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 May 18, 2016. 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.

City of Rockford
Community & Economic Development
Neighborhood Development Division
425 E. State Street
Rockford, IL 61104
www.rockfordil.gov

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Rockford, IL 61104

THE CITY OF ROCKFORD ILLINOIS, USA

Excellence in Services

City of Rockford
Community & Economic Development
Neighborhood Development Division

Homebuyer Incentive Program

THE CITY OF ROCKFORD PROVIDES HOMEBUYER ASSISTANCE FOR THE HOME 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

224 Foster Avenue

Purchase Price: $29,900

Homebuyers receive a minimum of $1,000 in homebuyer assistance*

This completely renovated, two story home has the following features:

- 1,220 square feet of living space
- 3 bedrooms
- 1 ½ baths

Contact the City of Rockford
Community and Economic Development Department
425 East State Street, 2nd Floor, Rockford, IL 61104
Phone 779.348.7162

*The amount of homebuyer assistance is based on need to ensure the home is affordable to the buyer.

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 the full term (5 or 10 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 homebuyer.

Q: Although I am not selling my house during the 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 that 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 if move out before the term is met.

How Do I Buy This Home?

1. You or your Realtor calls the City of Rockford to schedule a showing of the home.
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 that you bring the applicable information below for everyone eighteen (18) years of age and older planning to live in the home:
   - √ 2 months 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.

Eligibility Requirements

Income Limits:
Qualified homebuyers will 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	$32,900 or Less
2	$37,600 or Less
3	$42,300 or Less
4	$46,950 or Less
5	$50,750 or Less
6	$54,500 or Less
7	$58,250 or Less
8	$62,000 or Less

Homebuyer Education:
Qualified homebuyers will take a homebuyer education class prior to purchasing the property. Contact HomeStart at 815-962-2011 to register. Exceptions may be made for homebuyers who completed the Self Sufficiency program through the Rockford Housing Authority.

Eligibility Requirements *(cont.)*

Homebuyer Financial Contribution:
At a minimum, homebuyers will provide $250 toward the cost of purchasing the home.

Homebuyer Assets:
Liquid assets of the homebuyer may not exceed $50,000. Liquid assets do not include Individual Development Accounts, retirement accounts, or the cash value of a life insurance policy.

Homebuyer Credit:
- It must be at least 2 years since a bankruptcy has been discharged.
- It must be at least 3 years since the discharge date of a foreclosure.
- A first mortgage lender must be willing to provide you a first mortgage loan. Exceptions may be made when a HUD Certified Housing Counseling Agency determines you will be mortgage ready within 1 year.

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 cannot exceed 41% of your gross monthly income.
- Financing will be a 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).