

Increasing Our Commitment to teachers

On September 20, 2005, in response to the high cost of housing, San José City Council and Mayor Ron Gonzales, approved increased loan amounts for San José Public School Teachers by over 60%. Teachers can now borrow up to **\$65,000** for downpayment assistance for homes located in the City limits. Increasing the City's subsidy helps to bridge the affordability gap between the high cost of homes and the median income of public school teachers. The THP Loan can be used to purchase an owner-occupied condominium, townhome, or single-family detached home. The City loan is a 0% interest deferred payment loan with equity-share repayment terms.

How to get Started

STEP 1

Contact City staff at **408.975.4468** to discuss your eligibility for the THP (See Program Criteria). City staff can mail you a City homebuyer loan application and list of approved lenders or you can obtain this information from the website: www.sjhousing.org.

STEP 2

Contact Neighborhood Housing Services of Silicon Valley (NHSSV) at **408.279.2600** for a schedule of homeownership education classes for first-time homebuyers.

STEP 3

Contact a lender of your choice to become pre-qualified for a mortgage loan. The City maintains a list of professional and experienced lenders sensitive to the needs of teachers.

STEP 4

Select a realtor of your choice to start looking for a home. Once you have selected a home your lender will guide you through the process of applying for a loan. Your lender will also help you complete the City homebuyer loan application and submit the application to the City on your behalf. City staff is here to answer any of your questions along the way. So call us today!

www.sjhousing.org



Housing

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www.sjhousing.org

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three school families showed up and cheerfully helped unload boxes and carry furniture into her new place.

"They don't see me as an outsider," explained Rountree, who is divorced and the mother of a grown son. "I'm now vested in the community; I can appreciate what's going on in the neighborhood. Being able to have a personal relationship with the parents of my students – and with the students themselves – helps me to be a better teacher."

Stories like Myra Rountree's underscore the mission of the THP, which is to support quality education in San José, despite the high cost of housing. "The program has been incredibly successful at helping public school teachers live in the same communities they serve," explained Leslye Krutko, San José Housing Director. "Living where they work reduces the stress and anxiety of long commutes, so teachers have more time invested in the classroom."

Since the THP began in 1999, the City of San José has poured more than \$18 million into the program. The THP offers deferred payment loans from \$40,000 to \$65,000 for qualified teachers.

In addition to offering and processing the THP loans, the Housing Department provides valuable resources for teachers seeking a way to purchase a home in San José. Housing staff collaborate with Realtors, outside lenders, and other public and non-profit agencies to help eligible teachers assemble financing.

Teacher retention in San José is a key goal. "Of the 500 teachers who have participated in the THP, less than 5 percent have sold their homes and quit teaching in San José," said Brandi Hoffman-Ooka, THP Program Manager. The City's effort to recruit and retain highly qualified teachers continues to be a success benefiting teachers, students, and the community.

We're Here To Help!

City staff is committed to helping teachers live in the communities they serve. In fact, over 95% of recent THP participants rate the City's customer service as "very good" or "excellent." Call us today at **408.975.4468** and ask for Korey Richardson, Homebuyer Program Coordinator.

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Teacher

HOMEBUYER

ISSUE 9 • A NEWSLETTER FOR TEACHERS BUYING A HOME IN SAN JOSE • MAY, 2006

Congratulations
to San José's
500th
Teacher
Homebuyer!

Breaking News!

The Housing Trust of Santa Clara County (HTSCC):
Administers a countywide closing cost program. Teachers can borrow up to \$6,500 for either downpayment or closing cost assistance. The HTSCC program is a secured 0% interest loan program. Teachers can combine the HTSCC loan with the THP for even more savings!
For more information call 408.436.3450 extension 5 or visit the website www.htscc.org.



Housing

SAN JOSE BRINGS TEACHERS HOME



Myra Rountree teaches fourth grade at LUCHA Elementary School.

Myra Rountree of San José, CA, got the bargain of a lifetime in November when she put down \$6,000 for the American dream. That's how much it cost the 56-year-old elementary school teacher to buy into one of the highest-priced housing markets in the country. "After looking at places all summer, I was very discouraged because everything was out of my range," she said. "Even though I knew going in what the market was like, I still couldn't believe the prices I saw." With hope fading, Rountree remembered a flyer she received about a year ago describing a program designed to help local teachers buy their first home. The Teacher Homebuyer Program (THP), created and operated by the City of San José, opened doors that had been closed to Rountree, and guided her on the path to a home of her own. She met with representatives of the San José Housing Department, attended an all-day homebuyer education seminar, and applied for a THP deferred payment loan of \$60,000. Then, she plunged into

the housing market once more. In a few weeks, she had locked up a deal for a \$418,500, three-bedroom townhouse in a new complex built for people with moderate-level incomes. Best of all, the property was no more than four minutes away from Learning in an Urban Community with High Achievement (LUCHA) Elementary School, where she has taught fourth grade for the past two years.

Rountree wasn't the only one who celebrated her home-buying success. When escrow closed, she became the 500th teacher in the City to purchase their first home through the THP. Civic leaders, including San José Mayor Ron Gonzales, were proud to acknowledge the milestone, presenting her with housewarming gifts and hearty congratulations.

"With our help, more than 500 San José teachers have been able to spread their roots in our community where they teach our children," said the mayor. "This has strengthened the ability of our public schools to attract and keep good teachers, while it has also encouraged a real commitment to our community by our teachers."

Also celebrating were the students and parents of the LUCHA School community, predominately a Latino population in a close, low-income neighborhood. Rountree takes evident pride in her work at the small, K-4 school, in her young students and in the impressive test scores they've achieved within the City's Alum Rock School District. Parents in the community, recognizing her skill as a teacher, along with the high regard she has for her students, showed their appreciation by immediately welcoming her to the neighborhood. On moving day,

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Get the Right Loan For Your Home!

10 Things to do Before You Sign on the Dotted Line...

- ◆ Familiarize yourself with the home loan process and what you can afford
- ◆ Know your credit rating and its impact on your loan qualifications
- ◆ Talk to at least three lenders and compare the costs of the loans they offer
- ◆ Beware of any requests to falsify information
- ◆ Confirm that your loan agent is licensed to originate mortgage loans
- ◆ Ask for clarification on anything you don't understand
- ◆ Ask what the maximum monthly payment will be over the life of the loan
- ◆ Don't sign loan papers before you understand all of the terms
- ◆ Don't sign any documents or forms with blank spaces
- ◆ Make sure the loan contract contains only those terms to which you agreed

For assistance and referrals at any stage of the mortgage process call Don't Borrow Trouble Silicon Valley at **408-283-1284**



The Wrong Loan Can Cost YOU Your Home

Teachers Talk!



Kathryn Moody

Fammatre School, Cambrian School District

"I feel very fortunate in having the opportunity to participate in the City of San José's Teacher Homebuyer Program. The application process was simple and my contacts with program staff were helpful. Without the THP, and other programs designed to aid first-time homebuyers, I would never have been able to purchase my own home in San José."



Bernadette Troyan

Leland High School, San José Unified School District

"Three teachers at my school became homeowners in the last two years through this program. I didn't think I would qualify, but after placing a call to my loan agent and my realtor, it all happened so fast and easily that I could not believe I was moving into my own beautiful condo just minutes from work! This program allows me to live in the same community where I work, stay in touch with events in my students' lives, and survive economically so that I can remain a teacher. I love this program!"



Ted and Lisa McLeod

Oak Grove High School, ESUHSD

"We are so grateful to the Teacher Homebuyer Program. We thought we could never own a home because of the high cost of housing in our area. Also, we were surprised by all of the non-city funds that we qualified for, all of these programs allowed us to afford to live in San José."

How The Teacher Homebuyer PROGRAM WORKS

The City of San José Teacher Homebuyer Program was designed to help every interested public school teacher purchase a home in San José. The City provides deferred payment loans of up to \$65,000 to help eligible teachers purchase their first homes. Participants in the program use private lenders and other sources to finance the remainder of their purchase price.

To qualify for the Teacher Homebuyer Program (THP), classroom teachers must be employed full-time at a public, K-12 school that is located within the City of San José, or at a public school where the majority of the students are San José residents. Teachers must also hold certain California teaching credentials. In addition, income levels cannot exceed these limits:

Household Size	Maximum Qualifying Income (\$40,000 Loan)	Maximum Qualifying Income (\$65,000 Loan)
1	\$ 83,600	\$66,460
2	\$101,300	\$75,960
3	\$113,900	\$85,500
4	\$126,600	\$94,950

Single-family detached homes, townhomes or condominiums for purchase must be located within the City of San José and must be priced no more than \$650,000.

City loans from the THP are made at 0% interest and are not due and payable until the home is sold or in 30 years, whichever comes first. Program participants are subject to a 45-year affordability restriction that is recorded against the property. If they wish to resell the property before the end of the term, special provisions will apply, including payment of an "equity share" to the City of San José.

For detailed information on the THP, contact the San José Housing Department at **408.975.4468** or visit www.sjhousing.org.



Neighborhood Housing Services of Silicon Valley (NHSSV) specializes in helping first-time homebuyers purchase a home in San José. NHSSV offers many services such as homebuyer education, credit counseling, and lender services. If you are interested in purchasing your first home, call NHSSV at **408.279.2600**.

Enroll in a homebuyer education seminar today!

BEGIN is offering extra bucks for eligible teachers!

The City of San José will be offering extra downpayment assistance in several new developments through the Building Equity and Growth in Neighborhoods (BEGIN) program. BEGIN is a program funded by the State of California through Proposition 46, a statewide housing bond initiative approved by the voters in 2002.

The following developments are currently under construction and each eligible first-time homebuyer of an affordable home will receive an extra \$30,000. The BEGIN loan is a 30-year deferred payment loan at 3% simple interest. For more information about the City's newest affordable ownership opportunities please call the agencies listed below:

The Works

Margaret Street and Patterson Street
14 condominiums
1-2 bedrooms
Estimated completion date - August, 2006
Visit www.theworksj.com for more information

Hennessey Place

Blossom Hill and Croydon Avenue
7 single family homes - 3 bedrooms
Estimated completion date - April, 2007
Contact Neighborhood Housing Services at **408.279.2600**

San Antonio Place

San Antonio Street and King Road
5 townhomes, 2 bedrooms
Estimated completion date - August, 2006
Contact the sales office at **408.937.1127** for more information

CIM/The Globe

2nd and Santa Clara Street
15 condominiums, 1-2 bedrooms
Estimated completion date - August, 2006
Contact Pacific Marketing Group at **408.279.8880**