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## **Governor Pritzker Announces \$15 Million In New, Competitive Homeownership Assistance Program**

*New Down Payment Assistance Program Provides \$10,000 to Make Buying a Home More Affordable*

**CHICAGO** – Governor JB Pritzker today announced the opening of a new homebuyer program designed to help increase home purchase accessibility for low- and moderate-income individuals, families and seniors interested in purchasing a home in Illinois. Administered by the Illinois Housing Development Authority (IHDA), **Illinois HFA1** provides \$10,000 for down payment and/or closing cost assistance to make buying a home more affordable. By offering a competitive interest rate and limiting the total fees charged to the borrower, IHDA programs are designed to be as affordable as possible. This can allow for substantial savings over the life of the loan. Funding for Illinois HFA1 is expected to assist more than 1,500 new homebuyers.

“Every individual, family, and senior in Illinois deserves to have a stable and safe home,” **said Governor JB Pritzker.** “That’s why my administration is ensuring that homeownership is accessible and attainable for every resident. Through Illinois HFA1, we’ll be able to support a new generation of homebuyers and set them up for long-term financial success.”

"Illinois is stepping up and standing in the gap to create a pathway for people to achieve the dream of owning a home," **said Lt. Governor Juliana Stratton.** "When we say housing is a right for all, that also includes committing to providing the assistance and support that eases the burden of being able to afford home ownership. Illinois HFA1 is the groundwork to do just that."

Under Illinois HFA1, IHDA will provide a 30-year 1<sup>st</sup> mortgage with a fixed interest rate and \$10,000 in down payment and/or closing cost assistance. The down payment assistance is provided as an interest-free 2<sup>nd</sup> mortgage with payments deferred for 30-years, meaning funds do not need to be repaid until the borrower sells the home, refinances, or pays off their

mortgage. Illinois HFA1 is not exclusive to first-time buyers, may be used by buyers in any county in the state, and in some circumstances can be used in conjunction with other down payment assistance programs to increase homebuyer leverage.

“Illinois is a great place to call home and this program is going to allow more people to live and work here,” **said State Senate President Don Harmon (D-Oak Park)**. “We are constantly exploring new opportunities to make housing more affordable in order to provide opportunities to buy that first home and raise a family in the great state of Illinois.”

Illinois HFA1 was developed through a multi-year coordination effort between the Mortgage Bankers Association, National Council of State Housing Agencies, other industry stakeholders and Housing Finance Agencies from Alabama, Arizona, California, Colorado, Idaho, Illinois, Iowa, Massachusetts, New Mexico, South Dakota, Tennessee, Utah and Washington. The goal of this effort was to make it easier for lenders to partner with IHDA and other Housing Finance Agencies in providing affordable mortgages and down payment assistance to lower-income homebuyers. Towards this end, the HFA1 program features a number of operational improvements that allow mortgage lenders to partner more efficiently with HFA programs, including reduced and/ or eliminated loan overlays, common documents to reduce operational differences, and aligned affordable mortgage and down payment assistance requirements in numerous areas.

“A large hurdle to buying a home is saving enough money for a down payment, which has become more difficult with home values increasing, rising interest rates, and other obligations such as taking care of a family,” **IHDA Executive Director Kristin Faust stated**. “If you have been on the fence about buying a home, don’t hesitate and reach out to one of our lenders today to discuss your options. You may be surprised how much you can save today and finally have the opportunity to put down roots in a community and build household wealth.”

Even with historically low inventory and interest rates continuing to rise, IHDA is seeing its strongest start ever in homeownership production with more than 4,500 new loan reservations since the beginning of the year. The number of homebuyers who applied for IHDA Mortgage programs was 58 percent higher in the month of April compared to a year ago. In 2022, IHDA’s down payment assistance programs helped more than 5,200 households purchase a home in Illinois.

“When you buy a home, you are putting down roots in a community surrounded by friends and neighbors and have the ability to build household wealth,” **said Assistant Majority Leader Barbara Hernandez (D-Aurora)**. “The Illinois HFA1 program will help reduce a large barrier to homeownership by drastically reducing the down payment costs making buying a home affordable. This will provide opportunities for so many working families to find a permanent place to call home.”

All IHDA Mortgage programs offer safe and reliable down payment assistance to first-time homebuyers, qualified veterans and non-first-time homebuyers. All mortgage products are subject to income and purchase price limits. Eligibility for each product is based on the borrower's credit profile, household income and the purchase price of the home. Pre-purchase homeownership counseling is required in order to participate in an IHDA Mortgage program.

“The Illinois HFA1 program is not only helping people find a place to call home, it is investing in Illinois’ people and communities,” **State Senator Mike Simmons (D-Chicago) said.** “This assistance also includes free housing counseling to ensure you are making the best decision for yourself and your family concerning your financial future. Don’t hesitate and reach out today if you think the time is right to buy your first home or it is time to find a new home.”

Illinois HFA1 is funded through housing bonds issued by IHDA. Interested homeowners can find additional information and a list of participating lenders at [www.ihdamortgage.org](http://www.ihdamortgage.org).

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