down payment and a deferred loan of up to \$20,000.

BENEFITS

The Educator Down Payment Assistance Act would support these local incentive programs by:

- Authorizing the Secretary of Housing and Urban Development to provide competitive grants to local governments and local educational agencies that provide down payment assistance to full-time public-school educators (teachers, principals, specialized instruction support personnel, librarians, counselors) who are first-time home buyers.
- Grants can be up to \$25,000 for educators who make up to 120 percent of the area median income or up to 180 percent of the area median income in a high-cost area.
- Educators must serve in their position for a total of 6 years (3 years before receiving assistance and 3 years after receiving assistance) to receive financial assistance.

Endorsed by the National Association of Realtors, National Education Association, American Federation of Teachers, National Housing Resource Center, Livermore Valley Joint Unified School District, and Landed.

