



OFFICE OF THE GOVERNOR

ROD R. BLAGOJEVICH – GOVERNOR

# NEWS

**FOR IMMEDIATE RELEASE**

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## **Gov. Blagojevich launches innovative program to help Illinois residents buy their first homes**

*Assets Illinois Homeownership Project will offer dollar for dollar match for up to 850 participants statewide*

CHICAGO — Governor Rod R. Blagojevich today launched an innovative program that could help up to 850 people across the state become first time homeowners. The Assets Illinois Homeownership Project funded by the Illinois Department of Human Services (IDHS) will offer a dollar for dollar up to \$2,000 match in a structured savings account to help individuals save for the purchase of their first homes and build equity for the future. The program’s free homeownership counseling will also educate participants about the financial obligations of homeownership and help homebuyers avoid the dangers of predatory lending.

“Homeownership is important to creating financial stability and self-sufficiency among Illinois families. This program ensures that people are not only increasing their savings, but they are also building assets through homeownership,” said Gov. Blagojevich. “We’ve designed a structured savings program that makes it easier for low and moderate income families to save and succeed in their pursuit of the American Dream.”

Homeownership and home equity are primary sources of savings for most middle-income families, yet only half of households in the lowest fifth of the income scale own their homes. Many low and moderate income families who are living from paycheck to paycheck struggle to build enough savings for the down payment on a home.

“Assets Illinois Homeownership Project participants will contribute savings of up to \$2,000 of their own money to a matched savings account, called an Individual Development Account,” said IDHS Secretary Adams. “Participants will then receive \$2,000 in matching funds from the state for a total of \$4,000 to put towards the down payment or pay for the closing costs on their first home.”

The matching funds will come from a \$1 million Assets for Independence grant awarded to IDHS from the United States Department of Health and Human Services Administration for Children and Families. The Illinois Housing Development Authority (IHDA) has also committed an additional investment of \$300,000 from the Illinois Affordable Housing Trust Fund to the program. With the successful completion of year one of the program, IHDA will invest additional resources for the following two years, bringing IHDA's potential total contribution to \$1 million.

Saving toward and paying for home mortgages have always been a means of building assets and equity. However, subprime lending is proving to be a major barrier to asset building for low-income families. The program's financial education provided online through the Federal Deposit Insurance Corporation, and fifteen HUD certified agencies offering homeownership counseling throughout the state including the Partnership for Homeownership will help protect homebuyers from predatory lending and advertise the program.

"IHDA is particularly pleased with the homeownership counseling component of this program. We already work extensively with the Partnership for Homeownership who will ensure that the homebuyers fully understand the financial obligations of homeownership. Our long experience in this industry tells us that homeownership counseling helps homebuyers make smart financial decisions," said DeShana L. Forney, Executive Director of the Illinois Housing Development Authority, the state's affordable housing agency.

IHDA also encourages all Asset\$Illinois participants to work with IHDA's I-Loan Mortgage lenders to ensure they receive a financially secure 30-year, below market fixed interest rate I-Loan Mortgage.

Using the banking services of National City Bank will give Assets Illinois participants the opportunity to automate their IDA savings. The partnership with National City will also simplify the savings process by allowing electronic funds transfer, which creates an automated savings system that pulls deposits from the participant's primary checking account to their Individual Development Account at National City Bank on the same date each month. The ability to create an automated savings plan allows the state to offer accounts to customers throughout the state of Illinois.

Any Illinois resident with annual income less than 200% of the U.S. federal poverty level and an adequate credit history is eligible to apply for this program through IDHS. Participants looking to purchase homes in markets all over the state can benefit from the project. For more information on the Asset\$Illinois program, please call Kevin Davy at (312) 793-3819 or download information at [www.dhs.state.illinois.us/assets](http://www.dhs.state.illinois.us/assets).