

AN ACT concerning teachers.

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

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

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

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

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

(3) Teachers face housing problems that exacerbate school districts' efforts to attract and retain qualified teachers. Many cannot afford to live in the communities in which they teach, making it difficult for them to become

active members of their school's community. Providing opportunities for teachers to participate in after-school activities, from tutoring to coaching, benefits the children and community in which the teacher is employed.

Section 10. Definitions. In this Act:

"Authority" means the Illinois Housing Development Authority.

"Hard-to-staff position" means a teaching category (such as special education, mathematics, or science) in which statewide data compiled by the State Board of Education indicates a multi-year pattern of substantial teacher shortage or that has been identified as a critical need by the school board.

"Hard-to-staff school" means an elementary or secondary school that ranks in the upper third of schools in this State in the number of teachers who leave their positions. The State Board of Education shall rank schools for this purpose based on mobility and teacher attrition over a 5-year average.

"Teacher" means a person who is currently employed as a full-time teacher in a hard-to-staff school or a hard-to-staff position and who is certified in this State in the subject field or grade level for which the teacher is employed.

"Termination of employment" means that for whatever reason, the borrower is no longer a teacher at any time during the first 5 years immediately following the date of recordation

of the subordinate mortgage loan deed of trust. However, it shall not be considered termination of employment if the borrower is still employed at the same school at the time of recordation of the subordinate mortgage loan, but the school is no longer considered a hard-to-staff school or the position in which the teacher is employed is no longer considered a hard-to-staff position or if the borrower accepts a teaching position at another public school and his or her departure from the hard-to-staff school was involuntary. The Authority may establish guidelines for consideration of hardship cases in which it may waive this 5-year continuous employment requirement.

Section 15. Teacher homebuyer assistance program.

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

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

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

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

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

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

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

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

- (1) sale of the residence;

(2) the borrower's failure to continuously occupy the residence in accordance with paragraph (3) of Section 20 of this Act; or

(3) satisfaction of the first mortgage loan.

In no event shall this loan be assumable.

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

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

(1) The borrower must qualify as a teacher.

(2) The borrower's gross household income must not exceed 125% of the area median income, as defined by the U.S. Department of Housing and Urban Development.

(3) The residence financed under this Act must be continuously occupied by the borrower as his or her principal residence for at least 5 years following the recordation of the deed of trust securing the subordinate mortgage loan. If the borrower fails to meet this condition, the principal and accrued interest of the loan is immediately due and payable.

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

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

Section 99. Effective date. This Act takes effect upon becoming law.