

**NOTICE OF MODIFIED CONDITIONS**  
**FOR ISSUANCE OF MORTGAGE CREDIT CERTIFICATES**

March 19, 2013

The Illinois Housing Development Authority (the “Authority”) previously gave notice on January 17, 2012 (the “Original Notice”) that it intended to issue mortgage credit certificates (the “Program”) to residents of the State of Illinois who intended to purchase single family residences and were either veterans or active-duty military personnel (including national guard and reservists), to the extent such active-duty military personnel were first-time home buyers; such Original Notice is attached hereto as Exhibit A. As of the date hereof, however, the Authority hereby gives notice that it is amending the Original Notice and expanding the Program to all eligible residents of the State of Illinois meeting Program requirements who intend to purchase single-family residences (collectively, the “Modified Conditions”), with such Modified Conditions subject to further modification at the option of the Authority if deemed to be in the best interest of the Authority and the Program. Such Modified Conditions shall take effect on the 91<sup>st</sup> day after the date of publication of this Notice of Modified Conditions for Issuance of Mortgage Credit Certificates.

Persons interested in obtaining additional information about the Program should call the Authority’s Home Line at 1-800-942-8439 between the hours of 8:30 AM and 5:00 PM on weekdays, or write to the Marketing and Communications Department, Illinois Housing Development Authority, 401 N. Michigan Avenue, Suite 700, Chicago, Illinois 60611, or go to the Authority’s website, [www.ihda.org](http://www.ihda.org).

Mary R. Kenney,  
Executive Director  
Illinois Housing Development Authority

EXHIBIT A

ORIGINAL NOTICE  
DATED JANUARY 17, 2012

**NOTICE OF ISSUANCE OF MORTGAGE CREDIT  
CERTIFICATES**

January 17, 2012

The Illinois Housing Development Authority (the “Authority”) gives notice that it intends to issue mortgage credit certificates 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 a mortgage credit certificate program (the “Program”) and issuing mortgage credit certificates. The Program will be available to residents of the State of Illinois who intend to purchase single family residences and are either veterans or active duty military personnel (including national guard and reservists), to the extent such active duty military personnel are 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](http://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](http://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 \$247,032 for 1 unit (\$301,929 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 \$373,670 for 1 unit. Similarly, as of the date of this notice, St. Clair 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 \$71,100 for one-person or two-person families and \$81,765 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 \$102,960 for one-person or two-person families and \$118,404 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 Home Line at 1-800-942-8439 between the hours of 8:30 AM and 5:00 PM on weekdays, or write to the Marketing and Communications Department, Illinois Housing Development Authority, 401 N. Michigan Avenue, Suite 700, Chicago, Illinois 60611, or go to the Authority's website, [www.ihda.org](http://www.ihda.org).

Mary R. Kenney,  
Executive Director  
Illinois Housing Development Authority