

IHDA Mortgage SmartBuy

Illinois Housing Development Authority

Homeownership: Empowering New Buyers

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Need

The Illinois Housing Development Authority's (IHDA) Homeownership Department (IHDA Mortgage) through its extensive research, understands that as student loan debt has ballooned into a crisis, many households have postponed or even abandoned the prospect of homeownership. This is suppressing the housing market and hampering young adults' ability to build household wealth. The National Association of Realtors found that among buyers under 39 last year, student loans were the most common type of debt that delayed their home purchase¹. The Federal Reserve recently estimated that 20 percent of the decline in homeownership in young adults since 2005 can be attributed to student loans².

Despite the economic challenges brought on by the COVID-19 pandemic, potential homebuyers still see purchasing a home as a sound investment, and for good reason. Homeownership has long been the cornerstone of the middle class and for many working families is the primary driver of household wealth and long-term financial stability. But for a growing share of young adults and first-time buyers, the burden of student loan debt has pushed the dream of homeownership further and further out of reach. A report from the Illinois Treasury found that 17% of Illinoisans – more than 2 million people – carry student loan debt, the average of which is nearly \$30,000³.

Moreover, this financial burden is not shouldered equally. A 2018 study by the University of Illinois found that student loan debt negatively impacts wealth accumulation for all borrowers (regardless of their race), but the impact is especially significant for Black and Latinx borrowers⁴. Not only do students of color take on more debt than white students, but they carry that debt for a longer term⁵. One recent study found that 20 years after starting college, the median Black borrower still owes 95% of their student debt, while the median white borrower owes just 6%⁶.

SmartBuy/Compra Inteligente

The program's funding is made possible by a 2019 Illinois General Assembly capital bill. IHDA was allocated \$200 million for affordable housing grants and other investments for low-income Illinoisans. Of the proposals provided to Governor JB Pritzker, it was the SmartBuy (Compra Inteligente when marketed in Spanish), program that received the most enthusiastic blessing and \$25 million of the capital bill funds.

The IHDA Mortgage SmartBuy Program pairs a safe, affordable 30-year fixed rate first mortgage with \$5,000 for down payment and/or closing cost assistance. In addition, IHDA provides 15% of the purchase price (up to \$40,000) for student loan debt relief in the form of an unrecorded forgivable promissory note that is forgiven monthly over a three-year period, if the borrower occupies the home as a primary residence. In addition, if the borrower sells the property within three-years of purchase, a deed restriction recorded on the property requires the borrower sell to another borrower within the IHDA income and purchase price limits.

The IHDA funding used for the student debt relief, must extinguish all open student loans, or the borrower must contribute additional funds to ensure the same. Current IHDA Mortgage program guidelines do not offer manually underwritten loans and require borrowers to have a DTI of 45.00% or lower and a minimum credit score of 640. Other IHDA overlays apply, please reference the attached Program Fact Sheet. The SmartBuy mortgages are currently available through both Fannie Mae and Freddie Mac, who worked closely with IHDA to approve the program within all existing Agency guidelines.

Results

The SmartBuy program has garnered attention locally, statewide, and nationally due to the innovative approach of partnering down payment assistance with student loan debt relief. Since January, the IHDA Mortgage website has seen an increase of 132% in page visits from the previous four-month period with over 68,600 being for the SmartBuy page. The borrower email subscription rate showed a substantial increase with 3,587 borrowers signing up to receive more information in March and April, compared to the 529 in January and February, 80% self-reporting as interested in SmartBuy. The IHDA Mortgage Sales Team have hosted or spoken at 98 events since program launch with hundreds of attendees. Nearly 60% of the outreach events targeted groups serving underrepresented populations. Despite being required to front fund the debt relief funds, one third of all IHDA participating lenders have agreed to offer SmartBuy. From Fox Business to Telemundo to Crain's Business to the Chicago Tribune, SmartBuy is generating a lot of interest from many media outlets, essentially providing IHDA with free marketing through the earned media.

This program has provided additional opportunity for partnering with community agencies, specifically those looking to reach underrepresented communities of color. Some of these include the Dearborn Realist Board, Latino Policy Forum, the National Association of Hispanic Real Estate Professionals®, Mexican Consulate General of Chicago, Chicago Urban League, etc.

As a result, demand for the program is quickly exceeding supply, even with inventory shortages facing many Illinois communities. In the few short months SmartBuy has been available, the program has eclipsed \$80,000,000 with 375 units in reservations, thus far helping 72 (purchased units) people find a path to homeownership they previously thought impossible by paying off over \$1.8 million in student loan debt. This equates to an average of approximately \$25,000 in student loan debt paid off per mortgage.

SmartBuy was specifically designed to increase outreach in underrepresented communities of color disproportionately affected by student loan debt. While the current demographic data of the SmartBuy program shows that over 30% of borrowers using the program are either Black or Latinx, these numbers can improve. These demographics have been historically impeded by thin credit profiles, higher debt ratios, and lack of financial literacy and trust in financial institutions. An obstacle to increasing these numbers is the lack of program approval by FHA, an agency known for offering broader credit and non-conventional credit criteria. Consequently, causing lower representation in a program that is specifically designed to remove the second largest expense for young Americans⁷, offer down payment assistance, and provide a broader credit qualifying criterion.

SmartBuy has even been a deciding factor in people returning to Illinois from out of state. Over 11 of the reservations made were by individuals living outside Illinois, from as far as Florida, Utah, New Mexico, North Carolina, etc. In fact, one SmartBuy participant relocated to Illinois from Florida solely because of this program.

Since the inception of the SmartBuy program, several other State HFAs have inquired regarding the details of the program. Specifically, interest in the promissory note, deed restriction, and document sets⁸. An innovative measure taken by IHDA Mortgage is the creation of tools to streamline the process for the lender. Lenders can utilize a submission cover that auto populates the doc set and determines the amount

the borrower is eligible for, how much is needed for payoff, and any funds the borrower may need to bring to close. Further resources available include bilingual customizable partner flyers, bilingual fact sheets and marketing materials, online FAQs for borrowers and lenders, etc.

The initial investment for the Capital Bill was \$25,000,000, it is estimated that this program can provide approximately 1,000 homebuyers grappling with student loan debt the ability to buy a home. With the average yearly Illinois property taxes of \$4,942 per home⁹, this is a rate of return of just under 20% as well as other benefits for the State. The total economic impact for a typical home sale in Illinois is thought to be \$75,100¹⁰. In addition, there is a sense of pride that comes with homeownership that increases community members' investment as well as involvement in volunteering and local political races, etc. In turn, the community and the state experience the benefits of homeownership.

Empowering New Homebuyers

Illinois has seen that student debt relief can be an effective and meaningful measure to bolster the housing market, grow the middle class and support an equitable recovery from the pandemic. In only a few short months, SmartBuy has proven to be an effective tool to help families realize the dream of homeownership. While most IHDA Mortgage programs have an average borrower age of about 37, SmartBuy's average borrower is 30, thus helping close the gap of homeownership rates for Young Millennials; an age group that has significantly been lagging behind Older Millennials, Gen X, and Younger Boomers (Figure 1). Twenty-four-year-old Dario Delgadillo credits the program in helping him to erase \$27,000 in student debt to buy his dream house in Chicago where he plans to start his family. A few miles away Gussie Beard, a 50-year-old single mother of two, said the \$40,000 in student debt relief she received gave her the flexibility she needed to make a home for her family while she helps her daughter with her own college expenses. And in Edwardsville, 26-year-old Daylan Smith said with \$40,000 of his student loans forgiven, he was able to afford homes he previously thought were out of range, eventually purchasing his first home at a higher price point while staying within his budget.

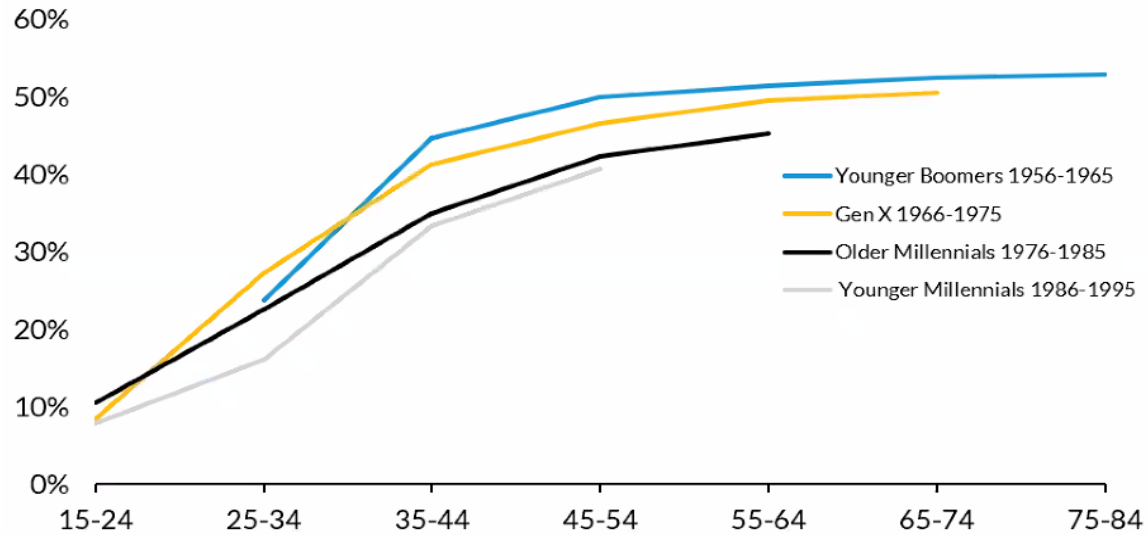
Conclusion

In less than five months, IHDA is already exploring how to provide more financing to SmartBuy in order to keep this program open to provide much needed aid to additional households. The program works well within the guidelines for both FNMA and FHLMC, without the need of waivers, special feature codes, or exceptions for CLTVs. It appears that the only major hurdle that other State HFAs would have to overcome is the funding source; a constant obstacle which affects most programing. For low-to-moderate income families, the program provides a long-term solution, creates better financial stability, and strengthens the borrower's ability to repay their first lien obligation.

Appendices

Figure 1 - Urban Institute, Housing Wealth Equity Projections

Homeownership Rates of Black Households by Generational Cohort and Age Groups



A \$25 million Illinois program is paying off student loans to encourage homeownership, and that's drawing buyers to the state¹¹

By SARAH FREISHTAT

CHICAGO TRIBUNE |

APR 05, 2021 AT 1:32 PM

Peter Maloney wanted to move back to the Chicago area from Florida, but with \$44,000 in student loans to repay he figured it would be several years before he could buy a home.

Maloney, 26, considered moving to Indiana, where he would be close to family and homes are less expensive. But he and his fiancée were sold on Illinois after learning about a state program that helps homebuyers pay off student loans and provides down payment assistance.

In June, Maloney will close on the purchase of a two-bedroom, two-bath condominium in Plainfield. “It definitely made the decision (to move) easier, and buying a home possible,” he said.

The SmartBuy program, offered by the Illinois Housing Development Authority, has drawn interest from other out-of-state buyers too, said Executive Director Kristin Faust.

The agency hopes the program, which began in December, will help remove one financial barrier to homeownership and make access more equitable.

The program will pay off up to \$40,000 in student loans, or a loan amount equal to 15% of the home purchase price, whichever is lower. It will also provide a \$5,000 loan toward a down payment or closing costs.

The state allocated up to \$25 million to the program in Gov. J.B. Pritzker’s 2019 Rebuild Illinois capital plan. The money is expected to serve between 600 and 1,000 homebuyers.

To date, the agency has paid off an average of \$24,100 in student loan debt for each buyer. Prospective homebuyers in the Chicago area must have household income of no more than \$109,200 to be eligible. The home purchase price limit is between \$325,000 and more than \$500,000, depending on the location and type of home.

The program comes with other caveats. A buyer's full outstanding student debt must be paid off during the home purchase. The home must be the buyer's primary residence, and if they sell within three years they must repay a portion of the student loan assistance and sell to someone who meets the program's income requirements. The sales price cannot exceed the program's limits.

Buyers can apply for the program through one of about three dozen lenders that have partnered with the state. The Illinois Housing Development Authority sets the interest rate on the mortgage.

Nearly 200 buyers entered the SmartBuy process between Dec. 1 and late March, and 26 had completed purchases, according to the agency. About 10 of those who had entered the process were from outside Illinois.

"I'm getting a lot of interest," said Chanon Slaughter, a vice president of mortgage lending at Guaranteed Rate. "I am getting folks literally saying 'I want to move back to Chicago for this program.'"

Student loans delay first-time buyers from purchasing a home by about seven years, and current owners from buying their next home by about three years, according to a 2017 study from the National Association of Realtors.

The delays could add up in Illinois. More than 2 million residents have student loan debt, with an average balance of nearly \$30,000, according to the state treasurer's office.

Owning a home is a key way to build wealth and pass it from one generation to the next, so delays in purchasing a home ripple through the economy and individual households, Faust said. "I think as a society we've said if you go to college and you do well and you graduate and you get a job, you should be able to buy a house," she said. "And then instead we've saddled this generation with a lot of student debt."

The U.S. Department of Education has announced a variety of student loan relief programs during the COVID-19 pandemic. But for some Illinois buyers, a more immediate path to paying off student loans was too good to pass up.

Mo Hoelker, 33, didn't want to depend on government bureaucracy for loan relief when there was an option readily available, she said. She and her husband, Sam, left their Avondale

apartment and purchased their first home through the program in February, a three-bedroom, two-bathroom house in Mount Prospect.

She wondered if she could have gotten a lower rate had they not used SmartBuy. But she decided having about \$18,000 in student loans paid off outweighed those potential costs over the course of roughly a decade.

The several hundred dollars she used to pay in student loans each month is helping pay her mortgage, which made her more comfortable committing to a large payment, she said.

“I think, at the end of the day, what I’ve gained by using this program truly was financial peace of mind,” she said.

Wintrust Mortgage, one of 34 lenders in the Chicago area working with the state on the program, has prequalified several people from other states, mostly from Indiana and Wisconsin, said Jason Accola, a senior mortgage consultant. Maloney, moving back to the area from Florida, is his only out-of-state client under contract.

About \$33,000 of Maloney’s \$44,000 in student loans will be paid off as part of the SmartBuy program. Maloney will pay off the rest of that debt.

That means the roughly \$400 each month he’d be paying under a standard loan repayment plan can now go to his mortgage, he said.

Without the program, he estimated it would have been another five years before he bought a home.

“It made a huge difference in being able to purchase something in an area that we’d want to live, and have a little bit of space,” he said.

Sarah Freishtat
Chicago Tribune

Sarah Freishtat is a business reporter for the Tribune, writing about topics including the housing market and community development. She was previously an enterprise reporter covering Aurora and the suburbs, and has also worked for a daily newspaper in Anderson, S.C.

Want to buy a home? Illinois will pay off your student loans¹²

The Illinois Housing Development Authority is putting \$25 million toward paying down student debt so young adults can "put down roots in their communities, roots in Illinois," the agency's director says.

DENNIS RODKIN

Posted by
Crain's Chicago Business 2021-03-09

With burdensome student loan debt often cited as the reason young adults postpone buying homes, an Illinois agency has begun paying off student loans for people who want to become homeowners.

"We want to help them remove that student debt and get on the on-ramp to homeownership, which is the path to wealth-building and benefits communities and neighborhoods," said Kristin Faust, executive director of the Illinois Housing Development Authority.

The housing agency's move to wipe out student debt comes during a national debate over the economic drag that student debt creates and inclusion of student debt forgiveness [in the federal stimulus package](#).

Aspiring home buyers who meet certain income limits can get up to \$40,000 in student loan debt wiped out, changing their debt-to-income ratio to something that makes obtaining a mortgage easier. The buyers have to meet certain income standards—in Cook County, the individual income limit is about \$109,000—and agree to live in the property they buy for three years to get the student loan debt forgiven.

"It's not about giving people handouts," Faust said. "It's about helping these people put down roots in their communities, roots in Illinois." She noted that college costs and the concomitant level of student borrowing have grown far faster than salaries in recent decades.

People who entered their home-buying years "20, 30, 40 years ago may not realize how much has changed, how difficult it is now," she said.

The \$25 million program, called [SmartBuy](#), has a goal of helping 500 to 1,000 young adults buy homes, said Javier Gumulcio, IHDA's director of homeownership. The total each recipient is

granted depends on the amount of debt each person has. There is no timeline; the program will run until the funds, part of IHDA's \$200 million portion of the state capital bill, run out, he and Faust said.

Nikhaule Martin, who finished college in 2018 and was carrying about \$28,000 in student loan debt, is set to close within the next week on her first home purchase, a two-bedroom condo in Bronzeville. When Martin was house-hunting in late 2020 her mortgage broker, Nina Gonzalez of Guaranteed Rate Affinity, told her about the program, new in December.

Her student loan debt wasn't standing in the way of buying a home, Martin said, but with that burden eliminated, she qualified for less expensive mortgage terms and hopes to begin saving toward buying a second property as an investment.

For people with heavier student debt loads, Martin said, the SmartBuy program "can be incredibly helpful. For so many people, student loans are this giant thing kind of looming over your head."

In a National Association of Realtors report, more than half the people aged 29 to 38 who said they were postponing homeownership because of costs "said the largest hurdle was student loan debt," Gumulcio said.

"People with student loan debt delay buying a house for five years past when other people buy," said Mabel Guzman, a Coldwell Banker real estate agent in Chicago who in 2016 [chaired a committee of the National Association of Realtors](#) that studied the relationship between student debt and homebuying. "You know what else happens in five years? Home prices go up."

Mortgage applicants with student loan debt are problematic in a curious way, said Gonzalez, the mortgage broker who worked with Martin. "We have to tell them they can't get qualified for a \$1,400-a-month mortgage, so they'll have to keep renting at \$1,600 a month."

Guzman said this is largely because lenders look at the borrower's total debt load, and pay scant attention to the person's payment history. Lenders "should be looking at the behavior, the fact that this person has been paying and is a good credit risk," Guzman said. She also noted the irony of people who took on heavy student debt loads "to improve themselves, start a career, being told they can't buy a house."

Providing young adults a route to buying homes, Faust said, is a way to help them begin building up home equity, a foundation of middle-class household wealth, earlier.

The SmartBuy program's \$40,000 limit on student loan debt was expressly chosen to ensure that the populations hardest-hit by excessive student loans, Blacks and Hispanics, can access the program, Faust said. The agency's research indicated that the average student loan debt for white Illinoisans is about \$30,000, but for Blacks and Hispanics, it's closer to \$40,000.

Since applications began in mid-January, 11 people have closed on home purchases with SmartBuy, Gumulcio said, and about 100 more are in the pipeline. The average amount of student debt they come with is \$38,000.

The amount of student debt forgiven can not be more than 15 percent of the purchase price of the home. People with more than \$40,000 in student loan debt would have to pay off the increment above \$40,000 to receive SmartBuy assistance, which requires a student loan balance of zero before buying a home.

Faust and Gumulcio said SmartBuy is only the second state-run program that eliminates student debt to make way for mortgage borrowing. Maryland was first, with a program [also called SmartBuy](#) that launched in 2016.

Published March 16

Illinois program scrubs student loans for people who buy a home¹³

State is allocating up to \$25M to fund program

By [Audrey Conklin](#) [FOXBusiness](#)

The Illinois Housing Development Authority's SmartBuy program helps [student loan](#) borrowers pay off [debt](#) if they [buy a home](#) in the state.

The [program](#), which [launched](#) in December, will pay eligible Illinois residents 15% -- up to \$40,000 -- of the purchase price of a new home to help pay off their student loan debt.

SmartBuy will also give between 500 and 1,000 new homeowners with incomes of less than \$109,000 a 30-year, fixed-rate first mortgage with a deferred \$5,000 for down payment or closing cost assistance, according to a press release from the IHDA.

The IHDA did not immediately respond to inquiries from FOX Business.

"First-time homeownership is exactly what our fragile economy needs right now," state Rep.

Bob Morgan, D-Deerfield, said in a December statement when the initiative was first announced. "At a time when student loans are an obstacle for so many young people -- especially in communities of color -- the innovative SmartBuy Program will turn this debt into an opportunity for younger generations to buy a home and invest in their future."

The state is allocating up to \$25 million to fund the program.

Supporters of the plan argue that it could incentivize young people to buy homes and pay property and income taxes in the state if its government can help ease the burden of student debt on new home buyers.

Critics of the plan argue that the plan is not a sustainable, long-term solution to help ease the burden of student loans and encourage first-time homebuyers. Student loan debt has reached \$1.7 trillion nationally, and Illinois is facing a budget shortfall of nearly \$4 billion in fiscal year 2021.

Illinois home sales increased 18% over the year between January 2020 and January 2021, and the statewide median home price was also up more than 18%, [according to](#) Illinois Realtors.

Home listings, however, decreased nearly 43% in January 2021 compared to January 2020.

PURPOSE	To assist homebuyers affected by increasing student loan debt with purchasing a home in Illinois. The Illinois Housing Development Authority (IHDA), IHDA Mortgage, offers SmartBuy. This down payment assistance (DPA) is offered as a 2 nd mortgage in conjunction with a promissory note for 15% of the purchase price (up to \$40,000) for student debt relief for qualified borrowers.
DATE	Reservations for IHDA Mortgage – SmartBuy will open in Fall 2020 and run until IHDA has exhausted funds and closed the program for reservations in TPO Connect.
USAGE	The student loan debt relief funds provided are in the form of a promissory note and deed restriction for an owner-occupied, primary residence purchase. The DPA 2 nd can be used for closing cost and/or down payment. All assistance must be used with an IHDA 30-year fixed rate 1 st mortgage. Please note: with all IHDA Mortgage programs, cash back at closing for borrowers may not exceed \$250 + plus any amount over their required minimum investment (any additional should be principal reduction).
DOWN PAYMENT ASSISTANCE	The DPA or “assistance” amount shall be recorded as a 2nd mortgage and can be used to cover down payment and/or closing costs. Assistance is limited to \$5,000. The 2 nd mortgage term shall be 30 years. The full principal balance of \$5,000, less any optional payments, is due upon the sooner of the maturity date or repayment of the 1 st mortgage. The 2 nd mortgage may be pre-paid at any time without penalty. The 2 nd mortgage may not be re-subordinated.
STUDENT LOAN DEBT RELIEF	The funds will be in the form of a promissory note of up to 15% of the purchase price, not to exceed \$40,000. This will be used to completely pay off a borrower’s outstanding student debt balance at the time of home purchase. It will be forgiven at a rate of 1/36 th . In addition, a deed restriction will require that the borrower sell to a household that qualifies under IHDA income and purchase price limits if sold within the first three years.
PAYMENTS	<ul style="list-style-type: none"> The 2nd mortgage will have no monthly payment. Full repayment of the 2nd will be due upon the sooner of the maturity date or repayment of the 1st mortgage (including refinance or sale of the property), or other qualifying repayment events. (Review Mortgage and Note for full terms.) The promissory note will have no monthly payment and is forgiven at 1/36th (remainder due upon sale or refinance if the event takes place within the first 3 years from the settlement of the first mortgage).
INTEREST RATE (SET BY IHDA)	Daily IHDA rates apply on the 1 st mortgage. The 2 nd mortgage carries 0% interest.
MINIMUM BORROWER INVESTMENT	The greater of 1% or \$1,000 of the purchase price. (The borrower may not use the tax proration toward the borrower’s contribution of 1% or \$1,000.00 (whichever is greater) into the transaction, those funds must be from the borrower’s own funds or from gift funds (if allowable per Fannie Mae guidelines.) Please defer to the IHDA Mortgage Program Matrix and Procedural Guide for details.
REPAYMENT AND RECAPTURE	<p>The funds will be forgiven pro rata on a monthly basis over a 3-year forgiveness period (1/36th) in the form of a promissory note. A deed restriction for three years will require the borrower to sell to a household that qualifies under IHDA income and purchase price limits if sold within the first three years.</p> <p>The 2nd mortgage DPA funds will be 0% deferred. The DPA 2nd is required to be used in conjunction with an IHDA 30-year fixed rate 1st mortgage.</p> <p>The 1st mortgage will carry a 30-year term and must carry Private Mortgage Insurance as may be required for FNMA HFA Preferred.</p> <p>All may be subject to repayment or recapture depending on terms of legal documents.</p>
INCOME REQUIREMENTS	Borrower’s income must be at or below the limits of the county in which the property is located. The lenders must calculate income using the calculator posted on The Document Library to qualify for IHDA Mortgage DPA.

BORROWER
ELIGIBILITY

- May be a first time or non-first-time homebuyer purchasing a primary residence in Illinois
- Minimum credit score – 640
- Maximum total debt-to-income (back end) ratio of 45.00% for all loan types
- IHDA income and property purchase price limits apply
- Must meet the student loan debt requirements below
- FNMA HFA Preferred only
- DACA recipients may be eligible as permitted by agency.
- Property must be a qualified single-family dwelling (this includes condos, townhomes, and 2-units as allowed by Agency)
- Pre-purchase homeownership education meeting standards defined by HUD or the National Industry Standards for Homeownership Education and Counseling is required for each borrower - PRIOR TO CLOSE (PTC) - or the loan is unsaleable
- No manufactured homes

Borrowers must meet all eligibility requirements established for the IHDA Mortgage programs, U.S. Bank overlays, and Fannie Mae guidelines.

STUDENT
LOAN DEBT
REQUIREMENTS

- Minimum remaining student loan debt balance of \$1,000 and up to a maximum of 15% of the purchase price or \$40,000, whichever is lower.
- The student loan must be in the name of the borrower for the borrower’s education.
- The loan included in the statement must be easily identifiable as a student loan
- The debt must be from an eligible educational institution is an accredited public, nonprofit, or proprietary (privately owned profit-making) college, university, vocational school, or other postsecondary educational institution. Also, the institution must be eligible to participate in a student aid program administered by the U.S. Department of Education. (Most accredited postsecondary institutions meet this definition.)
- A monthly statement or verification from the student loan lender/servicer (personal loans from private individuals do not qualify) verifying the amount of the indebtedness, must be in the loan file. (The lender is the organization that made the loan initially; the lender could be the borrower’s school; a bank, credit union, or other lending institution; or the U.S. Department of Education.)
- The full student debt for at least one borrower must be entirely paid off at the time of the home purchase.
- If the full student debt for both borrowers can be paid off, that is permitted, but partial loan repayment will not be available under this program; either a borrower’s loans are fully paid off, or not at all.
- The full outstanding balance of the student debt of the borrower (which shall not exceed 15% of the purchase price or \$40,000, whichever is lower) must be paid off as part of closing. This will be done by the title agency that closes the loan and immediately upon payment.

DISCLOSURE OF
FUNDS

The 1st & 2nd mortgages require **TRID** (TILA-RESPA-INTEGRATED DISCLOSURE). On the 2nd mortgage, only recording fees are allowed. The student loan debt relief that is being covered in the SmartBuy transaction would be input into DU as “unsecured, no payment, forgivable personal loan”.

DISCLAIMER

The terms and conditions are subject to change until the lender locks the loan in TPO Connect. A potential borrower should contact an approved lender for further loan information. In connection with the IHDA Down Payment Assistance programs, IHDA makes no promises, representations, or warranties to any party, including any borrower, about the actual benefit an IHDA loan might provide in specific situations. Each borrower’s situation is different, and potential borrowers should seek the advice of a financial advisor, attorney or housing counselor before entering into any loan.



PROPÓSITO

Asistir compradores de casa que son afectados por préstamos estudiantiles que desean comprar una casa en Illinois. La Autoridad de Desarrollo de Vivienda de Illinois (IHDA), IHDA Mortgage, les ofrece SmartBuy. Esta asistencia de cota inicial (DPA) sería en forma de una hipoteca secundaria en conjunto con un contrato de promesa de pago, les ofrece el 15% del precio de compra (hasta \$40,000) para asistirles en el alivio de deuda estudiantiles para compradores calificados.

FECHA

Reservaciones para IHDA Mortgage-SmartBuy empezará en el otoño de 2020 y continuará hasta todos los fondos sean agotados y/o el programa se cierra in TPO Connect.

APLICACIÓN

Los fondos del alivio de deuda estudiantiles son proporcionados en forma de un contrato de promesa de pago y una restricción de escritura para prestamistas que ocupan su residencia principal. La asistencia de cota inicial (DPA) puede ser utilizada para costos de cierre y/o cota inicial. Toda la asistencia debe ser utilizada con una primera (1) hipoteca de IHDA de plazo de 30 años e interés fijo. Tenga en cuenta: con todos los programas hipotecarios de IHDA, los compradores no pueden recibir una devolución de dinero que excede \$250 + más su inversión mínima (algo adicional debe ser utilizado como reducción principal).

ASISTENCIA DE COTA INICIAL

La DPA o monto de asistencia será registrada como hipoteca secundaria y puede ser utilizada para su cota inicial y/o costos de cierre. La asistencia será limitada a \$5,000. La hipoteca secundaria tendría un plazo de 30 años. El saldo de los \$5,000, menos pagos opcionales, vence en la fecha de vencimiento o la terminación de las cotas de la primera hipoteca, lo que ocurra más temprano. La hipoteca secundaria puede ser prepagada sin multa. La hipoteca secundaria no puede ser re subordinada.

ALIVIO DE DEUDA DE PRÉSTAMOS ESTUDIANTILES

Los fondos serán garantizados por el contrato de promesa de pago, el 15% del precio de compra hasta el máximo de \$40,000 cualquiera sea menor. Los fondos serían utilizados para pagar completamente los préstamos estudiantiles del comprador. El monto pagado será perdonado a un ritmo de 1/36. Adicionalmente, una restricción de escritura requerirá que, si el hipotecario venda su casa, lo tendrá que vender a otro comprador que sea calificado bajo de los requisitos de IHDA de ingresos y límite de precio de compra durante los primeros 3 años.

PAGOS

- La hipoteca secundaria no tendrá pagos mensuales. Reembolso total de la hipoteca vence el día de vencimiento o el reembolso de la primera hipotecario (incluyendo refinanciamiento o venta de la propiedad) lo que ocurra más temprano. (Favor revisar los términos de la hipoteca y el contrato de pago (la nota))
- El contrato de promesa de pago no tendrá pagos mensuales y sería perdonado a un ritmo de 1/36 mensualmente (el saldo sería reembolsado si la casa se vende o sea refinanciada durante los primeros 3 años.)

PORCENTAJE DE INTERÉS (DETERMINADO POR IHDA)

Interés diario de IHDA sería aplicable en la primera hipoteca. La segunda hipoteca tendría una tasa de 0% de interés.

INVERSIÓN MÍNIMA DEL PRESTAMISTA

Lo mayor del 1% o \$1,000 del precio de compra. El prestamista no puede utilizar el prorrogo de impuestos de propiedad como su contribución del 1% o \$1,000 (cual sea mayor) para la transacción, estos fondos son obligatorio que sean del prestamista o fondos de regalo (si es permitido por reglamentos de Fannie Mae.) Favor difiere se a [IHDA Mortgage Program Matrix and Procedural Guide](#) para los detalles.

REQUISITO DE INGRESO

El ingreso del comprador no debe sobre pasar los límites del condado donde la vivienda este localizada. Los prestamistas deben calcular el ingreso utilizando la calculadora en la biblioteca de documentos de IHDA Mortgage DPA.

REPAGO Y RECUPERACIÓN

Los fondos serán perdonados a un ritmo de (1/36) mensualmente basado en un periodo de 3 años en forma del contrato de promesa de pago. La restricción de escritura requerirá que, si el hipotecario venda su casa, lo tendrá que vender a otro comprador que sea calificado bajo de los requisitos de IHDA de ingresos y límite de precio de compra durante los primeros 3 años.



ELEGIBILIDAD
DEL
PRESTAMISTA

Los fondos de la hipoteca secundaria con una tasa de 0% interés será diferido. Los fondos de la DPA son obligados para ser utilizado con una primera hipoteca de IHDA con un plazo de 30 años.

La primera hipoteca tendrá un plazo de 30 años y debiese llevar un seguro de hipoteca privado o como requerido por FNMA HFA preferido.

Todo puede ser recuperado bajo los términos de pago o dependiendo de los documentos legales.

- Puede ser un comprador de vivienda por primera vez o comprador que haiga comprado anteriormente (posterior de tres años) que está comprando su vivienda principal localizada en Illinois.
- Puntaje de crédito mínimo – 640
- Proporción máxima de deuda total a ingresos para todos los tipos de préstamos no debe sobre pasar el 45%.
- Límites de ingreso y precio de compra de IHDA son aplicables.
- Debe cumplir con los requisitos de deuda de préstamos estudiantiles.
- FNMA HFA Preferred solamente
- Los beneficiaros de DACA pueden ser elegibles según lo permita la agencia.
- La propiedad debe ser una vivienda unifamiliar calificada (esto incluye condominios, casas adosadas y 2 unidades según lo permita la agencia)
- Se requiere asesoramiento educacional de vivienda que sea definido al estándar de HUD o el estándar nacional de industria previo de la compra de vivienda para cada prestatario antes del cierre o el préstamo no se puede vender.
- Casas manufacturado no son eligibles

Los prestatarios deben cumplir con todos los requisitos de elegibilidad para los programas de hipotecarios de IHDA, las superposiciones de Fannie Mae, y las pautas de US Bank.

REQUISITOS DE
DEUDA DE
PRÉSTAMOS
ESTUDIANTILES

- Saldo mínimo restante del préstamo estudiantil de \$1,000 y hasta un máximo del 15% del precio de compra o \$40,000, lo que sea menor.
- El préstamo estudiantil debe estar en el nombre del prestatario para la educación del prestatario.
- El préstamo incluido en el estado de cuenta debe ser fácilmente identificable como un préstamo para estudiantes y debe ser parte de los prestamos enumerados en el informe de crédito del prestatario.
- La deuda debe ser de una institución educativa elegible que sea un colegio, universidad, escuela vocacional u otra institución educativa postsecundaria publica acreditada, sin fines de lucro o propiedad privada (con fines de lucro). Además, la institución debe ser elegible para participar en un programa de ayuda estudiantil administrado por el Departamento de Educación de los Estados Unidos. (La mayoría de las instituciones postsecundarias acreditadas cumplen con esta definición.)
- Un estado de cuenta mensual o verificación del prestamista/administrador de préstamos para estudiantes (los préstamos personales de individuos privados no califican) que verifique el monto de la deuda debe estar en el archivo del préstamo. (El prestamista es la organización que otorgo el préstamo inicialmente; el prestamista podría ser la escuela del prestatario; un banco, cooperativa de crédito u otra institución crediticia; o el Departamento de Educación.)
- La deuda total del préstamo estudiantil de al menos un prestatario debe pagarse por completo en el momento de la compra de la vivienda.
- Si la deuda estudiantil de ambos prestatarios se puede pagar, eso está permitido, pero el reembolso parcial del préstamo no estará disponible bajo este programa; o el préstamo de un prestatario se cancela en su totalidad o no se paga.
- El saldo total pendiente de la deuda estudiantil del prestatario (que no excederá el 15% del precio de compra o \$40,000, lo que sea menor) debe liquidarse como parte del cierre. Esto lo hará la agencia de títulos que cierra el préstamo e inmediatamente después del pago,

DIVULGACIÓN
DE FONDOS

Las hipotecas primera y secundaria requieren divulgación integradas de TRID-RESPA. En la segunda hipoteca, solo se permiten tarifas de registro. El alivio de la deuda de préstamos estudiantiles debe divulgarse en DU como “préstamo(s) que no sea asegurado, que no tenga pago mensual, y que sea un préstamo perdonado”.

DESCARGO DE RESPONSABILIDAD

Los términos y condiciones están sujetos a cambios hasta que el prestamista bloquee el préstamo en TPO Connect. Un prestatario potencial debe comunicarse con un prestamista aprobado para obtener más información sobre el préstamo. En relación con los programas de asistencia para el pago inicial de IHDA, IHDA no hace promesas, represalias ni garantías a ninguna de las partes, incluido cualquier prestatario, sobre el beneficio real que un préstamo de IHDA podría proporcionar en situaciones específicas. La situación de cada prestatario es diferente y los prestatarios potenciales deben buscar el consejo de un asesor financiero, abogado o consejero de vivienda antes de entrar cualquier préstamo.



FINANCING THE CREATION AND PRESERVATION OF AFFORDABLE HOUSING IN ILLINOIS.



Don't let student loans stop you from buying a home. SmartBuy can help!

IHDA Mortgage SmartBuy works in two ways:

- Offers \$5,000 in assistance that you can use toward down payment or closing costs!
- Provides up to \$40,000 in student loan debt relief.*

Student loan debt doesn't have to be a barrier to homeownership.

Get started with an approved lender at www.IHDAmortgage.org/smartbuy.
877-456-2656 | mortgage@ihda.org

Available to DACA (as guidelines allow)

Providing homeownership opportunities for 30+ years

*Total educational assistance cannot exceed more than 15% of the purchase price or \$40,000, whichever is lower.

Subject to IHDA eligibility requirements as detailed on www.IHDAmortgage.org.





SMARTBUY
COMPRAINTELIGENTE



No dejes que préstamos estudiantiles
pare su habilidad de comprar vivienda.
IHDA Mortgage SmartBuy – CompraiNteligente le puede ayudar!

IHDA Mortgage SmartBuy – CompraiNteligente funciona de dos maneras:

- Ofrece \$5,000 en asistencia que se puede utilizar para cota inicial o costos del cierre.
- Proporciona hasta \$40,000 en alivio para préstamos estudiantiles. *

Préstamos estudiantiles no deben
hacerse una barrera contra la compra
de su vivienda.

Empiece por contactándose con un prestador o un banco
aprobado por IHDA. www.IHDAmortgage.org/smartbuy
877-456-2656 | mortgage@ihda.org

Disponible para DACA (como permite las pautas de las agencias)

Proporcionado oportunidades de vivienda por más de 30 años

* Asistencia educacional total no puede acceder mas del 15% del precio
de compra o \$40,000, cualquiera sea menor.

Sujeto a los requerimientos de elegibilidad de IHDA detallado en www.IHDAmortgage.org



Illinois Housing Development Authority
ASSISTANCE IMPACT LETTER

Date.....02/04/21
Borrower.....Gussie Beard
Co-Borrower.....
Co-Borrower.....
Address.....10348 S Indiana Ave Chicago, Illinois 60628

**Were you helped by this program? Help us get the word out!
Tell us how this program will improve your life:**

This program was very important to me because I am a single mom who had to raise 2 children alone lost my son 8 months ago & trying to work & take care of my family & put my daughter through college is a struggle greatly appreciated.

IHDA Opt-In - Help us help others!
I/We,

GB

1. Consent to having this statement use in the promotion of these types of programs to other homeowners in need of assistance.

GB

2. Agree to be contacted via information provided in this document for future marketing opportunities or testimonials.

GB

3. Consent to photos taken at closing to be used in the promotion of IHDA programs.

How did you learn of IHDA's programs?

- ☐ 1. Visited IHDA's website
☐ 2. Housing/Community Event
☐ 3. Email from IHDA
☐ 4. Printed Ad/Flyer
☐ 5. Housing Counselor
☒ 6. Real Estate Agent
☐ 7. Friend/Family
☐ 8. Other

Gussie Beard
Borrower Signature

gussiebeard@gmail.com
Borrower E-mail

(773) 879-6171
Borrower Phone Number

Co-borrower Signature

Co-borrower Signature

Illinois Housing Development Authority

ASSISTANCE IMPACT LETTER

12/15/2020

Date.....

Borrower..... **Dario Delgadillo**

Co-Borrower.....

Co-Borrower.....

Address..... **6022 S Komensky Ave** **Chicago**, Illinois **60629**

**Were you helped by this program? Help us get the word out!
Tell us how this program will improve your life:**

This grant it will help me get my dream house to start a family

IHDA Opt-In – Help us help others!

I/We,



1. Consent to having this statement use in the promotion of these types of programs to other homeowners in need of assistance.



2. Agree to be contacted via information provided in this document for future marketing opportunities or testimonials.



3. Consent to photos taken at closing to be used in the promotion of IHDA programs.

How did you learn of IHDA's programs?

☐

1. Visited IHDA's website

☐

2. Housing/Community Event

☐

3. Email from IHDA

☐

4. Printed Ad/Flyer

☐

5. Housing Counselor

☒

6. Real Estate Agent

☐

7. Friend/Family

☐

8. Other

DocuSigned by:

Dario Delgadillo

Borrower Signature

delgadillo_19@yahoo.com

Borrower E-mail

(773) 953-3185

Borrower Phone Number

Co-borrower Signature

Co-borrower Signature

HO-054.1

Illinois Housing Development Authority
ASSISTANCE IMPACT LETTER

Date.....01/29/21
Borrower.....Daylan P Smith
Co-Borrower.....
Co-Borrower.....
Address.....207 Springer Ave Edwardsville, Illinois 62025

**Were you helped by this program? Help us get the word out!
Tell us how this program will improve your life:**

I was looking at a lower price for a house until I heard about this program. I'm glad I can now afford even more for a house while having my debt forgiven!

IHDA Opt-In - Help us help others!

I/We,

☒

1. Consent to having this statement use in the promotion of these types of programs to other homeowners in need of assistance.

☐

2. Agree to be contacted via information provided in this document for future marketing opportunities or testimonials.

☐

3. Consent to photos taken at closing to be used in the promotion of IHDA programs.

How did you learn of IHDA's programs?

☒
☐
☐
☐
☐
☐
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☐

1. Visited IHDA's website
2. Housing/Community Event
3. Email from IHDA
4. Printed Ad/Flyer
5. Housing Counselor
6. Real Estate Agent
7. Friend/Family
8. Other

Daylan P. Smith
Borrower Signature

lincatxd@gmail.com
Borrower E-mail

Borrower Phone Number

Co-borrower Signature

Co-borrower Signature

BORROWER DATA

Borrower Full Name	SSN	Email	Phone
Coborrower Full Name	SSN	Email	Phone
Coborrower Full Name	SSN	Email	Phone

LENDER DATA

Lender Name	NMLS ID
Loan Officer Name	NMLS ID
Lender Email (file point of contact, final closing docs will be sent here)	

PROPERTY DATA

Street Address	City	ZIP	County	Appraised Value
PIN	New Construction?...YES	NO	Targeted Area?...YES	NO
			Number Of Units?	

HOUSEHOLD AND INCOME DATA

1. Borrower Martial Status 2. Total Household Members 3. Total Household Income

4. Non Borrowing Spouse (Full Name).....

5. Are/Were any borrower exempt from filing federal income taxes?.....

6. If item 5 is yes, which years were not filed?.....YR1: YR2: YR3:

HH Occ. 1 – Full Name	Age	Primary Borrower Relationship	HH Occ. 4 – Full Name	Age	Relationship
HH Occ. 2 – Full Name	Age	Relationship	HH Occ. 5 – Full name	Age	Relationship
HH Occ. 3 – Full Name	Age	Relationship	HH Occ. 6 – Full name	Age	Relationship

STUDENT LOANS

INSTRUCTIONS: List every student loan for all borrowers whether or not it is being paid in connection with program funds. **One borrower (at minimum) must have their loans paid in full by the 15% SmartBuy assistance or in combination with non-IHDA borrower funds/credits.** If the assistance does not cover the full balance, the borrower must pay the difference or opt out of utilizing any of the 15% SmartBuy assistance toward their student loans. If any borrower's debt is not being paid by the SmartBuy assistance (partially or in full), enter the payoff amount as \$0. Lenders must include a valid payoff for each debt using SmartBuy Assistance and list them as paid on the final closing disclosure.

	Borrower OR Coborrower	Name of Lender/Creditor	Account Number	Mthly Payment	Mos Left	Unpaid Balance	Payoff Amt	Payoff Exp. Date
1.	B CB CB2							
2.	B CB CB2							
3.	B CB CB2							
4.	B CB CB2							
5.	B CB CB2							
6.	B CB CB2							
7.	B CB CB2							
8.	B CB CB2							
9.	B CB CB2							
10.	B CB CB2							
11.	B CB CB2							
12.	B CB CB2							
13.	B CB CB2							
14.	B CB CB2							
15.	B CB CB2							
16.	B CB CB2							
17.	B CB CB2							
18.	B CB CB2							
19.	B CB CB2							
20.	B CB CB2							

DETAILS OF TRANSACTION

Click calculate to re-total when updating amounts!

1. Final Purchase Price	
2. 1 st Mortgage Amount (include UFMIP if applicable)	
3. Total Educational Liabilities (section 1-20, click calculate to total)	
4. Closing Costs and Fees (include taxes due)	
5. Borrower Funds Applied to Education Loans	
6. Credits <small>Instructions: Total all credits on the closing disclosure NOT applied to student loans (down payment, gift funds, pre-pays, seller credits, tax prorations, etc.) Do not include IHDA DPA on this line, that should go in line 7.</small>	
7. IHDA \$5k SmartBuy Down Payment Assistance (Optional: Borrower may opt out of the DPA)	
8. SmartBuy 15% Education Assistance (See SmartBuy Calculator)	
9. FINAL BALANCE (negative = short to close)	

REMINDER: Borrowers can leave the table with \$250 plus anything above and beyond the borrower's minimum investment of 1% or \$1,000, whichever is greater (all other funds should be used for principal reduction).

SMARTBUY CALCULATOR

Total Educational Debt.....

SmartBuy Assistance (15% up to \$40k).....

Borrower Funds Applied.....

Click calculate to verify totals! **Balance** (must be \$0 to be compliant)

**THIS INSTRUMENT WAS
PREPARED BY:**

**AFTER RECORDING RETURN TO:
Illinois Housing Development Authority
111 E. Wacker Dr., Suite 1000
Chicago, Illinois 60601
Attn: Homeownership Department**

PIN:

_____, Illinois

SmartBuy Program

DEED RESTRICTION

THIS DEED RESTRICTION, made and entered into as of this _____ day of
_____, 20__ (the “Effective Date”), by

(the “Owner”).

The Owner is the owner of the property commonly described as

_____,
_____, Illinois _____ and more particularly described as:

Large empty rectangular box for property description.

(the "Property").

The Owner does hereby impress all of the Property with the following deed restrictions (the "Restrictions"):

OWNER MAY NOT SELL, TRANSFER OR ASSIGN HIS/HER/THEIR INTEREST IN THE PROPERTY, OR ANY PART THEREOF, UNLESS AND EXCEPT (A) SUCH SALE, TRANSFER OR ASSIGNMENT MEETS THE INCOME AND PURCHASE PRICE LIMITS OF THE ILLINOIS HOUSING DEVELOPMENT AUTHORITY IN EFFECT AT THE TIME OF THE PROPOSED SALE, TRANSFER OR ASSIGNMENT AND (B) THE ILLINOIS HOUSING DEVELOPMENT AUTHORITY PROVIDES WRITTEN CONSENT TO ANY SUCH SALE, TRANSFER, OR ASSIGNMENT.

The Restrictions shall continue in full force in effect from the Effective Date for a period of three (3) years or until terminated by the Illinois Housing Development Authority, a body politic and corporate (the "Authority"), whichever shall occur first. Upon expiration of the three (3) year term, this document shall automatically terminate, and no additional release shall be required to effectuate such termination. Notwithstanding anything to the contrary contained herein, the Restrictions shall automatically terminate if title to the Property is transferred pursuant to foreclosure or a deed-in-lieu of foreclosure.

The Owner agrees that these Restrictions inure to the benefit of the Authority. The Owner hereby grants the Authority the right to enforce this document by any lawful means, including, but not limited to, applying to any court for specific performance or for an injunction against any violations of this document. If the Authority prevails in a legal proceeding to enforce this document, the Owner agrees that the Authority shall be entitled to recover damages, attorney's fees and court costs. The right of the Authority to enforce this document shall not be waived, expressly or otherwise.

The provisions of this document are hereby declared covenants running with the land and, except as otherwise provided herein, are binding on all successors, heirs, and assigns of the Owner who acquire any right, title, or interest in or to the Property, or any part thereof. Except as otherwise provided herein, any person who acquires any right, title, or interest in or to the Property, or any part thereof, thereby agrees and covenants to abide by and fully perform the provisions of this document.

IN WITNESS WHEREOF, the undersigned have caused this Deed Restriction to be executed as of the Effective Date.

OWNER:

Printed Name: _____

Printed Name: _____

Printed Name: _____

SB-057

STATE OF)
) SS
COUNTY OF)

I, the undersigned, a Notary Public in and for the County and State aforesaid, certify that

_____ ,

_____ ,

_____ personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her free and voluntary act and deed, for the uses and purposes therein set forth.

Given under my hand and official seal this _____ day of _____, 20__.

Notary Public

PROMISSORY NOTE

THIS PROMISSORY NOTE ("this "Note") is made as of this _____ day of _____, 20_____,
by _____

(the "Maker") to the order of the ILLINOIS HOUSING DEVELOPMENT AUTHORITY, a body politic and corporate established pursuant to the Illinois Housing Development Act, 20 ILCS 3805/1 et seq., as amended from time to time (the "Act"), and the rules promulgated under the Act, as amended and supplemented (the "Rules"), having its principal office at 111 E. Wacker Drive Suite 1000 Chicago, Illinois 60601 (the "Payee").

1. FORGIVABLE ASSISTANCE.

The Maker has requested, and the Payee has agreed to provide forgivable assistance to the Maker pursuant to the requirements of the Illinois SmartBuy Program in an amount not to exceed _____ No/100 Dollars (\$_____.00) (the "Forgivable Assistance") for that certain residential real property owned by the Maker which is commonly known as

_____, Illinois
(Street Address) (City, State) (ZIP)
(the "Property").

2. COVENANT TO PAY THE FORGIVABLE ASSISTANCE

For value received, the Maker promises to pay to the order of the Payee the Forgivable Assistance, or so much thereof as may be advanced hereafter to Maker at such times and in such amounts as Payee shall determine in accordance with the terms of this Note, bearing no interest except in the Event of a Default (as defined herein); provided, however, the Forgivable Assistance, shall be reduced by one-thirty-sixth (1/36th) for each month from the date of this Note. All payments under this Note are to be paid as provided in this Note, or such other place as the holder of this Note may from time to time designate. The Forgivable Assistance shall be subject to repayment and recapture for a term of three (3) years from the date of this Note (the "Term"). Absent the occurrence of an Event of Default (as defined herein), which has not been cured or waived by Payee, or an event that but for the passage of time or giving of notice would be an Event of Default:

- (i) no payments of principal shall be due and payable by Maker to Payee, and
- (ii) at the expiration of the Term, Payee shall forgive the entire principal balance of the Forgivable Assistance and cancel this Note.

3. SMARTBUY DOCUMENTS

The Forgivable Assistance is also evidenced, and governed by, among other things:

- (a) that certain Deed Restriction (SmartBuy Program) executed by Maker (the "Deed Restriction"); and

- (b) all other documents that evidence, or govern the Forgivable Assistance including, but not limited to the required supporting documentation submitted therewith (collectively, the “Ancillary Documents”).

This Note, the Deed Restriction, the Student Loan Attestation, and the Ancillary Documents are collectively referred to herein as the “SmartBuy Documents”. Terms not otherwise defined herein shall have the meaning ascribed thereto in the other SmartBuy Documents.

4. MONTHLY PAYMENTS

No payments of principal and interest shall be due unless there is an Event of Default (as defined herein) which is not cured during any applicable notice and cure period. Upon the occurrence of an Event of Default (as defined herein), Maker shall pay the entire outstanding balance of the Forgivable Assistance and Default Interest (as defined herein), to the Payee.

Payments to be made under this Note or under any of the other SmartBuy Documents are to be made at such place as the legal holder of this Note may from time to time in writing appoint, and, in the absence of such appointment, then at the following address:

Illinois Housing Development Authority
21412 Network Place
Chicago, Illinois 60673-1412

5. EVENT OF DEFAULT

A breach by the Maker of any of its representations, certifications, warranties or covenants contained in any of the SmartBuy Documents or in the performance of any of its obligations under the SmartBuy Documents shall constitute an “Event of Default” under this Note. Upon the occurrence of an Event of Default and until such Event of Default is cured, interest shall accrue on the Forgivable Assistance at the rate of five percent (5%) per annum (the “Default Interest”).

6. REMEDIES

The Payee shall have the right to exercise any one or more of the following remedies upon an Event of Default:

- (a) terminate the SmartBuy Documents;
- (b) declare the then outstanding balance of the Forgivable Assistance, together with any Default Interest, immediately due and payable at the place of payment;
- (c) the Payee may proceed to exercise any rights and remedies available to the Payee under the SmartBuy Documents; or
- (d) exercise any other rights and remedies that may be available at law, in equity or otherwise.

The Payee’s remedies are cumulative, and the exercise of one remedy shall not be deemed an election of remedies, nor foreclose the exercise of any other remedy by the Payee. No waiver of any breach of this Note by the Payee shall be deemed to be a waiver of any other breach or a subsequent breach. If the Payee fails

to exercise, or delays in exercising, any right under this Note, such failure or delay shall not be deemed a waiver of such right or any other right. If suit is brought to collect the sums due under this Note, the Payee shall be entitled to collect all reasonable costs and expenses of suit, including, but not limited to, reasonable attorneys' fees.

7. PREPAYMENT

Maker may prepay the Forgivable Balance outstanding in whole or in part at any time without penalty.

8. JOINT AND SEVERAL LIABILITY.

Presentment, notice of dishonor, and protest, are waived by all makers, sureties, guarantors and endorsers of this Note. If more than one party is executing this Note as Maker, then all such parties executing this Note agree to be jointly and severally bound by it.

9. NOTICES

Any notice, demand, request or other communication which any party may desire or may be required to give to any other party under this Note shall be given in writing, at the addresses set forth below, by any of the following means:

- (a) personal service;
- (b) overnight courier, or
- (c) registered or certified United States mail, postage prepaid, return receipt requested.

If to Maker: _____

At the address of the Property: _____, Illinois

If to Payee: **Illinois Housing Development Authority**
111 E. Wacker Drive STE 1000
Chicago, Illinois 60601
Attention: Legal Department

Maker's addresses may be changed by notice to Payee given in the same manner as provided in this Note, and the Payee's address may be changed by notice to Maker via email at the email address provided in the Maker's Ancillary Documents. Any notice, demand, request or other communication sent pursuant to subsection

- (a) shall be served and effective upon such personal service. Any notice, demand, request or other communication sent pursuant to subsection
- (b) shall be served and effective upon one (1) business day after deposit with the overnight courier. Any notice, demand, request or other communication sent pursuant to subsection
- (c) shall be served and effective three (3) business days after deposit with the United States Postal Service.

10. GOVERNING LAW

Maker agrees that this instrument and the rights and obligations of the parties under this Note shall be governed by the laws of the State of Illinois, without reference to its conflict of law principles.

~ A C K N O W L E D G E M E N T ~

IN WITNESS WHEREOF, Maker has executed and delivered this Note as of the day and year first written above.

MAKER

Printed Name

Date

MAKER

Printed Name

Date

MAKER

Printed Name

Date

Illinois Housing Development Authority

SmartBuy Program

STUDENT LOAN ATTESTATION

Borrower name.....

Street Address..

Co-Borrower Name.

City.....

Co-Borrower Name.

ZIP Code.....

INSTRUCTIONS:

List all student loans belonging to the Borrower(s) to be paid off with the Illinois Housing Development Authority ("IHDA") Mortgage SmartBuy Program ("Program") funds or in combination with borrower's own funds. The sum of all student loan obligations belonging to the Borrower must be paid off at closing of the Program loan, using the Program funds or the borrower's own funds. Co-borrowers may elect to leave their student loan obligations outstanding. However, a partial payoff of student loans, belonging to Borrower or Co-borrower, using the Program funds is not allowed unless the remaining balance of the student loan obligation is to be paid off with the borrower's own funds at closing of the Program loan.

All items must be reviewed, investigated, and evaluated by the lender to whom you submitted your mortgage loan application (the "Lender") and its respective agents. This Student Loan Attestation must be signed by all borrowing parties.

1. STUDENT LOAN ATTESTATION

This Student Loan Attestation shall be considered part of the application for the loan, and is incorporated therein. If any statement made by you in this attestation is false, the mortgage loan made to you will not be eligible for the single family mortgage purchase program of IHDA, and in such event the outstanding principal balance of the mortgage loan may be declared immediately due and payable.

It may be a federal offense punishable by a maximum of a \$5,000 fine, two years imprisonment, or both, to knowingly make a false statement in this attestation (Title 18 United States Code, Section 1014). Read this attestation carefully to be sure the information in it is true and complete before signing this form. All questions must be answered completely. If any question is not applicable, answer "N/A." The information provided in this attestation is subject to verification by IHDA, the Lender, and their respective agents.

2. STUDENT LOAN OBLIGATIONS

The undersigned, hereinafter collectively referred to as "the Borrower," affirms as follows:

In connection with my application to the IHDA Mortgage SmartBuy Program, I declare the following student loan obligations exist or are expected to exist at the time of closing. I acknowledge knowingly withholding information of undisclosed student loan obligations may constitute mortgage fraud. If this Student Loan Attestation is executed more than 90 days prior to the Closing Date of the purchase of the property, I agree to update and recertify the accuracy of the information in this Attestation within 90 days prior to such Closing Date. I/we hereby certify that, to the best of my knowledge, the following accounts reflect the totality of all student loans I/we are obligated to:

SB-059.1

1) [

	Borrower	Coborrower	Coborrower 2
Account Number	Creditor Name		Debtor
Unpaid Balance	Monthly Payment	Months Left	Payoff Amt. Payoff Exp. Date

2) [

	Borrower	Coborrower	Coborrower 2
Account Number	Creditor Name		Debtor
Unpaid Balance	Monthly Payment	Months Left	Payoff Amt. Payoff Exp. Date

3) [

	Borrower	Coborrower	Coborrower 2
Account Number	Creditor Name		Debtor
Unpaid Balance	Monthly Payment	Months Left	Payoff Amt. Payoff Exp. Date

4) [

	Borrower	Coborrower	Coborrower 2
Account Number	Creditor Name		Debtor
Unpaid Balance	Monthly Payment	Months Left	Payoff Amt. Payoff Exp. Date

5) [

	Borrower	Coborrower	Coborrower 2
Account Number	Creditor Name		Debtor
Unpaid Balance	Monthly Payment	Months Left	Payoff Amt. Payoff Exp. Date

6) [

	Borrower	Coborrower	Coborrower 2
Account Number	Creditor Name		Debtor
Unpaid Balance	Monthly Payment	Months Left	Payoff Amt. Payoff Exp. Date

7) [

	Borrower	Coborrower	Coborrower 2
Account Number	Creditor Name		Debtor
Unpaid Balance	Monthly Payment	Months Left	Payoff Amt. Payoff Exp. Date

2. STUDENT LOAN OBLIGATIONS (cont.)

8)	Account Number		Creditor Name		Borrower	Coborrower	Coborrower 2	Debtor
	Unpaid Balance		Monthly Payment	Months Left	Payoff Amt.	Payoff Exp. Date		

9)	Account Number		Creditor Name		Borrower	Coborrower	Coborrower 2	Debtor
	Unpaid Balance		Monthly Payment	Months Left	Payoff Amt.	Payoff Exp. Date		

10)	Account Number		Creditor Name		Borrower	Coborrower	Coborrower 2	Debtor
	Unpaid Balance		Monthly Payment	Months Left	Payoff Amt.	Payoff Exp. Date		

11)	Account Number		Creditor Name		Borrower	Coborrower	Coborrower 2	Debtor
	Unpaid Balance		Monthly Payment	Months Left	Payoff Amt.	Payoff Exp. Date		

12)	Account Number		Creditor Name		Borrower	Coborrower	Coborrower 2	Debtor
	Unpaid Balance		Monthly Payment	Months Left	Payoff Amt.	Payoff Exp. Date		

13)	Account Number		Creditor Name		Borrower	Coborrower	Coborrower 2	Debtor
	Unpaid Balance		Monthly Payment	Months Left	Payoff Amt.	Payoff Exp. Date		

14)	Account Number		Creditor Name		Borrower	Coborrower	Coborrower 2	Debtor
	Unpaid Balance		Monthly Payment	Months Left	Payoff Amt.	Payoff Exp. Date		

2. STUDENT LOAN OBLIGATIONS (cont.)

15)			Borrower	Coborrower	Coborrower 2
	Account Number	Creditor Name	Debtor		
	Unpaid Balance	Monthly Payment	Months Left	Payoff Amt.	Payoff Exp. Date

16)			Borrower	Coborrower	Coborrower 2
	Account Number	Creditor Name	Debtor		
	Unpaid Balance	Monthly Payment	Months Left	Payoff Amt.	Payoff Exp. Date

17)			Borrower	Coborrower	Coborrower 2
	Account Number	Creditor Name	Debtor		
	Unpaid Balance	Monthly Payment	Months Left	Payoff Amt.	Payoff Exp. Date

18)			Borrower	Coborrower	Coborrower 2
	Account Number	Creditor Name	Debtor		
	Unpaid Balance	Monthly Payment	Months Left	Payoff Amt.	Payoff Exp. Date

19)			Borrower	Coborrower	Coborrower 2
	Account Number	Creditor Name	Debtor		
	Unpaid Balance	Monthly Payment	Months Left	Payoff Amt.	Payoff Exp. Date

20)			Borrower	Coborrower	Coborrower 2
	Account Number	Creditor Name	Debtor		
	Unpaid Balance	Monthly Payment	Months Left	Payoff Amt.	Payoff Exp. Date

3. PAYOFF OF STUDENT LOANS PROVISION

I/We, understand and meet the following specific requirements under the Program. We hereby attest and affirm that:

- a) This student loan attestation represents all student loan obligations belonging to Borrower and any Co-Borrowers.
- b) In connection with the Program, all of Borrower's student loans and Co-Borrower's student loans if utilizing Program funds to pay off his/her student loans, must be paid off at the time of closing via:
 - i. The Program funds, or
 - ii. Borrower's own funds, or
 - iii. A combination of Borrower's funds, Co-Borrower's funds, and the Program funds.
- c) Any student loans belonging to the Borrower or Co-Borrower(s) left unpaid after closing and after utilizing Program funds to constitute a partial payoff of student loans shall render the loan non-compliant and ineligible for delivery to IHDA.

BORROWER SIGNATURES

Borrower Signature

Date

Co-Borrower Signature

Date

Print Borrower Name

Print Co-Borrower Name

Co-Borrower Signature

Date

Print Co-Borrower Name

NOTARY MUST EXECUTE FOLLOWING
~ A C K N O W L E D G E M E N T ~

STATE OF

COUNTY OF

I , a Notary Public in and for the said county and State, do hereby certify that

personally known to me as the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal this

day of

Notary Seal

My Commission Expires (Seal)

Notary Public Signature

SB-059.1

¹ <https://www.nar.realtor/research-and-statistics/research-reports/home-buyer-and-seller-generational-trends>

² https://www.federalreserve.gov/publications/files/consumer-community-context-201901.pdf?mod=article_inline

³ https://www.illinoistreasurer.gov/Individuals/Student_Loans

⁴ <https://www.sciencedirect.com/science/article/abs/pii/S0190740918301300>

⁵ <https://www.brookings.edu/research/black-white-disparity-in-student-loan-debt-more-than-triples-after-graduation/>

⁶ <https://heller.brandeis.edu/iere/pdfs/racial-wealth-equity/racial-wealth-gap/stallingdreams-how-student-debt-is-disrupting-lifechances.pdf>

⁷ <https://lendedu.com/blog/impact-of-student-debt-on-millennials/>

⁸ www.ihdamortgage.org/docs

⁹ <https://www.illinoispolicy.org/illinois-again-ranks-no-2-in-u-s-for-highest-property-taxes/>

¹⁰ <https://cdn.nar.realtor/sites/default/files/documents/2020-state-by-state-economic-impact-of-real-estate-activity-illinois-3-31-2021.pdf>

¹¹ <https://www.chicagotribune.com/real-estate/ct-re-student-loan-home-purchase-ihda-smartbuy-20210405-qxqzzj2h6namrb3s4jfc6f2xy4-story.html>

¹² <https://www.chicagobusiness.com/residential-real-estate/want-buy-home-illinois-will-pay-your-student-loans>

¹³ <https://www.foxbusiness.com/economy/illinois-student-loans-buy-homes-program>