



OFFICE OF THE GOVERNOR

NEWS

ROD R. BLAGOJEVICH – GOVERNOR

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Gov. Blagojevich announces \$15 million program to help Veterans and active duty personnel afford homes

G-I Loan program makes Illinois first state in the nation to offer comprehensive homeownership package to those serving their country

CHICAGO – Governor Rod R. Blagojevich today launched a new \$15 million pilot mortgage program to help Illinois Veterans and active duty personnel afford their own homes. On behalf of the Governor, housing and Veterans officials announced the program, called the *G-I Loan for Heroes*, designed to help more than 100 qualified Veterans and service men and women secure low-interest mortgages and closing cost assistance. The announcement makes Illinois the first state in the nation to provide significantly below-market interest, 30-year fixed rate mortgages to qualifying former and current service men and women who are working hard to provide for themselves and their families.

“We owe a huge debt of gratitude to the men and women who are willing to leave behind their families and comfortable lives to face danger head-on and preserve our freedom. We should do everything we can to help our soldiers and Veterans succeed when they come back home,” said the Governor. “That’s why we created the *G-I Loan for Heroes* program – to help Veterans and active duty personnel and their families achieve the American Dream of owning their own homes, so they can build equity and build better lives.”

The new program offers a low-interest rate first mortgage for 80 percent of the purchase price and an interest-free second mortgage for 20 percent of the purchase price, up to \$40,000. Homebuyers under the program will also receive a grant up to \$2,500 to help with closing costs and free homeownership counseling, which is compulsory.

Applicants need to contribute \$1,000 of their own money toward the down payment on the purchase of a single-family home, condominium or duplex. Income, purchase price limits, and credit qualifications also apply and vary from county to county. To qualify in Cook County, a Veteran or active duty service man or woman with a family of three or more must have a household income of no greater than \$83,260 and the purchase price of the home can not exceed \$325,890.

Veterans and men and women currently on federal active duty in the Armed Services and the Reserve Forces may qualify for assistance in buying a primary residence even if they owned a home in the past. Only active duty service personnel need to be a first-time homebuyer to qualify for the *G-I Loan*.

According to figures from the Illinois Department of Veterans' Affairs (IDVA), an average of 900 Veterans visit the department's field offices every year looking for assistance to qualify for home loans. Presently the only option they had is to apply for the federal VA loan which has a zero down payment policy but offers market interest rates (currently 6.33 per cent). The VA loan is also only available to Veterans.

The new *G-I Loan for Heroes* program is available to current active duty service personnel, federally activated National Guardsmen and Reservists, as well as Veterans and offers interest rates as low as 4.75 per cent in some cases.

"The Governor has done something exceptional here because he has pulled together every available resource into one homebuyer package. For the families who will benefit from this program it will provide them with the stability of homeownership and still leave them with money in their pocket for everyday necessities," said DeShana Forney, Illinois Housing Development Authority (IHDA) Executive Director.

"Under the Governor's leadership, I am proud to see Illinois set an example of how to honor those who serve by providing homeownership opportunities. Hundreds of Veterans a year visit our agency's field offices to apply for a Certificate of Eligibility for a home loan, indicating a real demand for homeownership among Veterans. Our Veterans and active duty service personnel deserve more options. Governor Blagojevich's *G-I Loan for Heroes* is a much more fiscally sound mortgage package than is available through the federal VA or any other lender," said Tammy Duckworth, IDVA Director.

Many families of active duty service personnel struggle to survive while their active duty family member is away serving their country. Often, service men and women are forced to let go of their higher-paid civilian jobs during deployment, which can make homeownership unattainable.

Dennis Lopez, a 52-year-old Veteran honorably discharged from the Marine Corp. in 1978 plans to apply for the new *G-I Loan* to help buy a home for himself, his wife Angie, and six-year-old daughter Ekterina. Lopez says he was forced to return to renting his current home in south Chicago after struggling to meet mortgage payments on a previous home. He hopes the free

homeownership counseling offered under the program will help him manage the family's loan obligations.

"I am grateful to Governor Blagojevich for making Illinois the country's first state to invest in the homeownership needs of our Veterans and active duty service personnel. With high property prices, Veterans and active service men and women can't keep up," said Lopez. "This program will help me to provide a safe and stable environment for my daughter to grow up in. Aside from the honor of serving my country, it is good to know that my four years of active duty on the USS Constellation aircraft carrier will help me afford to buy my own home."

The Lopez family today joined IHDA Executive Director Forney and IDVA Director Tammy Duckworth to launch the *G-I Loan for Heroes* program in Chicago. The new mortgage program will be implemented by IHDA as part of the State agency's *I-Loan Mortgage Program*.

IHDA does not originate loans directly to consumers. To receive a home mortgage through this program, qualified Veterans and active duty service personnel must contact one of the IHDA-approved partner banks listed at www.ihda.org or call 312-836-5244 to receive the list by mail. The agency will continue to train its more than 340 partner lenders at over 1,000 branches across the state to accept applications for the *G-I Loan for Heroes*.