

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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SENATE BILL 267

Short Title: Teacher Loan Program.

(Public)

Sponsors: Senators Forrester; Allran, Bingham, Blake, Carpenter, Garwood, and Smith.

Referred to: Finance.

March 3, 2003

A BILL TO BE ENTITLED

1
2 AN ACT TO REQUIRE THE STATE TREASURER AND THE NORTH CAROLINA
3 HOUSING FINANCE AGENCY TO DEVELOP PILOT PROGRAMS TO
4 PROVIDE NEW TEACHERS WITH MORTGAGE ASSISTANCE TO
5 ENCOURAGE THEM TO STAY IN THE CLASSROOM FOR A PERIOD OF AT
6 LEAST THREE YEARS.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** The State Treasurer, in conjunction with the North Carolina
9 Housing Finance Agency, shall develop a mortgage assistance pilot program for persons
10 who are teaching in the public schools and have been for less than one year or who have
11 been hired to teach in the public schools and are scheduled to begin teaching. The
12 purpose of the program is to encourage new teachers in the public schools to continue to
13 teach for a period of at least three years by providing them with assistance in acquiring
14 home mortgages in return for that commitment.

15 The pilot program shall be administered by the North Carolina Housing
16 Finance Agency in at least one low-wealth school district, one urban district, and one
17 rural district. In developing the program, the State Treasurer shall review similar
18 programs in other states such as Connecticut, Mississippi, Oregon, and New Mexico.
19 The State Treasurer shall consider providing new teachers with low-interest loans for
20 down payments and closing costs and arranging a method by which the loans will be
21 forgiven or converted into interest-free grants if the teachers commit to teach for three
22 years and fulfill that commitment.

23 **SECTION 2.** The State Treasurer shall report on the operations and
24 effectiveness of the mortgage assistance pilot program to the Joint Legislative
25 Education Oversight Committee of the General Assembly on or before October 1, 2005.
26 If the pilot program is successful in keeping teachers in the classroom for a period of at
27 least three years, the State Treasurer shall consider whether the program should be

1 implemented statewide and make recommendations to the General Assembly
2 accordingly.

3 **SECTION 3.** This act is effective when it becomes law.