

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

16 (2) A high priority should be placed on attracting and  
17 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 in  
23 which they teach, making it difficult for them to become

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

5 Section 10. Definitions. In this Act:

6 "Authority" means the Illinois Housing Development  
7 Authority.

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

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

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

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

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

13 Section 15. Teacher homebuyer assistance program.

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

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

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

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

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

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

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

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

26                 (1) sale of the residence;

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

4           (3) satisfaction of the first mortgage loan.

5           In no event shall this loan be assumable.

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

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

25                 (1) The borrower must qualify as a teacher.

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

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

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

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

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