

## **Home Start Program Requirements**

	<b><u>30 Year Fixed Rate Loan</u></b>	<b><u>Down Payment Assistance Loan</u></b>
<b>Eligibility</b>	Income limits apply. See <u>THIS FILE</u> for details.	Must qualify and secure a <b>Home Start 30 Year Fixed Rate Loan</b> .
<b>Loan amount</b>	Based on IHDA's program guidelines. See <u>THIS FILE</u> for purchase price limits.	3 or 5 percent (depending on income) of purchase price up to \$6,000. This loan must be used towards the down payment.
<b>Homebuyer's investment</b>	Homebuyer must contribute one percent of the purchase price or \$1,000, whichever is greater. This may be used towards the closing costs.	
<b>Exclusions</b>	May not be used with a Mortgage Credit Certificate (MCC).	May not be combined with other grant sources funded by the Illinois Affordable Housing Trust Fund or federal HOME funds.
<b>Occupancy</b>	Property must be occupied as the homebuyer's primary residence within 60 days of closing. Homebuyer must maintain occupancy for the life of the loan.	
<b>Fee</b>	Normal and customary fees will apply. Please discuss with the lender.	
<b>Terms of Loan</b>	30 year fixed interest rate. As of June 15, 2010, the interest rate is 4.50 percent and is subject to change in market conditions	10 year, 0 percent, non-amortizing forgivable loan.
<b>Eligible property</b>	New and existing one-unit properties and existing two-unit properties.	
<b>Underwriting</b>	Must include second mortgage payment in total housing expense ratio. The income certifications and other required documents will be reviewed by the IHDA Compliance Officers.	
<b>FICO (credit) score</b>	620 minimum	
<b>Loan to Value (LTV) Ratio</b>	96.5%	
<b>Combined Loan to Value (CLTV)</b>	100%	
<b>Ratios</b>	45 percent back-end debt to income ratio. *	

<b>Prepayment</b>	Prepayment is allowed	The loan is due on sale or refinance of the first mortgage based on the remaining balance that has not been forgiven.
<b>Loan Servicer</b>	U.S. Bank Home Mortgage	
<b>Homeownership counseling</b>	Mandatory	
<b>How to apply</b>	Locate an IHDA partner lender.	

\* The back end ratio, also known as the total expense ratio indicates the percentage of household income that is used to pay all recurring debt payments. These expenses include all housing expenses described above as well as payments for other debts including car loans, credit cards, student loans, child support, alimony, and other legal judgments.