

Home Start Program Requirements

	<u>30 Year Fixed Rate Loan</u>	<u>Down Payment Assistance Loan</u>
Eligibility	Income limits apply. See <u>THIS FILE</u> for details.	Must qualify and secure a Home Start 30 Year Fixed Rate Loan.
Loan amount	Based on IHDA's program guidelines. See <u>THIS FILE</u> for purchase price limits.	3 percent of purchase price up to \$6,000. This loan must be used towards the down payment.
Homebuyer's investment	Homebuyer must contribute one percent of the purchase price or \$1,000, whichever is greater. This may be used towards the closing costs.	
Exclusions	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.
Occupancy	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.	
Fee	Normal and customary fees will apply. Please discuss with the lender.	
Terms of Loan	30 year fixed interest rate. As of December 4, 2009, the interest rate is 4.75 percent and is subject to change in market conditions	10 year, 0 percent, non-amortizing forgivable loan.
Eligible property	New and existing one-unit properties and existing two-unit properties.	
Underwriting	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.	
FICO (credit) score	620 minimum	
Loan to Value (LTV) Ratio	96.5%	
Combined Loan to Value (CLTV)	100%	
Ratios	43 percent back-end debt to income ratio. *	

Prepayment	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.
Loan Servicer	U.S. Bank Home Mortgage	
Homeownership counseling	Mandatory	
How to apply	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.