



IHDA Mortgage Update

Winter 2022

Tara Pavlik
Managing Director



877-456-2656



mortgage@ihda.org



A little about who we are...

- Created by state legislation in 1967 as a quasi-state agency
 - Taxpayer dollars do not sustain our operations, although we do administer publicly funded programs on behalf of the state
- Since its creation, IHDA has provided more than \$20 billion to finance more than a quarter million affordable homes
- IHDA Mortgage is the sub-brand created to help homebuyers find homeownership programs
- **Our mission: To finance the creation and preservation of affordable housing in Illinois.**
- Over the years we've financed:
 - Apartment Complexes
 - Senior Living Centers
 - Disaster Relief Programs
 - Home Accessibility Programs for the elderly and people with disabilities
 - Emergency Rental and Mortgage Programs
 - Down Payment Assistance
 - And much more!

Our Goals



Increase Homeownership Accessibility

Make homeownership within reach for low – moderate income families, with additional outreach to historically underinvested communities.



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 39% of black households own homes in Illinois, 53% for Latino households, compared to a whopping 75% for white households.¹

● 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.²

● 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.³

1. U.S. Census Bureau ACS 2019 5-year

2. Immigrants in Illinois. (2018, August 1). American Immigration Council.

https://www.americanimmigrationcouncil.org/sites/default/files/research/immigrants_in_illinois.pdf

3. Aronowitz, M., Golding, E., & Choi, J. H. (2020). The Unequal Costs of Black Homeownership. *MIT GOLUB CENTER FOR FINANCE AND POLICY*, 1–8.

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.

1. National Association of REALTORS® Research Group, Lawrence Yun, Ph.D., J.L.D.R.E., B.S., N.E., & M.D. (2020). A Snapshot of Race & Home Buying in America
2. Min Zhan, Xiaoling Xiang, Education loans and asset building among black and Hispanic young adults, Children and Youth Services Review, Volume 91, 2018, Pages 121-127, ISSN 0190-7409,
3. Lutton, L. A. F. (2020, June 3). *Home Mortgage Lending Inequality In Chicago*. WBEZ Chicago. <https://interactive.wbez.org/2020/banking/disparity/>

The Math Of SMARTBUY



49%

*Are delaying
buying a house
due to student
loans*

Student loans =
2nd Largest
Expense

Trailed only by rent...

\$33,500

*Average Student
Debt*

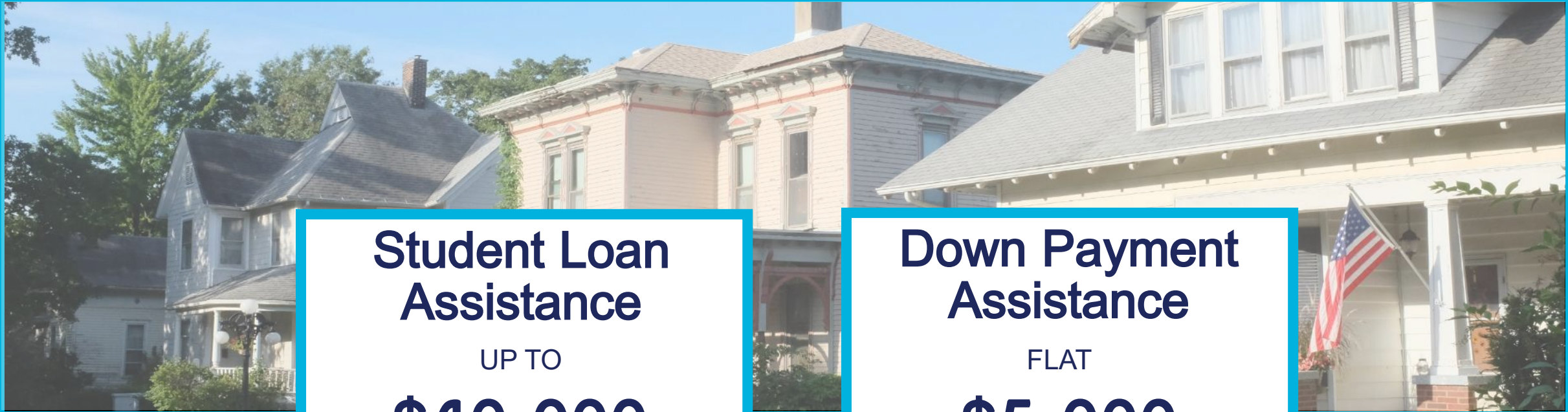
\$216

*Average Monthly
Student Debt
Payment*

11 years

*Average time it takes
Illinoisans to payoff
student loans*

How did SmartBuy Work? (currently suspended)



Student Loan Assistance

UP TO

\$40,000

Down Payment Assistance

FLAT

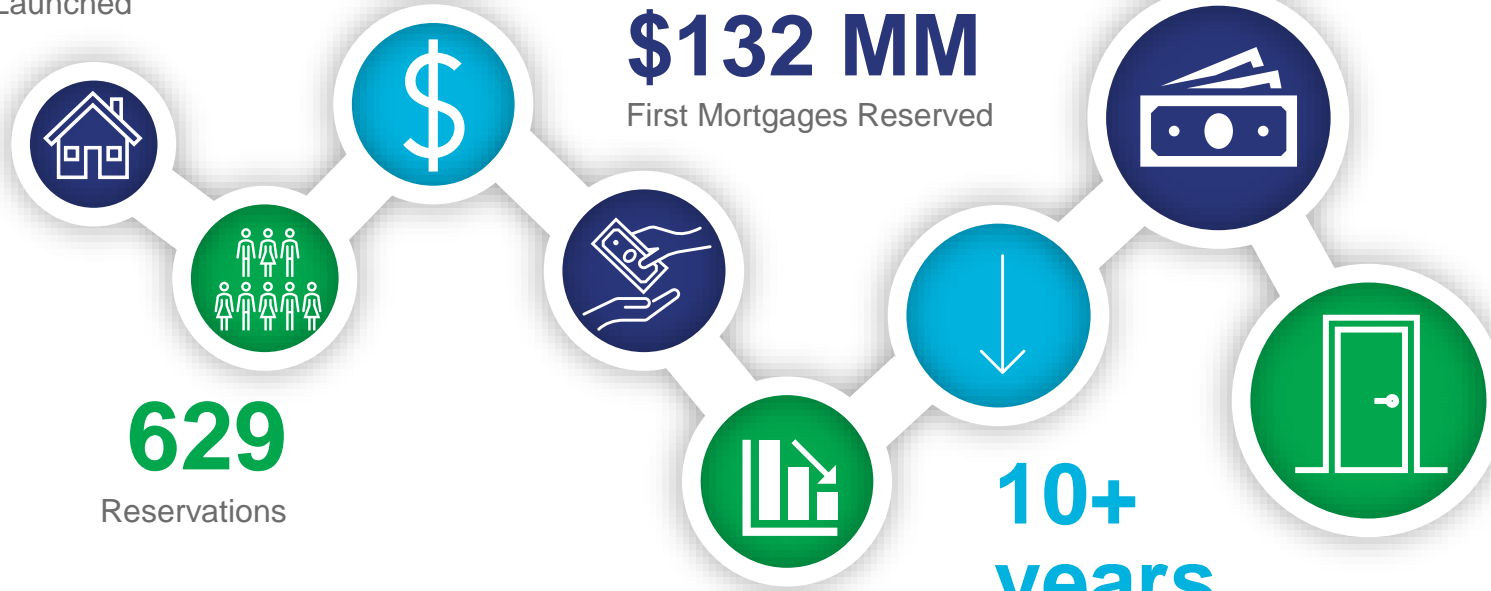
\$5,000

- By paying off the borrower's student loans, their monthly student debt is lowered. Lowering their DTI (debt to income ratio) and INCREASES their ability to get approved!
- SmartBuy also helps borrowers with down payment and closing costs. Making buying a home even more accessible to those with limited savings.
- Borrowers with federal and/or private student loans can be eligible, even student debt from vocational schools!

12/1/2020
Program Launched

538
Funded Units

\$26,000
Average Assistance Per Borrower



629
Reservations

\$132 MM
First Mortgages Reserved

8 year
Decrease in Average Homebuyer Age

10+ years
Decrease in Average Homebuyer Age
American Indian/Alaska Native, Asian, and Black/African American

5/21/2021
Program Closed



SMARTBUY

SmartBuy won a National Council of State Housing Agencies (NCSHA) award for empowering homebuyers this year.

2021 NCHSA Award Winner!



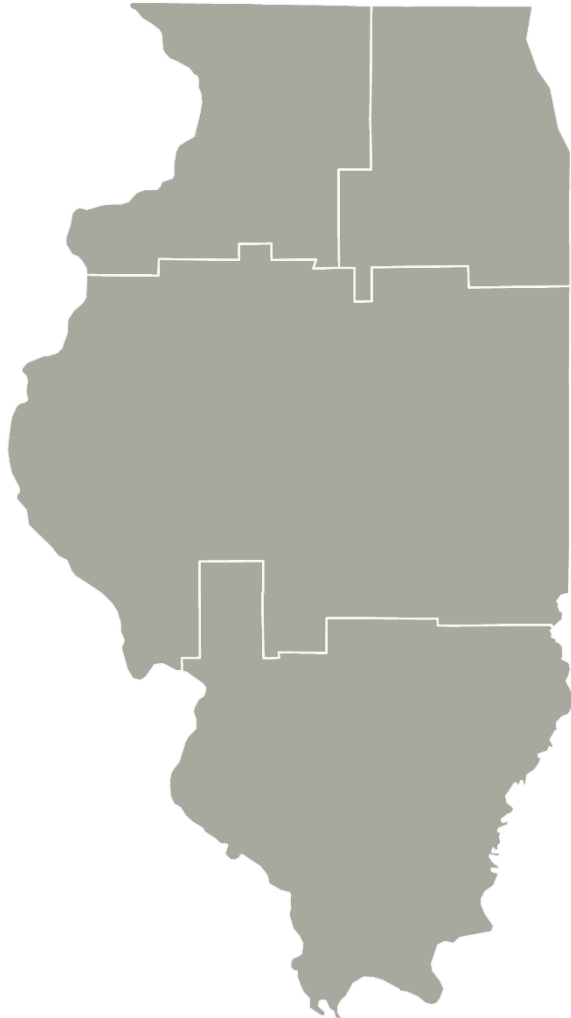
What's Next For



SMARTBUY

1. Exploring ways to allocate funding to re-open
2. There may be guideline changes if we are able to reopen, **STAY TUNED!**

Let's Look at the Numbers



Here at IHDA, we use four regions to help us gauge the impact of our programs.

- Chicagoland Area
- Northwestern Illinois
- Central Illinois
- Southern Illinois

Using these regions and 2021 HMDA data let's review some of the similarities (and differences) in the way we serve homebuyers.

- **Chicagoland includes these counties:** Boone, Cook, DeKalb, DuPage, Grundy, Kane, Kankakee, Kendall, Lake, La Salle, McHenry, Will
- **Northwest includes these counties:** Bureau, Carroll, Henry, Jo Davies, Lee, Mercer, Ogle, Putnam, Rock Island, Stephenson, Whiteside, Winnebago
- **Central region Includes these counties:** Adams, Brown, Calhoun, Cass, Champaign, Christian, Clark, Coles, Cumberland, DeWitt, Douglas, Edgar, Ford, Fulton, Greene, Hancock, Henderson, Livingston, Iroquois, Jersey, Knox, Logan, Macon, Marshall, Mason, McDonough, McLean, Montgomery, Morgan, Moultrie, Peoria, Piatt, Pike, Sangamon, Schuyler, Scott, Shelby, Stark, Tazewell, Vermilion, Warren, Woodford
- **Southern regions Includes these counties:** Alexander, Bond, Clay, Clinton, Crawford, Edwards, Effingham, Fayette, Franklin, Gallatin, Hamilton, Hardin, Jackson, Jasper, Jefferson, Johnson, Lawrence, Macoupin, Madison, Marion, Massac, Menard, Monroe, Perry, Pope, Pulaski, Randolph, Richland, Saline, St. Clair, Union, Wabash, Washington, Wayne, White, Williamson

Let's Look at the Numbers

Items We're Focusing On:

- Similarities (and differences)
- Loan Type Mix (Conventional vs. Gov and why that's critical)
- Opportunities for Improvement
- Shared Goals

We want to highlight some of the gaps that IHDA programs may be able to help fill.

While demonstrating how you can help both your communities and organization at the same time.

Sources:

1. HMDA market share dashboards for origination statistics. Richey May. (2021, August 2). Retrieved December 7, 2021, from <https://richeymay.com/insights/hmda-market-share-dashboards/>. 2020 HMDA Data
2. Illinois Housing Development Authority. (2021, December). 2020 IHDA Mortgage Production.

Let's Look at the Numbers

Chicagoland Region



	TYPE OF INSTIUTION			
	Credit Unions	Non-CU Lenders	IHDA (INCLUDES CU AND NON-CU)*	All Lenders (everybody)
Market Share: Percentage of all originations in region. Shows who is doing the most loans in this region.	1.3%	98.6%	2.8%	100%
Lender Density: Number of different Lenders who closed loans in region.	72	438	70	510
Loan Amt: Average Loan Amount for that region.	\$274,000	\$267,004	\$177,473	\$267,106
Production: Number of Regional Units Closed.	1,879	133,080	3,852	134,959
Loan Type Breakdown: Conventional vs. Gov	Conv: 99% Gov: < .01%	Conv: 74% Gov: 26%	Conv: 65% Gov: 35%	Conv: 75% Gov: 25%
Regional Investment: Percent of total statewide origination located in region.	44%	76%	84%	77%

1. HMDA market share dashboards for origination statistics. Richey May. (2021, August 2). Retrieved December 7, 2021, from <https://richeymay.com/insights/hmda-market-share-dashboards/>. 2020 HMDA Data

2. Illinois Housing Development Authority. (2021, December). 2020 IHDA Mortgage Regional Production.



Let's Look at the Numbers

Northwestern Illinois Region



	TYPE OF INSTITUTION			
	Credit Unions ¹	Non-CU Lenders ¹	IHDA ² (INCLUDES CU AND NON-CU)	All Lenders ¹
Market Share: Percentage of all originations in region	9.1%	90.8%	11.2%	100%
Lender Density: Number of different Lenders who closed loans in the region	28	214	113	242
Loan Amt: Average Regional Loan Amount by the Lender	\$135,111	\$132,972	\$108,643	\$133,168
Production: Number of Regional Units Closed	899	8,903	1,106	9,802
Loan Type Breakdown: Conventional vs. Gov	Conv: 98% Gov: 2%	Conv: 86% Gov: 14%	Con: 46% Gov: 54%	Con: 57% Gov: 43%
Regional Investment: Percent of lender's total statewide units in the region.	21%	5%	16%	6%

1. HMDA market share dashboards for origination statistics. Richey May. (2021, August 2). Retrieved December 7, 2021, from <https://richeymay.com/insights/hmda-market-share-dashboards/>. 2020 HMDA Data

2. Illinois Housing Development Authority. (2021, December). 2020 IHDA Mortgage Regional Production.



Let's Look at the Numbers

Central Illinois



We checked it twice! IHDA and Credit Unions had the same (HMDA reported) production in central Illinois

	TYPE OF INSTIUTION			
	Credit Unions ¹	Non-CU Lenders ¹	IHDA ² (INCLUDES CU AND NON-CU)	All Lenders ¹
Market Share: Percentage of total units in the region	4.3%	94.6%	4.3%	100%
Lender Density: Number of different Lenders who closed loans in the region	28	258	113	286
Loan Amt: Average Regional Loan Amount	\$135,111	\$144,288	\$109,318	\$143,860
Production: Number of Regional Units Closed	1,092	19,468	1,092	20,560
Loan Type Breakdown: Conventional vs. Gov	Conv: 96% Gov: 3%	Conv: 59% Gov: 41%	Conv: 36% Gov: 64%	Con: 61% Gov: 39%
Regional Investment: Percent of lender's total statewide units in the region.	13%	11%	16%	12%

1. HMDA market share dashboards for origination statistics. Richey May. (2021, August 2). Retrieved December 7, 2021, from <https://richeymay.com/insights/hmda-market-share-dashboards/>. 2020 HMDA Data
 2. Illinois Housing Development Authority. (2021, December). 2020 IHDA Mortgage Regional Production.



Let's Look at the Numbers

Southern Illinois Region

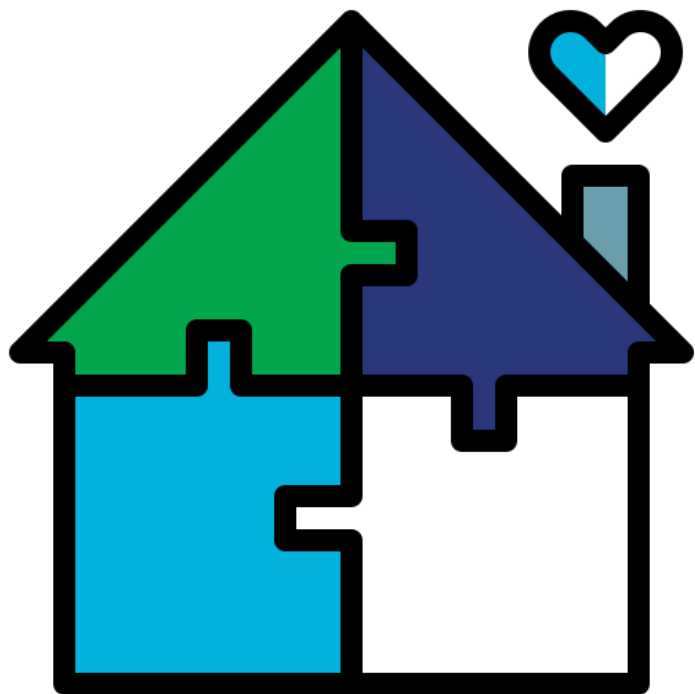


TYPE OF INSTIUTION

	Credit Unions ¹	Non-CU Lenders ¹	IHDA ² (INCLUDES CU AND NON-CU)	All Lenders ¹
Market Share: Percentage of all total units in region	2.2%	97.7%	3.6%	100%
Lender Density: Number of different Lenders who closed loans in the region	22	247	32	269
Loan Amt: Average Regional Loan Amount	\$159,476	\$163,050	\$103,727	\$162,970
Production: Number of Regional Units Closed	315	13,739	510	14,054
Loan Type Breakdown: Conventional vs. Gov	Conv: 87% Gov: 13%	Conv: 46% Gov: 54%	Con: 25% Gov: 75%	Con: 47% Gov: 53%
Regional Investment: Percent of lender's total statewide units in the region.	7.5%	7.8%	7.5%	8%

1. HMDA market share dashboards for origination statistics. Richey May. (2021, August 2). Retrieved December 7, 2021, from <https://richeymay.com/insights/hmda-market-share-dashboards/>. 2020 HMDA Data
 2. Illinois Housing Development Authority. (2021, December). 2020 IHDA Mortgage Regional Production.





Credit Unions & IHDA

How we fit together

A Culture Built On Relationships

We share the same values

- Like credit unions, we aim to leave homebuyers, homeowners, and renters in a better financial situation than we found them
- The majority of IHDA Mortgage loans are originated by small local community lenders

Just like you, we work hard to forge relationships with all our lending partners to better serve them.

The Case For Offering IHDA...

Homebuyers have a long memory

Many of our top loan officers keep originating IHDA

Homebuyers remember the people that went the extra mile to find the right program for them.

They often keep their clients for life, whether it be their next home or refinance.

The Case For Offering IHDA...

Down Payment

- Property values have increased 20% over the last year, so has the amount of money to bring to closing
- DPA can help offset this

Set Your Borrowers Up For Success

- No maximum down payment with IHDA Mortgage
- If your borrower already has 20% down saved, we can help them hang on to up to 10%!
- Can be layered with many community and local government grants
- Help your borrowers maintain their funds for emergencies, retirement, etc.!

The Case For Offering IHDA...

Discounted PMI for homebuyers below 80% AMI

- Lower PMI is available to eligible borrowers
- The vast majority of credit union originations are conventional, this can be a huge help for your clients who are eligible
- Discounted PMI available with:
 - Fannie Mae HFA Preferred
 - Freddie Mac HFA Advantage

The Case For Offering IHDA...

Forgivable Programs!

- Programs like Opening Doors and IHDAccess Forgivable offer down payment assistance, interest free and forgiven over time.
- If they choose to sell before the forgiveness is up, only a portion is due.

The Case For Offering IHDA...

Post-Close Reviews

- We don't review until after you close, **so the file moves at your pace**
- Our top lenders close IHDA loans as fast as any other loan type

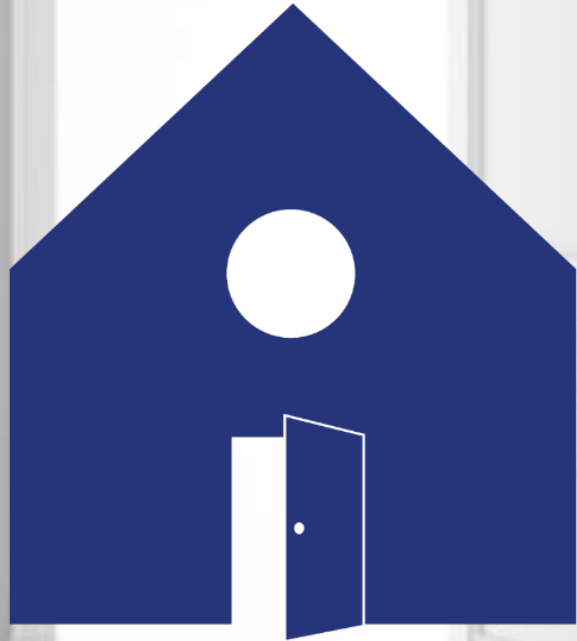
We're here if you need us!

IHDA isn't for everyone, but keep it as an option

- We know many credit unions offer their own down payment assistance programs and IHDA may not always be the right fit
- For those borrowers who would benefit or need it to qualify, by offering IHDA you're helping that much more and offering additional value as an institution



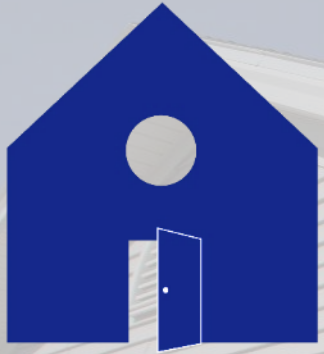
**Available
Statewide!**



OPENING DOORS
Abriendo Puertas



Statewide



OPENING DOORS

Abriendo Puertas

\$6,000 Flat DPA

1st Mortgage
Term

30-Year, fixed rate

Assistance
Amount

\$6,000 flat

2nd Mortgage
Term

5 Years

DPA
Repayment

No Repayment due after 5
years



IHDA Access



Statewide

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.

Emergency Mortgage And Rental Assistance



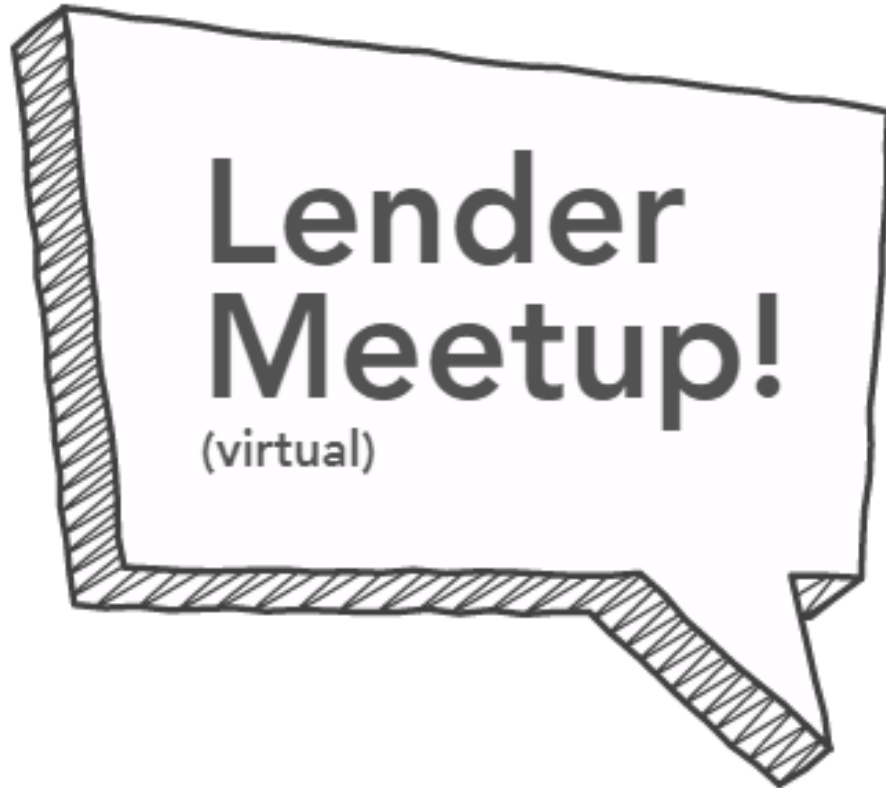
More than down payment assistance: IHDA's Role In the COVID-19 Response

- ▶ Governor Pritzker recognized that this health crisis would quickly lead to a housing crisis, and on June 10 he signed the State's Fiscal Year 2021 budget that allocated \$396 million in federal Coronavirus Relief Funds to IHDA.
 - ▶ Over **10,000 homeowners assisted**
 - ▶ Over **46,000 renters assisted**
- ▶ New mortgage assistance program called the "Housing Assistance Fund" coming soon!
 - ▶ Will cover up to \$30k in PITI for past due funds as well as escrow shortages for eligible homeowners.
 - ▶ Awaiting approval from the U.S. Department of the Treasury
 - ▶ Monitor www.IHDA.org for an announcement.



State of Illinois
Coronavirus Response
Protecting lives and livelihoods





About Lender Meetup!

- Hosted monthly on Microsoft Teams for IHDA Mortgage Lenders
- Loan Officers, Processors, Underwriters are all encouraged to join
- Topics are chosen by the lender via survey, things like:
 - New Programs
 - File Issues
 - Guidelines
 - Process Improvements
 - Complaints (they happen)
- Participating lenders can register for Lender Meetup (and all our other trainings) on the Lender Dashboard.
 - www.ihdamortgage.org/rates

Account Managers



David Gillon



DGillon@ihda.org
(773) 636-4329

Racheal Falzone



RFalzone@ihda.org
(312) 914-5023

John Maksim



JMaksim@ihda.org
(312) 802-1894

Rosie Verdin



RVerdin@ihda.org
(312) 438-3538



Q & A

Get your questions ready!

*You can also email Mortgage@ihda.org
with any questions we didn't cover!*



Thank You!

We Appreciate Your Partnership!

Tara Pavlik
Managing Director



877-456-2656



mortgage@ihda.org

