

**NOTICE OF ISSUANCE OF MORTGAGE CREDIT
CERTIFICATES**

February 7, 2018

The Illinois Housing Development Authority (the “Authority”) gives notice that it intends to issue mortgage credit certificates under a mortgage credit certificate program (the “Program”) no sooner than 90 days following the publication of this notice, subject to the additional fulfillment of all conditions precedent set forth in Section 25 of the Internal Revenue Code of 1986, as amended, with respect to establishing such a mortgage credit certificate program and issuing mortgage credit certificates. The Program will be available to qualified residents of the State of Illinois who intend to purchase single family residences and are either (i) veterans (who may or may not be first-time homebuyers) or (ii) first-time homebuyers.

The Authority will administer the Program through lenders serving or willing to serve all the parts of the State of Illinois. Any lender willing to enter into a Participation Agreement with the Authority may participate in the Program. Individuals interested in obtaining a mortgage credit certificate should apply to a participating lender. A list of those participating lenders can be obtained from the Authority by calling the number given below or by going to the Authority’s website, www.ihda.org. There is no allocation of mortgage credit certificates by lender; however, for the first year of the Program, 20% will be targeted to eligible persons purchasing single-family homes in targeted areas.

A mortgage credit certificate entitles a holder to claim a credit each year against federal income taxes for a specified percentage of the mortgage interest on a qualifying residence. To qualify for a mortgage credit certificate in connection with the purchase of a residence, a prospective buyer must satisfy several criteria. First, the buyer cannot have had an ownership interest in his or her principal residence for three (3) years prior to the date of purchase of the new residence. Also, the buyer must intend to occupy the new residence as his or her principal residence within sixty (60) days of closing. Third, the buyer must meet certain family income limits and residence purchase price limits, both of which vary depending on the county in which the residence to be purchased is located. The income limits are available at ihda.org and may vary from year to year. For example, as of the date of this notice, Lawrence county has the most stringent purchase price limit and requires that the purchase price does not exceed \$253,809 for 1 unit (\$310,211 for 1 unit in targeted areas) and Kendall county has the least stringent purchase price limit and requires that the purchase price does not exceed \$336,706.20 for 1 unit. Similarly, as of the date of this notice, Lawrence county has the most stringent family income limits and requires that an applicant has a household income, including all household members age 18 and older, that does not exceed \$74,100 for one-person or two-person families and \$85,215 for three-person or more families and Kendall county has the least stringent family income limits and requires that an applicant has a household income, including all household members age 18 and older, that does not exceed \$91,300 for one-person or two-person families and \$104,995 for three-person or more families. Fourth, the mortgage on the residence must be a new mortgage; it cannot replace the buyer’s existing mortgage on the residence, or any other type of seller financing for the buyer, such as an installment contract. Finally, the buyer may be required to pay the participating lender a nonrefundable \$150 fee at the time the mortgage loan is closed and shall be required to pay the Authority a nonrefundable fee equal to \$350 at the time the mortgage loan is closed. More specific information about these requirements can be obtained by calling the telephone number given below.

If a buyer meets these requirements and is approved, the Authority will reserve a mortgage credit certificate (for federal income tax purposes) in an amount not less than twenty percent (20%) of the yearly mortgage interest on the proposed mortgage loan and issue a commitment to the buyer in that amount. When the mortgage loan on the residence is closed, the Authority will issue the mortgage credit certificate to the buyer.

Current federal tax law may require a payment to the federal government of a “recapture” tax if the homeowner sells or otherwise transfers his or her home to someone else within nine years after the mortgage credit certificate is issued.

The Authority reserves the right to adjust, modify or amend the Program guidelines at its sole discretion and without further notice.

Persons interested in obtaining additional information about the Program should call the Authority’s Homeownership Line at 1-877-456-2620 between the hours of 8:30 AM and 5:00 PM on weekdays, email AtHomeIllinois@ihda.org or write to the Communications Department, Illinois Housing Development Authority, 111 E. Wacker, Suite 1000, Chicago, Illinois 60601, or go to the Authority’s website, www.ihda.org.

Audra Hamernik
Executive Director
Illinois Housing Development Authority