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CalHFA Expands Down Payment Assistance Program for California Public School Employees

Educators could receive up to \$15,000 from Extra Credit Teacher Home Purchase Program

SACRAMENTO, November 3, 2016 – California’s hardworking teachers and other public school employees have headed back to their home rooms, and the California Housing Finance Agency is recognizing their dedication to our kids by making more of them eligible for down payment assistance to help them purchase their own first homes.

CalHFA has announced changes to its Extra Credit Teacher Home Purchase Program (ECTP), allowing more K-12 public school employees—including administrators and support staff such as aides, bus drivers, food services workers and janitors—to receive as much as \$15,000 in down payment assistance. The program includes educators at public charter schools, school district offices and county continuation schools.

“California teachers are committed to helping our students succeed, and we are just as focused on helping them become homeowners to build a solid foundation for their futures,” said CalHFA Executive Director Tia Boatman Patterson. “Unfortunately, few teachers, especially those at the beginning of their careers, can afford to buy a home in the state. The Extra Credit Teacher Home Purchase Program helps with the down payment and opens the door for more teachers to become homeowners.”

California is battling a critical housing affordability issue, especially in the Bay Area and Southern California. Less than one-third of families were able to buy a median-priced home of \$516,000 in the state during the second quarter of 2016, according to the California Association of Realtors. And those who can purchase the median-priced home need to earn at least \$101,000 to make the monthly payments – even with a 20 percent down payment.

In California, the average starting salary for an elementary school teacher is less than \$42,000 per year. The average annual salary is \$69,000 for all public school teachers, according to industry reports.

“The Extra Credit Teacher Home Purchase Program provides a vitally important service to the dedicated school employees who serve our students each and every day,” said California School Boards Association (CSBA) President Chris Ungar. “By helping these public servants obtain an important piece of the American Dream, homeownership, we are addressing one of the major contributors to attrition from the profession and stabilizing schools and communities in the process.”

Under the Extra Credit Teacher Home Purchase Program, public school employees in California’s high-cost counties—including those in the Bay Area and Southern California—could qualify for a maximum of \$15,000 or 3.5 percent of the sales price or appraised value, whichever is greater. A complete list of the

35 high-cost counties is [available here](#). The program greatly benefits educators buying homes for less than \$430,000 in those counties.

In non-high-cost counties—such as Fresno, Kern and Imperial—public school educators could qualify for up to \$7,500 or 3.5 percent of the sales price or appraised value, whichever is greater. The program especially helps educators buying homes for less than \$215,000, still a possibility in some of the inland counties of Central and Northern California.

Educators must meet county-by-county income limits for the program, which are based on the number of people living in the home. For example, the income limits for a family of four using a CalHFA FHA first mortgage are \$90,700 in Los Angeles County, \$150,750 in San Mateo County, and \$106,500 in Sacramento County.

The down payment assistance is in the form of a junior loan. Homeowners are not required to pay back the loan until the home is refinanced or sold, or the mortgage is paid off. CalHFA offers additional programs that help with closing costs and can be combined with the Extra Credit Teacher Program, making homeownership even more attainable.

“We urge teachers to do their ‘homework’ and see how much assistance they can receive by combining our programs,” said CalHFA’s Boatman Patterson. “I’m certain they will give CalHFA an ‘A’ in making homeownership a possibility for public school employees.”

About the California Housing Finance Agency

The California Housing Finance Agency was created in 1975 with the goal of helping more Californians find a place to call home. Its Single Family Lending division has invested more than \$20 billion to help more than 160,000 families buy their first home with a mortgage they can afford. CalHFA is a self-supported state agency that doesn't rely on taxpayer dollars. For more information on CalHFA programs, and how we are creating progressive financing solutions for affordable housing in California, visit www.calhfa.ca.gov or call toll free 877.9.CalHFA (877.922.5432).

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