

Opening Doors

Illinois Housing Development Authority
Homeownership: Empowering New Buyers

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“This program helped me so much and made such an impact! It made becoming a homeowner a reality for me. Thank you for having this program! I really don’t think that I would be a homeowner without Opening Doors.”

-Nataly Kohshaba, Wheeling, IL

In an effort to bring more equity to the Illinois housing market, the Illinois Housing Development Authority (IHDA) sought to develop and implement a new down payment assistance program specifically designed to meet the unique needs of those who have historically encountered barriers to owning a home.

In June 2019, the Illinois General Assembly and Governor JB Pritzker enacted the Rebuild Illinois capital bill. In that bill, IHDA was appropriated \$200 million for “affordable housing grants, loans and investments for low-income families, low-income senior citizens, low-income persons with disabilities and at-risk displaced veterans.” IHDA now had a funding vehicle to enact our plan to help those who never thought homeownership would be within reach. With these new resources, IHDA Mortgage Opening Doors, or Abriendo Puertas, launched its initial funding round in December 2020 and has relaunched an additional two times in September 2022 and January 2023.

While the program is available to any eligible homebuyer, the program is supported by a robust marketing and outreach campaign that engages communities of color that traditionally are left behind in the housing market.

Inequality in the Housing Market

Owning a home is a traditional way for families to establish roots in a community and create generational wealth. However, these benefits have not been shared equally. Black and Latinx households across the country are less likely to own their home due to the legacies of systemic racism, redlining, segregation and other predatory practices that continue to impact our neighborhoods to this day.

For example, a June 2020 story by WBEZ and City Bureau found that for every \$1 banks loaned in Chicago’s white neighborhoods, they invested just 12 cents in the city’s Black neighborhoods and 13 cents in Latinx areas.

According to the U.S. Census, 75 percent of white families in Illinois own their homes. In comparison, 39 percent of Black families and 53 percent of Latinx families own their homes.

The National Association of REALTORS has also found that Black homebuyers and owners faced extra challenges in getting a mortgage. Denial rates vary significantly by race/ethnic group, with Black Americans having the highest denial rates for purchase and refinance loans. According to their analysis, Black applicants were twice as likely to be denied a mortgage compared to those identifying as White.

With this clear and ongoing issue still impacting communities of color, IHDA sought to address this through the Opening Doors program to specifically target members of those communities who were ready to make the jump to owning a home.

Opening Doors

“Would not have been able to purchase this home without the assistance we received. This was life changing.”

-Leonel Vences, Elgin, IL

Opening Doors is designed to increase home purchase accessibility for low- and moderate-income qualified homebuyers across Illinois. This includes Deferred Action for Childhood Arrivals (DACA) recipients, who pay hundreds of millions in federal, state and local taxes, yet struggle to find mortgage lenders and programs that will work with them.

Under Opening Doors, IHDA provides a 30-year 1st mortgage with a fixed interest rate and \$6,000 in down payment and/or closing cost assistance (DPA).

Funds are forgiven after five years (instead of the 10-year forgiveness period for IHDA’s primary homebuyer programs) and no monthly payment is due from the borrower. Borrowers must meet all eligibility requirements established for IHDA’s down payment assistance programs, and homebuyer education is required prior to loan close. Opening Doors is not exclusive to first-time buyers and may be used by qualifying buyers in any county in the state.

All IHDA mortgage programs offer safe and reliable down payment assistance to first-time homebuyers, qualified veterans and non-first-time homebuyers. All mortgage products are subject to IHDA income and purchase price limits. Eligibility for each product is based on the borrower’s credit profile, household income and the purchase price of the home.

Outreach

Acknowledging that the racial wealth gap makes it harder for communities of color to cover the upfront costs of purchasing a home, we specifically created a communications plan that was comprehensive and contained innovative tactics to achieve our goal of increasing minority homeownership rates.

In the plan, we identified our primary and secondary audiences, key messages, objectives, etc. and plugged them into a timeline to ensure we were all on the same page. We ensured there were output metrics to provide us with data to determine if what we were doing was working and to help measure awareness.

We created marketing collateral, talking points, press releases, FAQs, PSAs, social media posts, etc. This information would be combined into a bilingual tool kit to be shared with our stakeholder partners to help market Opening Doors to their clients, communities, etc. In addition, the IHDA Homeownership team, along with its four statewide account managers continued in-person as well as virtual webinars and visits to help spread the word and educate our partners and lenders throughout the state.

This all culminated in a robust marketing and outreach campaign that engaged with HUD-approved housing counseling agencies, realtors, mortgage lenders and others who work with historically disinvested communities of color to increase awareness and promote homebuyer education among potential borrowers and industry professionals.

Information sessions were held with organizations such including the Dearborn Realist Board, Chicago Urban League, Brighton Park Neighborhood Council, Resurrection Project, Black Chamber of Commerce, National Association of Hispanic Real Estate Professionals, Illinois Association of REALTORS, National Association of Real Estate Brokers, etc.

In addition, outreach was provided to our federal, state and local elected officials, mayors and managers organizations and other associations with members throughout Illinois. We used every contact throughout the state we could to market Opening Doors.

Conclusion

*“My entire family will feel more secure by living in an owned home.”
-Jesus Cardenas Barrera, Zion, IL*

IHDA has conducted three rounds of assistance offered through the Opening Doors program. To date, IHDA has helped 8,566 new homeowners with \$51.4 million in down payment assistance generating \$1.28 billion in new mortgages. The average income per Opening Doors participant is \$61,231 with an average purchase price of \$166,944.

More than 36 percent of Opening Doors loans have gone to homebuyers identifying as Black or Latinx. For comparison, the National Association of Realtors estimated that only 11 percent of buyers in 2022 were Black or Latinx. Of those who provided their demographic information, nearly 51 percent of Opening Doors borrowers identified as something other than White. While we understand that the percentages of home ready borrowers will vary between race and ethnicity groups, what we have seen consistently are lower income borrowers utilizing this program over others.

IHDA is proud of the work we have done through the Opening Doors program to help begin to address the inequalities in the housing market. By helping increase the homeowner rate for Black and Latinx people residing in Illinois, we hope to show that buying a home is attainable and to encourage lenders and realtors to do more outreach to these communities.

The Illinois General Assembly certainly seems to think the Opening Doors program is accomplishing its mission as they graciously allocated an additional \$20 million in State and Local Fiscal Recovery Funds from the American Rescue Plan Act (P.L. 117-2) in the latest supplemental appropriations budget for the program. We are already planning to administer a fourth round of assistance later this summer.

<p>IHDA Mortgage Opening Doors (the “Program”) is designed to increase home purchase accessibility for low- and moderate-income qualified homebuyers across Illinois. IHDA will provide a 30-year 1st mortgage with a fixed interest rate with down payment and/or closing cost assistance.</p>	
<p>Program Structure</p>	<p><u>1st Mortgage</u></p> <p>Borrowers must qualify for an IHDA Program 1st Mortgage to utilize assistance.</p> <p>1st Mortgage options:</p> <ol style="list-style-type: none"> Veterans Affairs (VA) Federal Housing Administration (FHA) United States Department of Agriculture (USDA) conventional loan <p><u>2nd Mortgage</u></p> <p>A forgivable 2nd mortgage provides \$6,000 for down payment and/or closing cost assistance. The funds will be provided in the form of a recorded 2nd mortgage, forgiven pro rata on a monthly basis over a 5-year forgiveness period.</p>
<p>Program Overview</p>	<p>Borrowers will apply with an approved IHDA participating lender. Borrower must qualify for an IHDA Program 1st mortgage loan (which can be VA, FHA, USDA, or conventional loans). Borrowers must be within IHDA’s applicable county income and purchase price limits, credit score, and debt-to-income (DTI) ratio maximums (which are subject to change from time to time).</p> <p>Planned increased market outreach:</p> <ul style="list-style-type: none"> African American community Hispanic/Latino Community Historically disinvested communities DACA community
<p>Loan Terms</p>	<p>The 2nd mortgage funds will be forgiven pro rata on a monthly basis over a 5-year forgiveness period. If the borrower sells or refinances prior to the end of the 5-year term. The outstanding balance will be due.</p> <p>The 1st mortgage will carry a 30-year term and must be insured by FHA, guaranteed by VA or USDA, or carry Private Mortgage Insurance as may be required for conventional loans.</p>
<p>Loan Eligibility Criteria</p>	<p>1) Eligible borrower must purchase qualified primary residence located in the state of IL</p>

	<p>2) Borrowers must be within IHDA's applicable county income and purchase price limits, credit score, and debt-to-income (DTI) ratio maximums (which are subject to change from time to time).</p> <p>3) All terms subject to change at any time</p>
Program Duration	Ongoing until funds are exhausted. In the first funding round, approximately 5,800 borrowers approved on a first come, first served basis. With the additional funding, approximately 1,650 additional borrowers approved on a first come, first served basis.
Source of Funds	<p>The initial allocation is \$35 million dollars from the Capital Bill.</p> <p>The second allocation is \$10 million dollars from BIBP funds.</p>

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Pritzker Administration Relaunches “Opening Doors” Homebuyer Program

Down Payment Assistance Program to Address Key Barriers Faced by Historically Underserved Communities

CHICAGO – Governor JB Pritzker announced the reopening of a homeownership program designed to help working class families and underrepresented communities of color across the state of Illinois. Offered through the Illinois Housing Development Authority (IHDA), the **Opening Doors** or **Abriendo Puertas** program is designed to aid lower-income borrowers and households of color who have historically faced steeper barriers in their path toward homeownership with \$6,000 in forgivable assistance for down payment and/or closing costs. This latest round of assistance is funded through \$10 million in Rebuild Illinois capital funds and is expected to assist more than 1,600 homebuyers.

“For generations, home ownership has paved a pathway to prosperity for working families,” **said Governor JB Pritzker**. “Unfortunately, Black and Brown people who sought to achieve this, faced insurmountable odds and, because of a prejudiced system, were left behind. We are righting that wrong and breaking down barriers with this round of funding.”

Originally launched in Dec. 2020, Opening Doors assisted more than 5,800 first-time and repeat homebuyers with \$35 million in Rebuild Illinois capital funds. The program is designed to increase home purchase accessibility for low- and moderate-income qualified homebuyers across Illinois. This includes Deferred Action for Childhood Arrivals (DACA) recipients, who pay hundreds of millions in federal, state and local taxes, yet struggle to find mortgage lenders and programs that will work with them.

“Traditionally, buying a home has been the most common strategy for working families to put down roots in a community and build household wealth,” **said IHDA Executive Director Kristin Faust**. “The Opening Doors program will make these opportunities possible for so many families and I want to thank the Governor for his leadership in finding new ways to invest in Illinois’ people and communities.”

According to the U.S. Census, 75% of white families in Illinois own their homes. In comparison, 39% of Black families and 53% of Latinx families own their homes. Illinois faces a significant homeownership gap based on race and programs like Opening Doors are utilizing Rebuild Illinois dollars to help narrow the gap. In addition to the financial assistance, the program is supported by a robust marketing and outreach campaign that engages HUD-approved housing counseling agencies, realtors, mortgage lenders and others who work with historically disinvested communities of color to increase awareness and promote homebuyer education among potential borrowers and industry professionals.

"For too long our communities were shut out of the 'American Dream', so we are once again Opening Doors for thousands of families across Illinois and providing the critical assistance necessary to acquire the home of their dreams," **said Assistant Majority Leader Lisa Hernandez (D-Chicago).**

Under Opening Doors, IHDA will provide a 30-year 1st mortgage with a fixed interest rate and \$6,000 in down payment and/or closing cost assistance. The down payment assistance is forgiven after five years and no monthly payment is due from the borrower. Borrowers must meet all eligibility requirements established for IHDA's down payment assistance programs, and homebuyer education is required. Opening Doors is not exclusive to first-time buyers and may be used by buyers in any county in the state.

Opening Doors is funded through a portion of the \$200 million appropriation to IHDA in the Rebuild Illinois capital plan ([P.A. 101-0029](#)). IHDA has used funding from the capital bill to develop and implement various programs including reducing barriers to homeownership and revitalizing and stabilizing communities. IHDA expects to launch additional programs to help create and preserve affordable housing in the coming months.

All IHDA mortgage programs offer safe and reliable down payment assistance to first-time homebuyers, qualified veterans and non-first-time homebuyers. All mortgage products are subject to income and purchase price limits. Eligibility for each product is based on the borrower's credit profile, household income and the purchase price of the home. In 2021, IHDA allocated nearly \$1.2 billion to help 7,310 households purchase a home in Illinois.

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

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La administración Pritzker relanza el programa para compradores de vivienda "Opening Doors"

Programa de asistencia para el pago inicial para abordar las barreras clave que enfrentan las comunidades históricamente desatendidas

CHICAGO – El gobernador JB Pritzker anunció la reapertura de un programa de propiedad de vivienda diseñado para ayudar a las familias de clase trabajadora y las comunidades de color subrepresentadas en todo el estado de Illinois. Ofrecido a través de la Autoridad de Desarrollo de Vivienda de Illinois (IHDA), el programa **Abriendo Puertas** está diseñado para ayudar a prestatarios de bajos ingresos y familias de color que históricamente han enfrentado barreras más pronunciadas en su camino hacia la propiedad de vivienda con \$6,000 en asistencia perdonable para el pago inicial y /o costos de cierre. Esta última ronda de asistencia está financiada a través de \$10 millones en fondos de capital de Rebuild Illinois y se espera que ayude a más de 1,600 compradores de vivienda.

“Durante generaciones, la propiedad de vivienda ha allanado el camino hacia la prosperidad para las familias trabajadoras”, **dijo el gobernador JB Pritzker**. “Desafortunadamente, las personas negras y latinas que intentaron lograr esto, enfrentaron obstáculos insuperables y, debido a un sistema prejuicioso, se quedaron atrás. Estamos corrigiendo ese error y derribando barreras con esta ronda de financiación”.

Lanzado originalmente en diciembre de 2020, Opening Doors ayudó a más de 5,800 compradores de vivienda nuevos y repetidos con \$35 millones en fondos de capital de Rebuild Illinois. El programa está diseñado para aumentar la accesibilidad a la compra de viviendas para compradores calificados de ingresos bajos y moderados en todo Illinois. Esto incluye a los beneficiarios de la Acción Diferida para los Llegados en la Infancia (DACA, por sus siglas en inglés), que pagan cientos de millones en impuestos federales, estatales y locales, pero luchan por encontrar prestamistas hipotecarios y programas que funcionen con ellos.

“Tradicionalmente, comprar una casa ha sido la estrategia más común para que las familias trabajadoras echen raíces en una comunidad y generen riqueza familiar”, **dijo la directora ejecutiva de IHDA, Kristin Faust**. “El programa Abriendo Puertas hará posibles estas oportunidades para tantas familias y quiero agradecer al Gobernador por su liderazgo en la búsqueda de nuevas formas de invertir en las personas y comunidades de Illinois”.

Según el censo de EE. UU., el 75 % de las familias blancas de Illinois son propietarias de sus casas. En comparación, el 39 % de las familias negras y el 53 % de las familias latinx son dueños de sus casas. Illinois enfrenta una brecha significativa en la propiedad de vivienda basada en la raza y programas como Abriendo Puertas están utilizando los dólares de Rebuild Illinois para ayudar a reducir la brecha. Además de la asistencia financiera, el programa cuenta con el respaldo de una sólida campaña de mercadeo y

divulgación que involucra a las agencias de asesoría de vivienda aprobadas por HUD, agentes inmobiliarios, prestamistas hipotecarios y otros que trabajan con comunidades de color históricamente desinvertidas para aumentar la conciencia y promover la educación para compradores de vivienda entre potenciales prestatarios y profesionales de la industria.

"Durante demasiado tiempo, nuestras comunidades estuvieron excluidas del 'sueño americano', por lo que una vez más estamos abriendo puertas para miles de familias en todo Illinois y brindando la asistencia crítica necesaria para adquirir la casa de sus sueños", **dijo la líder asistente de la mayoría Lisa Hernandez (D-Chicago).**

Bajo Abriendo Puertas, IHDA proporcionará una primera hipoteca a 30 años con una tasa de interés fija y \$6,000 en asistencia para el pago inicial y/o costos de cierre. La asistencia para el pago inicial se perdona después de cinco años y el prestatario no adeuda ningún pago mensual. Los prestatarios deben cumplir con todos los requisitos de elegibilidad establecidos para los programas de asistencia para el pago inicial de IHDA, y se requiere educación para compradores de vivienda. Abriendo Puertas no es exclusivo para compradores primerizos y puede ser utilizado por compradores en cualquier condado del estado.

Abriendo Puertas se financia a través de una parte de la asignación de \$200 millones a IHDA en el plan de capital Rebuild Illinois ([P.A. 101-0029](#)). IHDA ha utilizado los fondos del proyecto de ley de capital para desarrollar e implementar varios programas, incluida la reducción de las barreras a la propiedad de vivienda y la revitalización y estabilización de las comunidades. IHDA espera lanzar programas adicionales para ayudar a crear y preservar viviendas asequibles en los próximos meses.

Todos los programas hipotecarios de IHDA ofrecen asistencia segura y confiable para el pago inicial a compradores de vivienda por primera vez, veteranos calificados y compradores de vivienda que no son por primera vez. Todos los productos hipotecarios están sujetos a límites de ingresos y precios de compra. La elegibilidad para cada producto se basa en el perfil crediticio del prestatario, los ingresos del hogar y el precio de compra de la vivienda. En 2021, IHDA asignó casi \$1200 millones para ayudar a 7310 hogares a comprar una casa en Illinois.

Los propietarios interesados pueden encontrar información adicional y una lista de prestamistas participantes en <http://www.ihdamortgage.org/>.

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Homeownership is within reach.
We'll help you grow roots in Illinois.

Opening Doors offers safe and affordable financing. With \$6,000 in assistance that can be used towards down payment or closing costs, you'll be a successful homeowner for the long-term!

Affordable
fixed-interest rates



Knowledgeable
local lending partners



Access to homebuyer
education



Nearly 40 years of
experience helping
Illinois homebuyers



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



Available to DACA (as guidelines allow)

Providing homeownership opportunities for 30+ years

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





Su vivienda está dentro su alcance.
Le ayudaremos crecer sus raíces en Illinois.

Abriendo Puertas le ofrece financiamiento seguro y asequible.
Con \$6,000 de asistencia que puede ser utilizado para su cota inicial y/o
costos de cierre, será un dueño de vivienda para el largo plazo!

Intereses fijos
y asequibles



Prestadores locales
con conocimiento



Acceso a educación
de compra de vivienda



Cerca de 40 años
de experiencia
ayudando compradores
de vivienda en Illinois.



Empiece por contactándose con un prestador
o un banco aprobado por IHDA www.IHDAmortgage.org
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

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



New Down Payment Assistance Programs – Talking Points

IHDA Background

- The Illinois Housing Development Authority (IHDA) was created by the state legislature in 1967 as a self-supporting agency with a mission to finance the creation and preservation of quality affordable housing across Illinois.
- IHDA accomplishes this mission as a bonding authority that makes direct mortgage loans with funds obtained through the sale of tax-exempt securities, while also administering many of the state and federal housing development programs operating within Illinois.
- IHDA was originally established to help meet the need for affordable rental housing in Illinois, but our scope has expanded to reflect the changing need of homebuyers, homeowners, renters and entire communities.

Homeownership Background

- IHDA has offered affordable homeownership programs since the early 1980s.
- We currently offer several down payment assistance programs to help homebuyers of moderate means to purchase their first home.
 - We accomplish this mission with more than 165 local partner banks who originate IHDA loans.
 - We also partner with community-based organizations that provide homebuyer counseling and other services.
- IHDA's programs are safe, require no additional time for the closing process compared to a traditional mortgage, and often provide the boost first-time buyers need to achieve homeownership.
- Important to note that IHDA has an interest in the stability of the Illinois real estate market, the health of local communities and the success of our individual borrowers. We are mission-driven and have safeguards in place (credit and DTI overlays) that ensure our borrowers have homes they can afford for the long-term.
 - Must satisfy income and purchase price limits.
 - Required credit score of 640.
 - Maximum Debt-to-Income Ratio of 45%.
 - Require borrowers to receive housing counseling before they purchase.

Homeownership Demographics

- Nearly 10% of all first-time homebuyers in Illinois utilize IHDA loan products to help come up with the additional leverage needed to close on their mortgage.
- IHDA products are traditionally geared towards working class families, as evidence by 40% of IHDA home loans going to the BIPOC communities in CY2020.
- The average home buyer is 37 years old and makes \$60,500 annually.

- IHDA Mortgage has already surpassed \$1 Billion in single-family mortgage reservations in CY2020.
- In an effort to continue to grow on the state's success in serving historically underrepresented communities, we want to announce two exciting programs which provide further opportunity to increase generational wealth and build homeownership accessibility.
- Opening Doors and Smart Buy are utilizing \$60 million in Capital Bill funds to assist in helping support underserved communities. These programs are providing an opportunity to those who thought homeownership would always be out of reach.

Opening Doors

- IHDA Mortgage Opening Doors, or Abriendo Puertas, is designed to provide a safe and affordable lending program that allows families across Illinois the opportunity to break the cycle of renting and achieve a path to homeownership.
- IHDA will provide a 30-year 1st mortgage with a fixed interest rate and \$6,000 in down payment and/or closing cost assistance. The loan is forgiven after five years meaning you are not required to repay that \$6,000 so long as you live in that house.
- While available to any potential homebuyer, there will be specific marketing and outreach to certain demographics that have seen increased barriers to homeownership, including:
 - African American community;
 - Hispanic/Latinx Community;
 - Historically disinvested communities; and
 - Deferred Action for Childhood Arrivals (DACA) community.
- The program is expected to assist approximately 6,000 borrowers.

Smart Buy

- The IHDA Mortgage SmartBuy is designed to increase home purchase accessibility and help build a new generation of wealth, grow the middle class and increase homeownership opportunity for low- to moderate-borrowers across Illinois affected by increasing student loan debt.
- IHDA Mortgage SmartBuy will provide a safe, affordable 30-year fixed rate first mortgage with a deferred \$5,000 for down payment and/or closing cost assistance.
- In addition to the down payment assistance, SmartBuy will provide 15% of the purchase price (up to \$40,000) in assistance for student loan debt relief to borrowers looking to buy a home and help build generational wealth.
- Potential borrowers must have at least \$1,000 in student loan debt and must pay off their full remaining student loan balance at loan closing.
- The promissory note and deed restriction will have a term of 3 years, and if the borrowers sell the property within that time, they will need to sell to another borrower within IHDA's income and purchase price limits.
- The program is expected to assist 500 - 1000 borrowers depending on the size of assistance.

Call to Action/How to Apply

- Both programs are available statewide for either first-time or non-first-time homebuyers.
- You can find more information on the benefits and requirements of each of IHDA's down payment assistance programs, as well as a list of participating lenders on our homeownership website - www.IHDAmortgage.org.
- If you have any questions about the process or would like to apply, you should contact one of the participating lenders listed on our website. We work with 165 mortgage lenders working in communities throughout the state.
- IHDA lenders can do detailed eligibility tests, help borrowers determine which program is best for their specific situation and manage the application process from start to finish.
- Finally, borrowers can speak with IHDA's homeownership team directly at 877-456-2656 or mortgage@ihda.org.