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Bruce Rauner, Governor

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Illinois Housing Development Authority Announces Re-Opening of its Mortgage Assistance Program to Help Homeowners Avoid Foreclosure

Up to \$35,000 in Mortgage Assistance Available to Qualifying Homeowners

CHICAGO – The Illinois Housing Development Authority (IHDA) was joined today by U.S. Senators Dick Durbin and Mark Kirk and Cook County Commissioner Bridget Gainer to announce the re-opening of the Illinois Hardest Hit program (HHF) on August 1, a mortgage assistance program to support working families having trouble making mortgage payments due to loss of income.

“When a home goes into foreclosure, the family suffers and the entire neighborhood is impacted. It has become clear that we still have work to do to address the problems in the housing market and bring stability back to our communities,” U.S. Senator Dick Durbin said. “I supported the creation and funding of the Hardest Hit Fund at the height of the housing crisis, and I continue to support the program today. I encourage those that find themselves on the brink of foreclosure or struggling to make their mortgage payments to take advantage of these programs.”

The program, funded by the U.S. Department of the Treasury, will provide eligible homeowners up to \$35,000 in Reinstatement Assistance and/or Monthly Mortgage Payment Assistance. Reinstatement Assistance is a one-time payment of all mortgage arrearage, fees, and penalties. Monthly Mortgage Payment Assistance will pay 100 percent of the homeowner’s monthly mortgage payments for up to 12 months. HHF assistance will be provided as a five year forgivable loan and funds may have to be repaid to IHDA if the owner sells the home at a profit or refinances during the five year loan term.

“Keeping families in their homes through the mortgage assistance program strengthens Illinois communities and our economy,” said Senator Kirk. “The Hardest Hit Fund program is crucial for transforming vacant and dilapidated buildings that attract crime and block economic growth.”

Applicants must have experienced a 15 percent reduction in income due to a qualifying hardship event that was through no fault of their own. The hardship event must have occurred after January 1st, 2010 and after the purchase of the property. Examples of a hardship event include:

unemployment; underemployment; decrease or loss of business income; loss of income due to disability or health-related event; death of spouse or title holder and divorce of spouse or title holder.

“Under the previous allocation of HHF, IHDA provided \$345 million in mortgage assistance to help 14,000 households avoid foreclosure,” IHDA Executive Director Audra Hamernik said. “We are thrilled that IHDA was approved by the U.S. Department of the Treasury to administer additional HHF, allowing us to relaunch the mortgage assistance program and build on our previous success.”

Free applications for the program are available exclusively through IHDA’s Illinois Hardest Hit website: www.IllinoisHardestHit.org. Applicants will be matched with a local housing agency that will answer questions, prescreen applicants for eligibility and assist homeowners in preparing the application and assembling the required supporting documentation. **The program will be open for applications on Monday, August 1.** Homeowners who were assisted previously through the program are not eligible to re-apply.

“Illinois Hardest Hit Fund has worked hard to help struggling families avoid foreclosure and to stabilize communities,” said Mark McArdle, Treasury’s Deputy Assistant Secretary of Financial Stability. “By reopening its mortgage payment and reinstatement assistance program, Illinois will be able reach more homeowners still recovering from the effects of the financial crisis.”

While foreclosure activity in Illinois is trending downward, as of June 2016, one in every 880 housing units in Illinois is in some stage of foreclosure, according to data released by real estate information service RealtyTrac.

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.

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