

Category: Homeownership
Subcategory: Empowering New Buyers
Entry name: Welcome Home Heroes
HFA: Illinois Housing Development Authority (IHDA)

On October 21, 2011, President Barack Obama announced the withdrawal of U.S. troops from Iraq, adding they would be home in time for the holidays. At airports in Illinois and around the nation, crowds of families and friends welcomed home soldiers.

Understanding these soldiers would need to address the practical questions surrounding their new civilian lives upon their return, the Illinois Housing Development Authority (IHDA) rose to the challenge of meeting the demand for affordable homeownership. IHDA saluted Illinois military families by creating the comprehensive Welcome Home Heroes homebuyer financing program, providing them with the opportunity to fulfill their homeownership goals affordably as they start their civilian lives.

For Illinois veterans, such as one Rockford veteran and his family, Welcome Home Heroes has made a difference in their lives and helped them achieve stability. "We wouldn't have been able to buy our home without Welcome Home Heroes," he said. "This is the house we want to live our lives in."

Program Need

Welcome Home Heroes thanks troops for their service by creating a more affordable path to homeownership. They are coming home to a difficult economy, often struggling to find jobs. Major General William L. Enyart, former Adjutant General of the Illinois National Guard, summarized the need at the Welcome Home Heroes news conference, citing the following:

- Newly returned veterans from Iraq and Afghanistan are 33 percent more likely to be unemployed.
- U.S. Veterans Affairs home loan guarantees have helped thousands, but have restrictive limitations.
- A tight credit environment makes it harder for veterans to get financing for home ownership.
- Conventional home loans require a borrower to buy private mortgage insurance when paying less than 20 percent down.
- Private mortgage insurance providers have tightened restrictions by raising credit-score and down-payment requirements.

The depressed U.S. economy and housing market downturn created the perfect opportunity for IHDA to help veterans take advantage of record-low home prices and interest rates.

Illinois Governor Pat Quinn and IHDA set out to build a special program for veterans and military families to introduce a comprehensive product that provides maximum benefits. Governor Quinn is committed to introducing new safe and affordable homeownership opportunities across Illinois, helping families, communities and generating economic activity, and this program furthers his commitment.

Program Description

Welcome Home Heroes, launched in December 2011, is open to all qualified Illinois veterans, active military personnel, reservists and Illinois National Guard members purchasing their first home. Veterans need not be first time homebuyers.

The Welcome Home Heroes homebuyer financing package is safe and affordable. IHDA Executive Director Mary R. Kenney has called Welcome Home Heroes “the most lucrative financial package ever made available by IHDA.”

Welcome Home Heroes offers veterans:

- 30-year fixed rate mortgage (FHA, VA, USDA and Conventional products available) with an affordable interest rate of 3.5 percent ¹
- Forgivable second mortgage of \$10,000 at 0 percent for term of two years for down payment assistance
- Optional Mortgage Credit Certificate (MCC) to reduce federal income tax liability
- A lower FICO score threshold of 620

Welcome Home Heroes buyers are required to put down the greater of \$1,000 or 1 percent of the home purchase price. We want to ensure our Illinois military families borrow affordably and securely, so buyers must couple the down payment with the 30-year fixed-rate loan as a comprehensive financing package. To assure sustainability, IHDA requires all homebuyers using the Welcome Home Heroes package to complete homeownership counseling, ensuring that the homebuyer fully understands their mortgage terms and loan obligations.

IHDA’s SmartMove loan program for first-time buyers is already known for its affordable features, including a competitive interest rate and up to \$6,000 in assistance for down payment. The Welcome Home Heroes financing package introduced even greater savings for buyers. For example, a buyer of a \$100,000 home using Welcome Home Heroes would have the ability to put more money down (up to \$10,000), borrow under a lower interest rate and spend about \$120 less a month on mortgage payments than a buyer using SmartMove. In this scenario, the mortgage credit can save the buyer nearly \$11,000 over the life of the loan.

Welcome Home Heroes marks the first time the State of Illinois has directed capital funds toward affordable homeownership. Welcome Home Heroes is funded through \$5 million in capital program funds from Illinois Jobs Now! and \$5 million from the Illinois Affordable Housing Trust Fund, which is collected from 50 percent of the Illinois Real Estate Transfer Tax.

¹ As of 7/2/12

Using creative financing, IHDA was able to offer buyers \$10,000 for down payment, nearly doubling the amount available under its existing down payment assistance programs. In addition, IHDA included a Mortgage Credit Certificate (MCC), which allows buyers to use 20 percent of their annual mortgage interest as a direct federal tax credit. This results in a dollar-for-dollar reduction of their annual federal income tax liability, and can save a homeowner up to \$20,000 over the life of the loan. The remaining 80 percent of their annual mortgage interest qualifies as an itemized tax deduction.

Marketing

Governor Quinn launched Welcome Home Heroes at a news conference held Wednesday, December 14, 2011 at Calumet City Armory in Chicago with Director Kenney, and Major General William L. Enyart, former Adjutant General of the Illinois National Guard.

“Many National Guard, Reserve and active-duty soldiers come back from deployment and face hard times,” Enyart said. “Programs such as this homeownership initiative go a long way toward helping these men and women achieve the American dream. They fought for it and they deserve it.”

To support the launch and to market the program, IHDA designed and printed 20,000 Welcome Home Heroes flyers for distribution across the state to realtors and lenders. IHDA also promotes the program on its website, and the Illinois Department of Veterans’ Affairs website. At the 2012 Illinois Governor’s Conference on Affordable Housing, Keith Pryor, IHDA’s Assistant Director of Homeownership Programs, moderated a panel discussion on special needs programs for veterans, including Welcome Home Heroes, to continue raising awareness about the program.

Results/Conclusion

Welcome Home Heroes helps military families build their new lives in communities across Illinois. As of June 2012, Welcome Home Heroes has invested more than \$40 million to help 338 military families achieve their dream of buying a home, including nearly 20 percent who are low-income. These families live in 167 cities in 45 counties. As more and more veterans return home to Illinois ready to start their civilian lives, providing affordable housing opportunities for these veterans is critical. IHDA is proud to offer our American heroes the best possible financing package to help them realize their homeownership goals.

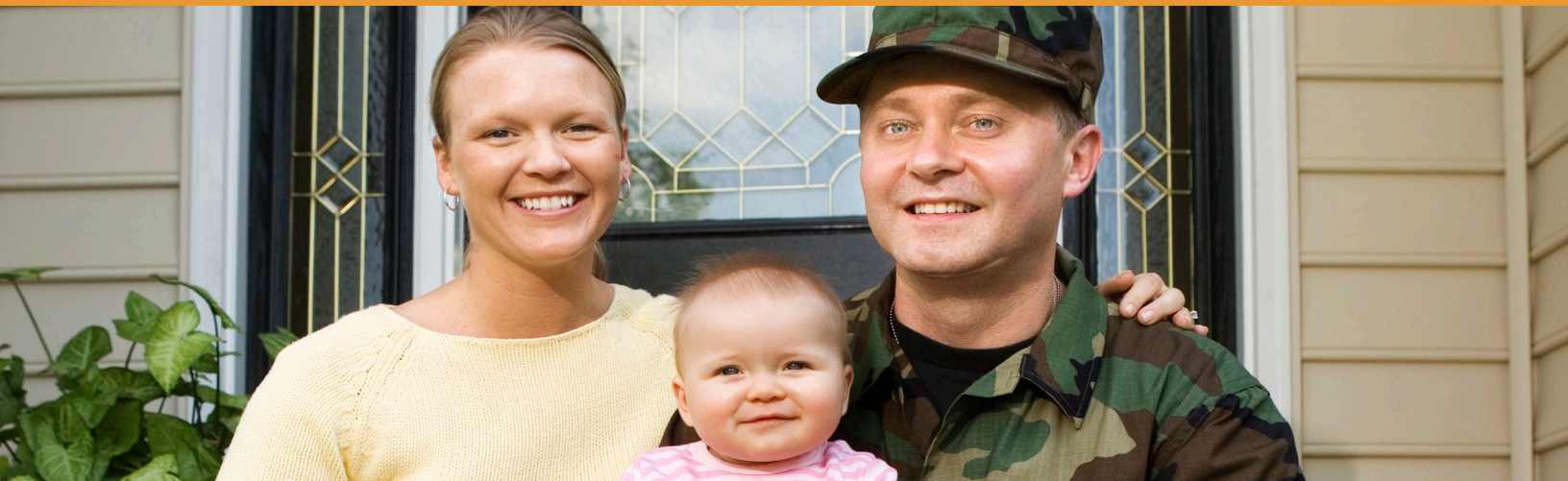


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Pat Quinn, Governor

Guide to Welcome Home Heroes Visual Aid Attachments

1. Welcome Home Heroes marketing flyer
2. Press release announcing the launch of Welcome Home Heroes
3. Photos from the December 14, 2011 launch of Welcome Home Heroes
4. News coverage for Welcome Home Heroes



Welcome Home Heroes

The **Welcome Home Heroes** financing package offers affordable interest rates and down payment assistance for qualified veterans and active military personnel. It is ideal for borrowers who need extra flexibility on sources of income or who have limited funds for down payment and/or closing costs.

*Offered exclusively through the
Illinois Housing Development Authority (IHDA)*

*Using our resources
for those who
safeguard our freedom.*

Features

- Offers up to \$10,000 in down payment and closing cost assistance as a 2-year 0-percent forgivable loan
- Maximum LTVs from 96.5 to 100 percent
- FHA/VA/USDA and conventional insured products available
- Fixed rate, 30-year term loan
- Reduced mortgage insurance requirements on conventional programs

Qualifications

- Qualified veterans and active military personnel
- Active military personnel must be a first-time homebuyer
- Homebuyer must qualify with income and purchase price limitations
- Household income and purchase price limits apply
- Homebuyer must purchase a qualified one- or two-unit residential property in Illinois, and must be purchased as the primary residence for the borrower or grantee
- Minimum credit score requirement:
620 (FHA/VA/USDA loans); 660 (conventional loans)
- Maximum total debt (back end) ratio of 45 percent
- Buyer must contribute 1 percent or \$1,000 of the purchase price, whichever is greater
- Homeownership counseling is required

For more information

To learn more about the Welcome Home Heroes program, go to www.ihda.org or call 312.836.5200 to speak with the Homeownership department.



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OFFICE OF GOVERNOR PAT QUINN

NEWS

FOR IMMEDIATE RELEASE:
Wednesday, December 14, 2011

Governor Quinn Announces New Home Financing Package for Illinois Veterans and Military Families

Welcome Home Heroes Offers Up to \$10,000 Plus Federal Tax Credit to Help Servicemembers and Veterans Purchase Their Own Home

CHICAGO – December 14, 2011. Governor Pat Quinn today launched the *Welcome Home Heroes* program to promote homeownership for Illinois Veterans, active military personnel, reservists and Illinois National Guard members. The financing package is available statewide, and provides a forgivable grant up to \$10,000 toward the purchase of a new home, as well as an additional mortgage tax credit up to \$20,000 over the life of the loan. *Welcome Home Heroes* will make homeownership even more affordable for thousands of military families and create more than 400 jobs throughout Illinois.

"The *Welcome Home Heroes* program honors and celebrates those who safeguard our freedom by providing them with an affordable path to homeownership," Governor Quinn said. "Our servicemembers returning home from overseas deserve our help as they put down roots in their community and begin building a civilian life with their families."

Welcome Home Heroes is open to all qualified Illinois Veterans. Active military personnel, reservists and Illinois National Guard members must be first-time buyers. The *Welcome Home Heroes* homebuyer financing package includes a forgivable \$10,000 grant for down-payment and closing cost assistance, an affordable interest rate (4 percent as of today) for a secure 30-year fixed rate mortgage, and a mortgage credit certificate worth up to approximately \$20,000 for the life of the loan.

"*Welcome Home Heroes* furthers Governor Quinn's commitment to sustaining affordable homeownership opportunities available through the Illinois Housing Development Authority (IHDA)," said IHDA Executive Director Mary Kenney. "IHDA has helped nearly 60,000 low- to moderate-income families buy a home, and now we can help even more families attain homeownership."

Welcome Home Heroes is funded through \$5 million in *Illinois Jobs Now!* capital funds and \$5 million from the Illinois Affordable Housing Trust Fund. In addition to creating homeownership opportunities, the *Welcome Home Heroes* financing package will stimulate statewide economic activity. The \$10 million investment will generate an estimated:

- 405 full-time jobs
- \$16.7 million from real estate-related industries
- More than \$5.3 million in economic activity for the state
- Additional \$10.6 million in other statewide spending

-MORE-



OFFICE OF GOVERNOR PAT QUINN

NEWS

"Many National Guard, Reserve and active-duty Soldiers come back from deployment and face hard times," said Maj. Gen. William L. Enyart, the Adjutant General of the Illinois National Guard. "Programs such as this homeownership initiative will go a long way toward helping these men and women achieve the American dream. They fought for it and they deserve it."

"As Veterans transition to civilian life, the *Welcome Home Heroes* homebuyer package assists those who want to find a safe and affordable way to buy a home," said Illinois Department of Veterans' Affairs Director Erica Borggren.

Welcome Home Heroes program 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 the IHDA, the package applies to 1-2 unit residential properties that are located in the State of Illinois and are purchased as a primary residence.

Interested Veterans, servicemembers and their families can contact a lender in their area to apply. The *Welcome Home Heroes* application is free. A list of lenders is available at www.ihda.org/homeowner/heroes.htm.

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Welcome Home Heroes Photos



Illinois Governor Pat Quinn, with IHDA Executive Director Mary Kenney and Major General William L. Enyart, launches Welcome Home Heroes in December 14, 2011.



Governor Pat Quinn visits with Kristi Goodin and Zachary Zimmerman, both U.S. Army National Guard specialists who met in Iraq, and their 4-month-old son Wyatt Zimmerman at the news conference.



IHDA Executive Director Mary R. Kenney visits with Kristi Goodin and son Wyatt.



CHICAGO (AP) - Illinois Gov. Pat Quinn has announced a loan program for first-time home buyers who are veterans, military personnel, reservists and Illinois National Guard.

The Welcome Home Heroes program offers a \$10,000 grant toward a down payment and a 30-year fixed rate mortgage of 4 percent. Home buyers must meet certain income and purchase price limits. Quinn announced the program Wednesday in Chicago.

Kristi Goodin and Zachary Zimmerman, both U.S. Army National Guard specialists, were in the audience. They met in Iraq and will be married in June. They plan to be among the first to apply for the home financing. They say the program will allow them to afford a home in Springfield in a neighborhood with good schools for their 4-month-old son, Wyatt Zimmerman.

Online: <http://www.ihda.org/homeowner/heroes.htm>

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Associated Press



Veterans can get \$10,000 to buy a home

POSTED BY [MOE BEDARD](#) ON [JANUARY 2, 2012](#) IN [REAL ESTATE](#)

(Source: By Will Buss, Belleville News-Democrat, Ill.) –Spc. Kristy Goodin is looking to buy a new house and will have a little help with the down payment.

As a member of the Illinois National Guard, Goodin as well as active military personnel and reservists in Illinois can qualify for a "forgivable" loan of \$10,000 for a 30-year, fixed-interest mortgage [loan](#) from a new financing program paid by the state. The Springfield resident said this new option has given her fledgling family extra incentive to buy a home.

"We are really thankful for it because we are a young family in our early 20s with a 4-month-old son," Goodin said.

Gov. Pat Quinn launched the program, Welcome Home Heroes Illinois, on Dec. 14 to provide those Illinois men and women in the service with some help with the down payment, closing costs and up to \$21,000 in a mortgage credit certificate. A mortgage credit certificate allows the buyer to use 20 percent of the their annual mortgage interest as a direct federal tax credit that results in a dollar-for-dollar reduction in their annual federal income tax liability. The remaining 80 percent would qualify as an itemized tax deduction.

Illinois Housing Development Authority spokeswoman Rebecca Boykin said the \$10,000 loan is forgivable for those qualified applicants who remain in their home for at least two years. She said this program is the most comprehensive financing package available for veterans.

"It makes homeownership more affordable for a lot of veterans coming home who are on limited incomes," Boykin said. "And so this is a way they can achieve the dream of homeownership affordably. This is a great gift we can give our military families."

The program is paid for by \$5 million in Illinois Jobs Now! capital money and another \$5 million from the Illinois Affordable Housing Trust Fund. This \$10 million investment is expected to generate an estimated 405 full-time jobs, \$16.7 million from real estate-related industries, more than \$5.3 million in economic activity for the state plus an additional \$10.6 million in other statewide spending.

Active military personnel, reservists and Illinois National Guard members must be first-time home buyers, but other veterans do not. Buyers also must qualify based on their income and purchase price limits:

- A family of three or more living in St. Clair, Madison, Monroe, Clinton, Calhoun, Jersey and Macoupin counties cannot have an annual income exceeding \$81,765 for a home with a maximum purchase price of \$328,146.

- A household of one or two people residing in those same counties cannot have a yearly income more than \$71,100 for a home with a maximum purchase price of \$256,329.

As almost 20,000 Illinois National Guard troops have deployed overseas since Sept. 11, 2001, the Illinois National Guard has found that recently returned veterans from Iraq and Afghanistan are 33 percent more likely to be unemployed, and many are underemployed. A tight credit environment is making it more difficult for veterans to get financing for homeownership and conventional home loans require a borrower to buy private mortgage insurance when paying less than 20 percent down. Private mortgage insurance providers have tightened restrictions since the housing market's slide about five years ago by raising credit-score and down-payment requirements.

Illinois National Guard spokesman Maj. Brad Leighton said this new program will provide a tremendous lift to support soldiers returning home and who have served.

"We're fully supportive of it," Leighton said. "It's another thing for our soldiers to help them get started in their life."

Real estate broker Tina Besserman, of Century 21 Bailey & Co. in Granite City, said she has been working to inform as many military-employed consumers about the Welcome Home Heroes Illinois program. She anticipates this initiative to provide great opportunities for many families in the metro-east area.

"It's a huge deal," Besserman said. "With Scott Air Force Base in our backyard, I think there are a lot of people who would like to know about the program."

Goodin and her husband continue their search for their first home and are thankful for the state's help.

"We appreciate it," Goodin said. "They are making a huge difference in our life. We cannot thank the IHDA more."

New state program helps B-N veteran buy house

December 29, 2011 4:00 pm • By Karina Gonzalez | kgonzalez@pantagraph.com

[\(0\) Comments](#)

BLOOMINGTON -- After spending months in combat in Iraq as a U.S. Marine, Normal resident Victoria Bellman was rewarded in a big way Thursday through a program that will help her settle into a new Twin City home.

The 29-year-old Bellman was among the first in Illinois to benefit from the Welcome Home Heroes program, a state initiative aimed at helping Illinois' military families purchase homes. Bellman, who served in the military for five years, finalized the purchase of her Normal home Thursday morning at Mortgage Services in Bloomington.

"I love my house," Bellman said after signing paperwork for her new two-story home. The program, administered through the Illinois Housing Development Authority, offers Illinois' military personnel and veterans like Bellman a 30-year fixed-rate loan, a \$10,000 grant forgivable over two years and up to \$21,000 in tax credits over the life of the loan.

Without the help, the goal of reaching home-ownership would be a lot more difficult to achieve, said Bellman, an Illinois State University graduate who now works at State Farm.

"This is a program that we think will go a long way in rewarding those who have risked their lives," as military servicemen and women, Brady said.

The program is funded through \$5 million from the Illinois Jobs Now capital fund and \$5 million from the Illinois Affordable Housing Trust Fund. Veterans and first-time buyers who are active military personnel, reservists and Illinois National Guard members qualify for the program. Buyers also must qualify based on income and purchase price limits.



Bloomington attorney Mike Wilson, left, explains terms of a mortgage to Victoria Bellman and her fiancé, Vladimir Novichenko, as Bellman is one of the first veterans to take advantage of the Welcome Home Heroes Program, Thursday, Dec. 29, 2011 at Mortgage Services in Bloomington. The Welcome Home Heroes Program gives veterans a \$10,000 grant toward home ownership and a \$20,000 tax refund over the course of the mortgage. Bellman served five years in the U.S. Marine Corps and is now purchasing her first home. (The Pantagraph, David Proeber)

[Enlarge Photo](#)

For Bellman the support from the program means a greater sense of stability, she said. When she took that first step toward home-ownership this year, she was happy that a program was available.

"It truly helps," Bellman said. "I feel like I'm supported because I have help through the program. Overall I'm just thankful."

In the last few weeks, the program has received a lot of interest from potential buyers and lenders who want to offer the program, said Rebecca Boykin, communications manager for IHDA. Additionally, the IHDA also has received inquiries about the program from housing agencies in other states, Boykin said.

"What makes this loan package unique is the up to \$10,000 in down payment assistance coupled with the federal tax credit making homeownership more affordable for Illinois' military families," Boykin said.

Deals meant to honor veterans for their service

TERRY SAVAGE savage@suntimes.com May 27, 2012 5:44PM



Updated: May 28, 2012 2:16AM

Parade participants wear a large American flag along the route of the Welcome Home the Heroes Parade celebrating returning Iraq war veterans and their families in Richmond, Va. on Saturday, May 19, 2012. (AP Photo/Richmond Times-Dispatch, Dean Hoffmeyer)

Memorial Day is the time for honoring our veterans, those who gave their lives for our freedom and those currently serving in the military. So it has become a tradition of this column to write about some of the special benefits our country offers to these brave people — although a few financial benefits could hardly be enough of a thank-you.

A generation of Americans went through college on the GI bill. And there are many benefits that help former service people today. A look at GIbill.va.gov will give you a listing of some of the possibilities. Many of the educational benefits were enhanced after 9/11, including full tuition and fees paid at in-state schools for qualifying veterans.

Military mortgage deals

One of the most attractive GI benefits is the VA mortgage program — a 100 percent financing (no down payment) mortgage that carries a 30-year fixed rate of 3.75 percent, for veterans with credit scores over 640. It's a deal that can be used — and re-used for subsequent home purchases and even refinancing — if you're a vet. I've written about this program before, and you can search for details in the archives at TerrySavage.com.

But now many states are offering special new mortgage financing deals for veterans, active duty military personnel and National Guard members. Eight states (Illinois, Indiana, Iowa, Ohio, Wisconsin, Missouri, Georgia and Washington) have created mortgage grants designed for veterans, which can be accessed through each state's Housing Development Authority. Almost all of the remaining 42 states have general down-payment grant programs that can be used with the VA loan. These special new deals vary by state — but Illinois is one of the leaders with its "Welcome Home Heroes" mortgage grants.

Welcome Home Heroes

The Illinois Housing Development Authority has a new \$100 million dollar mortgage grant program, which just started in 2012. Very few people seem to know about this program because only \$14 million has been used so far.

Here's how the Welcome Home Heroes program works:

† A \$10,000 forgivable loan grant to use for a down payment.

† 30-year, fixed-rate mortgage at 3.75 percent.

† An optional Mortgage Credit Certificate, which can increase your federal mortgage interest deduction by up to \$21,000 over the life of the loan

† Eligibility: Army, Navy and Marine *veterans* (with service equivalents shown on DD#214), regardless of previous home ownership. *Active* military members, National Reservists, and Coast Guard must be *first-time homebuyers* to receive the credit.

† You must live in the home for at least two years after purchase.

† Income and purchase price restrictions apply. (For example, a family of four living in Chicago cannot have income exceeding \$104,720 or a purchase price exceeding \$373,600.) These guidelines vary depending on family size and type of property.

† You must contribute \$1,000 of your own money to the purchase price (or 1 percent whichever is greater).

The first step toward receiving your grant — which is really considered a two-year loan with forgiveness — is to get pre-approved by a participating lender.

To locate a participating lender in Illinois, go to ihda.org/homeowner/heroes.htm. Or you can contact my veterans mortgage specialist, Daniel Chookaszian, who always keeps me apprised of new veterans mortgage opportunities, which are his specialty. You can contact him at dchooks@perlmortgage.com or (312) 376-2215. If you don't live in Illinois, Chookaszian can point you toward similar programs in other states.

And he has a tip for those participating in the Heroes mortgage program. The website specifies that the grant money can be used either toward the down payment or for closing costs. But since most buyers these days ask the seller to pay for all closing costs, make that request of the seller. Then the grant money should be put toward your down payment.

Yes, this program is complicated, which is why you need a knowledgeable guide to get you through the approval process. But for those who qualify, the Welcome Home Heroes grant could make all the difference in becoming a homeowner.

And if you happen to become one of those lucky new homeowners through this process, I'd love to hear from you and do a story about your experience. The Welcome Home Heroes program is a small enough thank-you for your service that allows Americans to spend Memorial Day having picnics and parades and ball games and auto races.

Sometimes we forget what this holiday stands for. And that's The Savage Truth.