① Sean Donovan

Deputy Asst. Secretary for Multi-Family Housing

708-2601

708-2495

② Matt Franklin (Single-Family)

708 2601

Description of Ag's Rural Housing Service Program

The Rural Housing Service(RHS) has two principal programs to serve the housing needs of individuals in rural areas: the direct loan program and the loan guarantee program. Unlike HUD, RHS does not offer any targeted programs for seniors, veterans, disabled people, etc. They do have a program for community facilities for not-for-profits, Indian tribes, and local and state governments which I'll go into later but that's about it.

Direct Loan Program

Parameters: This program is open to individuals in rural areas with incomes less than 80% of the median income level of their communities. RHS defines rural areas as any town with a population of 20,000 or less. Families must not already have adequate housing. Applicants must not have been able to receive a loan from other sources but still be a reasonable credit risk.

Benefits: RHS directly makes loans to eligible individuals and families to completely finance the new home. The term limit is 33 years with an interest rate of 7.25%. The unique thing about the program is that the program is set up so that an individual can't pay more than 26% of his income for housing. RHS will provide subsidies to the individual or family to ensure that that is the case.

Loan Guarantee Program

Parameters and Benefits: Very similar to all other loan guarantee programs. Key difference, especially compared to Direct Loan Program, is that individual can have income up to 115% or area median income. Again, applicants must not already have adequate housing, must not have been able to secure a loan through other means, and must be a reasonable credit risk.

Community Facilities Direct Loan Program

Parameters: Applicants must be not-for-profit corporations, tribal governments, or local and state government entities. The loan must be used to construct or improve facilities for health care, public safety, or other public services.

Benefits: RHS makes direct loans to these institutions to completely finance the cost of the facility. The interest rate is set at either poverty(4.5%), market, or intermediate(halfway between market and poverty). The interest rate for the loan depends on the type of the project and the median income of the community. The maximum term limit allowable is forty years.

In addition to this program, RHS also offers a loan guarantee program and a grant program to build or improve community facilities.

To: JB
From: Randy
Re: Teacher Housing Initiatives

Across the country there is a teacher shortage. At all levels of government different programs have been initiated in order to manage the problem. Of the different initiatives, the most exciting programs involve home ownership. The programs that facilitate home ownership for teachers are particularly compelling because they make it easier for teachers to live the Dream; despite the shortage of teachers it has become more and more difficult for teachers to live the Dream because of their low salaries.

HUD –Teacher Next Door Program

The Teacher Next Door is an exciting new HUD initiative that will offer thousands of teachers highly discounted homeownership opportunities while also strengthening the communities where they work. The Teacher Next Door will offer an estimated 8,000 to 10,000 single-family houses, townhouses and condominiums for sale to teachers at 50 percent discounts every year in specially designated revitalization areas.

Secretary Cuomo said “"By making it more attractive for teachers to live and work in school districts where they're needed most, we can build better futures for children and neighborhoods in need. A good teacher can make a great neighbor -as a mentor, an inspiring role model, and as a living link between the classroom and the community."

Any teacher who is employed full-time by a public school, private school or federal, state, county or municipal educational agency and is a state-certified classroom teacher or administrator in grades K-12 is eligible to apply for HUD’s Teacher Next Door (TND) initiative.

Teachers can purchase HUD homes at 50 percent off of the list price in HUD-designated revitalization neighborhoods. These are neighborhoods receiving targeted public and private sector assistance that offer significant opportunities for local economic growth. To make properties even more affordable, HUD will reduce the down payment to just $100 if a teacher purchases a new home with a FHA-insured mortgage.

Homes must be located in the school district in which the teacher is employed. Homes offered for sale were previously insured through HUD’s Federal Housing Administration (FHA) and then foreclosed on.

Teachers must live in their new home as their sole residence for at least three years after its purchase. Teachers may purchase their home directly from HUD or use a real estate broker to arrange the sale. If a broker is used, the teacher’s discount will be reduced by any broker or agent commission.
www.hud.gov/tnd

The Teacher Next Door Program is the only national program of its kind.
Attached are some FAQ's and a listing of revitalization areas across the nation, organized by state and zip code. A statement from Bob Chase, president of the NEA is also attached.

Silicon Valley, California

While the new economy has ushered in an era of unprecedented growth and prosperity it has also seen a dramatic rise in property values and made the cost of living in Silicon Valley astronomical. Incidentally, "the average teacher's salary in Santa Clara County is $37, 744 while the median home price in the county recently topped $500,000 –an almost insurmountable gap that is driving experienced teachers out of the region and stopping new teachers from moving in.[1]"

San Jose

The City of San Jose is now offering a new and improved home buyer program to assist San Jose public school teachers in the purchase of a home in San Jose. This program was created specifically for San Jose school teachers. The City loan within this program now provides up to $40,000 to assist in purchasing a single-family residence, town home, or condominium. Many of these program changes were a direct result of feedback from teachers concerning our initial home loan program. This updated program will significantly boost teacher-buying power.

Households can now earn up to 120% of current Santa Clara County Median-Income Limits. This allows a two-person household with a gross income of $83,500 to qualify for funding assistance.

The City of San Jose Department of Housing will provide loan assistance, up to $40,000. This loan is offered at 0% interest and not due and payable until transfer of title to the home or in 30 years.

The participating Mortgage Lender will finance the remainder of the purchase price.
www.sjhousing.org/thp/thp_index.htm

Attached are FAQ's about the program and the eligibility criteria.

Santa Clara Unified School District

Santa Clara Unified and The Intel Corporation have partnered up to create the Intel Teacher Housing Fund. The Intel Teacher Housing Fund, believed to be the first of its kind in the country, is aimed at narrowing the gap. Under the program, the fund would pay $500 a month toward each eligible teacher's mortgage for five years, effectively allowing them to qualify for a home as if their salaries were $1,500 per month higher than they actually are.

HUD – loans
· buying } costs
· closing } costs
are financed

[1] Reuters, "Chipping away at housing costs" The Chicago Tribune: July 16, 2000.
A copy of this article is also attached.

Annual pay raises over five years are expected to bring teachers up to the level where they can carry the mortgage payments themselves, officials said. Key is that it's not

District officials hope the $1.25 million fund, which Intel is putting together by buying a $10 million bond from the district at below-market interest, will prevent an outflow of teaching talent from the region's classrooms.[2]

Attached are two Press releases by Santa Clara Unified and Intel regarding the program and FAQ's. Attached is also a story from the San Jose Mercury News that ran on the day Santa Clara Unified announced the partnership and a story from the .

Other Teacher Housing Initiatives

In addition to these home ownership initiatives there are some rental programs for teachers out there. Incidentally, Santa Clara Home Ownership program grew out of a rental program, which was not nearly as comprehensive or attractive as the home ownership program. Nevertheless, Santa Clara Unified was essentially building apartment complexes within the district offering teachers substantial discounts on the rents. Similar programs are also happening in and around the rest of the Valley in places like San Francisco and San Jose.

In Aspen the superintendent runs a "program" where teachers can rent properties owned by the district. I hesitate to call this a program, as the people I spoke to in the office were scant to label it as such as it is very informal and not very well regulated. Apparently, there is no application process save knowing the superintendent and the superintendent knowing your particular situation.

In Baltimore, the school district offers $5000 toward the closing costs on a home in the city and $1200 to cover relocation expenses to new educators. This is an addition to a $3000 starting salary increase to $27,300. live in Baltimore, teach in Balt.

Lessons Learned

Educators like these kinds of programs. It communicates a message that they are valuable members of the community and that the community is grateful to them. Despite the somewhat arbitrary nature of the Aspen "system" the people at the district report an increase in morale. Ironically, we've found that some educators are against rental programs in the subsidized apartment complexes for various reasons but essentially because they create "teacher proyects." In addition to the concern over the proyects, some teachers have expressed a desire to want to be able to afford homes of their choice wherever they choose to live, not in subsidized housing. Furthermore, some would rather not live with other teachers, exclusively –as these complexes will end up being. They argue that the money that is being invested in the creation of said complexes would be better spent on increasing their salaries. At bottom, some of the money in question is allocated specifically for housing and can not be used to fund anything else.

---

[2] Ibid.

teacher next door

questions and answers

1. How much of a discount do I get on my home?
HUD's Teacher Next Door discount is 50 percent off the sales price of the home. For example, if you bid successfully on a Teacher Next Door home listed at $100,000, your sales price is $50,000.

2. Who is eligible for HUD's Teacher Next Door initiative?
Any state-certified classroom teacher or administrator employed full-time by a public school, private school or federal, state, county or municipal educational agency is eligible to buy a Teacher Next Door home.

3. Where are the Teacher Next Door homes located?
In specially designated revitalization areas. The home must also be located in the school district where you work. There are over 600 revitalization areas across the country. Under HUD's Dollar Homes Initiative, teachers may have an opportunity to purchase HUD homes outside revitalization areas after an offering to local governments.

4. Can I get a HUD/FHA loan for a Teacher Next Door home?
Yes, if you qualify, HUD's Federal Housing Administration (FHA) offers low down payment loans. Your down payment can be as low as $100 if you purchase your TND home with an FHA-insured mortgage. Call us at 1.800.217.6970 to learn more about these loans.

5. Can HUD help me pay for improvements on my Teacher Next Door home if necessary?
Yes, HUD has a loan program – 203(k) – designed especially to help homebuyers both purchase and rehabilitate a home. For more information about the 203(k) program and whether you qualify, ask a Teacher Next Door Specialist or call us at 1.800.217.6970.

6. How long do I have to live in my Teacher Next Door home?
Three years, as your sole residence.

7. Do I have to use a realtor to buy a Teacher Next Door home?
Most people use a realtor when buying a home, but you are not required to. You may buy your Teacher Next Door home directly from HUD or use a realtor to arrange the sale for you, but you must pay the realtor's fees.

8. Can a teacher purchase a property at the 50% discount outside of the area where he/she is employed.
No. The Teacher must purchase a home in the school district/jurisdiction in which they are employed.

For more information on HUD's Teacher Next Door Program, call 1.800.217.6970 or send us an e-mail at teacher_next_door@hud.gov.

Content last modified: May 1, 2000

secretary's message | about teacher next door | questions and answers
press release | hud property listings | revitalization areas | home

HOME FAQ SITE TOUR SEARCH / INDEX E-MAIL

revitalization areas

Select a state to see information about your community Alaska GO

City	Zip Code	City	Zip Code
Alaska		North Carolina	
ANCHORAGE	99501	ASHEVILLE	28801
ANCHORAGE	99503	FAYETTEVILLE	28301
ANCHORAGE	99504	Nebraska	
ANCHORAGE	99508	OMAHA	68102
ANCHORAGE	99517	OMAHA	68107
Arkansas		OMAHA	68111
JONESBORO	72402	OMAHA	68131
LITTLE ROCK	72201	New Hampshire	
LITTLE ROCK	72202	MANCHESTER	03103
LITTLE ROCK	72204	NASHUA	03060
LITTLE ROCK	72206	New Jersey	
LITTLE ROCK	72209	ASBURY PARK	07712
WEST MEMPHIS	72301	ATLANTIC CITY	08401
Arizona		BRIDGETON	08302
MESA	85201	CAMDEN	08102
PHOENIX	85003	CAMDEN	08103
PHOENIX	85004	CAMDEN	08104
PHOENIX	85006	CAMDEN	08105
PHOENIX	85007	EAST ORANGE	07017
PHOENIX	85009	EAST ORANGE	07018
PHOENIX	85012	IRVINGTON	07111
PHOENIX	85014	JERSEY CITY	07304
PHOENIX	85017	JERSEY CITY	07305
PHOENIX	85019	JERSEY CITY	07306
PHOENIX	85020	MILLVILLE	08332
PHOENIX	85034	NEWARK	07104
PHOENIX	85040	NEWARK	07106
TUCSON	85701	NEWARK	07108
TUCSON	85705	NEWARK	07112
TUCSON	85706	PATERSON	07501
TUCSON	85713	PATERSON	07522
TUCSON	85714	PLAINFIELD	07060
TUCSON	85745	PLAINFIELD	07062
California		PLEASANTVILLE	08232
BAKERSFIELD	93301	TRENTON	08607
BAKERSFIELD	93305	TRENTON	08610
BAKERSFIELD	93307	TRENTON	08629
BLOOMINGTON	92316	TRENTON	08648
BRAWLEY	92227	VINELAND	08360
CATHEDRAL CITY	92234	WILLINGBORO	08046
COLTON	92324	Nevada	
COMPTON	90220	HENDERSON	89015
COMPTON	90221	LAS VEGAS	89101
COMPTON	90222	LAS VEGAS	89102
ESCONDIDO	92025	LAS VEGAS	89104
ESCONDIDO	92026	LAS VEGAS	89106
ESCONDIDO	92027	LAS VEGAS	89110
FONTANA	92335	LAS VEGAS	89115
FRESNO	93650	NORTH LAS VEGAS	89030

FRESNO	93701	New York	
FRESNO	93702	ALBANY	12202
FRESNO	93703	ALBANY	12203
FRESNO	93706	ALBANY	12204
FRESNO	93710	ALBANY	12206
FRESNO	93721	ALBANY	12207
FRESNO	93727	ALBANY	12208
FRESNO	93728	ALBANY	12209
HIGHLAND	92346	ALBANY	12210
LONG BEACH	90806	AMSTERDAM	12010
LONG BEACH	90813	AUBURN/OWASCO	13021
LOS ANGELES	90001	BAY SHORE	11706
LOS ANGELES	90002	BINGHAMTON	13905
LOS ANGELES	90003	BRENTWOOD	11717
LOS ANGELES	90011	BRONX	10451
LOS ANGELES	90016	BRONX	10452
LOS ANGELES	90037	BRONX	10453
LOS ANGELES	90043	BRONX	10454
LOS ANGELES	90044	BRONX	10455
LOS ANGELES	90059	BRONX	10456
LOS ANGELES	90061	BRONX	10457
LOS ANGELES	90062	BRONX	10459
MODESTO	95350	BRONX	10460
MODESTO	95351	BRONX	10468
MODESTO	95354	BRONX	10472
MODESTO	95358	BRONX	10473
NATIONAL CITY	91950	BRONX	10474
OAKLAND	94601	BROOKLYN	11205
OAKLAND	94603	BROOKLYN	11206
OAKLAND	94607	BROOKLYN	11207
OAKLAND	94621	BROOKLYN	11208
OCEANSIDE	92054	BROOKLYN	11210
OCEANSIDE	92057	BROOKLYN	11212
ONTARIO	91762	BROOKLYN	11213
ONTARIO	91764	BROOKLYN	11216
PACOIMA	91331	BROOKLYN	11217
PANORAMA CITY	91402	BROOKLYN	11220
PERRIS	92570	BROOKLYN	11221
PITTSBURG	94565	BROOKLYN	11224
POMONA	91767	BROOKLYN	11231
POMONA	91768	BROOKLYN	11233
RANCHO CORDOVA	95670	BROOKLYN	11237
REDLANDS	92374	BROOKLYN	11238
RIALTO	92376	BUFFALO	14201
RICHMOND	94801	BUFFALO	14202
RICHMOND	94804	BUFFALO	14204
RIVERSIDE	92501	BUFFALO	14206
RIVERSIDE	92503	BUFFALO	14207
RIVERSIDE	92504	BUFFALO	14208
RIVERSIDE	92507	BUFFALO	14209
SACRAMENTO	95814	BUFFALO	14210
SACRAMENTO	95815	BUFFALO	14211
SACRAMENTO	95816	BUFFALO	14212
SACRAMENTO	95817	BUFFALO	14213
SACRAMENTO	95820	BUFFALO	14214
SACRAMENTO	95822	BUFFALO	14215
SACRAMENTO	95823	CENTRAL ISLIP	11722
SACRAMENTO	95824	COHOES	12047
SACRAMENTO	95828	DUNKIRK	14048
SACRAMENTO	95838	FAR ROCKAWAY	11691

SAN BERNARDINO	92404	FAR ROCKAWAY	11692
SAN BERNARDINO	92405	FREEPORT	11520
SAN BERNARDINO	92408	HEMPSTEAD	11550
SAN BERNARDINO	92410	HOOSICK FALLS	12090
SAN BERNARDINO	92411	HORNELL	14843
SAN DIEGO	92101	HUDSON	12534
SAN DIEGO	92113	JAMAICA	11412
SAN DIEGO	92114	JAMAICA	11420
SAN JUAN CAPISTRANO	92675	JAMAICA	11429
SAN YSIDRO	92173	JAMAICA	11432
SANTA ANA	92701	JAMAICA	11433
SANTA ANA	92706	JAMAICA	11435
STOCKTON	95205	JAMAICA	11436
STOCKTON	95206	JAMESTOWN	14701
VALLEJO	94590	KINGSTON	12401
VALLEJO	94591	MASTIC	11950
VISTA	92084	MASTIC BEACH	11951
WALNUT GROVE	95690	NEW YORK	10002
Colorado		NEW YORK	10026
COLORADO SPRINGS	80905	NEW YORK	10027
DENVER	80205	NEW YORK	10029
DENVER	80207	NEW YORK	10030
DENVER	80216	NEW YORK	10031
PUEBLO	81003	NEW YORK	10032
Connecticut		NEW YORK	10033
BRIDGEPORT	06604	NEW YORK	10036
BRIDGEPORT	06605	NEW YORK	10037
BRIDGEPORT	06606	NEW YORK	10038
BRIDGEPORT	06607	NIAGARA FALLS	14301
BRIDGEPORT	06608	NIAGARA FALLS	14302
BRIDGEPORT	06610	NIAGARA FALLS	14303
EAST HARTFORD	06108	NIAGARA FALLS	14304
EAST HARTFORD	06118	NIAGARA FALLS	14305
HARTFORD	06106	POUGHKEEPSIE	12601
HARTFORD	06112	RENSSELAER	12144
HARTFORD	06120	ROCHESTER	14605
MANCHESTER	06040	ROCHESTER	14606
MERIDEN	06450	ROCHESTER	14607
MERIDEN	06451	ROCHESTER	14608
MIDDLETOWN	06457	ROCHESTER	14609
NEW BRITAIN	06053	ROCHESTER	14611
NEW HAVEN	06511	ROCHESTER	14613
NEW HAVEN	06513	ROCHESTER	14619
NEW HAVEN	06519	ROCHESTER	14620
NEW LONDON	06320	ROCHESTER	14621
NORWICH	06360	ROME	13440
WATERBURY	06704	ROOSEVELT	11575
District of Columbia		SCHENECTADY	12303
WASHINGTON	20001	SCHENECTADY	12304
WASHINGTON	20002	SCHENECTADY	12305
WASHINGTON	20011	SCHENECTADY	12306
WASHINGTON	20019	SCHENECTADY	12307
WASHINGTON	20032	STATEN ISLAND	10301
Florida		STATEN ISLAND	10302
APOPKA	32703	STATEN ISLAND	10304
FORT LAUDERDALE	33311	STATEN ISLAND	10310
HIALEAH	33015	SYRACUSE	13203
MIAMI	33142	SYRACUSE	13204
MIAMI	33147	SYRACUSE	13205
MIAMI	33150	SYRACUSE	13206

MIAMI	33168	SYRACUSE	13207
OPA LOCKA	33054	SYRACUSE	13208
OPA LOCKA	33055	TROY	12180
ORLANDO	32805	UTICA	13501
ORLANDO	32819	WYANDANCH	11798
SAINT PETERSBURG	33701	**Ohio**	
SAINT PETERSBURG	33705	AKRON	44301
SAINT PETERSBURG	33712	AKRON	44302
SANFORD	32771	AKRON	44305
WEST PALM BEACH	33404	AKRON	44306
WEST PALM BEACH	33407	AKRON	44307
Georgia		AKRON	44311
ATLANTA	30310	AKRON	44314
ATLANTA	30314	AKRON	44320
ATLANTA	30315	BARBERTON	44203
ATLANTA	30316	CANTON	44702
ATLANTA	30317	CANTON	44703
ATLANTA	30318	CANTON	44704
AUGUSTA	30906	CANTON	44705
Illinois		CANTON	44706
CALUMET CITY	60409	CANTON	44707
CARPENTERSVILLE	60110	CANTON	44709
CHICAGO	60608	CANTON	44710
CHICAGO	60609	CLEVELAND	44102
CHICAGO	60617	CLEVELAND	44103
CHICAGO	60619	CLEVELAND	44104
CHICAGO	60620	CLEVELAND	44105
CHICAGO	60621	CLEVELAND	44106
CHICAGO	60624	CLEVELAND	44108
CHICAGO	60628	CLEVELAND	44109
CHICAGO	60629	CLEVELAND	44110
CHICAGO	60636	CLEVELAND	44111
CHICAGO	60637	CLEVELAND	44112
CHICAGO	60639	CLEVELAND	44113
CHICAGO	60643	CLEVELAND	44118
CHICAGO	60644	CLEVELAND	44119
CHICAGO	60647	CLEVELAND	44120
CHICAGO	60649	CLEVELAND	44127
CHICAGO	60651	CLEVELAND	44128
CHICAGO	60653	CLEVELAND	44144
CICERO	60804	COLUMBUS	43201
EAST SAINT LOUIS	62201	COLUMBUS	43202
EAST SAINT LOUIS	62202	COLUMBUS	43204
EAST SAINT LOUIS	62203	COLUMBUS	43205
EAST SAINT LOUIS	62204	COLUMBUS	43206
EAST SAINT LOUIS	62205	COLUMBUS	43207
EAST SAINT LOUIS	62206	COLUMBUS	43211
EAST SAINT LOUIS	62207	COLUMBUS	43213
HARVEY	60426	COLUMBUS	43219
MAYWOOD	60153	COLUMBUS	43223
PEORIA	61602	COLUMBUS	43227
PEORIA	61603	ELYRIA	44035
PEORIA	61605	KENT	44240
PEORIA	61606	LORAIN	44052
PEORIA	61607	LORAIN	44055
PEORIA	61614	TOLEDO	43602
PEORIA	61615	TOLEDO	43604
Indiana		TOLEDO	43605
EVANSVILLE	47710	TOLEDO	43607
EVANSVILLE	47713	TOLEDO	43608

GARY	46402	TOLEDO	43610
GARY	46404	TOLEDO	43620
GARY	46407	TOLEDO	43624
GARY	46409	WARREN	44484
INDIANAPOLIS	46201	WARREN	44485
INDIANAPOLIS	46202	YOUNGSTOWN	44503
INDIANAPOLIS	46205	YOUNGSTOWN	44502
INDIANAPOLIS	46208	YOUNGSTOWN	44505
INDIANAPOLIS	46218	YOUNGSTOWN	44506
INDIANAPOLIS	46221	YOUNGSTOWN	44507
INDIANAPOLIS	46222	YOUNGSTOWN	44509
SOUTH BEND	46613	**Oklahoma**	
SOUTH BEND	46616	MUSKOGEE	74401
SOUTH BEND	46617	MUSKOGEE	74403
SOUTH BEND	46619	OKLAHOMA CITY	73102
Kansas		OKLAHOMA CITY	73103
KANSAS CITY	66101	OKLAHOMA CITY	73104
KANSAS CITY	66102	OKLAHOMA CITY	73105
KANSAS CITY	66103	OKLAHOMA CITY	73106
KANSAS CITY	66104	OKLAHOMA CITY	73108
KANSAS CITY	66105	OKLAHOMA CITY	73109
Massachusetts		OKLAHOMA CITY	73111
BOSTON	02121	OKLAHOMA CITY	73117
BROCKTON	02401	OKLAHOMA CITY	73119
FALL RIVER	02720	OKLAHOMA CITY	73129
FITCHBURG	01420	TULSA	74106
LAWRENCE	01840	TULSA	74110
LAWRENCE	01841	TULSA	74126
LAWRENCE	01843	TULSA	74130
LOWELL	01851	**Pennsylvania**	
LYNN	01902	ALLENTOWN	18101
NEW BEDFORD	02740	ALLENTOWN	18102
PITTSFIELD	01201	ALLENTOWN	18103
SPRINGFIELD	01104	BRADDOCK/RANKIN	15104
SPRINGFIELD	01109	CHESTER	19013
WORCESTER	01604	CLAIRTON	15025
WORCESTER	01605	DUQUESNE	15110
WORCESTER	01608	HOMESTEAD	15120
WORCESTER	01610	LANCASTER	17602
Maryland		LANCASTER	17603
ANNAPOLIS	21401	MC KEES ROCKS	15136
BALTIMORE	21202	MC KEESPORT	15132
BALTIMORE	21205	PHILADELPHIA	19119
BALTIMORE	21206	PHILADELPHIA	19126
BALTIMORE	21213	PHILADELPHIA	19129
BALTIMORE	21214	PHILADELPHIA	19138
BALTIMORE	21215	PHILADELPHIA	19140
BALTIMORE	21216	PHILADELPHIA	19141
BALTIMORE	21217	PHILADELPHIA	19144
BALTIMORE	21218	PHILADELPHIA	19150
BALTIMORE	21223	PITTSBURGH	15206
BALTIMORE	21224	PITTSBURGH	15208
BALTIMORE	21229	PITTSBURGH	15212
BALTIMORE	21230	PITTSBURGH	15214
BALTIMORE	21231	PITTSBURGH	15219
BLADENSBURG	20710	READING	19601
BRENTWOOD	20722	READING	19602
BROOKLYN	21225	READING	19604
CAPITOL HEIGHTS	20743	WILKINSBURG	15221
CURTIS BAY	21226	YORK	17403

DISTRICT HEIGHTS	20747	YORK	17404
DUNDALK	21222	**Rhode Island**	
EDGEWATER	21037	CENTRAL FALLS	02863
ESSEX	21221	PROVIDENCE	02903
GWYNN OAK	21207	PROVIDENCE	02904
HALETHORPE	21227	PROVIDENCE	02905
HYATTSVILLE	20783	PROVIDENCE	02907
HYATTSVILLE	20785	PROVIDENCE	02908
MONTGOMERY CTY	20874	PROVIDENCE	02909
MONTGOMERY CTY	20886	WOONSOCKET	02895
MOUNT RAINIER	20712	**South Carolina**	
RIVERDALE	20737	ANDERSON	29624
ROCKVILLE	20850	CHARLESTON	29405
SILVER SPRING	20902	COLUMBIA	29203
SILVER SPRING	20903	SUMTER	29150
TAKOMA PARK	20912	**Tennessee**	
Maine		CHATTANOOGA	37403
AUBURN	04210	JOHNSON CITY	37601
AUGUSTA	04330	JOHNSON CITY	37604
BANGOR	04401	KNOXVILLE	37902
LEWISTON	04240	KNOXVILLE	37917
PORTLAND	04101	KNOXVILLE	37921
PORTLAND	04102	MEMPHIS	38104
Michigan		MEMPHIS	38105
BATTLE CREEK	49015	MEMPHIS	38106
BATTLE CREEK	49017	MEMPHIS	38107
BENTON HARBOR	49022	MEMPHIS	38109
DETROIT	48201	MEMPHIS	38114
DETROIT	48202	MEMPHIS	38126
DETROIT	48204	**Texas**	
DETROIT	48205	DALLAS	75228
DETROIT	48206	FORT WORTH	76119
DETROIT	48207	HOUSTON	77051
DETROIT	48208	ORANGE	77630
DETROIT	48209	SAN ANTONIO	78203
DETROIT	48210	SAN ANTONIO	78237
DETROIT	48211	**Utah**	
DETROIT	48213	OGDEN	84401
DETROIT	48214	SALT LAKE CITY	84104
DETROIT	48215	SALT LAKE CITY	84105
DETROIT	48216	SALT LAKE CITY	84106
DETROIT	48217	SALT LAKE CITY	84111
FLINT	48504	SALT LAKE CITY	84115
FLINT	48505	SALT LAKE CITY	84116
FLINT	48506	**Virginia**	
GRAND RAPIDS	49503	CLIFTON	20124
GRAND RAPIDS	49504	HAMPTON	23661
GRAND RAPIDS	49505	MANASSAS	20110
GRAND RAPIDS	49506	MANASSAS	20111
GRAND RAPIDS	49507	NEWPORT NEWS	23605
HAMTRAMCK	48212	NEWPORT NEWS	23607
HIGHLAND PARK	48203	NORFOLK	23503
JACKSON	49201	NORFOLK	23508
JACKSON	49202	NORFOLK	23513
JACKSON	49203	PETERSBURG	23803
KALAMAZOO	49001	PETERSBURG	23805
KALAMAZOO	49007	PORTSMOUTH	23704
KALAMAZOO	49008	RICHMOND	23222
LANSING	48906	RICHMOND	23223
LANSING	48910	RICHMOND	23224

LANSING	48912
LANSING	48915
LANSING	48917
LANSING	48933
MUSKEGON	49441
MUSKEGON	49442
MUSKEGON	49443
MUSKEGON	49444
NILES	49120
Minnesota	
MINNEAPOLIS	55407
MINNEAPOLIS	55411
MINNEAPOLIS	55412
ST PAUL	55101
ST PAUL	55103
ST PAUL	55104
ST PAUL	55106
ST PAUL	55117
Missouri	
SAINT LOUIS	63101
SAINT LOUIS	63103
SAINT LOUIS	63104
SAINT LOUIS	63106
SAINT LOUIS	63107
SAINT LOUIS	63110
SAINT LOUIS	63111
SAINT LOUIS	63113
SAINT LOUIS	63115
SAINT LOUIS	63116
SAINT LOUIS	63120
SAINT LOUIS	63130
SAINT LOUIS	63140
SAINT LOUIS	63143
RICHMOND	23230
VIRGINIA BEACH	23451
VIRGINIA BEACH	23452
VIRGINIA BEACH	23456
VIRGINIA BEACH	23462
WOODBRIDGE	22191
Vermont	
BURLINGTON	05401
Washington	
SPOKANE	99201
SPOKANE	99202
SPOKANE	99205
SPOKANE	99207
SPOKANE	99212
TACOMA	98404
TACOMA	98405
TACOMA	98408
Wisconsin	
MILWAUKEE	53204
MILWAUKEE	53206
MILWAUKEE	53208
MILWAUKEE	53210

For More Information:
NEA Communications: 202 822-7200

FOR IMMEDIATE RELEASE
March 13, 2000

Statement

Statement of Bob Chase President, National Education Association On HUD's "Teacher Next Door" Initiative

Washington, D.C. - The Department of Housing and Urban Development today announced a program, the "Teacher Next Door" initiative, which will enable thousands of teachers to purchase HUD-owned homes for half price in economically distressed neighborhoods in the school districts where they work. The initiative will offer an estimated 8,000 to 10,000 single family houses, townhouses and condominiums for sale to teachers at 50 percent discounts every year in HUD-designated revitalization areas. In addition to the 50 percent discount on the price of a home, teachers buying homes with mortgages insured by the Federal Housing Administration can make the purchase with downpayments as low as $100 under the initiatives. FHA can also insure mortgages that cover cost of rehabilitating homes in need of repair. More information about the program can be found on the HUD web side: www.hud.gov/teacher and www.hud.gov/news/html. The site includes a list of communities.

NEA President Bob Chase made the following comments at a news conference to announce the program:

"I congratulate and commend Secretary Cuomo and the Clinton Administration for their efforts to support America's teachers.

"There is no question that we are facing a looming teacher shortage in this country. With retirements and the boom in our student population, we're going to need to hire more than 2 million teachers over the next ten years. The need is especially great in high-poverty urban and rural districts, where more than 700,000 teachers will be needed in the next decade.

"At the same time, we need to do a better job of keeping the good teachers we already have in the profession. It's a sorry commentary that nationally, 20 percent of new teachers leave within three years. It's even worse in urban areas, where 1 in 2 leave within their first five years in the classroom.

"There are many things we need to do to recruit and retain good teachers, because every child in America deserves a quality teacher in his or her classroom. One way is through more -- and better -- professional support, like mentoring for all new teachers. Another way, obviously, is to make sure teachers are paid as the professionals they are. And the National Education Association will continue to work hard for better salaries for all education employees.

"But we need to look at other incentives to encourage talented men and women to take on the enormously important job of educating our children. This new HUD program is an innovative way to help motivate talented individuals into the classroom. Too many of our teachers who rely solely on their own incomes cannot afford the American dream of owning a home. 'The Teacher Next Door' program not only offers educators a chance to achieve that dream, but it helps build important ties between teachers and their communities.

"When teachers are a part of the community in which they work, stronger bonds are built between schools and families. Relationships and trust are developed, and in the end, teachers, students, and communities all win.

"Secretary Andrew Cuomo's 'Teacher Next Door' initiative is smart, community-friendly government at its best. It says that HUD values our teachers in a special way and is ready to help them get a piece of the American dream. It's a program whose time has come, and I strongly encourage eligible teachers to apply. The National Education Association is proud to back this terrific initiative."

###

The National Education Association is the nation's largest professional employee organization, representing more than 2.4 million elementary and secondary teachers, higher education faculty, education support personnel, school administrators, retired educators, and students preparing to become teachers.

nea | 1201 16TH STREET, NW
WASHINGTON, DC 20036
202.833.4000

LEVEL 1 - 1 OF 25 STORIES

<=1> View Related Topics

July 16, 2000 Sunday, CHICAGOLAND FINAL EDITION

SECTION: Education Today; Pg. 5; ZONE: C

LENGTH: 420 words

HEADLINE: CHIPPING AWAY AT HOUSING COSTS

BYLINE: Reuters.

DATELINE: SANTA CLARA, Calif.

BODY:

Silicon Valley may be a magnet for the brightest minds from around the world, but its staggeringly high real estate prices are driving away some of the people it needs most: teachers.

Intel Corp. and the Santa Clara Unified School District recently unveiled a mortgage assistance fund aimed at helping the nation's high-tech heartland attract and retain teachers by making it easier for them to buy homes.

"We expect a lot from our schoolteachers in preparing today's youngsters to be tomorrow's workforce," Steve Nachtsheim, vice president of Intel Capital, the giant chip maker's investment arm, said in a statement.

" Intel is pleased to be able to help teachers stay in our community and enjoy the benefits of home ownership."

Those benefits have seemed increasingly out of reach for schoolteachers around the San Francisco Bay area, where the high-tech and stock market booms have created some of the most expensive real estate in the country.

The average teacher's salary in Santa Clara County is $37,744, while the median home price in the county recently topped $500,000--an almost insurmountable gap that is driving experienced teachers out of the region and stopping new teachers from moving in, officials say.

The Intel Teacher Housing Fund, believed to be the first of its kind in the country, is aimed at narrowing the gap. Under the program, the fund would pay $500 a month toward each eligible teacher's mortgage for five years, effectively allowing them to qualify for a home as if their salaries were $1,500 per month higher than they actually are.

Annual pay raises over five years are expected to bring teachers up to the level where they can carry the mortgage payments themselves, officials said.

District officials hope the $1.25 million fund, which Intel is putting together by buying a $10 million bond from the district at below-market interest, will prevent an outflow of teaching talent from the region's classrooms.

In Santa Clara County, 24 teachers who resigned this year cited the high cost of living--three times the number who left last year for the same reason.

"We have an attractive package for recruiting new teachers, but once they have two or three years of experience and are ready to 'drop anchor' in the community and buy a house, there is nothing they can afford," Supt. Paul Perth said.

Intel said the housing fund may be expanded to include other regional school districts if the Santa Clara program is successful.

SPECIAL SECTION. Education Today.

LANGUAGE: ENGLISH

LOAD-DATE: July 16, 2000

The San Diego Union-Tribune

June 4, 2000, Sunday

SECTION: REAL ESTATE; Pg. H-12

LENGTH: 922 words

HEADLINE: San Francisco area teachers to receive subsidized housing

BYLINE: Diana Walsh; SAN FRANCISCO EXAMINER

BODY:
SAN FRANCISCO -- San Francisco's public school teachers will be the first in the nation to receive federally subsidized public housing, an idea embraced by local union leaders but opposed by some of the educators it's designed to benefit.

Long associated with those on the lower end of the economic spectrum, the housing will be offered to San Francisco teachers under a pioneering project known as the Teacher Housing Initiative.

"The housing market here is so difficult for people in an income range like teachers . . . it forces us to care about our community and education, and to recognize what the market doesn't: Teachers are an important part of the value of this city," said Art Agnos, West Coast representative for the U.S. Department of Housing and Urban Development. "This is not a radical idea in the field of housing, but it is for education."

Agnos announced the program at a regularly scheduled meeting of the San Francisco school board.

The project, which will include 43 one-, two- and three-bedroom rental units in the Sunset neighborhood, was two years in the making. HUD officials agreed to a 40-year loan guarantee after officials in the San Francisco Unified School District offered land near the site of a local school.

Agnos said the proposed units, to be completed in 18 months and awarded by lottery, will be top-of-the-line rentals, but will go for $700 to $1,100 a month, or one-third to one-half of market rates.

HUD officials currently are talking to other Bay Area localities about the possibility of expanding this kind of project to other areas.

"It's the department's intention to create a model working with these communities that could be applicable to other high-cost areas in California, but right now the focus is in the Bay Area," said Alex Sachs of the HUD San Diego office.

There is, however, a nationwide program that recently started, which allows teachers to purchase HUD-owned homes in designated revitalization areas at a 50 percent discount off the asking price. That program is open to teachers in San Diego County. The homes purchased must be located in the school district where the teacher is employed.

The houses offered for sale were previously insured through HUD's Federal Housing Administration and later taken over by the housing agency after being foreclosed on.

Bay Area shortages

While housing has become increasingly unaffordable for teachers, the problem is particularly acute in the Bay Area.

For years, teachers and school district officials have complained that the escalating cost of housing in San Francisco, among the highest in the country, has made the task of recruiting and keeping teachers almost impossible.

Young teachers wanting to buy a home often find jobs in outlying areas, where the cost of living is more affordable.

"It's not just the issue of attracting new teachers, but also retaining the teachers we have . . . we are losing mid-career teachers," said Kent Mitchell, president of the teachers union. "People reach their fifth to 10th year and begin families, and look to see their options for purchasing a house and say, 'I'd rather go to the Central Valley' or where there is a chance for a more stable existence."

Mitchell said the proposed apartments are just part of a comprehensive school district housing plan, which he hopes will eventually include more rental units and opportunities for the district's 4,000 teachers to own their homes.

Although both private and public universities and colleges have offered subsidized housing to faculty for decades, some San Francisco teachers were angered by the plan.

"I'm profoundly disappointed. I think it's just reinforcement that, rather than pay teachers a competitive salary, we put them in a special class," said Mary Thomas, a first-year teacher at International Studies Academy, a high school.

Thomas, who has a graduate degree in education from Harvard, makes $31,000 a year and spends $700 a month for a two-bedroom apartment shared with two roommates. She sleeps in the dining room, which has been converted into a third bedroom.

"I'm very disappointed by subsidized housing for teachers as well as tax cuts (as proposed recently by Gov. Davis)," Thomas said. "It's telling me where I have to live. It's like a project."

Moonlighting

Kindergarten teacher Steven Herraiz moonlights as a bartender on weekends to pay the mortgage on the two-unit Potrero Hill home he bought with his sister. Now in his fifth year as a teacher at John Muir Elementary, he will spend the summer looking at nonteaching jobs before deciding whether to stay in the classroom.

Like Thomas, he would prefer to see the money spent on housing put toward salaries.

"We don't want breaks, we just want to be paid as much as other civil servants," said Herraiz.

Starting teachers with college degrees in San Francisco earn $31,000 a year and work their way up to $40,000 in five years. By comparison, police officers start at $48,000 and after five years are taking home $66,000 a year.

"You don't see police officers and firefighters having to get discounts on rental units to live in San Francisco," Herraiz said.

The school district, union leaders and HUD officials said the housing subsidies aren't being offered instead of salary.

"None of this is educational money. It's housing money," said Agnos. "The money we are going to use for this housing could not be used for books, supplies, building a school or teacher salaries."

LANGUAGE: ENGLISH

LOAD-DATE: June 6, 2000

CITY OF SAN JOSÉ, CALIFORNIA

City of San Jose, Department of Housing
P.O. Box 1837
San Jose, CA 95109-1837
408.277.4747; Fax:408. 277.3197

DEPARTMENT OF HOUSING

April 2000

Dear San Jose Public School Teacher:

Thank you for your interest in the Teacher Home Buyer Program for San Jose public school teachers. This program is designed for credentialed and emergency credentialed full time teachers who teach grades K through 12 in San Jose. I am enclosing the following information for your convenience:

- Program Information Brochure
- Teacher Homebuyer Program Questions and Answers
- Instructions for completing the application
- Program Application
- List of Lenders

The City will provide a deferred payment loan of up to $40,000 to assist in purchase of a home in San Jose. You finance the rest of the purchase price from a private lender and other sources. If you pay 0% down, the maximum purchase price is $292,700. You may purchase a home that sells for more than this amount if you provide additional funds toward the down payment.

Please complete the enclosed application form and be sure to include all required documents (see attached list).
Mail your application packet to:

Department of Housing
City of San Jose
P.O. Box 1837
San Jose, California 95109-1837

We will be happy to assist you in any way possible. If you have questions concerning the program or need assistance in completing the application, please call Mark Brogan at 408-277-8486 (mark.brogan@ci.sj.ca.us) or Tom Cook at 408-277-2266 (tom.cook@ci.sj.ca.us).

Enclosures

City of San Jose Teacher Homebuyer Program
Application Completion Instructions

The application package consists of a completed and signed Teacher Homebuyer Program Application and the. following attachments. The application must be filled out completely by you and any co-borrower.

REQUIRED ATTACHMENTS TO YOUR APPLICATION FORM

A copy of your teaching credential(s).

> The most recent Federal Income Tax Returns for both you, any co-borrowers and anyone in your household over 18 years of age (if they filed separate income tax returns). Please include supporting schedules.

> W-2 statements, 1099s and any supporting schedules attached to these returns for you, your co-borrower's and any other household members who are 18 years of age or older.

▹ Your last three paycheck stubs with year-to-date income and other current income statements (e.g., interest, dividends, pension and soc security payments) for each household member who is age 18 years or older.

▹ A letter from your school district indicating that you are employed full-time as a public school teacher (grades K-12) at a school that either located within the City of San Jose municipal boundaries or a public school where the majority of students served are San Jose residents.

APPLICATION FORM

Borrower's Name (Print) ______________________ Co-Borrower's Name (Print) ______________________

Current Address: ______________________

Address of Home You Propose to Buy: ______________________

Amount of City of San Jose Teacher Homebuyer Program loan requested ____________

Phone: Home ______________ Work ______________ E-mail Address ______________

Which teaching credential(s) do you hold? ______________________

Name and Address of the school where you teach ______________________

____

Are you employed full time as a credentialed or emergency credentialed public school teacher (grades K-12) at a school that is located within the City of San Jose municipal boundaries or other public school where the majority of students served are San Jose residents? Yes______ No______

What is the number of persons in your household? ______________

What is your Annual Household Income (include all parties age 18 years or older)? ______________

The undersigned specifically acknowledge(s) and agrees that:

1) The property will not be used for any illegal or prohibited use;
2) The property will be occupied by applicant(s) solely as a private residence;
3) All statements made in this application are made for the purposes of obtaining the loan indicated herein;
4) Verification of any information contained in the application may be made at any time by the City;
5) The City will rely on the information contained in the application;
6) I/we have a continuing obligation to amend and/or supplement the information provided in this application if any of the material fac which I/we have represented herein should change prior to closing;
7) My/our gross annual household income does not exceed 120% of median income, adjusted for household size;
8) I/We do not currently own a home as my/our principal residence.
9) I/we hold a current teaching credential that is eligible under the Program and is/are employed full-time as a public school teacher (grades K-12) at a school that is located within the City of San Jose municipal boundaries or at another public school where the majority of students served are San Jose residents.
10) I/We further understand that certain restrictions concerning occupancy and resale will be recorded against the property.

I/We certify that the information provided in this application is true and correct as of the date set forth opposite my/our signature(s) on this application.

______________________ ______________________

Borrower's Signature Date Co-Borrower's Signature Date

Teacher Homebuyer Program
Questions and Answers

April 13, 2000

HOUSING PROGRAM STAFF: Mark Brogan -408.277.8486 (e-mail: Mark.Brogan @ci.sj.ca.us) or Tom Cook-408.277.2266 (e-mail: Tom.Cook @ci.sj.ca.us)

WHAT THE CITY PROGRAM OFFERS

Deferred payment loan assistance for up to a maximum of $40,000.
A private lender can finance the remainder of the purchase price.

BORROWER ELIGIBILITY QUESTIONS

Who qualifies for the program?

A classroom teacher who:

-Is employed full-time at a public, K-12 school that is either located within the City of San Jose municipal boundaries or other schools where the majority of students served are San Jose residents. Contact the Housing Department for a current list of eligible schools).

-Holds one of the following California teaching credentials:

Emergency Credential, Intern Credential, Preliminary, Permanent, Life or Professional Cleared Credential in one of the following categories:

Single Services	Severely Handicapped
Multiple Subject	Learning Handicapped
Clinical Rehabilitative Services	Standard Elementary
Physically Handicapped	General Elementary
Education Specialist (e.g. Deaf, Visually Impaired)	Standard Secondary
	General Secondary

-Whose household's gross income does not exceed these limits:

Household Size	Maximum Qualifying Income
1	$ 73,100
2	$ 83,500
3	$ 93,950
4	$104,400

The teacher, other household member(s), and any other co-borrowers must all have credit histories acceptable to the mortgage lender.

Is the Program open to other professionals who may hold a teaching credential but are not classroom teachers e.g. school nurses, counselors?

No

ELIGIBILITY OF PROPOSED HOME

Where does the home I buy have to be located?

It must be located within the City of San Jose municipal boundaries.

What type of home can I buy?

Single family detached homes, town homes, condominiums and half-plex. Manufactured homes are acceptable but must meet specific mortgage insurance guidelines.

What is the maximum allowable home purchase price?

Currently $292,700, if you make no down payment (pay for closing costs only). Purchase price can be higher if you provide additional funds toward the down payment and income qualify with the private lender.

Home Purchase Price	$292,700
City Loan (deferred payment)	$ 40,000
Private Lender (market rate loan)	$252,700
Your Down Payment	**$ 0**

FINANCIAL TERMS

How much of my own money will be needed to buy the home?

To close, you will need funds of up to 3% of the purchase price. You may of course make an additional down payment, to reduce your monthly payments and/or increase the amount of home that you can afford. It is acceptable for the seller to pay closing costs, if the seller is willing to do so.

How large of a City loan can I qualify for?

The maximum City loan amount is $40,000. The Housing Department may approve a lower amount, based upon its analysis of the gap between the home's purchase price and the funding that can be obtained from non-City funds. The Housing Department looks at the teacher household income and assets, the size and terms of the non-City loan(s), and whether other homebuyer assistance programs are being used.

To help buy my home, may I combine the City's Program with other assistance?

Yes. The Housing Department or your lender is available to discuss other options with you.

What are the City loan repayment terms?

The City loan is at zero per cent and is not due and payable until transfer of title to the home or in 30 years.

What happens when I want to resell the home?

You must first notify the Housing Department. You have two resale choices.

If you resell the home to someone who is also eligible for the Program the resale price is restricted. You repay the City the outstanding loan balance only. The buyer cannot assume the City loan. Or you can resell at market price to someone who is **not** eligible for the program, **provided** you repay the outstanding loan amount **and** make an "equity share" payment to the City.

If you want to prepay the City loan and not resell, you must pay the equity share.

How does the equity share provision work?

You pay the City's proportionate share of the difference between the original purchase price and the resale price (less City approved selling costs and improvements). Here is an example:

Possible resale price	$300,000
Original sales price	240,000
Accrued equity	60,000
Less reasonable capital improvements approved by City	2,000
Less reselling costs	21,000
Equity subject to sharing	37,000
City's share (16.67% of original purchase price--$40,000 loan)	6,168
Teacher-Homebuyer share (83.33% of purchase price)	30,832

I will need to borrow $252,700 from a private lender to buy my home. What is the estimated monthly payment?

An estimated $1898, assuming a 30 year loan at 8.25% interest (approximate April 2000 rate). The interest rate and monthly payment will vary, depending upon money market conditions and your credit. Please remember that the private lender will add property taxes, homeowners' association dues, and insurance to this figure and look at your other debt in order to determine how large a loan you can qualify for.

Can I refinance the non-City loan(s)?

Yes, if the Housing Department gives advance approval. The amount refinanced cannot exceed the outstanding amount of such loan(s) plus loan costs.

PROCEDURAL QUESTIONS

What lender can I use?

A lender that has participated in a Teacher Homebuyer Program training session and has been approved by the Housing Department. Contact the Housing Department for a list of these lenders.

I want to make an offer on a home. How rapidly can I receive the City funds to pay for the home?

City loan approval normally will be five working days; funding can occur within 15 days, subject to your meeting our standard loan conditions and our receiving the loan commitment and a complete loan package from your first mortgage lender. Be sure to note the "pending approval of financing" in any offer that you may make, to protect you from loss of a deposit on an offer.

I already own a home. Can the program help me buy another home?

No, if you are currently living in it as your principal residence. The City no longer requires that you not have owned a home as a principal residence within three years of City loan closing.

If I am no longer teaching at a San Jose public school during the City loan term, do I have to repay the loan?

No. The City loan only is due and payable in 30 years or upon transfer of title to the home.

The program sounds great! What are the next steps?

- Contact a lender from the Housing Department approved list.
- Work with the real estate agent of your choice to assist you in the search for your new home.

- Sign up and complete the required free first-time homebuyer education class. Contact either Consumer Credit Counseling Service (408-988-7881) or your real estate agent or mortgage lender for your free seminar. Be prepared to provide the City and your lender a copy of your certificate of completion.
- Get final loan approvals from your lender and the Housing Department.
- Sign the loan documents.
- Move in and enjoy your new home.

Intel Corporation
2200 Mission College Blvd.
P.O. Box 58119
Santa Clara, CA 95052-8119

intel®

News Release

CONTACT: Michelle Mann
Intel
(408) 765-3341
michelle.mann @intel.com

Roger Barnes
Santa Clara Unified School District
(408) 983-2085
rbarnes @scu.k12.ca.us

HOW THE INTEL TEACHER HOUSING FUND WORKS

1

Intel purchases a $10 million bond from Santa Clara Unified School District (SCUSD). SCUSD invests this money in an AA-rated investment. The District pays interest to Intel at a rate of 4% and repays the principal amount of the bond to Intel in five years.

In the meantime, the school district will earn at least 6% interest on the $10 million investment. SCUSD will use the "float," the difference between the 4% interest paid to Intel and the 6% or more interest earned on the money, to create a fund to help teachers purchase a house.

2

Eligible teachers employed by SCUSD will locate a house or condominium and go through the normal purchase and financing processes with participating lenders.

The teacher will have to qualify for the down payment amount and interest rate based on his or her own credit, but SCUSD will contribute $500 per month towards the monthly mortgage payment, allowing the teacher buyer to qualify for a higher loan amount.

> Example: A home buyer with an annual household income of $74,000 could qualify for a $267,000 mortgage. With the availability of an additional $500 payment per month on the mortgage, the buyer could qualify for a $338,000 mortgage. In May, 229 homes were sold in Santa Clara County at prices of $350,000 or less.

3

The $500 per month contribution to the mortgage payment from the District is structured as an equity partnership. As an equity investment by the District, the teacher will not be taxed for additional income, but will be able to deduct the full amount of mortgage interest on income tax returns.

At the end of five years, the District will have contributed $30,000 to the equity of the teacher's home, and that $30,000 will be repaid by the teacher, along with any appreciation. Appreciation will be calculated by comparing the median price of homes in the area at the time the Intel Teacher Housing Fund mortgage payment was started for this teacher with the median price of homes at the end of the loan. That increase (or, potentially, decrease) will be compounded monthly to calculate the amount of the District's equity investment. For example, if the median home price has increased 10% over 5 years (or 2% per year), the teacher would repay the District $31,524. A 10% decrease in median home prices would mean the District would only be repaid $28,571.

4

After five years, the teacher's salary should have increased enough to be able to afford the mortgage payment without the $500 per month assist from the District. The teacher could buy out the District's equity in the home in a number of ways: through savings, taking out a second mortgage, or refinancing the house (assuming the house has appreciated).

FREQUENTLY ASKED QUESTIONS
INTEL TEACHER HOUSING FUND

Q1: How many teachers can the Intel Teacher Housing Fund help each year?
A1: It is expected that the Fund will assist 10 to 15 teachers per year purchase their first home. Over the five years, that means at least 50 to 75 teachers would have the opportunity to buy their own home. Intel will examine the possibility of expanding the program after it is launched this year with Santa Clara Unified School District.

Q2: How will teachers be selected?
A2: Teachers must be working for Santa Clara Unified School District and tenured (which means they are in their third year or more with the District). They must be able to qualify for a mortgage with a good credit rating, and be ready to select a home and finalize the transaction within 60-90 days. If more qualified teachers apply than can be assisted, individuals will be selected through a lottery.

Q3: Are there any limitations on where the home can be located?
A3: The home must be located within the Santa Clara, Alameda, San Mateo or Santa Cruz counties. It is expected that most of the teachers will select homes located in the cities where SCUSD has schools – Santa Clara, San Jose and Sunnyvale.

Q4: Are there any limitations on the maximum amount of household income?
A4: Yes, there will be a limitation that is expected to be about $135,000 household income or 140% of the median household income for the County.

Q5: Must this be the teacher's first purchase of a home?
A5: Yes.

Q6: Does the teacher have to live in the home?
A6: Yes. If the teacher sells the home or rents it, the equity must be paid back to SCUSD immediately.

Q7: How does this program work with first-time homebuyer programs such as the one offered by the City of Santa Clara?
A7: First-time homebuyer programs have more restrictions for qualifications including a maximum household income and a maximum purchase price of the home. Teachers are able to combine the Intel Teacher Housing Fund with any other housing assistance program they can arrange.

Q8: Can a married couple of teachers each receive $500 per month towards a home purchase?
A8: No. The limit is $500 per month to one home.

Q9: Does the $500 payment go to the teacher or the mortgage lender?
A9: The $500 contribution from the Intel Teacher Housing Fund is paid by a trust account directly to the mortgage lender each month.

Q10: Wouldn't it be easier to give money directly to the teachers?
A10: Any money received directly by a teacher would be taxable income, which would decrease the actual amount the teacher would realize. A $500 payment, for example, would be whittled down to about $350 available for the teacher to use towards housing.

Additionally, direct payments would deplete the fund quickly. This program is ingenious because the District shares in the equity of the property so that the fund available for housing assistance maintains (or grows if housing continues to appreciate) at a consistent level, allowing more teachers to be financially assisted.

Q11: What happens if the teacher no longer teaches for SCUSD?
A11: If the teacher leaves the District for any reason, the equity must be paid back to SCUSD immediately

Q12: What happens if the borrower cannot repay SCUSD at the end of five years?
A12: Should this situation arise, it will be evaluated on a case-by-case basis.

Q13: What are the risks of equity sharing?
A13: Equity sharing relies on property values maintaining or appreciating. If the value of a home decreases, then the District would be reimbursed by the teacher less than it has contributed towards the purchase of the home. At the same time, if the value of a home decreases, the teacher could have more difficulty in arranging for a loan to pay off the District at the end of the five-year term.

Q14: Why is this program piloted with Santa Clara Unified School District?
A14: Intel Corporation works closely with many school districts in the South Bay in its effort to support and improve education. The program with Santa Clara Unified School District is a pilot of an effort that Intel hopes to make available to other school districts who are experiencing difficulty in retaining talented teachers.

Q15: Why limit the program only to teachers?

A15: Intel is committed to supporting the quality of education in the communities where it is located because education so strongly impacts the future workforce and the economic vitality of the region. There are always many opportunities to put corporate donations to good use in the community and it is always difficult to choose. This program offers a direct solution to a specific problem.

Intel Corporation
2200 Mission College Blvd.
P.O. Box 58119
Santa Clara, CA 95052-8119

intel

News Release

CONTACT: Michelle Mann
Intel Corporation
(408) 765-3341
michelle.mann@intel.com

Roger Barnes
Santa Clara Unified School District
(408) 983-2085
rbarnes@scu.k12.ca.us

INTEL, SANTA CLARA UNIFIED SCHOOL DISTRICT ANNOUNCE PILOT PROGRAM TO RETAIN TEACHERS

Fund Aimed at Helping K-12 Teachers Purchase Homes

SANTA CLARA, Calif., June 19, 2000 – Intel Corporation today announced the launch of a new community program that will help public school teachers buy a home of their own in the nation's most expensive housing market.

Using the $1.25 million Intel Teacher Housing Fund, Santa Clara Unified School District will pay $500 a month towards each eligible teacher's mortgage payment for up to five years and share in each home's appreciation (or depreciation) as an equity investor. At the end of five years, or sooner if the teacher leaves the district, the home owner repays the District and the funds are re-used to help another teacher buy his or her first home.

The goal is to retain talented teachers in Silicon Valley, many of whom are tempted to relocate to other areas of the state and country where housing costs are more reasonable for a teacher's salary.

The money for the Intel Teacher Housing Fund is generated through an innovative financial transaction that begins with Intel's purchase of a $10 million bond from the school

-- more --

district. Intel has agreed to receive below-market interest on the bond. The difference between the below-market rate and the rate the district can earn on the money becomes the Intel Teacher Housing Fund. Over the five-year term of the bond, Intel will have contributed $1.25 million to the fund.

"Quality education begins with bright, experienced teachers," said Steve Nachtsheim, corporate vice president, Intel. "We expect a lot from our school teachers in preparing today's youngsters to be tomorrow's workforce. Intel is committed to quality education and is pleased to be able to help teachers stay in our community and enjoy the benefits of home ownership."

The pilot program, if successful, may be replicated with other school districts in Silicon Valley facing similar difficulties in retaining top-notch teachers.

"We were looking for a way Intel could support education with a program that has tangible benefits, creatively uses the company's investment, and is self-sustaining over the long term," said Nachtsheim. "At the same time, the District wanted to create an incentive to keep teachers but needed to be cautious with public funds. The idea behind the Intel Teacher Housing Fund meets these needs."

"We have an attractive package for recruiting new teachers, but once they have two or three years of experience and are ready to 'drop anchor' in the community and buy a house, there is nothing they can afford," said Paul Perotti , superintendent of the Santa Clara Unified School District.

How the Program Works

To be eligible for mortgage assistance from the Intel Teacher Housing Fund, teachers must be tenured in the Santa Clara Unified School District and able to qualify for loans on the merit of their personal credit rating. If more qualified teachers apply than can be assisted, a lottery will determine the first year's homebuyers.

If the teacher leaves the district or moves from the home, the District must be immediately reimbursed for the amount invested in mortgage payments, plus or minus any appreciation or depreciation on the value of the home.

Mortgage lenders typically presume that a borrower can afford a mortgage payment equal to about one-third of his or her monthly income. A $500 monthly contribution to the mortgage payment by the District, in effect, allows the teacher to qualify for a home as if his or her salary were $1500 per month higher than it is.

"This means that one of our teachers with a household income of $74,000 per year could qualify for a $338,000 mortgage with the assistance of the Intel Teacher Housing Fund," Perotti said. "Otherwise, the teacher would only be able to qualify for a $267,000 mortgage and there just aren't many properties at this price available any more in Silicon Valley." In May, 229 homes in Santa Clara County sold at prices of $350,000 or less.

With standard annual pay increases, the teacher's salary will have increased enough at the end of five years to be able to afford the mortgage payments without outside assistance, Perotti explained. "This program stabilizes the home purchase price. Otherwise, with the rapid rise of real estate prices in this area, homes become less and less affordable to teachers every day," he said.

Other Affordable Housing Options

"Once again, Intel is leading the way in innovative solutions to our region's most pressing problems," said Carl Guardino, CEO of the Silicon Valley Manufacturing Group. "I hope the Intel Teacher Housing Fund is only 'Version 1.0' and that other companies will also step forward with similar out-of-the-box proposals."

The Intel Teacher Housing Fund is one of several efforts being made by Intel and the Santa Clara Unified School District to offer affordable housing options to local teachers. Intel was one of the first corporations to invest $1 million in the Housing Trust which will help teachers and other moderate-income individuals and families buy homes in the Valley. The District is also building apartments that will be rented at below-market rates to new teachers.

Intel, the world's largest chip maker, is also a leading manufacturer of computer, networking and communications products. Additional information about Intel is available at www.intel.com/pressroom.

—30—

LEVEL 1 - 19 OF 27 STORIES

San Jose Mercury News

June 19, 2000, Monday

KR-ACC-NO: SJ- INTEL

LENGTH: 660 words

HEADLINE: Intel Joins Effort to Help Santa Clara, Calif., Teachers Buy Homes

BYLINE: By Lori Aratani

BODY:

At a time when housing prices have climbed out of the reach of many who teach in Silicon Valley's classrooms, high-tech giant Intel is teaming up with the Santa Clara Unified School District to make it easier for teachers to buy homes.

The plan, set to be unveiled at the district office this morning, will allow Santa Clara to assist teachers seeking to buy their first homes by giving them $ 500 a month for five years to put toward mortgage payments. It is believed to be the first time a high-tech company has joined forces with a school district in such a venture.

"This is a solution to a real problem many districts in this area are facing," said Steve Nachtsheim, vice president for Intel Capital. "Our goal is to help improve the quality of life for teachers."

Districts across California are finding it increasingly difficult to attract qualified teachers and the high cost of living in Silicon Valley is making it even harder for local districts to retain those they can hire. This year 24 teachers -- almost equal to the staffing of one elementary school -- left Santa Clara, citing cost-of-living issues. That's three times the number who last year left the 840-teacher district for the same reason.

The 13,600-student district has been at the forefront of those looking for ways to retain good teachers. It was the first district in the Bay Area to announce it would build apartments for teachers.

While the district's apartment plan has drawn much attention, district officials quickly realized it wasn't enough. That's when they began considering the idea of offering educators help with buying a home.

"I'm very excited about it," said Celia Biggs, who teaches math and reading at Buchser Middle School.

"I have a master's degree and numerous years of education, yet I still can't afford to buy a place," said Biggs, who has taught for seven years. "Although I like the area, I can only afford to stay for so long."

Roger Barnes, the district's director of education partnerships, said the district approached several high-tech companies for financial assistance. Intel stepped forward.

"They jumped on board, because like many high-tech companies in the valley, they're concerned about the quality of education," he said.

The idea behind the program is to help teachers with their down payments until they reach a point where they are making enough money to be able to afford the payments on their own.

Under the plan, Intel will buy a $ 10 million bond from the school district for five years at a low interest rate. Santa Clara will invest the money it receives from the sale of that bond and use the interest to provide support for teachers. Barnes said the district expects to create a pool of about $ 250,000 per year to share equity with 10 to 15 teachers.

First-year teachers would be eligible, but unlikely to qualify for the program because they don't make enough money, Barnes said. The most likely candidates are educators who have four or more years of experience and are earning between $ 45,000 and $ 50,000. By taking part in the district program, Barnes said, teachers could buy a house worth anywhere from $ 65,000 to $ 70,000 more than they might otherwise be able to afford.

The program will be managed by a non-profit foundation and teachers who participate would have to qualify for a loan on their own and find a house within a set amount of time. There are income limits on the program so that it benefits those most in need.

Educators who take part in the program would take out a second mortgage or refinance after five years to reimburse the district for its share of their equity. That money would then go back into the pool to be in invested in other teachers' homes.

The district also will repay Intel after five years.

LANGUAGE: ENGLISH

JOURNAL-CODE: SJ

LOAD-DATE: June 20, 2000