



OFFICE OF THE GOVERNOR

ROD R. BLAGOJEVICH - GOVERNOR

# NEWS

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## Governor Blagojevich Announces New Homeownership Program Statewide

*500 families are expected to benefit with \$60 million in mortgages  
I-LOAN Certificate is Unveiled*

CHICAGO - It might require an extra half hour or so each year to file income taxes, but a new state program launched today will help more than 500 first-time homebuyers across the state qualify and afford to purchase their first home. The I-Loan Certificate was unveiled today by Governor Rod Blagojevich and the Illinois Housing Development Authority (IHDA) as a new statewide initiative to help qualified homebuyers save as much as \$2000 per year on their federal income taxes for the life of their loan up to 30 years.

“Homeownership is a key component of affordable housing for Illinois citizens,” said Governor Rod Blagojevich. “Through the I-Loan Certificate, Illinois families will worry less about how to finance a home and will spend more time and energy enjoying their families and contributing to their communities.”

With an I-Loan Certificate, a homebuyer will receive a dollar-for-dollar federal tax credit worth 25 percent of the annual amount paid in mortgage interest, not to exceed \$2,000 per year. The credit may be redeemed yearly through the life of the loan. The mortgage interest amount remaining after the I-Loan Certificate deduction is still eligible for the standard homebuyer mortgage interest deductions.

To qualify for an I-Loan Certificate, an Illinois homebuyer must:

- be a first-time homebuyer. Anyone who has not had ownership interest in his or her primary place of residence in the past three years is considered a first-time homebuyer.
- purchase the home as a primary residence. The residence may be a single-family home, townhome or condominium. Two, three and four unit buildings do not qualify.
- move into the home within 60 days of closing.
- meet income and purchase price requirements for the non-targeted or targeted area in which the home will be purchased.
- apply for the I-Loan Certificate as part of a mortgage with an IHDA-approved lender.

\*\*\*\*\* **I-Loan Certificates will be issued on a first-come, first-serve basis.** \*\*\*\*\*

Illinois homebuyers can find more information, and a list of local approved lenders at [www.IHDA.org](http://www.IHDA.org). Illinois homebuyers without Internet access may call IHDA's toll-free I-LOAN Certificate hotline, 877-I-LOAN-56.

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“The benefits of homeownership extend beyond the family,” said Governor Rod Blagojevich. “Homeowners are an integral part of a community’s social and business climate and provide a boost to the local economy. Through this program, we continue to help working families buy homes in the communities where they work and live.”

The I-Loan Certificate is based on an earlier homeownership program (called the Mortgage Credit Certificate) formerly available only to a few municipalities and counties across Illinois that had specifically allocated bond volume cap to IHDA. The success of these limited-area programs has prompted IHDA to expand it statewide. The I-Loan Certificate is now available in every community across the state except for the City of Chicago, which runs its own Mortgage Credit Certificate program.

The I-Loan Certificate is designed to be extremely flexible and is available for homebuyers to use with nearly every type of mortgage loan available. The I-Loan Certificate may be used in conjunction with conventional fixed-rate, adjustable-rate, balloon, conventionally insured, or government insured mortgage loans. It may also be used with VA or FHA loans.

IHDA secured the funds to finance I-Loan Certificates for \$60 million worth of mortgages through an election of bond capital with the IRS.

### **Households qualify for more**

Increased borrowing power is a significant benefit of the I-Loan Certificate. The I-Loan Certificate decreases the homebuyer’s monthly federal tax deductions, which results in increased monthly net income. As a result, lenders can use this higher net income to qualify a homebuyer for their loan, increasing their borrowing power by as much as \$10,000 to \$14,000.

### **What is the catch?**

Not much. The lender may charge a \$100 application fee for the I-Loan Certificate and a closing cost of \$250. If a homebuyer refinances the home, the I-Loan Certificate can be reissued as part of the financing process, so that the homebuyer can continue to take advantage of the tax credit.

Making homeownership affordable is an important aspect of the Governor’s push for affordable housing in Illinois. In September 2003, through Executive Order 18, Gov. Blagojevich identified affordable housing as one of his top priorities by creating the Governor’s Affordable Housing Task Force and charging it with the responsibility of developing a comprehensive housing plan that identifies affordable housing development, preservation, and rehabilitation initiatives in all regions of the state and explains how the initiatives will benefit underserved populations. The task force will submit an Annual Comprehensive Housing Plan to the Governor and General Assembly by the end of the year.

Municipalities that are impacted by the Affordable Housing Planning and Appeal Act will be able to use the I-Loan Certificate as an important resource to help the communities promote affordable homeownership for their residents. It can be used as a stand-alone benefit, or can be combined with other incentives and loan products.

### **About the Illinois Housing Development Authority**

The Illinois Housing Development Authority (IHDA) is a self-supporting state agency that finances the creation and the preservation of affordable housing across Illinois. Since its creation by an act of the Illinois legislature in 1967, IHDA has allocated more than \$6 billion and financed more than 150,000 units of affordable housing across the state. IHDA accomplishes its mission through a number of federal and state funding sources, including the Illinois Affordable Housing Trust Fund, the State’s Donations Tax Credit Fund, the allocation of federal Low Income Housing Tax Credits, HOME Investment Partnership funds and others. IHDA is also a bonding authority, and independently sells bonds, based on its own good credit, to finance affordable housing across the state.