



For Immediate Release
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Illinois Housing Development Authority Announces Additional \$2,500 Closing Cost Grant to be Used with Existing Programs

*First-time and repeat homeowners can now receive up to \$12,500 in assistance
to purchase a home in Illinois*

CHICAGO – The Illinois Housing Development Authority (IHDA) has launched a new, limited-time grant to help homebuyers across Illinois afford their closing costs. Through the new IHDA Advantage Subsidy program, IHDA will give eligible homebuyers an outright grant of either \$1,500 or \$2,500, depending on household income, to pay for closing costs associated with their home purchase. The grant can be layered with IHDA’s current Down Payment Assistance (DPA) programs, allowing homebuyers to receive anywhere from \$8,500 to \$12,500 in assistance when purchasing a home.

“Across Illinois, homes sales have been on the decline for the past twelve months and the Illinois Housing Development Authority is seeking to end that by making homeownership more accessible and affordable for credit-worthy households,” said Tara Pavlik, Managing Director of IHDA’s Homeownership Programs. “This additional \$2,500 grant will provide homebuyers with the closing costs necessary to achieve the American Dream of owning a home.”

As rents and home prices continue to rise and student loans make it difficult to save, potential homebuyers consistently point to an inability to afford the down payment as their primary obstacle to homeownership. Expanding opportunities for homeownership is vital to the health of Illinois’ overall economy. In FY2018, IHDA was able to help 5,500 people buy a home through two DPA programs:

1stHome Mortgage: Financed through the federal Hardest Hit Fund Program, 1stHomeIllinois provides first-time homebuyers (veterans excluded) in four targeted counties \$7,500 in down payment assistance. Down Payment Assistance loans are in the form of a 5-year, *forgivable* 2nd mortgage, and are given in conjunction with an IHDA 1st mortgage loan product. The assistance incentivizes home buying in distressed areas across **Cook, Marion, St. Clair and Winnebago** counties, which helps to stabilize housing markets and prevent future foreclosures.

Access Mortgage: Launched in 2018, the IHDA Access Mortgage program is available to both first-time and repeat homebuyers. Available statewide, each mortgage option comes with an affordable, fixed interest rate and up to \$10,000 to assist eligible borrowers with their down payment and closing costs for the purchase of a new or existing home. The unique program offers three tiers of assistance depending on the needs of the homebuyer:

IHDA Access Forgivable – Assistance is limited to **4% of the purchase price up to \$6,000**. The 2nd mortgage shall be forgiven on a monthly basis over a 10-year forgiveness period.

IHDA Access Deferred – Assistance is limited to **5% of the purchase price up to \$7,500**. The full principal balance of \$7,500, less any optional payments, is due upon the sooner of the maturity date or repayment of the 1st mortgage.

IHDA Access Repayable – Assistance is limited to **10% of the purchase price up to \$10,000**. The full principal balance shall be repaid monthly over a 10-year term at 0% interest.

Household eligibility for the new grant is based on income. Homebuyers earning less than 50% of the area median income are eligible for an additional \$2,500 under the IHDA Advantage Subsidy program, while those earning less than 80% of the area median income are eligible for \$1,500. Borrowers must meet all eligibility requirements established for IHDA's DPA programs, and homebuyer education is required. The program is not exclusive to first-time buyers and may be used by buyers in any county in the state.

Interested homeowners can find additional information and a list of the nearest participating lenders at: www.ihdamortgage.org.

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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 \$18 billion and financed approximately 255,000 affordable housing units for residents of Illinois.