



OFFICE OF GOVERNOR PAT QUINN

# NEWS

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## **Governor Quinn Announces \$345 Million Mortgage Assistance Program in Illinois**

*“Illinois Hardest Hit” Program Leverages Federal Dollars to Help Homeowners Avoid Foreclosure*

CHICAGO – September 15, 2011. Governor Pat Quinn today announced a program to help approximately 15,000 Illinois homeowners threatened by foreclosure. The *Illinois Hardest Hit* program utilizes \$345 million in federal funds to support working families having trouble making mortgage payments due to unemployment or under-employment.

“The economic downturn has left too many Illinois families at risk of losing their homes,” Governor Quinn said. “Everyone suffers when a home goes into foreclosure. The *Illinois Hardest Hit* program will help keep families in their homes, help them regain economic stability and keep our communities strong.”

The program allows eligible participants to receive up to \$25,000 over 18 months as a 10-year loan to keep mortgages current and make ongoing payments, including fees and penalties. The loan is forgiven over the last five years of the 10-year term, and carries zero interest. Funds for the program are supplied by the U.S. Department of the Treasury. Illinois is among 18 states and Washington, D.C. that received funding for the program earlier this year. The *Illinois Hardest Hit* program will be administered by the Illinois Housing Development Authority (IHDA).

“The best way to stabilize our neighborhoods is to prevent foreclosures before they happen,” said Mary Kenney, IHDA executive director. “This program will make a difference in people’s lives and in our communities.”

Free applications for the program are available exclusively through IHDA’s *Illinois Hardest Hit* website: [www.IllinoisHardestHit.org](http://www.IllinoisHardestHit.org). Applicants will be matched with a local review agency that will answer questions, pre-screen applicants for eligibility and assist homeowners in preparing the application and assembling the required supporting documentation.

Eligibility criteria for the program include:

- Property must be located in Illinois;
- Household must have a documented income reduction of at least 25 percent due to unemployment or under-employment through no fault of their own;
- Household income must be at or below 120 percent of the area median income;
- Principal loan balance of a mortgage must not be more than \$500,000;
- Household liquid assets cannot exceed 3 months of mortgage payments;
- Property, which can be a 1-4 unit building, must be the primary and only residence of all borrowers/owners;
- Homeowners must carry a fixed or adjustable rate loan; negative amortization or interest-only loans are not eligible;

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- The delinquency and forward payments must fall within available assistance and program guidelines;
- Applicants must not have been convicted of a mortgage-related felony in the last 10 years.

"The Hardest Hit Fund provides Illinois and other states that were hit hardest in the housing market downturn the funds to implement local programs to assist struggling homeowners," said Treasury Assistant Secretary for Financial Stability Tim Massad. "With these funds, Illinois can provide critical support to homeowners impacted by unemployment so they can remain in their homes and avoid foreclosure."

Governor Quinn has long been a strong advocate for affordable housing, and his administration has championed important legislation and housing initiatives, including:

- \$100 million in federal Hardest Hit funds to form public-private partnership to modify loans to affordable levels
- \$130 million in the *Illinois Jobs Now!* capital program for affordable and supportive housing, including a development in Springfield for transitional and permanent supportive housing for Veterans and residents facing homelessness;
- \$53 million in federal Neighborhood Stabilization Program (NSP) funds to enable communities to revitalize neighborhoods by returning foreclosed or abandoned properties to use through rehabilitation or new construction;
- Passing the Homeowner Protection Act;
- Extending the Affordable Housing Tax Credit through 2016 to stimulate additional affordable housing development;
- Establishing the Illinois Anti-Predatory Lending Database;
- Creating the Foreclosure Prevention Program;
- Launching [www.ILHousingSearch.org](http://www.ILHousingSearch.org), a bilingual website to match residents with specific rental housing and resources;
- Partnering with local housing agencies for IHDA's Mortgage Relief Project outreach events;
- Creating a loan modification program for homeowners who borrowed under the state's first-time homebuyer program;
- More than \$8 million in National Foreclosure Mitigation Counseling (NFMC) funds targeted toward foreclosure and mediation through partnerships with local governments and not-for-profits.

The *Illinois Hardest Hit* program is funded by the U.S. Department of Treasury and does not have a fee for applying. Applicants should be aware of the prevalence for mortgage assistance fraud; no mortgage assistance program requires a fee. The official *Illinois Hardest Hit* website ([www.IllinoisHardestHit.org](http://www.IllinoisHardestHit.org)) is the only website for applications.

## About IHDA

The Illinois Housing Development Authority ([www.ihda.org](http://www.ihda.org)) is an independent bonding authority that finances the creation and preservation of affordable housing throughout Illinois. Since 1967, IHDA has allocated more than \$10.6 billion to finance more than 215,000 affordable housing units for the residents of Illinois. IHDA sells bonds independently, based on its own good credit, to finance affordable housing in Illinois.