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

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

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

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

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

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

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

- 405 full-time jobs
- \$16.7 million from real estate-related industries

- More than \$5.3 million in economic activity for the state
- Additional \$10.6 million in other statewide spending

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

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

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

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

Welcome Home Heroes

Welcome Home Heroes financing package

Launched to honor those who sacrifice to safeguard our freedom, *Welcome Home Heroes* is open to all qualified Illinois veterans, active military personnel, reservists and Illinois National Guard members.

The *Welcome Home Heroes* homebuyer financing package includes:

- a \$10,000 forgivable loan over two years for down payment and closing cost assistance
- a 30-year fixed rate mortgage that has an affordable interest rate (4 percent as of 12/14/11)
- an optional mortgage credit certificate to reduce federal income tax liability.

Eligibility

- Veterans (who need not be first-time homebuyers)
- Active military personnel, reservists and Illinois National Guard members (must be first-time homebuyers)
- Buyers must qualify based on [income and purchase price limits](#).

How to apply

Interested buyers must apply through a [lender](#) in their area. The program only applies to 1-2 unit residential properties in the State of Illinois purchased as a primary residence. The new loan builds on the existing affordable home loan, [SmartMove](#), also available through IHDA's lenders.

How does the tax credit work?

A mortgage credit certificate (MCC) enhances the benefit of the federal homeowner mortgage interest deduction. Homeowners with the credit are allowed to use 20 percent of their annual mortgage interest as a direct federal tax credit, resulting in a dollar-for-dollar reduction of their annual federal income tax liability. The remaining 80 percent of their annual mortgage interest will continue to qualify as an itemized tax deduction.

For example:

Based off a \$150,000 loan with a four percent interest rate:

Without MCC

With MCC

Income

\$55,000

\$55,000

Mortgage interest deduction

\$5,952

\$4,762 (80 percent of \$5,952)

Taxable income

\$49,048

\$50,238

Taxes paid @ 15 percent tax bracket

\$7,357

\$7,536

MCC tax credit

N/A

\$1,190 (*20 percent of \$5,952*)

Income tax due

\$7,357

\$6,346

Tax savings

N/A

\$1,011