

ihcda

Indiana Housing & Community Development Authority

**A practical guide
to Homebuyer Opportunities and
Indiana's Market Stabilization Program.**

New Opportunities for Potential Homebuyers

Building prosperity starts at home. IHEDA is committed to helping low-income families accumulate assets and climb the economic ladder. As part of the Housing and Economic Recovery Act of 2008, HUD created the Neighborhood Stabilization Program (NSP) to mitigate the neighborhood effects of foreclosure and to stimulate the housing market. Under this program, IHEDA designed the Market Stabilization Program to assist income-eligible households purchase and rehabilitate foreclosed homes throughout Indiana.



Indiana's Market Stabilization Program

The Market Stabilization Program offers :

- homebuyers at or below 120% of area median income up to \$15,000 (not to exceed 20% of purchase price) to purchase a foreclosed home as their principal residence.
- closing costs and down payment assistance to acquire the foreclosed home.
- rehabilitation funds to bring the foreclosed home up to local building code.
- a zero-interest, non-amortizing second mortgage loan. These funds are not required to be repaid if the property remains the homebuyer's principal residence for at least ten years.
- eight hours of pre-purchase education provided by an IHCD certified counselor at no cost to the homebuyer.
- an easy online tool at www.IndianaHousingNow.org to determine if a foreclosed property is in an eligible neighborhood.

Please note: These funds may be used in conjunction with the IHCD First Home product, Mortgage Credit Certificate, FHA, VA, USDA or prime fixed rate products. No adjustable rate or subprime mortgage products will be allowed for the purchase of these homes.



Additional Homebuyer Opportunities

In addition to the NSP funding, there are additional opportunities for homebuyers to consider, including the Federal Home Loan Bank of Indiana (FHLBI) and the IHEDA Mortgage Programs. Many of these programs can be layered on top of one another in order to maximize assistance.

The Federal Home Loan Bank of Indiana (FHLBI) offers:

- up to \$10,000 in Neighborhood Stabilization Assistance to match an NSP investment. Homebuyers may use these funds for closing costs and down payment assistance. Eligible properties include NSP-assisted single-family homes and condominiums, and homebuyers must complete face-to-face state or HUD-certified counseling prior to purchase.
- three additional set-aside programs through their member financial institutions to assist in the creation and preservation of affordable homeownership in Indiana.

IHEDA Mortgage Programs offer:

- qualified Hoosiers below market fixed-rate mortgages. Current interest rates can be found by visiting the “Homebuyers” section of www.iheda.in.gov.
- the Mortgage Credit Certificate program, which offers a Federal tax credit for first-time homebuyers. The tax credit amount ranges between 20% and 35% of the annual interest paid on a mortgage, depending on the loan amount. The maximum credit per year is \$2,000 and the program is available on a limited basis when announced by IHEDA.

Please note: To qualify, homebuyers must use the property as their primary residence.

The Indiana Housing and Community Development Authority

The IHEDA works to create housing opportunity, generate and preserve assets, and revitalize neighborhoods by providing financial resources and assistance to qualified partners for their development efforts throughout Indiana. The activities that we finance help families become more stable, establish roots, and climb the economic ladder. In turn, communities grow and prosper – broadening their tax base, creating new jobs, and maximizing local resources. IHEDA drives economic growth – and it all starts at home.



Lt. Governor Becky Skillman serves as Chairman of the Board for IHEDA. Lt. Governor Skillman is committed to growing Indiana's economy through housing development and community revitalization.