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Homeownership Help for Teachers in California
Extra Credit Teacher Program (ECTP) Provides Added Advantages to
Teachers With Dreams of Homeownership

SACRAMENTO, September 3-- High school teacher Rodney Black stood in front of the home that he bought with the help of a loan program through the State and said, "I couldn't have done it without the Extra Credit Teacher Program."

The innovative program provides eligible teachers and administrators a below market interest rate (currently 5%-6%) first loan, as well as a deferred second mortgage to cover down payment costs of \$7,500 or three percent of the purchase price, whichever is greater. The program, administered by the California Housing Finance Agency (CalHFA), this year will benefit from \$24 million as a result of Proposition 46 (Housing and Emergency Shelter Trust Fund Act), a \$2.1 billion bond passed by State voters in 2002.

State Treasurer Phil Angelides, who launched the Extra Credit Teacher Program, was at the press conference at Black's home. Angelides is chair of the California Debt Limit Allocation Committee (CDLAC), the financing authority that has awarded tax-exempt, low-cost bond financing (\$135 million) to CalHFA to fund and administer the program.

"The Extra Credit Teacher Program helps draw a scarce public resource – experienced teachers and administrators – to help those schools and students that struggle the most to achieve success," Angelides said. "The program also allows teachers and their families to achieve the dream of homeownership."

Only credentialed school staff who work in low performing schools (API 1-5), defined as schools that posted below average in the State's Academic Performance Index or API, are eligible for the program.

Kerry Mazzoni, the Governor's Secretary for Education said, "The Extra Credit Teacher Program is just one example of how government agencies and education organizations can work together to promote a program that betters our schools, our children, and our educators. Mazzoni continued, "This program enables districts to recruit and retain the most qualified professionals to help schools succeed."

According to State Superintendent of Public Instruction Jack O'Connell, almost 14 percent of the teachers working in public schools in California do not possess a valid teaching credential. O'Connell said the Department of Education is working in partnership with CalHFA to publicize the program because he believes it will help improve the percentage of credentialed teachers in these low performing (API 1-5) schools.

Through the Extra Credit Teacher's Program, teachers who fulfill their commitment at a designated school for three years will have the interest on their second loan forgiven.

"Our teachers, whom we entrust with our society's most important job, often receive salaries which preclude them from purchasing a home," said O'Connell. "The Extra Credit Teacher Program allows teachers working in our schools that need them the most, to fully participate in the American Dream."

Rodney Black has taught health at Valley High in the Elk Grove Unified School District for the past two years. This year, the school made big leaps in standardized test scores. In ninth grade, for example, 26 percent of students scored at far below basic in 2002. The 2003 tests

released last month showed those scores improved to 11 percent. English test scores at the school jumped in the ninth, tenth, and eleventh grades (twelfth graders are not tested), an accomplishment that *The Sacramento Bee* called “an almost unheard-of feat for high schools.”

Black credited his colleagues at Valley High for the improvement. “I’m proud to be a part of the Valley High team,” he said. “And I want to say thank you to the State for recognizing my hard work and providing me the tools to own my own home in a neighborhood of my choice. No one should have to choose between a teaching career and the dream of homeownership.”

Since CDLAC launched the program in September 2000, it has awarded more than \$262 million in tax-exempt, low-cost bond financing to the Extra Credit Teacher Program offered through the California Housing Finance Agency (CalHFA) and nine local jurisdictions. Together CalHFA and those nine local communities have helped 556 educators and their families purchase a home.

“CalHFA has been helping Californian’s achieve the dream of homeownership for more than 25 years,” said Theresa Parker, Executive Director of the California Housing Finance Agency. “We are pleased to partner with State officials and the education community in announcing this innovative program that gives teachers a helping hand in purchasing their first home; the Extra Credit Teacher Program. After all, affordable housing is our business.”

Additional information on the full complement of CalHFA programs can be obtained by calling 1.800.789.2432 or visiting the web site at www.calhfa.ca.gov. where you can register to receive CalHFA information electronically.

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