

For Immediate Release
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Illinois Receives \$269 million in Federal Hardest Hit Funds to Continue Assistance to Struggling Homeowners and Stabilize Communities

Second Highest Round 5 Allocation in the Country

CHICAGO – More struggling homeowners and communities in Illinois affected by foreclosures will receive financial assistance as a result of the U.S. Department of the Treasury’s announcement today to allocate an additional \$151 million in Hardest Hit Funds (HHF). In February, U.S. Treasury allocated an additional \$118 million to Illinois under Phase 1 of the HHF Round 5 funding through a formula-based allocation, bringing Illinois’ total Round 5 funding to more than \$269 million.

The Illinois Housing Development Authority (IHDA), which administers HHF in Illinois, was among 19 state housing finance agencies in the country invited to apply for the Phase 2 additional resources that led to today’s \$151 million funding amount.

“IHDA is proud to receive the second highest Round 5 allocation of Hardest Hit funding to help homeowners avoid foreclosure and communities rebuild following the housing market downturn,” said Audra Hamernik, Illinois Housing Development Authority Executive Director. “With our previous Hardest Hit Fund allocation, we provided mortgage assistance to approximately 14,000 Illinois homeowners. And we are achieving similar success with our current Down Payment Assistance program and Blight Reduction Program.”

Funds will be available to assist homeowners and communities following U.S. Treasury’s approval of IHDA’s expenditure plan expected this summer.

IHDA is proposing to use the Round 5 resources to:

- Reopen the Illinois Hardest Hit Program this fall, which will provide temporary mortgage assistance to struggling homeowners who have experienced a drop in income;
- Extend the current [Blight Reduction Program](#), which provides funding to help revitalize local communities and address the impact of the foreclosure crisis by eliminating

blighted single family homes and greening lots. To date, the program has allocated funding for the demolition of 455 abandoned properties across the state;

- Continue the [1stHomeIllinois program](#), which offers a 30-year fixed rate mortgage and \$7,500 in down payment assistance to first-time homebuyers, veterans, or anyone who hasn't owned a home in the last three years in 10 Illinois counties to help reinvigorate the local housing market. To date, 1stHomeIllinois has helped more than 680 people become homeowners;
- Introduce a refinance program targeting negative equity borrowers. HHF funds will be used to reduce the principal loan and refinance homeowners into a stable 30-year fixed-rate loan.

Although foreclosure rates in Illinois have continued to decline slightly in recent months, the need to help homeowners keep their homes and prevent the rise of abandoned properties in communities is still present. According to CoreLogic, there are more than 24,800 foreclosures in process in the state (as of December 2015).

The longer abandoned properties sit vacant, the more financial damage it causes for communities. On average, homes located on the same block as a foreclosed property can drop \$8,000 to \$10,000 in value. According to the Center for Community Progress, for every dollar spent to clean and green vacant properties, neighbors experience a \$224 increase in housing wealth and the community sees an additional \$7.43 in tax revenue.

Illinois is one of 18 eligible states and the District of Columbia to receive Round 5 funding and one of 14 to receive funding under both phases.

About the Illinois Housing Development Authority

IHDA (www.ihda.org) is a self-supporting state agency that finances the creation and the preservation of affordable housing across Illinois. Since its creation in 1967, IHDA has allocated \$14.6 billion and financed approximately 245,000 affordable housing units for residents of Illinois.