City of Rockford
Community & Economic Development
Neighborhood Development Division

Homebuyer Incentive Program

THE CITY OF ROCKFORD PROVIDES HOMEBUYER ASSISTANCE FOR THE HOMES FEATURED IN THIS BROCHURE.

City of Rockford
425 East State Street
Rockford, IL 61104
779-348-7162
888-394-7293 (fax)
www.rockfordil.gov

THE CITY OF ROCKFORD ILLINOIS, USA

Home for Sale

<u>224 Foster Avenue</u>

$29,900

Minimum of $1,000 in financial assistance

Contact Matthew Koch
Gambino Realtors:
Phone 815-282-2222
E-mail mkhootie@juno.com

Eligibility Requirements

One of the requirements is to have a household income at or below the limits shown on the table below.

INCOME LIMITS	
Household Size Number of people planning on living in the home **regardless** of age	Household Income Combined gross income of everyone eighteen (18) years of age and older
1	$32,700 or Less
2	$37,350 or Less
3	$42,000 or Less
4	$46,650 or Less
5	$50,400 or Less
6	$54,150 or Less
7	$57,850 or Less
8	$61,600 or Less

Eligibility Requirements *(cont.)*

Homebuyer Education:

You must attend a homebuyer education class prior to purchasing the property. The class is offered at the agencies listed on page 6 and you may choose the agency that is most convenient for you. Exceptions may be made for homebuyers who completed the Self Sufficiency program through the Rockford Housing Authority.

Homebuyer Education Class Agencies

- Family Credit Management (FCM)
  815-484-1600
- HomeStart (formerly the Rockford Area Affordable Housing Coalition) 815-962-2011

Getting your 1st mortgage:

- You may use a lender of your choice.
- Your anticipated monthly mortgage payment (principal, interest, taxes, and insurance) cannot exceed 30% of your gross monthly income.
- Your monthly debt to income ratio must be at or below 41%.
- You must qualify for 30 year fixed conventional or FHA mortgage. No Adjustable Rate Mortgage (ARMs) are allowed.
- You may not receive cash back at the time of purchase (except for any pre-paid costs and property tax credits over and above the reserves required).
- Your closing costs (not including prepaid charges & reserves, interest, and escrows) cannot exceed 5% of the 1st mortgage loan amount.

How Do I Buy This Home?

1. You or your realtor calls the contact person for the home you are interested in. They will show you the home or plans for the home and give you a pre-application.
2. Complete and submit the pre-application to the City of Rockford Community & Economic Development Department located in the City Hall building 425 E. State Street. There is no application fee.
3. At the initial interview, the City will request you bring the information below for everyone eighteen (18) years of age and older planning to live in the home.

√ 2 month of pay check stubs (most recent)
√ Social Security Award Letter
√ Court Ordered Child Support statement
√ Any other documents demonstrating income
√ Most recent Federal tax return
√ Most recent State tax return
√ W-2 statements
√ Six most recent checking account statements
√ One most recent statement on all savings accounts, including Certificate of Deposits, IRA's, 401(k) and stocks, etc.
√ Documentation of assets owned, such as statement indicating the cash value of a life insurance policy, an assessment of any property owned, etc.
√ Illinois ID or Illinois Driver's license
√ Social Security card

Each homeowner's financial situation is different and may require the City to ask for additional documents.

4. A City representative will contact you to schedule an interview.

Frequently Asked Questions

Q: What is Homebuyer Assistance?

A: Homebuyer Assistance is a forgivable mortgage loan provided to the homebuyer at the time of purchase. The assistance should ultimately reduce the first mortgage loan amount the homebuyer obtains from a 1st mortgage lender of their choice.

Q: What is a forgivable mortgage loan?

A: The longer you stay in your home the less you need to pay back. If you stay in your home for five (5) years and follow the terms of the loan, your loan balance is reduced to ZERO and you owe nothing!

Q: What is household income and how does the City figure out what my household income is?

A: Household income is the combined gross income of everyone that will be living in the home over the age of 18, projected out over the next year. Take your gross monthly income as it is today and multiply it by 12.

Q: What is household size?

A: Household size is the total number of people living in the home, regardless of age and relationship to the homeowner.

Q: Although I am not selling my house during the 5 year loan term, I have decided to move. Therefore, I will not be living in the house as my primary residence like the program requires. What happens?

A: Money was spent on your home to ensure it met local code when you purchased it. The total amount of money used to fix the home and the original loan amount need to be repaid. Any forgiveness of the loans is forfeited when you move out before the 5 years.

Additional Resources

Not sure if you are ready to buy a home? Family Credit Management (FCM) and HomeStart (formerly the Rockford Area Affordable Housing Coalition) have professional housing counselors ready to prepare you for homeownership. Find out how by calling FCM at 815-484-1600 or HomeStart at 815-962-2011.

Want to learn more about the home buying process?
Trying to locate the perfect home for you and your family? Check out the Rockford Area Realtors web site at www.rockfordarearealtors.org.

The Department of Housing and Urban Development (HUD) web site, www.hud.gov, has very valuable information too. Besides being able to shop for a HUD home, homebuyers can learn the answers to questions such as:
1) How much of a home can I afford?
2) What are the steps I take to purchase a home?
3) What is the Good Neighbor Next Door Sales Program?

Rockford Area Habitat for Humanity
815-636-4573
www.rockfordhabitat.org

Various financial institutions serving the Rockford area have access to additional resources as well.

EQUAL HOUSING OPPORTUNITY

Racial Discrimination in housing of any size is a violation of the Civil Rights Act of 1966.

In addition, the Civil Rights Act of 1966 contains a Federal Fair Housing Law (Title VII) which established fair housing as the policy of the United States. This prohibits discrimination on the basis of race, color, religion, national origin, handicap or familial status.

Information has been included regarding programs available as of March 31, 2015. Because possible program revisions could affect the Information contained herein, please contact the Community & Economic Development Department for the latest on program guidelines and availability.

Community & Economic Development Department Mission Statement:

To provide leadership, foster partnerships, and promote balanced growth to enhance the quality of life in all neighborhoods.

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