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ROD BLAGOJEVICH - GOVERNOR

NEWS

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Governor Blagojevich launches I-Loan Mortgage Program

*Illinois Housing Development Authority secures \$75 million
to offer below-market rate mortgages that will help
hundreds of Illinoisans become first-time homebuyers*

CHICAGO – As housing prices and interest rates continue to rise, Governor Blagojevich launched the I-Loan Mortgage program today; aimed to help hundreds of low and moderate income Illinoisans purchase their first home. The I-Loan Mortgage is a mortgage product offered by the Illinois Housing Development Authority that provides one more option for low and moderate-income residents who want to purchase their first home by offering an interest rate that is approximately a half percent below the market rate. I-Loan approved homebuyers may also be eligible for cash grants to meet down payment and closing costs.

“I-Loan will not only help hard working families realize their dream of buying their first home but also start taking ownership of their futures by building capital and gaining stability,” said Governor Blagojevich. “Low and moderate income Illinoisans deserve to own their homes and do so affordably. I-Loan will help these families live near their jobs and their schools and invest in their communities.”

“Our purpose is to help Illinois residents obtain quality, affordable housing. The I-Loan Mortgage will help Illinois families make the American dream of homeownership a reality,” said Kelly King Dibble, IHDA executive director. “In addition to providing families with a safe, secure home of their own, homeownership serves as an economic engine for local and state growth.”

IHDA is a bonding authority chartered by the state of Illinois that independently sells bonds based on its own good credit to finance affordable housing across the state. IHDA raised \$75 million through tax-exempt bond financing to support the new program.

This program supports the Governor's "*Building for Success: Illinois' Comprehensive Housing Plan*" launched in January of 2005 which addresses the state's housing needs for thousands of families and individuals.

The I-Loan Mortgage program is based on an earlier homeownership program, called the Mortgage Revenue Bond Program, which helped thousands of Illinois residents become homeowners. To ensure first-time homebuyers fully understand the rights and responsibilities of homeownership and to minimize default rates, I-Loan Mortgage recipients are encouraged to complete a homeownership education course.

To qualify for an I-Loan Mortgage or 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.
- Move into the home within 60 days of closing.
- Meet income and purchase price requirements.
- Apply for the I-Loan Mortgage with an IHDA-approved lender.

Cash Grants for Down payment and Closing Costs

Households with a steady income who can afford a monthly mortgage payment but are unable to meet down payment and closing costs requirements may be eligible for cash grants of \$1000 or \$1500 with an I-Loan Mortgage. In participating communities, IHDA offers an I-Loan Mortgage that provides 4.25% of the home's purchase price as a cash grant to be used for down payment and loan origination costs. In participating communities, these cash grants can be as high as \$10,000.

I-Loan Mortgage Complements the I-Loan Certificate

The I-Loan Certificate, another homeownership financing tool offered by IHDA, is still available. The I-Loan Certificate is a federal tax credit worth up to 25 percent of the annual amount paid in mortgage interest and may be redeemed yearly through the life of the loan. Under the leadership of Governor Blagojevich, the I-Loan Certificate was launched statewide last October, with the exception of the City of Chicago, which runs its own Mortgage Credit Certificate Program. Federal regulations prohibit the two I-Loan programs from being used together.

To obtain an I-Loan Mortgage, an I-Loan Certificate or any of the other homeownership programs offered by the State of Illinois, the first step is to find a local IHDA-approved lender. A list of approved lenders and area income and purchase price limits is available at www.IHDA.org. Illinois homebuyers without Internet access and lenders interested in becoming an IHDA-approved lender may call 1.877.ILOAN56.

The Illinois Housing Development Authority (www.ihda.org) is a self-supporting state agency that finances the creation and preservation of affordable housing across Illinois. Since its creation by an act of the Illinois legislature in 1967, IHDA has allocated more than \$6.4 billion and financed more than 160,000 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.