



Dear Lending Partner,

Subject: HomeGrown Purchase Assistance Program – Lender Participation Process & Required Documentation

Thank you for your interest in supporting homebuyers through the City of Chicago's HomeGrown Purchase Assistance Program.

We would like to clarify the lender participation process and provide guidance regarding program requirements. Lenders do not need to apply for approval or become an approved lender in order to participate in the HomeGrown Purchase Assistance Program. Participation is open to all lenders.

To originate loans that include HomeGrown assistance, lenders are simply asked to review the attached HomeGrown Recapture Agreement with their internal Compliance and/or Legal Department to ensure understanding of the program requirements and recapture provisions associated with the grant.

Please note that the HomeGrown Purchase Assistance Program cannot be layered with other City of Chicago Down Payment Assistance (DPA) programs. Borrowers who have received, or intend to receive, funding through another City of Chicago DPA program are not eligible to combine those funds with HomeGrown assistance.

To support processing and closing coordination, lenders will be responsible for providing the following documentation.

Required Closing Submission Package--Please submit no later than ten (10) business days prior to closing.

Loan Documentation:

- Mortgage Loan Application (1003)
- Mortgage Commitment Letter
- Initial / Preliminary Closing Disclosure (CD)
- Loan Estimate reflecting zero cash back at closing
- Appraisal Report

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Chicago, IL 60608**

www.resurrectionproject.org



Transaction Documentation:

- Executed Purchase Contract
- Preliminary HUD-1 Settlement Statement showing the HomeGrown grant amount and zero cash back at closing
- Title Commitment
- Title Company Contact Information
- Title Company Wire Instructions
- Buyer and Seller Attorney Contact Information (if applicable)
- Closing details including date, time, and location

Documents Required at Closing:

- Signed Closing Disclosure
- Master Settlement Statement showing HomeGrown grant funds and zero cash back at closing
- Signed First Mortgage and Note
- Hazard / Property Insurance Coverage
- Fully Executed HomeGrown Grant Agreement

Once closing instructions are received and the loan is cleared to close, the assigned program administrator will prepare the payment memorandum and wire HomeGrown funds directly to the Title Company for application at closing.

As part of the program structure, eligible homebuyers receiving HomeGrown funds will execute a Recapture Agreement at closing. The agreement establishes a five-year occupancy and compliance period and outlines events that may trigger repayment of grant funds, including:

- Sale of the property
- Transfer of ownership
- Cash-out refinance
- Failure to maintain the property as the borrower's primary residence

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The recapture amount is reduced monthly over the sixty (60) month compliance period.

We encourage lenders to review the attached Recapture Agreement with their Compliance Department in advance to avoid delays and ensure closing readiness.

If your Compliance Department has questions regarding recapture provisions, document requirements, or closing procedures, please contact our team.

Thank you for your partnership in expanding access to homeownership opportunities across the City of Chicago.

Sincerely,

Grants Team

The Resurrection Project

Enclosure: Recapture Agreement and HomeGrown FAQ's

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ADDENDUM I – HOMEGROWN RECAPTURE AGREEMENT

This instrument was prepared by and
after recording return to:

[representative of Program
Administrator]

Chicago, Illinois 606____

Above space for Recorder's Use Only

**PURCHASE ASSISTANCE GRANT
RECAPTURE AGREEMENT**

THIS PURCHASE ASSISTANCE GRANT RECAPTURE AGREEMENT (this "Agreement") is dated as of _____, 20__, (the "Effective Date") by and between _____ [and _____] (individually or collectively, the "Homebuyer"), and [_____], an Illinois [insert type of entity] (the "Program Administrator").

WITNESSETH:

WHEREAS, the Homebuyer has requested assistance to purchase a parcel of land that is improved with a house (the "Residence"), generally located at _____, Chicago, IL 60____ and legally described in Exhibit A attached to and made a part of this Agreement; and

WHEREAS, the Program Administrator has received a grant of certain funds (the "Funds") from the City of Chicago, an Illinois municipal corporation (the "City"), to fund a purchase assistance program (the "Program"), as a part of its HomeGrown Program, and the

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Program's purpose is to pay for certain costs incurred by the buyers of single family homes when such buyers are qualified as low-income households; and

WHEREAS, the Homebuyer qualifies as a low-income household under the Program and has applied to the Program Administrator for a grant of a portion of the Funds, in the amount of _____ dollars (\$_____.00) (the "Grant"), to be paid by Program Administrator concurrently with Homebuyer's purchase of the Residence; and

WHEREAS, it is a condition of the Grant that the Homebuyer and Program Administrator must enter into this Agreement and the Agreement must be recorded in the Cook County Clerk's Recordings Division (the "Recorder's Office") in order to create certain covenants running with the land from the Effective Date through the date that is five years after the Effective Date (the "Recapture Period") for the purpose of regulating and restricting the use, occupancy and transfer of the Residence by the Homebuyer; and

WHEREAS, under this Agreement, the Homebuyer intends, declares and covenants that the restrictive covenants set forth herein governing the use, occupancy and transfer of the Residence shall be and are covenants running with the land for the Recapture Period, are binding upon all subsequent owners the Residence during such Recapture Period, and are not merely personal covenants of the Homebuyer; and

WHEREAS, as an inducement to Program Administrator to make the Grant, the Homebuyer has agreed to provide this Agreement.

NOW, THEREFORE, the parties to the Agreement agree as follows:

1. **Incorporation.** The foregoing recitals are made a part of this Agreement.
2. **Restrictions.** As a condition of the provision of the Grant, the Homebuyer agrees to all of the following requirements (collectively, the "Restrictions"):
 - a. for the Recapture Period, the Homebuyer will not rent or sublease the Residence or otherwise fail to occupy the Residence as Homebuyer's principal residence;
 - b. the Homebuyer will not sell or otherwise transfer the Residence during the Recapture Period without the prior written approval of the Program Administrator, which may be



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granted or withheld in its sole discretion, other than by will, inheritance or by operation of law upon the death of a joint tenant Homebuyer;

c. if the Homebuyer received lender financing in connection with their acquisition of the Residence (the "Initial Lender Financing") and the Initial Lender Financing is secured by a mortgage recorded against the Residence, any new lender financing that replaces the Initial Lender Financing will be in a principal amount not to exceed the sum of (x) the remaining principal balance of the Initial Lender Financing as of the closing date for the new lender financing and (y) reasonable third-party costs and expenses to close the new lender refinancing, such as lender closing costs, recording and title charges, and outside counsel fees. The Homebuyer shall not receive any cash or equivalent from the new lender refinancing;

d. Homebuyer has obtained a fixed interest rate from a residential mortgage lender;

e. Homebuyer's maximum housing debt-to-income ratio does not to exceed 38% of the household income;

f. Homebuyer's combined household income is at or below [check one only]:

_____ 120% of Area Median Income (AMI) or

_____ 150% of Area Median Income (AMI);

g. Homebuyer has completed [check one only]:

_____ at least 8 hours of Homebuyer Education Training at a HUD-certified agency;

_____ a Condominium Education Workshop by a HUD-certified agency; or

_____ a Landlord Education Workshop Training;

h. Homebuyer does not own another home, including vacation homes and/or investment properties;



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i. Homebuyers is contributing a minimum 1% down payment from their own funds and securing a standard fixed interest first mortgage loan, not an adjustable-rate mortgage (ARM), interest-only loan or temporary & permanent interest-rate buydown; and

j. the Residence is not new construction built under the City of Chicago's City Lots for Working Families program or under a city land sales purchase transaction.

Any violation of the Restrictions will be referred to as a Recapture Event and the Homebuyer shall repay the Program Administrator in the amount of the Repayment Amount (as defined in Paragraph 4 below); provided, however, with respect to any Repayment Amount due and owing from the sale of the Residence or a transfer of the Residence due to a foreclosure or deed in lieu of foreclosure, the Grant shall be repaid only from the net proceeds, if any, of such conveyance or transfer, up to and including the amount of the Repayment Amount. To the extent the net proceeds are insufficient for full payment of the Repayment Amount, the Program Administrator will waive or forgive the remaining unpaid part of the Repayment Amount.

3. **Termination.** The Restrictions shall remain in place until the date that is five years after the Effective Date and shall automatically terminate at midnight on the last day of the Recapture Period. Notwithstanding the foregoing, the Restrictions shall be terminable, either in whole or in part, prior to the end of the Recapture Period in the case of: (a) conveyance at any foreclosure sale related to a mortgage or (b) an express written release recorded by Program Administrator in the Recorder's Office.

4. **Repayment Amount.** Except as may be otherwise provided in Section 2 of this Agreement, upon occurrence of a Recapture Event, Homebuyer shall pay to the City an amount equal to the amount of the Grant reduced by one-sixtieth ($1/60^{\text{th}}$) for each full month completed after the Effective Date (the "Repayment Amount"). No delay on the part of Program Administrator in exercising any rights under this Agreement, failure to exercise such rights or the exercise of less than all of its rights under this Agreement shall operate as a waiver of such rights. Upon occurrence of a Recapture Event, Program Administrator (on behalf of the City) shall have all the remedies set forth in Section 11 of this Agreement. If no Recapture Event or Event of Default occurs prior to the expiration of the Recapture Period, any Repayment Amount shall be forgiven or waived in its entirety.

The entire Repayment Amount must be promptly remitted to the City at the following address: City of Chicago, Department of Planning and Development, 121 North LaSalle Street



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10th Floor, Chicago, IL 60602, Attention: Alessandra Budnik, Director of Finance. A check remitting such payment will also include the following information: “Attention: HomeGrown Program Recapture Fund”.

5. **Covenants to Run With the Land.** For the duration of the Recapture Period, the agreements set forth in this Agreement shall encumber the Residence and be deemed covenants running with the land to the extent permitted by law and shall pass to and be binding on the Homebuyer’s successors in title to the Residence.

7. **Inspector General.** Homebuyer shall cooperate with the Inspector General (as such term is used in Chapter 2-56 of the Municipal Code of Chicago (“Chapter 2-56”)) in any investigation or hearing undertaken pursuant to Chapter 2-56.

8. **FOIA.** The Homebuyer acknowledges that the City is subject to the Illinois Freedom of Information Act, 5 ILCS 140/1 et. seq., as amended (“FOIA”). The FOIA requires the City to produce records (very broadly defined in FOIA) in response to a FOIA request in a very short period of time, unless the records requested are exempt under the FOIA. If the Homebuyer receives a request from the City or Program Administrator to produce records within the scope of FOIA, then the Homebuyer covenants to comply with such request within 48 hours of the date of such request. Failure by the Homebuyer to timely comply with such request shall be an event of default under this Agreement.

9. **Hold Harmless.** The Program Administrator and Homebuyer shall hold and save the City free from all damages arising from the Program and the Agreement.

10. **Defaults.** The following shall constitute an “Event of Default” under this Agreement:

a. the failure of Homebuyer to comply with any Restriction or other covenant or obligation, or the breach by Homebuyer of any representation or warranty, under this Agreement;

b. the making or furnishing by Homebuyer to the Program Administrator of any representation, warranty, certificate, schedule, report or other communication within or in connection with this Agreement or any other agreement with the Program Administrator or the City which is untrue or misleading in any material respect;



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c. the commencement of any bankruptcy, insolvency, liquidation or reorganization proceedings under any applicable state or federal law, or the commencement of any analogous statutory or non-statutory proceedings involving the Homebuyer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty (60) days after the commencement of such proceedings;

d. the appointment of a receiver or trustee for the Homebuyer or for any substantial part of the Homebuyer's assets; provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within sixty (60) days after the commencement thereof;

e. the entry of any judgment or order against the Homebuyer or the Residence which remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution; or

f. the sale, transfer or other disposition of all or any portion of the Residence, at any time during the Recapture Period, without the prior written approval of the Program Administrator, which may be granted or withheld in its sole discretion.

11. **Remedies and Cure.** Except as may be otherwise provided in Section 2 of this Agreement, upon the occurrence of an Event of Default, the Program Administrator may terminate this Agreement and all other agreements with the Homebuyer and may seek payment of the Repayment Amount. The City may also terminate all other agreements with the Homebuyer. The Program Administrator may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any other available remedy. No delay on the part of Program Administrator in exercising any rights under this Agreement, failure to exercise such rights or the exercise of less than all of its rights under this Agreement shall operate as a waiver of such rights.

Except as otherwise provided in Section 10 of this Agreement, in the event Homebuyer shall fail to perform or observe any condition, warranty, representation, covenant, provision or term contained in this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Homebuyer has failed to perform such covenant within thirty (30) days of its receipt of a written notice from the Program Administrator specifying that it has failed to perform such condition, warranty, representation,



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covenant, provision or term; provided, however, that if any such Event of Default cannot reasonably be remedied within said 30-day period and if Homebuyer shall have commenced to remedy such Event of Default within said 30-day period and shall thereafter continue diligently to effect such remedy, then said 30-day period shall be extended to 60 days upon written request from Homebuyer to Program Administrator delivered during such 30-day period, and upon further written request from Homebuyer to Program Administrator delivered during said 60-day period, said 60-day period shall be extended to 90 days; provided, however, that Program Administrator shall not be precluded during any such periods from exercising any remedies available under this Agreement.

12. **General Provisions.**

a. **Assignment.** This Agreement, or any portion thereof, shall not be assigned by either party without the express prior written consent of the other.

b. **Compliance With Laws.** The parties agree to comply with all federal, state and local laws, status, ordinances, rules, regulations, codes and executive orders relating to this Agreement.

c. **Construction Of Words.** As used in this Agreement, the singular of any word shall include the plural, and vice versa. Masculine, feminine and neuter pronouns shall be fully interchangeable, where the context so requires.

d. **Counterparts.** This Agreement may be executed in counterparts and by different parties in separate counterparts, with the same effect as if all parties had signed the same document. All such counterparts shall be deemed an original, shall be construed together and shall constitute one and the same instrument.

e. **Exhibits.** Any exhibits to this Agreement will be construed to be an integral part of this Agreement to the same extent as if the same has been set forth verbatim herein.

f. **Further Assurances.** The parties shall perform such acts, execute and deliver such instruments and documents, and do all such other things as may be reasonably necessary to accomplish the transactions contemplated in this Agreement.



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g. Governing law. This Agreement will be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to the principles of conflicts of law thereof.

h. Integration. This Agreement contains the entire agreement between the parties regarding the Grant.

i. Amendment. This Agreement shall not be altered or amended except by a written instrument signed by all the parties to this Agreement and recorded in the Recorder's Office.

j. Notice. Any notice, demand or communication required or permitted to be given hereunder shall be given in writing at the address set forth below by any of the following means: (i) personal service; (ii) electronic communication, whether by telex, telegram, or fax; (iii) overnight courier; or (iv) registered or certified first class mail postage prepaid, return receipt requested.

To the Program Administrator:

Attention:

With copies to:

Attention:

To the Homebuyer:

Attention:

With copies to:

Attention:



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To the City:

Department of Housing
City Hall, Room 1000
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Project Manager of
Homebuyer Programs

With copies to:

Department of Law
City Hall, Room 600
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Corporation Counsel

Any notice, demand or communication given pursuant to either clause (i) or (ii) hereof shall be deemed received upon such personal service or upon dispatch by electronic means, respectively. Any notice, demand or communication given pursuant to clause (iii) hereof shall be deemed received on the day immediately following deposit with the overnight courier. Any notice, demand or communication given pursuant to clause (iv) hereof shall be deemed received three (3) business days after mailing. The parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices, demands or communications shall be given.

k. Severability. If any provision of this Agreement, or the application thereof, to any person, place or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect only if, after excluding the portion deemed to be unenforceable, the remaining terms shall provide for the consummation of the transactions contemplated hereby in substantially the same manner as originally set forth herein. In such event, the parties shall negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly affects the parties' intent in entering into this Agreement.

l. Titles and Headings. Titles and headings to sections herein are inserted for the convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.



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- m. Time. Time is of the essence in the performance of this Agreement.
- n. Venue and Consent to Jurisdiction. If there is a lawsuit under this Agreement, each party hereto agrees to submit to the jurisdiction of the courts of Cook County, the State of Illinois and the United States District Court for the Northern District of Illinois.
- o. Recording and Filing. The Homebuyer shall cause this Agreement all amendments and supplements hereto to be recorded and filed against the Residence in the Recorder's Office.
- p. Limitation of Liability. No officer, director, employee, commissioner, representative or agent of the City shall have any personal obligation or liability arising from or relating to the Agreement, including but not limited to any liability for breach of the terms of this Agreement.
- q. Binding Effect; Third-Party Beneficiaries. This Agreement shall be binding upon Homebuyer, the Program Administrator and their respective successors and permitted assigns (as provided herein) and shall inure to the benefit of upon Homebuyer, the Program Administrator and their respective successors and permitted assigns (as provided herein). Except as otherwise provided herein, this Agreement shall not run to the benefit of, or be enforceable by, any person or entity other than a party to this Agreement and its successors and permitted assigns. Except for the City, this Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right. The City is a third-party beneficiary to this Agreement and is entitled to the rights and benefits of the Agreement and may enforce provisions of the Agreement as if it were a party to the Agreement.
- r. Disclaimer. Nothing contained in this Agreement nor any act of the Program Administrator shall be deemed or construed by any of the parties, or by any third person, to create or imply any relationship of third-party beneficiary, principal or agent, limited or general partnership or joint venture, or to create or imply any association or relationship involving the Program Administrator.
- s. Survival of Agreements. All warranties, representations, covenants and agreements of this Agreement shall be true, accurate and complete at the time of the execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and shall be in effect throughout the Recapture Period.



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[Signatures appear on the following page.]



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IN WITNESS WHEREOF, the Homebuyer and Program Administrator have executed this Agreement on or as of the Effective Date.

HOMEBUYER:

Name:

Name:

PROGRAM ADMINISTRATOR:

[INSERT NAME],
an Illinois [not-for-profit corporation]

By: _____

Name: _____

Title: _____



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STATE OF ILLINOIS)
COUNTY OF COOK) SS
)

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that _____, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by Homebuyer, as his/her free and voluntary act and as the free and voluntary act of Homebuyer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ____ day of _____, 20__.

Notary Public
My Commission Expires _____

(SEAL)

[if more than one Homebuyer, the signature of each person signing must be notarized]

STATE OF ILLINOIS)
COUNTY OF COOK) SS
)

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that _____, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by Homebuyer, as his/her free and voluntary act and as the free and voluntary act of Homebuyer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ____ day of _____, 20__.

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Notary Public
My Commission Expires_____

(SEAL)

STATE OF ILLINOIS)
COUNTY OF COOK) SS
)

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that _____, personally known to me to be the _____ of _____ (the "Program Administrator"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by Program Administrator, as his/her free and voluntary act and as the free and voluntary act of Program Administrator, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ____ day of _____, 20__.

Notary Public

My Commission Expires_____

(SEAL)



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EXHIBIT A
LEGAL DESCRIPTION OF THE RESIDENCE

[add legal description]

Street Address: _____, Chicago, IL 60_____

PIN: _____



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HomeGrown Purchase Assistance Grant FAQ
Building Legacies: One Family at a Time

Hello Potential Homebuyer,

Congratulations on taking the first step toward homeownership! This is an exciting opportunity to purchase a home in the City of Chicago.

Below, you'll find key information and frequently asked questions to help you better understand the HomeGrown grant program and guide you through the process of purchasing an eligible home within the City.

Definitions:

- **Household** – All individuals occupying a housing unit.
- **Income** – Gross income, defined as earnings before any deductions are taken.
- **Household Income** – The total gross income of all adult household members projected to be received over the upcoming 12-month period.
- **Calculation of Household Income** – Eligibility is determined based on the combined **annual gross income** of all household members 18 years of age and older.
- **Housing Grant and Recapture Agreement** – The HomeGrown recapture lien placed on the qualified buyer & property at the time of closing, subject to a 5-year recapture period.

General Program Information

What is the HomeGrown Purchase Assistance Grant Program?

The HomeGrown Grant is a financial assistance program funded by the City of Chicago Department of Housing (DOH) to help eligible homebuyers purchase homes in the City of Chicago by providing financial assistance for:

- Down Payment
 - Closing Costs
-



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Who administers the program?

The program is administered exclusively by two (2) Community Development Financial Institutions (CDFIs):

- Neighborhood Lending Services, Inc. (NLS)
- TRP Lending LLC. (TRP)

NLS and TRP are responsible for processing applications, determining program eligibility, and coordinating grant disbursements for approved homebuyers.

Important: NLS and TRP are the only organizations authorized to administer the HomeGrown Program. No other organizations, businesses, nonprofits, lenders, real estate professionals, consultants, or third parties are authorized to accept applications, determine eligibility, reserve funds, or administer HomeGrown grants.

Qualified homebuyers must apply for HomeGrown assistance directly through NLS or TRP. Individuals or entities claiming to administer the program, guarantee approval, or accept HomeGrown applications on behalf of the City of Chicago should not be considered authorized program administrators.

What is the goal of the program?

The program aims to:

- Help families build equity through homeownership
- Expand access to affordable housing
- Support long-term and generational wealth creation

Grant Details

Is this a purchase price assistance program? If so, how much financial assistance is available?

Yes. The HomeGrown grant is to provide a subsidy for the purchase of an eligible property in the City of Chicago.



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Grant amounts depend on **gross household income** and **property location**:

- **Zone A:** Up to \$70,000
- **Zone B:** Up to \$50,000

▲ The grant cannot exceed 25% of the home's purchase price.

What are Zone A and Zone B?

- **Zone A:** Higher-cost areas with rising home prices
 - **Zone B:** Lower-income census tracts
-

How do I determine a property's zone?

1. Visit the HomeGrown webpage at [Chicago.gov/HomeGrown](https://chicago.gov/HomeGrown)
2. Enter the property's address into the Zone Lookup Tool
3. The tool will identify whether the property is located in:

Zone A

OR

Zone B

What can the HomeGrown grant be used for?

- Down payment assistance
- Closing costs

What is NOT allowed?

Grant funds cannot be used for:

- Furnishings or appliances
- Interest rate buy-downs (temporary or permanent)



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- Appraisal gap coverage
- Private Mortgage Insurance (PMI)
- New construction homes tied to City programs
→ If the home is part of programs like City Lots for Working Families or new construction homes built pursuant to a City of Chicago Land Sale Redevelopment Agreement
- Ground-up new construction – develop or construct a newly built residence

Eligibility Requirements

Who is eligible for the HomeGrown program?

Applicants must meet all of the following criteria:

- **Household Income:** Household gross income must be within program limits.
- **Location:** Purchase a home located in the City of Chicago.
- **Primary Residence:** The home must be used as the applicant's **primary residence**.
- **Mortgage Ready:** Applicants must be approved for a first mortgage by a lender licensed and in good standing with the State of Illinois and have sufficient financing to complete the home purchase.
- **Homebuyer Education:** Complete a HUD-approved homebuyer education course prior to closing.
- **Program Compliance:** Meet all other HomeGrown program requirements and provide all required documentation for eligibility review.

Meeting these requirements does not guarantee approval. All applications are subject to review and verification by the program administrators, NLS and TRP Lending LLC.

What are the income limit restrictions?

- **Zone A:** Up to 120% of Area Median Income (AMI)
- **Zone B:** Up to 150% of AMI



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What are the mortgage requirements?

Qualified buyers must:

- Obtain a **fixed-rate mortgage**
- Meet a maximum (back-end) debt-to-income ratio of **38%**
- Secure a standard first mortgage loan

Mortgage transactions **not allowed**:

- Adjustable-rate mortgages (ARMs)
- Interest-only loans
- Temporary or permanent interest-rate buy downs
- Cash only purchase transactions

Does the HomeGrown grant accept co-signers?

No. The program does not allow co-signers. The individual obtaining the mortgage must apply for the HomeGrown grant and **reside in the home as their primary residence for five (5) years**.

Are there participating lenders that I must work with to obtain the HomeGrown grant?

No. The HomeGrown Program does not maintain a list of participating or preferred lenders, and homebuyers are not required to work with a specific lender to receive HomeGrown assistance.

Homebuyers may obtain their primary mortgage loan from any lender that is properly licensed and in good standing with the State of Illinois. Buyers should select a reputable lender that best meets their financing needs.

Important: While buyers may choose any qualified lender for their mortgage financing, applications for HomeGrown grant assistance must be submitted through one of the program's authorized administrators, Neighborhood Lending Services, Inc. (NLS) or TRP Lending LLC (TRP).



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Can I apply if I am not a Chicago resident?

Yes, you may apply if you are relocating to Chicago and will occupy the home as your primary residence. The unit must be your primary residence; non-resident or investment properties are not eligible.

Is a down payment required?

Yes. Buyers must contribute at least 1% of the purchase price from their own personal funds.

Can additional down payment assistance programs be layered with the HomeGrown grant?

Yes. HomeGrown assistance may be combined with other eligible down payment assistance programs, provided that the HomeGrown Recapture Agreement is recorded in a subordinate lien position.

For example, a homebuyer may utilize:

- A first mortgage for the home purchase;
- A second mortgage or other eligible down payment assistance program; and
- HomeGrown assistance, with the HomeGrown Recapture Agreement recorded in third lien position.

The HomeGrown Recapture Agreement is not required to be recorded in second lien position; however, it must remain in a subordinate lien position and may not be recorded in fourth lien position or lower.

Important: HomeGrown is funded with Housing and Economic Development Bond proceeds and may not be combined with certain other bond-funded homeownership assistance programs. This includes, but is not limited to:

- Illinois Housing Development Authority (IHDA) bond-funded assistance programs; and
- TaxSmart Mortgage Credit Certificate (MCC) Program benefits.

Applicants should consult with their lender and the HomeGrown program administrator to determine whether other assistance programs are compatible with HomeGrown.



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Will I have to provide my household income each year?

No. After closing, you will not need to provide household income information. However, you will be monitored for the five (5) year term of the grant to ensure that the home remains your primary residence.

Do I need homebuyer education?

Yes. You must complete **6–8 hours** of training through a HUD-approved counseling agency (no self-paced online courses).

Additional training may be required for:

- Condos
 - o Condominium Training through a HUD-approved counseling agency
 - 2-unit properties
 - o Landlord or Property Management Training through a HUD-approved counseling agency
-

Can I apply if I am a current homeowner?

No. Current homeowners are not eligible for the HomeGrown program, even if you do not live in the existing property. At time of purchase, you cannot own:

- Another home
 - Investment property
 - Vacation property
-

Will I be able to refinance in the future?

Yes. Refinancing during the five (5) year term is permitted solely for the purpose of improving loan terms – such as reducing the interest rate or adjusting the loan structure/terms. Refinances that provide cash back or take the form of a home equity line of credit (HELOC) are not permitted.



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All refinances, including any subordination requests, must be submitted to your associated CDFI administrator (NLS or TRP Lending LLC.) for review and approval during the term of the 5-year term of the HomeGrown grant.

Do you need to be debt-free with the City of Chicago?

Yes – but with some flexibility.

To move forward, the City of Chicago requires a Scofflaw check, which looks for unpaid city debts like:

- Parking tickets
 - Red light or speed camera tickets
 - Other municipal fines or fees
-

If you have outstanding debt:

You are not automatically disqualified, but you must fix it before closing:

You have two options:

1. Pay the debt in full, OR
 2. Set up a payment plan
-

What proof you'll need:

Before you can get a "clear to close," you must show:

- If paid in full:
 - Copy of receipt confirming the balance is paid off
 - If on a payment plan:
 - Copy of receipt showing your first payment
 - A copy of the payment plan agreement
-



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Property Eligibility

What types of properties are eligible?

- Single-family homes
- Condominiums
- Townhomes
- Duplex/2-flat

✗ Not Eligible Property Types

- **3- or 4-unit buildings**
→ Only smaller properties (single-family homes, condominiums, townhomes and 2-units) qualify. Larger multi-unit buildings are excluded.
- **Certain new construction homes tied to City programs**
→ If the home is part of programs like City Lots for Working Families or has been built pursuant to a City of Chicago Land Sale Redevelopment Agreement
- **Properties purchased through City of Chicago land sale programs**
→ Homes or land acquired via special city-run sales programs are excluded, likely due to existing affordability or resale rules.
- **Ground-up new construction**
→ You can't use the program to build a brand-new home from the ground up — it's limited to existing homes or new construction purchases that are move in ready.

Are purchases with rehab properties allowed?

Yes, if:

- Total rehab costs cannot exceed \$50,000
 - Rehab costs cannot exceed 20% of purchase price
-



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Application Process

How do I apply?

To apply, visit:

www.NHSChicago.org OR

www.resurrectionproject.org/Homegrown

What documents are required to apply?

Applicants should be prepared to provide documentation necessary to verify eligibility for the HomeGrown Program. Typical documentation includes:

- A completed HomeGrown application.
- Household income verification for all household members age 18 and older.
- A valid government-issued photo identification for each applicant.
- A mortgage pre-approval letter from a lender licensed and in good standing with the State of Illinois.
- A fully executed purchase contract.

Important: The property address must be identified and included in the purchase contract executed at the time of application. The property's location determines whether it is eligible for the HomeGrown Program and is used to calculate the applicable grant amount.

Additional documentation may be required to verify eligibility and complete the application review process.

How long does it take to process an application?

Typically, **5–10 business days** after all required documents are submitted.



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What happens after I apply?

- **If approved:** The qualifying buyer/applicant will receive a Conditional Commitment Letter.
 - **If denied:** The buyer/applicant will receive a denial letter with an explanation.
-

What if the program runs out of funds?

HomeGrown assistance is available on a first-come, first-served basis and is subject to the availability of program funding.

If all program funds have been committed, eligible applicants may be placed on a waitlist. Placement on a waitlist does not guarantee that funding will become available.

Applicants are encouraged to work closely with the program administrators, Neighborhood Lending Services, Inc. (NLS) or TRP Lending LLC (TRP), throughout the application process.

The City reserves the right to modify, suspend, or discontinue the waitlist based on program funding availability and administrative considerations.

Closing & Funding

How long do I have to close?

- **90 days** from approval
 - One **30-day extension** may be granted
-

When are grant funds provided?

Funds are wired to the title company and applied at closing.

Can I receive cash back at closing?

No. Cash back is **not allowed under any circumstances**. Any excess funds must be applied toward the **principal balance of the mortgage loan**.



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Post-Closing Requirements

Do I have to live in the home?

Yes. The home must be your **primary residence for 5 years**. If purchasing a two-unit property, the qualifying buyer must occupy one unit as their primary residence and may rent out the other unit.

Is there ongoing compliance?

Yes. You must submit a **Residency Certification Affidavit annually**.

Grant Repayment (Recapture)

Do I have to repay the grant?

No, repayment is not required as long as you meet all program requirements for a period of five (5) years. This includes maintaining the home as your primary residence, not leasing or renting the property, transferring ownership, or taking out a cash-out refinance or home equity line of credit (HELOC).

When is repayment required?

Repayment (recapture) is triggered if you:

- Sell the home
 - Transfer ownership
 - Refinance with cash-out
 - Move out or lease the unit
-

How is repayment calculated?

- The grant is forgiven monthly for over 60 months (5 years).
- Each month, **1/60th of the total grant** is forgiven.



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- If repayment is triggered before the 5-year period ends, the **remaining balance** must be repaid in full to the City of Chicago.

Additional Questions

Can City employees apply?

Yes, City of Chicago employees may apply, if they qualify.

Are there conflict-of-interest rules?

Yes. Applicants must disclose relationships with program administrators using a Homebuyer Affidavit Disclosure Statement (HADS).

Who can I contact for help?

Interested buyers should contact the Community Development Financial Institution (CDFI) administrators you intend to work with. Please note, applicants are only permitted to work with one (1) agency – not both.

- Neighborhood Lending Services, Inc. – www.NHSChicago.org

OR

- TRP Lending LLC. – www.resurrectionproject.org/homegrown



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ZONE B CENSUS TRACTS

101	2105	2522	3107	4207
102	2209	2601	3108	4208
103	2210	2602	3109	4212
105	2211	2603	3403	4301
107	2228	2604	3404	4302
205	2302	2605	3405	4303
206	2303	2606	3406	4304
208	2305	2607	3501	4305
209	2306	2608	3504	4306
301	2307	2609	3510	4307
303	2309	2610	3511	4309
306	2311	2705	3514	4313
307	2312	2712	3515	4314
312	2315	2713	3602	4401
313	2408	2715	3801	4402
315	2409	2718	3802	4408
317	2410	2808	3805	4409
402	2427	2809	3807	4601
605	2502	2831	3814	4602
804	2503	2909	3818	4603
1401	2504	2912	3819	4604
1402	2507	2922	3903	4607
1403	2508	2924	3904	4610
1510	2510	2925	4004	4701
1901	2511	3005	4005	4802
1907	2512	3006	4008	4906
1908	2513	3007	4102	4907
1910	2514	3008	4106	4908
1911	2515	3009	4107	4909
1912	2516	3011	4201	4910
1913	2517	3012	4202	4912
2002	2518	3016	4203	4913
2003	2519	3017	4204	4914
2004	2520	3018	4205	5002
2104	2521	3106	4206	5003



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5101	6113			8374
5102	6114			8380
5103	6115	6713		8381
5201	6116	6714		8382
5202	6117	6715		8383
5203	6118	6716		8386
5301	6119	6718	7115	8387
5302	6120	6719	7302	8388
5303	6121	6720	7501	8392
5305	6201	6805	7506	8395
5306	6302	6806	8305	8396
5401	6302	6809	8306	8397
5402	6304	6810	8307	8401
5703	6305	6811	8312	8403
5801	6305	6812	8313	8404
5802	6308	6813	8314	8407
5803	6406	6814	8329	8408
5804	6501	6903	8333	8411
5805	6603	6904	8338	8412
5806	6604	6909	8339	8413
5807	6605	6911	8340	8414
5808	6606	6912	8342	8415
5905	6607	6913	8343	8416
5906	6609	6914	8344	8417
5907	6610	6915	8345	8418
6004	6611	7101	8346	8421
6006	6701	7102	8347	8424
6007	6702	7103	8348	8425
6103	6703	7104	8349	8428
6104	6704	7105	8350	8429
6110	6705	7106	8351	8430
6111	6706	7107	8355	8431
6112	6707	7108	8356	8432
	6708	7109	8359	8433
	6709	7110	8361	8434
	6711	7112	8364	8436
	6712	7113	8365	8438
		7114	8367	8439
			8368	
			8369	
			8370	
			8371	
			8373	