



OFFICE OF THE GOVERNOR

NEWS

ROD R. BLAGOJEVICH – GOVERNOR

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Blagojevich Administration officials join Iraq war veteran buying new home in El Paso with help of *G-I Loan for Heroes* program

Illinois is the first state in the nation to offer a comprehensive homeownership package to those serving their country

EL PASO – Officials from Governor Rod R. Blagojevich’s Administration today joined David Barker, an Iraq war veteran from the Central Illinois town of El Paso, as he closed on his new home with the help of the State’s *G-I Loan for Heroes* program. In May, the Governor launched the *G-I Loan for Heroes* program – a \$15 million pilot mortgage program to help Illinois veterans and active duty personnel afford their own homes by securing low-interest mortgages and closing cost assistance. The program makes Illinois the first state in the nation to provide significantly below-market interest, 30-year fixed rate mortgages to qualifying former and current service men and women who are working hard to provide for themselves and their families.

The *G-I Loan for Heroes* program 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. Homebuyers under the program will also receive a grant up to \$2,500 to help with closing costs and free homeownership counseling, which is compulsory.

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, purchase price limits, and credit qualifications also apply and vary from county to county. To qualify in Woodford 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 \$76,590 and the purchase price of the home can not exceed \$237,030.

The *G-I Loan for Heroes* program is available to current active duty service personnel, federally activated National Guardsmen and Reservists, as well as veterans. Servicemen and women currently on federal active duty in the Armed Services and the Reserve Forces, and veterans may qualify for assistance in buying a primary residence even if they owned a home in the past. Only active duty service personnel need to be a first-time homebuyer to qualify for the *G-I Loan*.

According to figures from the Illinois Department of Veterans' Affairs (IDVA), an average of 900 veterans visit the department's field offices every year looking for assistance to qualify for home loans. Presently the only option they had is to apply for the federal VA loan which has a zero down payment policy but offers market interest rates (currently 6.33 per cent).

The State's affordable housing agency, the Illinois Housing Development Authority (IHDA) administers the *G-I Loan for Heroes* program on behalf of the state. IHDA's fleet of partner lenders across Illinois originates the loans directly to consumers.

"Since Governor Blagojevich introduced the *G-I Loan* three months ago, IHDA has reserved and approved approximately 100 loans. We are extremely pleased with the success of the program so far. In Sergeant Barker's case, IHDA worked hard with the lender, Heartland Bank and Trust Company, to approve the loan quickly to make sure the family was able to enjoy their new home without delay," said DeShana L. Forney, IHDA Executive Director.

"Illinois continues to set an example for honoring those who serve by providing homeownership opportunities. Our veterans and active duty service personnel deserve the best opportunities that we can give them," said Tammy Duckworth, IDVA Director. "I want to congratulate David Barker on his new home, and I encourage all veterans and active duty service members to follow suit and take advantage of the Governor's first-in-the-nation comprehensive mortgage program, the *G-I Loan for Heroes*."

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.

Sergeant David Barker, 30, had been serving in Iraq with the U.S. Army for just three months in June 2005 when he was seriously injured. Having undergone surgery in Germany, he was transferred to a naval medical center in San Diego. Sergeant Barker was honorably discharged in June 2007 and he and his wife Emily, 30, decided to move back to their hometown of El Paso. They applied for the Governor's *G-I Loan* through Heartland Bank and Trust, which allowed them to afford a three-bedroom, two-bathroom house at 657 Second Street East for themselves and their two-year-old daughter, Natalie. The family also received \$27,000 in donations from various Veterans support groups including the Disabled Patriot Fund, Impact Player Partners, Wounded Heroes Foundation, Freedom Is Not Free, and Salute inc. to put towards the down payment of their new home.

Today, Sergeant Barker arrived back in El Paso to a surprise hero's welcome to sign the papers for his new home. He was greeted by representatives from IHDA, IDVA, Heartland Bank, and the Patriot Guard Riders.

"Heartland Bank and Trust is grateful to Governor Blagojevich for introducing the *G-I Loan for Heroes* program to Illinois. By being an IHDA-approved lender, we are honored to be able to play a part in helping our state's Veterans and active duty personnel achieve homeownership," said Mike Ackley, Assistant Vice-President of Heartland Bank and Trust Company.

To receive a home mortgage through this program, qualified Veterans and active duty service personnel must contact one of the IHDA-approved partner banks listed at www.ihda.org or call 312-836-5244 to receive the list by mail.