

1 AN ACT concerning teachers.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 1. Short title. This Act may be cited as the
5 Teacher Homebuyer Assistance Act.

6 Section 5. Legislative findings and declarations. The
7 General Assembly finds and declares all of the following:

8 (1) Attracting and retaining fully qualified
9 teachers is of paramount importance in ensuring that
10 pupils have fair access to a quality education and a fair
11 chance to succeed academically. This is especially
12 critical for schools that have the greatest number and
13 percentage of pupils with the most acute educational
14 needs, who predictably may score lowest on academic
15 achievement examinations.

16 (2) A high priority should be placed on attracting
17 and retaining quality teaching professionals who have
18 demonstrated exemplary teaching ability, who serve in
19 hard-to-staff schools, and who live in high-cost areas.

20 (3) Teachers face housing problems that exacerbate
21 school districts' efforts to attract and retain qualified
22 teachers. Many cannot afford to live in the communities
23 in which they teach, making it difficult for them to
24 become active members of their school's community.
25 Providing opportunities for teachers to participate in
26 after-school activities, from tutoring to coaching,
27 benefits the children and community in which the teacher
28 is employed.

29 (4) Over the next 3 years it is estimated that 40%
30 of the State's teachers will be eligible for retirement.
31 New teachers will need to be hired and retained to meet

1 the demand generated by increasing student enrollment in
2 Illinois' public schools.

3 Section 10. Definitions. In this Act:

4 "Authority" means the Illinois Housing Development
5 Authority.

6 "Low-performing challenge school" means a public school
7 that does not meet State goals, as defined and designated by
8 the State Board of Education.

9 "Teacher" means a person who is currently employed as a
10 full-time teacher in a low-performing challenge school and
11 who is certified in this State in the subject field or grade
12 level for which the teacher is employed.

13 "Termination of employment" means that for whatever
14 reason, the borrower is no longer a teacher at any time
15 during the first 5 years immediately following the date of
16 recordation of the subordinate mortgage loan deed of trust.
17 However, it shall not be considered termination of employment
18 if the borrower is still employed at the same school at the
19 time of recordation of the subordinate mortgage loan, but the
20 school is no longer considered a low performing challenge
21 school or if the borrower accepts a teaching position at
22 another public school and his or her departure from the
23 low-performing challenge school was involuntary. The
24 Authority may establish guidelines for consideration of
25 hardship cases in which it may waive this 5-year continuous
26 employment requirement.

27 Section 15. Teacher homebuyer assistance program.

28 (a) The Authority shall establish and administer a
29 teacher homebuyer assistance program and allocate funds in
30 accordance with this Act. The purpose of this program is to
31 provide down payment assistance to teachers for purchasing
32 residences within the jurisdiction in which they are

1 employed.

2 (b) The maximum down payment assistance to a teacher
3 under this Act shall be determined by the median home price
4 in the school district where the teacher is employed, as
5 follows:

6 (1) Any teacher employed in a school district with
7 a median home price over \$300,000 is eligible for maximum
8 down payment assistance of \$20,000.

9 (2) Any teacher employed in a school district with
10 a median home price from \$150,000 to \$300,000, inclusive,
11 is eligible for maximum down payment assistance of
12 \$15,000.

13 (3) Any teacher employed in a school district with
14 a median home price below \$150,000 is eligible for
15 maximum down payment assistance of \$10,000.

16 (c) Assistance under this Act shall be in the form of a
17 deferred payment, low-interest subordinate mortgage loan with
18 a term not longer than the term of the first mortgage loan.
19 Interest on this subordinate mortgage loan shall accrue at a
20 rate of up to 5% per annum.

21 (d) The borrower's obligation to repay the loan shall be
22 evidenced by a lien consisting of a deed of trust,
23 subordinate in priority to the borrower's first mortgage loan
24 financing required to purchase the property. If the borrower
25 has continuously been a teacher for the 5-year period
26 immediately following the date of recordation of the
27 subordinate mortgage loan deed of trust and there has been no
28 termination of employment, then repayment of the subordinate
29 mortgage loan shall be forgiven and considered a grant so
30 long as the borrower produces employment records, to the
31 Authority's satisfaction, that the borrower has continuously
32 been a teacher during that 5-year period.

33 (e) Repayment of the principal and accrued interest is
34 due and payable at the earlier of the following events:

- 1 (1) sale of the residence;
- 2 (2) the borrower's failure to continuously occupy
- 3 the residence in accordance with paragraph (3) of Section
- 4 20 of this Act; or
- 5 (3) satisfaction of the first mortgage loan.

6 In no event shall this loan be assumable.

7 (f) In the event of termination of employment by the
8 borrower within the first 5 years following recordation of
9 the subordinate mortgage loan deed of trust, the borrower
10 shall be obligated to repay to the Authority, in addition to
11 other amounts due on the loan, the pro rata amount of
12 principal and accrued interest on the loan that directly
13 relates to the period of time within that 5-year period in
14 which the borrower was not a teacher. In order to qualify
15 for any pro rata forgiveness of repayment of the loan, the
16 borrower shall produce employment records to the Authority's
17 satisfaction that the borrower was a teacher for the period
18 in which the pro rata forgiveness of loan is sought. If the
19 borrower produces evidence acceptable to the Authority that
20 the borrower has satisfied all of the requirements specified
21 in this Section to qualify for forgiveness of the loan in
22 total, the Authority must execute any documents that may be
23 necessary so that the borrower may clear title.

24 Section 20. Qualifying for loan. In order to qualify
25 for a loan under this Act, all of the following criteria must
26 be met:

- 27 (1) The borrower must qualify as a teacher.
- 28 (2) The borrower's household income must not exceed
- 29 that specified in Section 143 of Title 26 of the United
- 30 States Code.
- 31 (3) The residence financed under this Act must be
- 32 continuously occupied by the borrower as his or her
- 33 principal residence for at least 5 years following the

1 recordation of the deed of trust securing the subordinate
2 mortgage loan. If the borrower fails to meet this
3 condition, the principal and accrued interest of the loan
4 is immediately due and payable.

5 (4) The residence being financed must be a
6 single-family residence, condominium, or manufactured
7 home located within the boundaries of the school district
8 that employs the borrower.

9 Section 25. Rules. The State Board of Education and the
10 Authority may adopt any rules necessary to carry out their
11 responsibilities under this Act.