

# Habitat Illinois Community Impact Grant

*Habitat Illinois Building Impact*



**HIBI Training 2023:**

*Successful Closing  
and Funding*

# Today's Training



## Presenters:

Dru Bergman, Chicagoland Habitat for Humanity

Nick Furst, Chicago Title

- Update on **available HIBI funds**
- Review of **closing & post-closing** procedures & forms
- Overview of **Chicago Title's role** in process
- Answers to **Affiliate questions**



# Key Program Partners

Organization	Role
IHDA	Funds program; sets program rules & requirements; approves disbursements
Habitat Illinois	Program grantee
Administrator (Chicagoland Habitat for Humanity)	Reviews documents prior to submission to IHDA for compliance; markets program to Affiliates; provides technical assistance & training to Affiliates
Local Habitat Affiliate	Works directly with borrowers & screens for program eligibility; submits eligible closing packages to Administrator
Chicago Title	Handles all closings

# HIBI Program Status



IHDA renewed Round 4  
**until 2/27/2024**

**Over \$1 million** in grant funds  
available right now!



# Process Overview

- 1) Affiliate submits **Pre-approval Package** to Administrator w/Supporting Docs
- 2) Administrator submits **Pre-approval Package** to IHDA
- 3) IHDA issues **Pre-approval**

These steps were covered in 11/16/22 webinar – **recording available at [habitatillinois.org](https://www.habitatillinois.org).**

# Process Overview (continued)



Today's session reviews the rest of the process:

- 4) **Pre-closing** – IHDA's Clear-to-Close email
- 5) Affiliate's **closing with home buyers**
- 6) **Post-closing** document submission
- 7) **Receipt of HIBI funds** from IHDA



# Pre-closing Package

- After IHDA pre-approval, **affiliate can move toward closing**
- Affiliate submits **Pre-closing Package** to Administrator 10 business days before closing:
  - Preliminary Closing Disclosure
  - Affiliate's and IHDA's draft Mortgage & Note
  - Draft Warranty Deed
- IHDA reviews package within 5 business days of receipt & provides **Clear-to-Close** email

# Closing Disclosure



Is a Closing Disclosure (CD) required for HIBI?

**YES!**

Even affiliates not normally required to provide a CD **must provide both preliminary and final CDs** to borrowers using the HIBI program.





# Closing Disclosure

Who is responsible for issuing the CDs?

- **Mortgage lender** is responsible for issuing the CDs
- Administrator can **answer questions** about IHDA's requirements for CDs
- Chicago Title will **review CDs** to confirm they balance, but does not issue CDs

# Closing Disclosure - IHDA Requirements



15

<b>L. Paid Already by or on Behalf of Borrower at Closing</b>		<b>231,121.00</b>
01	Deposit	
02	Loan Amount	<b>\$206,700.00</b>
03	Existing Loan(s) Assumed or Taken Subject to	
04		
05	Seller Credit	<b>\$2,060.50</b>
<b>Other Credits</b>		
06		
07		
<b>Adjustments</b>		
08	<b>IHDA Trust Funds</b>	<b>\$15,000.00</b>
09	<b>FHLB Downpayment Plus Advantage</b>	<b>\$6,000.00</b>
10		
11		
<b>Adjustments for Items Unpaid by Seller</b>		
12	City/Town Taxes	01/01/2022 to 06/15/2022 \$1,360.50
13	County Taxes	to
14	Assessments	to
15		
16		
17		
<b>CALCULATION</b>		
Total Due from Borrower at Closing (K)		<b>\$233,421.00</b>
Total Paid Already by or on Behalf of Borrower at Closing (L) -		<b>\$231,121.00</b>
<b>Cash to Close</b> <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower		<b>\$2,300.00</b>

CLOSING DISCLOSURE  
Calyx Form - CD3\_SOT.frm (07/2018)

16

<b>N. Due from Seller at Closing</b>		<b>\$225,174.00</b>
01	Excess Deposit	
02	Closing Costs Paid at Closing (J)	<b>\$53.00</b>
03	Existing Loan(s) Assumed or Taken Subject to	
04	Payoff of First Mortgage Loan	
05	Payoff of Second Mortgage Loan	
06	<b>Seller financing 1st Mortgage</b>	<b>\$206,700.00</b>
07	<b>IHDA Trust Funds (POC)</b>	<b>\$15,000.00</b>
08	Seller Credit	<b>\$2,060.50</b>
09		
10		
11		
12		
13		
<b>Adjustments for Items Unpaid by Seller</b>		
14	City/Town Taxes	01/01/2022 to 06/15/2022 \$1,360.50
15	County Taxes	to
16	Assessments	to
17		
18		
19		
<b>CALCULATION</b>		
Total Due to Seller at Closing (M)		<b>\$230,000.00</b>
Total Due from Seller at Closing (N)		<b>- \$225,174.00</b>
<b>Cash</b> <input type="checkbox"/> From <input checked="" type="checkbox"/> To Seller		<b>\$4,826.00</b>

PAGE 3 OF 5 • LOAN ID # 144

# Closing Disclosure - Key Points



- IHDA grant is listed on **Buyer's Side Section L** under Adjustments as IHDA Trust Fund
- IHDA grant listed on **Seller's side Section N** as IHDA Reimbursable Down Payment
- Sellers now permitted to receive cash at closing; therefore, any loans provided at closing on behalf of buyer **no longer need to be listed on Seller's side** (except IHDA's loan)
- Buyers **cannot receive cash back** at closing

# Closing Disclosure - a Note About APLD



State of Illinois requires **Anti-Predatory Lending Database (APLD) Certificate** (\$50) if property is in one of the following counties:

**Kane**

**Cook**

**Peoria**

**Will**

# Closing Disclosure - Key Items to Remember



- Affiliate must account for **ALL documents being recorded**
- CD must indicate Habitat is **escrowing for taxes & insurance**
- Home buyers must:
  - Receive & acknowledge receipt of **preliminary CD at least 3 days prior** to closing
  - **Sign final CD at closing**, even if it has not changed from preliminary CD
  - **NOT receive cash back** at closing



# Affiliate Mortgage and Note

- Correct address, PIN & legal description
- Mortgage amount & payment amount match prior HIBI documents
- Affiliate escrowing for taxes & insurance
- No prepayment penalties
- No balloons
- Loan term minimum 20/maximum 30 years



# IHDA Mortgage and Note

- Correct address & PIN
- Correct HIBI grant amount (\$20,000 or \$15,000)
- Correct subordination of IHDA mortgage to all larger mortgages
- Correct legal description attached to mortgage

# Warranty Deed



- Correct property address
- Correct PIN
- Legal description matches other documents
- Correct name of home buyer
- Correct closing date





# IHDA's Clear-to-Close

- Administrator submits **Pre-closing package** to IHDA
- IHDA **reviews within 5** business days
- IHDA provides **Clear-to-Close (CTC)** email – green light to proceed to closing



# Closing with Home Buyer

- All closings conducted with **Chicago Title** to ensure compliance with IHDA requirements
- Closings processed through CT's Elgin office, but can be held at **any CT office** in Illinois
- **29 offices** in Chicago metro area, **plus**

Bloomington

Pekin

Pontiac

Champaign

Springfield (2)

Tuscola

Ottawa

Peoria

# Chicago Title's Services



- To order title or schedule a closing, Affiliate contacts **Nick Furst** at CT's Elgin office:

[ctelgin@CTT.com](mailto:ctelgin@CTT.com)

[nicholas.furst@ctt.com](mailto:nicholas.furst@ctt.com)

(847) 649-2065

- Nick coordinates with local CT office
- CT also can engage a third-party notary for off-site closings (additional charges apply)

# Closing Documents and Instructions



Affiliate emails to Nick at CT prior to closing (copy [dp@habitatnfv.org](mailto:dp@habitatnfv.org) on email):

- Completed CT Document Instructions Form (tab in HIBI Workbook)
- Affiliate Note & Mortgage
- IHDA Note & Mortgage
- Documents & recording instructions for all other financing of purchase and closing costs (i.e., FHLB DPP, state tax credits, county or city programs, etc.)

# Closing Documents and Instructions (continued)



- Warranty Deed
- Affidavit that Affiliate will receive HIBI funds post-closing for benefit of borrowers
- Final Plat of Survey (or order endorsement through CT for additional \$175 fee)
- Final Closing Disclosure (borrower signs at closing)
- Invoices for any third-party expenses paid at closing (except attorney fees – CT just needs address)

# Closing Documents and Instructions (continued)



- **Nick is Affiliate's point of contact** – do not call your local CT office
- Nick organizes closing documents and sends them to your local CT office
- All fund transfers go to CT's BMO account; Nick will overnight checks to designated recipients after closing



# Tips for Successful Closings

- Identify and provide **instructions for ALL documents** that must be recorded, including where to send after recording (use CT Document Instructions Form in HIBI Affiliate Reference Workbook to organize information)
- Share HIBI information **with your closing attorney** so everyone is on the same page (see Affiliate-Atty Closing info tab of HIBI Affiliate Reference Workbook)

# A Word About MyDec



- State website (<https://mytax.illinois.gov/MyDec/>) that allows individuals, law firms, and settlement agencies (title companies) to file Transfer Tax Declarations online & view Declarations already created
- Chicago Title has created a **workflow document** to help affiliates with this, if applicable to your situation - will be posted on Habitat Illinois website



# Post-closing: Chicago Title Emails to Administrator



- Certified copy of executed IHDA Note & Mortgage
- Copy of executed final Closing Disclosure
- Certified copy of Warranty Deed
- Waived Title

# Post-closing: Affiliate Emails to Administrator



**Immediately** after closing, email:

- IHDA Assistance Impact Statement

**Upon receipt** after closing, email:

- Title Insurance Policy, which must show
  - Coverage for all mortgages
  - IHDA mortgage recording information
  - IHDA mortgage subordinate to all larger mortgages

**Send to: [dp@habitatnfv.org](mailto:dp@habitatnfv.org)**



# IHDA Disburses Funds

- Administrator checks docs from Chicago Title & prepares Disbursement Checklist and Request for Payment & Certification
- Administrator submits docs to IHDA
- IHDA reviews for completeness & accuracy
- Within 15 business days of approval, IHDA disburses funds to Administrator's HIBI account
- Administrator disburses funds to Affiliate

# Resources to Help You With the HIBI Process



**Recordings of Training Webinars and Slide Decks:**  
posted on Habitat Illinois website: [habitatillinois.org](http://habitatillinois.org)

**HIBI Excel Workbook:** Administrator's record of file review and your reference guide for HIBI process; Administrator will provide at start of each new file

**Technical assistance:**

Dru Bergman – [dp@habitatnfv.org](mailto:dp@habitatnfv.org)

Nick Furst – [ctelgin@CTT.com](mailto:ctelgin@CTT.com)

# Training Wrap-up



## Affiliate Questions?

**Thank you for participating in  
today's training!**

