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## Village Joins Illinois Communities to Help First Time Home Buyers



The Village of Orland Park is joining a number of Illinois communities and transferring its volume cap authority to the City of Aurora in order to provide potential funding for the Assist 2016 First Time Homebuyer Down Payment Assistance Program.

This program offers two options to first time homebuyers - funds to pay all or most of the closing costs and down payment applicable to their mortgages and the Mortgage Credit Certificate (MCC) Program to help reduce the home buyer's ongoing cost of borrowing.

"The housing market this past year has been strong in Orland Park," said Mayor Dan McLaughlin. "As more and more banks in the Orland Park area begin offering the program, Orland Park residents that qualify will be able to minimize the amount of money needed on hand to purchase a home."

If eligible to participate in the program, first time homebuyers in Orland Park would be offered an RHA/VA/RD 30-year, fixed rate mortgage, as well as a full 3.00% cash grant based on the amount borrowed. The cash grant may be used to offset some or all of the home loan's down payment and closing costs.

In addition, Mortgage Credit Certificates (MCC), a federally authorized program created as an alternative to tax exempt housing bonds, would be offered to qualified Orland Park first time homebuyers to reduce effective interest costs of the mortgage. These certificates enable the homeowner to qualify for a federal income tax credit equal to a percentage of the interest paid on their loan each year. MCC holders still qualify for a regular deduction of the remaining interest paid on their home loans.

"Buying your first home is a big step," said Trustee Carole Griffin Ruzich, chair of the village's Finance Committee. "We're excited to be a part of a program that will help qualifying first time home buyers purchase their homes in Orland Park."

Orland Park's volume cap authority is set by the Internal Revenue Code, is equal to \$100 per resident and is transferable to another home rule unit of government to provide funding for programs such as Assist. The Assist Program is available to all first time Orland Park homebuyers that qualify. If Orland Park's volume cap authority is utilized to issue bonds to provide funding for the program, the village will receive a fee equal to 1% of Orland Park's volume cap authority. For calendar year 2016, Orland Park's authority is \$5,866,000.

Questions may be directed to the village's Finance Department at 708/403-6199.