

# ***Assist 2011*** Homebuyer Assistance

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Affordable home ownership for families

## Program Outline

Utilizing a two-pronged approach to assist homebuyers, the program is sponsored by communities throughout the state to promote home ownership. The home buyer assistance feature of the *Assist 2011* program provides families with funds to pay all or most of their closing costs and down payment, enabling families with good credit but little available capital to buy their first home.



The mortgage credit certificate (“MCC”) feature reduces the homebuyer’s ongoing cost of borrowing whenever market conditions result in uncompetitive interest rates for loans funded in the tax-exempt bond market.

### Overview

- Communities join together through an Inter-governmental Cooperation Agreement.
- Home rule communities may contribute private activity bond volume cap to support either a tax-exempt bond issuance or the MCC feature
- Non-home rule communities apply for volume cap from the State
- No financial contribution or commitment required from any participant
- Any Illinois municipality can participate

### Loan Funding

- Loans are funded with proceeds of tax-exempt bonds or through the direct sale of taxable mortgage-backed securities based on the sale method providing the lowest interest rate
- The bonds and securities are sold at a premium, a price greater than their face amount, which provides funding for the home buyer assistance
- Proceeds of the bonds and securities are used to make the home loans and fund the assistance
- The bonds and securities are not a debt of the municipalities or paid from any participating community’s funds, and are secured only with loans on homes purchased with ***Assist 2011***
- The City of Aurora acts as issuer on behalf of all the communities

### Loan Description

- 30 year fixed rate loans
- FHA/VA loans available
- ***Assist*** pays 3% cash assistance to qualifying home buyers to fund closing costs and down payment assistance
- Loans are funded with proceeds of tax-exempt bonds or direct sale of mortgage-backed securities

## Qualifying Homebuyers

- First time home buyers (not owned residence in three years)
- Will occupy the home as their residence
- Meet income guidelines
- Meet purchase price guidelines

## Mortgage Credit Certificates

- MCC's are a federally authorized program created as an alternative to tax-exempt housing bonds to reduce effective interest costs for qualifying homebuyers
- MCC's allow the homebuyer to qualify for a federal income tax credit equal to a percentage of the interest paid on their home loan each year
- MCC holders still qualify for a regular deduction of the remaining interest paid on their home loan

	Without MCC	With MCC
<b>Mortgage Amount</b>	\$100,000	\$100,000
<b>Mortgage Interest Rate</b>	5.00%	5.00%
<b>Monthly Mortgage Payment</b> (first year interest = \$4,966.49)	\$536.82	\$536.82
<b>MCC Rate</b>	N/A	25%
<b>Monthly Credit Amount (First Year Average)</b> (25% of \$4,966.49 is first year credit)	N/A	\$103.47
<b>"Effective" Monthly Mortgage Payment</b>	\$536.82	\$433.35

## Assist 2011 Advantages

- Provides additional home ownership opportunities in each Community
- Home ownership provides added stability in a community
- Serves the large segment of potential home buyers who qualify for loans but lack funds for a down payment and closing costs
- Strategic alliance with lenders throughout the state
- Customized marketing in each municipality
- No out-of-pocket expense to any community to participate

## Program Details

<b>Total Home Buyer Assistance:</b>	<b>4.75% (est.)</b>
Closing Costs and Down Payment:	3.00%
Origination Fee:	1.75% (est.)

**Bond Counsel:**

Chapman & Cutler

**STATE OF ILLINOIS  
PURCHASE PRICE AND INCOME LIMITS  
SINGLE FAMILY PROGRAMS**

**NON-TARGETED AREAS**

COUNTY NAME	INCOME LIMITS		PURCHASE PRICE LIMITS	
	1 or 2 People	3 or More People	New Homes	Existing Homes
BOONE	\$76,200	\$88,900	\$309,190	\$309,190
COOK	\$90,120	\$105,140	\$373,671	\$373,671
DEKALB	\$87,480	\$102,060	\$373,671	\$373,671
DUPAGE	\$90,120	\$105,140	\$373,671	\$373,671
GRUNDY	\$89,880	\$104,860	\$373,671	\$373,671
KANE	\$90,120	\$105,140	\$373,671	\$373,671
KENDALL	\$103,997	\$119,597	\$373,671	\$373,671
LAKE	\$90,120	\$105,140	\$373,671	\$373,671
MADISON	\$69,711	\$80,168	\$256,329	\$256,329
McLEAN	\$76,600	\$88,090	\$247,033	\$247,033
ST. CLAIR	\$69,711	\$80,168	\$256,329	\$256,329
WILL	\$90,120	\$105,140	\$373,671	\$373,671
WINNEBAGO	\$76,200	\$88,900	\$309,190	\$309,190
OTHER PROGRAM AREAS	\$69,600	\$80,040	\$247,033	\$247,033

**TARGETED AREAS**

COUNTY NAME	INCOME LIMITS		PURCHASE PRICE LIMITS	
	1 or 2 People	3 or More People	New Homes	Existing Homes
BOONE	\$83,520	\$97,440	\$377,898	\$377,898
CHAMPAIGN	\$83,520	\$97,440	\$301,929	\$301,929
COOK	\$90,120	\$105,140	\$456,709	\$456,709
DEKALB	\$87,480	\$102,060	\$456,709	\$456,709
KANE	\$90,120	\$105,140	\$456,709	\$456,709
KANKAKEE	\$83,520	\$97,440	\$301,929	\$301,929
LAKE	\$89,880	\$104,860	\$456,709	\$501,110
LASALLE	\$83,520	\$97,440	\$301,929	\$301,929
MACON	\$83,520	\$97,440	\$301,929	\$301,929
MADISON	\$83,520	\$97,440	\$313,291	\$313,291
McLEAN	\$91,920	\$107,240	\$301,929	\$301,929
PEORIA	\$83,520	\$97,440	\$301,929	\$301,929
ROCK ISLAND	\$83,520	\$97,440	\$301,929	\$301,929
SANGAMON	\$83,520	\$97,440	\$301,929	\$301,929
ST. CLAIR	\$83,520	\$97,440	\$313,291	\$313,291
STEPHENSON	\$83,520	\$97,440	\$301,929	\$301,929
TAZEWELL	\$83,520	\$97,440	\$301,929	\$301,929
VERMILION	\$83,520	\$97,440	\$301,929	\$301,929
WILL	\$90,120	\$105,140	\$456,709	\$456,709
WINNEBAGO	\$83,520	\$97,440	\$377,898	\$377,898