

# **Federal program offers \$35,000 to assist seniors struggling with reverse mortgages**

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## **ILLINOIS HOUSING DEVELOPMENT AUTHORITY**

CHICAGO – The Illinois Housing Development Authority (IHDA) today launched the Reverse Mortgage Assistance Program to help senior homeowners with a reverse mortgage pay back taxes and avoid foreclosure. Starting April 3, IHDA will provide up to \$35,000 in federal assistance to qualifying borrowers with reverse mortgages to pay overdue property taxes, eligible property expenses and future property taxes so they can avoid foreclosure and remain in their homes.

“There is a real need for this kind of assistance in Illinois,” said IHDA Executive Director Audra Hamernik. “Many of these seniors are on fixed incomes and took out a reverse mortgage to help with healthcare or everyday living costs. They don’t have the resources to weather an unexpected home repair, medical event or loss of household income. This program offers the help they need to get back on track with their payments before they lose their home.”

Reverse Mortgages allow homeowners 62 and older to borrow against the equity they have built up in their home. The proceeds the borrower receives from the reverse

mortgage must be repaid when the house is sold or the homeowners move. The borrower is still responsible for paying property taxes and homeowner's insurance, and if they are unable to keep up with their payments, they may lose the home to foreclosure.

The Reverse Mortgage Assistance Program offers up to \$35,000 to reinstate a homeowner's delinquent property expenses and pay future taxes and insurance for up to two years. The assistance provides a window of opportunity for the homeowner to develop a financial recovery plan with a certified housing counselor without the immediate threat of foreclosure. To qualify, the homeowner must have taken out an FHA Reverse Mortgage secured to a property located in Illinois and experienced a qualifying hardship. The homeowner must live in the property as their primary residence and have a household income lower than 120 percent of their county's median income, or \$73,920 for a household of two in Cook County.

The Reverse Mortgage Assistance program is funded by the U.S. Department of the Treasury's Hardest Hit Fund (HHF) program, a resource created in 2010 to provide targeted assistance to states deemed hardest hit by the economic and housing market downturn. The program was designed to leverage the expertise of state and local partners by funding locally-tailored foreclosure prevention and neighborhood stabilization solutions. In addition to the new reverse mortgage program, IHDA uses HHF funds for temporary mortgage payment assistance, refinance assistance, blight elimination and down payment assistance for first-time homebuyers. Together, the programs cater to the specific needs of homeowners, homebuyers and entire communities.

Interested homeowners can apply through one of the housing counseling agencies below:

<i><b>Housing Agency</b></i>	<i><b>City</b></i>	<i><b>Phone</b></i>
H.O.M.E DuPage	Wheaton	(630) 260-2500
CCCS of Northern Illinois	Woodstock	(815) 338-5757
Mortgage Education Foundation	Palos Heights	(708) 761-6264
Neighborhood Housing Services of Chicago	East Hazel Crest	(773) 329-4222
	Chicago - 2609 W 63rd St	(773) 434-9632
	Chicago - 1279 N Milwaukee Ave	(773) 329-4010
	Chicago - 11001 S Michigan Ave	(773) 568-1020
	Elgin	(847) 695-0399
Northwest Side Housing Center	Chicago - 5233 W Diversey Ave	(773) 283-3888
Restoration America, Inc.	Crystal Lake	(847) 783-0232
Will County CCC	Joliet	(815) 722-0722