

# IHDA Mortgage New Programs

Fall 2020

Homeownership Team



877-456-2656



[mortgage@ihda.org](mailto:mortgage@ihda.org)



# Please Mute Your...

We want (almost) everyone to be heard so please mute your mic and place your questions in the chat box for the Q&A at the end!



Microphones



Children



Dogs



Etc.



# Our Goals



## **Increase Homeownership Accessibility**

Make homeownership within reach for low – moderate income families.



## **Promote Homeownership**

A safe and affordable lending program can allow families to break the cycle of renting and grant access to homeownership.



## **Stabilize Communities**

The stability of homeownership is a key way to improve the health and safety of low – moderate income families.



# The Inequity Of Our Industry...

Challenges we face:



## Lower homeownership rates

Only 37.8% of black households own homes in Illinois, 47% for Latino households, compared to a whopping 72.6% for white households.

## No American Dream for the Dreamers (DACA)

Illinois DACA recipients have paid over a 120 million dollars in taxes, but still struggle to find mortgage lenders and programs that will work with them.

## Higher Lending Costs

Black homeowners will pay \$67,320 more for their houses on average because each month Black homeowners pay slightly higher mortgage rates, mortgage insurance premiums, and property taxes. IHDA limits fees and everyone gets the same interest rate.

# The Inequity Of Our Industry (2)...

Challenges we face:



## Black Homebuyers carry 30% more student debt

The National Association of REALTORS found that black homebuyers carried \$38,060 in student debt, while white buyers only carried \$30,000.

## Student Debt is a bigger barrier to minorities

Compared to those without outstanding student loans, black and Hispanic borrowers had \$36,000 less in net worth than their peers.

## Underinvested

For every \$1 that banks loaned in Chicago's white neighborhoods, they invested a mere 12 cents in black neighborhoods, and 13 cents in Latino areas.

# New Programs!



**SMARTBUY**

Down Payment Assistance WITH Student  
Loan Debt Relief

\$5,000 DPA with up to \$40,000  
for student loans



**OPENING DOORS**  
Abriendo Puertas

\$6,000 DPA

**Both require pre-purchase  
homebuyer education!**



# SMARTBUY

# The Math Of SMARTBUY



**49%**

*Are delaying  
buying a house  
due to student  
loans.*

**Student loans =  
2<sup>nd</sup> Largest  
Expense**

*Trailed only by rent...*

**\$33,500**

*Average Student  
Debt.*

**\$216**

*Average Monthly  
Student Debt  
Payment*

**11 years**

*Average time it takes  
Illinoisans to payoff  
student loans*



# How does SmartBuy work?



SmartBuy aims to increase access to homeownership by removing the burden of student loans for homebuyers.

- It comes with a flat \$5,000 deferred that can be used for down payment assistance or closing costs.
- It will also pay 15% of the purchase price toward the payoff of your student loans up to \$40,000!





# SMARTBUY

**1<sup>st</sup> Mortgage  
Term**

30-Year fixed rate

**Allowed Loan  
Type**



**Fannie Mae<sup>®</sup> ONLY**

**DPA Assistance**

**\$5,000 flat deferred**

**Student Loan  
Assistance**

**15% of purchase price up  
to \$40,000**

**2<sup>nd</sup> Mortgage  
Term**

Due upon the sooner of the  
maturity date or repayment of  
the 1<sup>st</sup> mortgage

**Student Loan  
Assistance Terms**

Promissory Note and Deed  
Restriction; no repayment  
required after 36 months





# SmartBuy Terms



## Borrower

- 640 minimum FICO
- Must have at least \$1,000 in student loans from qualified source (no private loans)
- First-time or non-first time homebuyer
- Must be current on their student loans (forbearance is ok)

## Limits

- Borrower's income must not exceed the applicable county limits
- Purchase Price cannot exceed the applicable county limits

## Financing

- Fannie Mae Loan Types Only!
- All student loans must be paid off at closing by the 15% assistance or in combination with borrower funds





# SMARTBUY Process

1

Borrower applies for SmartBuy with a SmartBuy Lender.

2

Lender checks eligibility against IHDA Mortgage income limits and SmartBuy submission cover

3

Lender uploads pre-close loan package documents for pre-close review approval

4

IHDA reviews and issues pre-close approval

5

Lender closes loan and uploads post-close loan package.

6

IHDA reviews package and issues approved for purchase.

Can any  
lender  
participate?



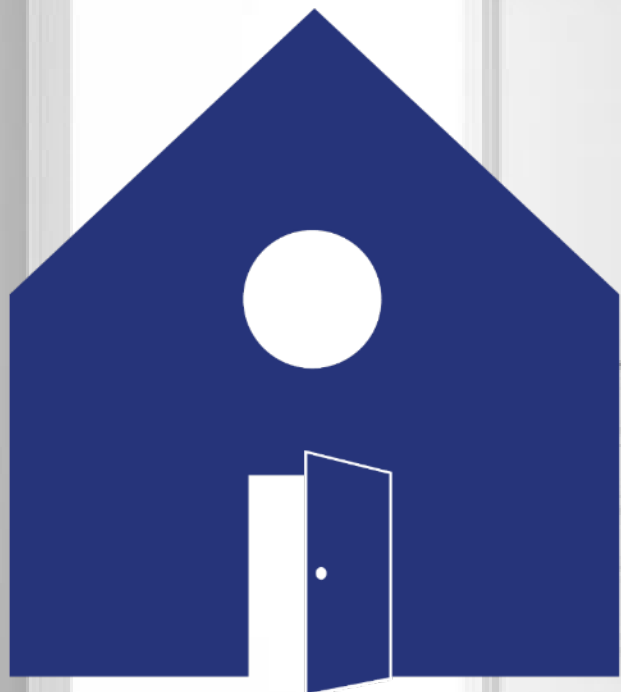
**SMARTBUY**

Yes, but...

Lenders must indicate they  
want to participate.

*A separate list of lenders will be  
available on*

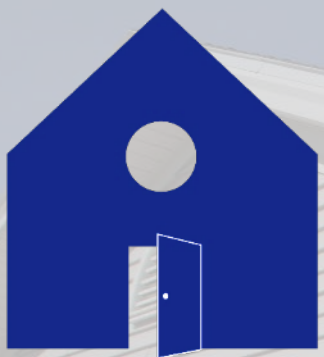
[www.ihdamortgage.org/smartbuy](http://www.ihdamortgage.org/smartbuy)



# OPENING DOORS

## Abriendo Puertas





## OPENING DOORS Abriendo Puertas

# \$6,000 Flat DPA

1<sup>st</sup> Mortgage  
Term

30-Year, fixed rate

Assistance  
Amount

**\$6,000 flat**

2<sup>nd</sup> Mortgage  
Term

**5 Years**

DPA  
Repayment

No Repayment due after 5  
years

# Existing Programs



**IHDAccess**  
*Forgivable*

**4%**

UP TO

**\$6,000**

A no monthly payment, forgivable down payment assistance loan, no repayment unless sold or refinanced before 10 yr. forgiveness period.

**IHDAccess**  
*Deferred*

**5%**

UP TO

**\$7,500**

A no monthly payment, deferred down payment assistance loan, payment is due when you sell or refinance.

**IHDAccess**  
*Repayable*

**10%**

UP TO

**\$10,000**

A zero-interest repayable down payment assistance loan, monthly repayment is required.



# Account Managers



Racheal Falzone



[RFalzone@ihda.org](mailto:RFalzone@ihda.org)  
(312) 914-5023

John Maksim



[JMaksim@ihda.org](mailto:JMaksim@ihda.org)  
(312) 802-1894

Rosie Verdin



[RVerdin@ihda.org](mailto:RVerdin@ihda.org)  
(312) 438-3538



# We need your help!

Let's get the word out!



## Tell friends and family!

People are 90% more likely to utilize a product or program if it's endorsed by a friend or family member.



## Share on your social channels!

SmartBuy will have a dedicated link for interested homebuyers, and we'll be sending along information to everyone that participated in this webinar soon!



## Go old-school with flyers!

We will have flyers available to anyone that is interested in promoting these programs soon. Also, if you need something different that is co-branded, let us know! We'll work with you!



## Tell us how we're doing!

We love feedback. If you have comments, suggestions, or criticism, we're all ears!

# Q & A

*Get your questions ready!*

1. Please keep your mic muted!
2. Put your questions in the chat and we'll answer them in order.

*You can also email [Mortgage@ihda.org](mailto:Mortgage@ihda.org) with any questions we didn't cover!*



A background image showing a man and a woman moving boxes into a house. The man is carrying a large box, and the woman is walking up the steps. The image is overlaid with a blue gradient and decorative diagonal lines in blue and green.

# Thank You!

We Appreciate Your Partnership!

**Tara Pavlik**  
*Managing Director*



877-456-2656



[mortgage@ihda.org](mailto:mortgage@ihda.org)

