

Agenda Item #8
Home is Possible for Teacher's Homeownership Program

Nevada is experiencing a strong turnaround in the economy, jobs and population growth. While this movement is positive, the educational system is struggling to keep pace with the growth. The schools are having a challenging time recruiting and retaining qualified teachers. The Housing Division would like to acknowledge the critical role teachers play in educating Nevada children and preparing them for the future. We want to help build a stronger Nevada by offering a special Home is Possible homeownership program for teachers.

We have a concept for the program design which will encourage new and existing teachers to lay down roots in the community and grow the pool of teachers in our schools. We believe offering a \$15,000 down payment grant which is forgivable over a three to five year period would work best. The Housing Division is planning to provide the funding for this down payment assistance from dedicated reserves.

The Housing Division will provide an attractive fixed rate mortgage loan to help teachers purchase a home combined with the \$15,000 down payment grant. This program will be initially rolled out as a pilot project with anticipated funding to serve an estimated 200 teachers statewide. The Housing Division will leverage its existing network of over 70 approved mortgage lending companies to offer and originate loans for teachers.

Teachers who are first-time home buyers can also take advantage of the Housing Division's Mortgage Tax Certificate (MTC) Program. With an MTC, teachers can take a portion (up to \$2,000) of the annual interest paid on their mortgage as a tax credit every year. An MTC can save teachers thousands of dollars over the life of their mortgage loan. This homeownership benefit further incentivizes teachers to stay in the community and can be combined with the down payment grant.