



Educator Down Payment Assistance Act

Background

Educator shortages have worsened since the pandemic and 55% of polled teachers said they plan to leave the profession earlier than planned. The National Education Association's number one priority is recruitment and retention of educators. A GAO [report](#) on teacher shortages found that low salaries and a dearth of other job benefits contribute to teachers feeling undervalued. Districts with lower salaries and fewer benefits had higher turnover rates.

This means that home ownership is out of reach for many educators. The average teacher can [afford](#) just 12% of homes for sale within commuting distance of their school. 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. In addition, in the largest metropolitan areas in the U.S. it would take almost [14 years](#) for a teacher to save up to 10% of their income each year to make a 20% down payment. Teacher shortages are more [prevalent](#) in western states and in rural and urban communities. Teacher shortages are also acute in high-poverty communities.

Down payment assistance programs with special incentives for public servants, however, have been available in markets across the country for decades. There are over 600 towns and cities that offer some type of down payment assistance. These programs encourage homeownership, help public servants live close to work, and help recruit and retain key service personnel. Some examples include:

- [Homewise's](#) Jing Lyman Educator Fund for the Santa Fe Public School District. The fund provides up to \$40,000 for eligible educators and school staff. In 2021, only 3% of educators in the district reported being able to afford a home or condo in town that met their family's needs. This program provides critical funds for educators wishing to buy a home in their local school district.
- 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.

The Educator Down Payment Assistance Act

The bill would support homeownership for educators and school staff by:

- Authorizing the Secretary of Housing and Urban Development to provide competitive grants to local governments and local educational agencies, which 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.

Endorsers:

Endorsed by the National Education Association, American Federation of Teachers, National Housing Resource Center, and Landed.