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News Release

Training seminars to teach local lenders to access Gov. Blagojevich's \$200 million commitment to homeownership

*Homebuyers in Southern Illinois will benefit as local mortgage lenders sign up
for this week's Carbondale training seminar*

CARBONDALE – Following Gov. Rod R. Blagojevich's \$200 million commitment to the state I-Loan Mortgage program in June, the Illinois Housing Development Authority (IHDA) will conduct a series of free regional training seminars to teach local lenders how to access the funds to help families around the state buy their first homes. More than 25 loan officers representing 11 local banks, savings and loan associations and credit unions in Jackson County have registered for Wednesday's two-and-a-half hour seminar. The program will educate local lenders on the state resources available for first-time homebuyers, and how to best access the \$200 million in funds.

"Gov. Blagojevich has asked IHDA to expand the homeownership options for Illinois families. We need to make sure that the \$200 million the Governor just committed to the I-Loan Mortgage program reaches those who need it the most, so IHDA has reached out to local lenders to educate them on the resources available through the state I-Loan Mortgage program. With its below-market, safe fixed interest rates, the I-Loan Mortgage is an excellent option for first-time homebuyers," said Kelly King Dibble, executive director of IHDA.

"The I-Loan helped make a dream come true for our family," said Vanessa Estes, 27, who lives in Carbondale. "When we first started looking, we were targeting \$70,000 to \$90,000 homes because that's what the on-line mortgage calculators were telling us we could afford. But for this area and for that price range, choices are very limited. Then we learned about the I-Loan and with its below market interest rates we were able to aim for a higher priced home."

Vanessa and Robert Estes were pregnant with their now three-month-old daughter, Alexandra when they got approved for an I-Loan mortgage through Banterra Bank to buy the house of their dreams. In May, they moved out of their tiny, one-bedroom rental apartment and into their new,

three-bedroom, two-bathroom home in Cypress Drive, Carbondale. The couple received a \$116,000 I-Loan and \$1,500 in closing cost assistance under IHDA's Rural Housing Initiative program to buy their \$114,000 home. The program, available only to low-income first-time homebuyers in the rural areas of Illinois awards the closing cost assistance to homebuyers who complete a pre-purchase homebuyer counseling class and allows them to contribute as little as one percent of the purchase price from their own money.

IHDA helps low and moderate-income families become first-time homeowners with 30-year fixed-rate mortgages that have interest rates half a percentage point or more below the market rate. Local partner banks originate the loans in a seamless transaction. IHDA funds the program with tax-exempt bonds, often allocated by local communities and counties.

The I-Loan Certificate is another homeownership financing tool to help qualified homebuyers save as much as \$2,000 per year on their federal income taxes for the life of their 30-year loan. Homebuyers receive a dollar-for-dollar federal tax credit worth 25 percent of the annual mortgage interest.

"Banterra Bank has offered the I-Loan to its customers for more than 13 years now," said Jane Vaughn, mortgage originator at Banterra Bank. "Since we learned about the program, we have processed more than 190 I-Loans. Together with IHDA, we are proud to be able to help low and moderate income families in the area achieve their homeownership dreams." Vaughn will also attend Wednesday's training seminar.

IHDA has more than 500 partner lenders statewide in approximately 3,800 branch locations who offer the I-Loan Mortgage and Certificate. This includes 11 lenders in more than 29 branches in Jackson County. First-time homebuyers in Illinois can find more information about the I-Loan Mortgage and I-Loan Certificate and get a list of approved lenders in their area by visiting www.ihda.org or by calling IHDA's toll-free I-Loan hotline at 1.877.ILOAN.56 (1-877-456-2656).

Local lenders attending this week's training seminar will learn about the state I-Loan Mortgage and I-Loan Certificate programs, who qualifies for the programs and the process that gets IHDA to buy the loan from the lender. **The Carbondale session is scheduled for Wednesday, October 11, 9:00 a.m. to 11:30 a.m. at the Holiday Inn Conference Center, 2300 Reed Station Parkway.** For more details about the seminar, contact Keith Pryor at 312-836-7348. The times and locations of future training sessions will be posted periodically at www.ihda.org.

Since 2003, IHDA has helped 6,195 families become first-time homeowners through its I-Loan Mortgage and I-Loan Certificate programs with nearly \$620 million in financing. In total, 77 homebuyers in Jackson County were able to take advantage of \$4.9 million in funding. In FY06, 1,980 families statewide were able to buy their first homes with more than \$210 million from the I-Loan programs. Of these, 13 families live in Jackson and used more than \$1 million in IHDA funds.

The Governor's 2005 *Building for Success: Illinois Comprehensive Housing Plan* allowed for spending earmarked for affordable housing at several state agencies to be strategically targeted to the following priority populations: very low income families; low income seniors; low income people with disabilities; homeless people and those at risk of becoming homeless; low and moderate income families and people unable to find affordable housing near jobs or

transportation; and low income families and people living in existing affordable housing in danger of becoming unaffordable.

The 2005 Housing Plan was developed by the Governor's Housing Task Force. The 35 members of the Task Force include advocates, developers, lenders, and state agency representatives, including eight Illinois state agency directors. Under the Governor's direction, the Task Force recently developed "*On the Road to Success: Illinois Comprehensive Housing Plan 2006*" which continues to build on the coordinated success of the 2005 Comprehensive Housing Plan.

About the Illinois Housing Development Authority

IHDA (www.ihda.org) 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 \$7.27 billion and financed more than 174,000 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 Illinois Affordable Housing Tax Credits 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.