



OFFICE OF THE GOVERNOR
PAT QUINN

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Governor Quinn Announces Major Home Loan Program for First-Time Buyers in Illinois

'Welcome Home Illinois' Loan Program Offers \$7,500 in Down-Payment Assistance with Below-Market Interest Rate to Make Homeownership a Reality

SPRINGFIELD – Governor Pat Quinn today announced his new *Welcome Home Illinois* loan program to help make homeownership a reality for Illinois' first-time home buyers. The program provides \$7,500 in down-payment assistance with an interest rate as low as 3.99 percent for a secure, 30-year fixed rate mortgage. Today's announcement is part of Governor Quinn's agenda to drive economic growth by making homeownership more affordable in Illinois.

"*Welcome Home Illinois* will provide more opportunities for everyday people across Illinois to have their chance at homeownership," Governor Quinn said. "Homeownership and home-buying are essential to our economy. That's why we are rolling out the welcome mat for families and hardworking men and women by giving them the resources they need to pack up and move into a new home."

Governor Quinn will brief realtors on the innovative program—which is administered through the Illinois Housing Development Authority (IHDA)—this morning at a meeting with the Illinois Association of Realtors leadership in Springfield.

The *Welcome Home Illinois* program provides individuals and families across the state with a unique opportunity to purchase a home without a large down payment. Many first-time homebuyers have been pushed out of the home purchase marketplace since 2010 due to debt-to-income restrictions and larger down-payment requirements. Since 2008, the percentage of first-time homebuyers has decreased dramatically; according to the Illinois Association of Realtors (IAR), first-time buyers made up only 21 percent of total home purchases in 2013, well below historic norms that are closer to 40 percent.

"Governor Quinn understands there's never been a better time to buy a home in Illinois, so he created *Welcome Home Illinois* to help more buyers take advantage of historically low-interest rates," IHDA Executive Director Mary R. Kenney said. "Now that Illinois' economic recovery is gaining momentum, housing prices are trending up and buying a home will enable families and individuals to build wealth for their future."

The program makes it possible for the majority of first-time buyers or anyone who hasn't owned a home in the last three years in Illinois to meet the qualifications for down payment assistance. *Welcome Home Illinois* is tailored for the majority of first-time homebuyers—with borrower income limits up to 140 percent of the area median income (AMI), or \$106,120 for a family of three or more in Cook County and \$82,915 for a family of three or more in Springfield. The home buyer must also have a credit score of at least 640.

The program offers a forgivable loan of \$7,500 that is secured by a second mortgage to help with down payment or closing costs. The borrowers must contribute the greater of one percent of the overall purchase price or \$1,000 toward the down payment.

First-time homebuyers are the foundation of the housing market and major contributors to the economy because they often buy older homes, invest in renovations, buy furniture and other housing-related items and bring the benefit of stable, well-maintained homes to their neighborhoods. The first-time buyer starts a chain reaction—with the person selling their home then purchasing another to create a cycle that keeps the economy growing.

Welcome Home Illinois is open to qualified Illinois first-time homebuyers on a first-come, first-served basis. The program is funded through *Illinois Jobs Now!* and the Illinois Affordable Housing Trust Fund. In addition to creating homeownership opportunities, the *Welcome Home Illinois* loan will stimulate statewide economic activity and will generate an estimated:

- 1,500 full-time jobs.
- \$50 million from real estate-related industries.
- More than \$40 million in economic activity for the state.
- Additional \$16 million in other statewide spending.

Welcome Home Illinois furthers Governor Quinn's commitment to create new homeownership opportunities through IHDA, which helped nearly 3,000 hardworking families buy a home in 2013 through one of IHDA's programs. These efforts generated 1,500 jobs and infused \$70 million into Illinois' economy. Projections show that even just a 15 percent increase in 2014 could generate an additional 1,725 jobs and infuse another \$10 million into Illinois' economy.

The *Welcome Home Illinois* loan builds on IHDA's existing affordable home loan program, *SmartMove*, also available through IHDA's lenders. Income thresholds and purchase price limits apply. Administered by IHDA, the loan applies to 1-2 unit residential properties that are located in the State of Illinois and are purchased as a primary residence.

Interested homebuyers can find additional details about the program and a list of lenders at welcomehomeillinois.gov.

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