



OFFICE OF THE GOVERNOR

# NEWS

ROD R. BLAGOJEVICH – GOVERNOR

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## **Gov. Blagojevich expands the G-I Loan for Heroes program to help more veterans and active duty personnel afford homes**

*\$15 million in additional funding follows program's success; more than 100 veterans and active duty members helped in first four months*

**NORMAL** – Officials from Governor Rod R. Blagojevich's Administration today announced \$15 million in additional funds to support the *G-I Loan for Heroes* program that helps qualified veterans and active duty personnel afford to buy a home. Launched last May as a \$15 million pilot mortgage program, the *G-I Loan for Heroes* has already helped 115 Illinois veterans and active duty members secure low-interest mortgages and closing cost assistance during the program's first four months.

"The brave men and women who have served, or continue to serve our country make huge sacrifices in order to preserve our freedom. They deserve to know that when they come back they will have a safe and secure home for their family and the chance to achieve the American dream of homeownership," said Gov. Blagojevich. "This additional funding from the Illinois Housing Development Authority is in response to the success we've had so far with the *G-I Loan for Heroes* program. I believe it is our responsibility to ensure we continue to support the needs of our current and former service men and women."

Of the 115 homebuyers who have purchased a home or reserved a loan under the *G-I Loan*, approximately 85 percent are veterans. The homebuyers range from 21 to 72 years of age and are located in 69 cities and 34 counties across the state. The average size of the first mortgage loans is \$103,000 while the second mortgage loans average \$25,300.

The *G-I Loan* offers a low-interest rate first mortgage for 80 percent of the purchase price and an interest-free second mortgage for 20 percent of the purchase price, up to \$40,000. Effective

interest rates for the combined mortgages could be as low as 5.125 per cent in some cases. The mortgages are 30-year, fixed interest rate loans providing long term security for homebuyers. Participants under the program may also receive a grant up to \$2,500 to help with closing costs and free homeownership counseling, which is compulsory. The *G-I Loan* offers the opportunity for affordable, secure financing to help veterans and active duty service men and women make good financial decisions.

Illinois is the first state in the nation to provide a comprehensive homeownership package to qualifying former and current service men and women who are working hard to provide for themselves and their families.

“Illinois is fortunate to have a Governor who will take the initiative to introduce new programs to assist hardworking residents. Governor Blagojevich saw that more needed to be done to help veterans and active duty members with their homeownership needs. Taking action to replenish the *G-I Loan for Heroes* program with another \$15 million further demonstrates the state’s commitment to helping our veterans and active duty personnel afford to buy a home. It also shows that Illinois continues to lead the nation in affordable housing ideas,” said DeShana L. Forney, IHDA Executive Director, who made the announcement on behalf of the Governor.

“The fact that it took less than four months to grant \$15 million in loans to our veterans and service members, proves that there is a significant need for this type of program and I am so pleased that Governor Blagojevich has added an additional \$15 million for the *G I Loan for Heroes* program. I am proud to see Illinois continue to set an example of how to honor those who serve by providing this one-of-a-kind homeownership package. Our veterans and active duty service personnel served this country bravely. When they return home we owe it to them to provide the best options, benefits and programs that we can,” said Tammy Duckworth, IDVA Director, who also made the announcement along with IHDA’s Executive Director.

The state’s affordable housing agency, the Illinois Housing Development Authority (IHDA) administers the program on behalf of the state. IHDA will use the proceeds from the sale of tax exempt bonds to fund the program.

Veterans and men and women currently on federal active duty in the Armed Services, including National Guardsmen, and the Reserve Forces may qualify for assistance in buying a primary residence even if they owned a home in the past. Active duty service personnel need to be a first-time homebuyer to qualify for the *G-I Loan*.

Prior to the *G-I Loan for Heroes program*, the only home buying assistance Illinois veterans and active duty members had was to apply for the federal VA loan which has a zero down payment policy but offers market interest rates.

Under the *G-I Loan* program, credit qualified applicants need to contribute \$1,000 of their own money toward the down payment on the purchase of a single-family home, condominium or duplex. Income and purchase price limits also apply and vary from county to county. To qualify in McLean County, a veteran or active duty service man or woman with a family of three or more must have a household income of no greater than \$84,525 and the purchase price of the home can not exceed \$237,030. County specific income and purchase price limits are available upon request.

Many families of active duty service personnel struggle to survive while their active duty family member is away serving their country. Often, service men and women are forced to let go of their higher-paid civilian jobs during deployment, which can make homeownership unattainable.

Bradley Schwermin, a 27-year-old veteran honorably discharged from the Marine Corp. in 2005 was able to buy his first home in July thanks to the *G-I Loan*. His four years of service that took him to Iraq and Okinawa in Japan has meant he's had to wait a little longer to own a home. Schwermin moved into his three-bedroom condominium on Hunt Drive in Normal at the end of July and is now able to enjoy the stability of homeownership while working as a customer service and sales representative and studying for a Bachelors Degree at Illinois State University.

"Illinois has some of the best benefits in the country for veterans," said Schwermin. "But after coming home from Iraq, the most frustrating part was seeing other young people in their mid-twenties like me being able to afford a new home. I am glad to hear that the Governor believes that veterans also deserve the same opportunity. If it were not for the *G-I Loan*, I would never have been able to become a homeowner before I turned 30 because of the time I spent in the Marines."

To apply for a *G-I Loan*, veterans and active duty service personnel should contact one of the IHDA-approved partner banks to see if they qualify. The list of partner banks is available at [www.ihda.org](http://www.ihda.org) or by calling 312-836-5244 to receive the list by mail.