



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB4283

Introduced 1/14/2026, by Rep. Michael Crawford

#### SYNOPSIS AS INTRODUCED:

20 ILCS 3805/7.34 new  
30 ILCS 105/5.1038 new

Amends the Illinois Housing Development Act. Requires the Illinois Housing Development Authority (Authority) to establish and administer a First-Generation Homebuyer Down Payment Assistance Program to provide targeted assistance to eligible first-generation homebuyers throughout the State for the purchase of a single-family or non-commercial multi-family residence. Sets forth eligibility requirements. Permits the Authority to prioritize assistance to applicants purchasing homes in designated community priority areas, applicants with household income below 80%, and applicants purchasing homes in areas with low homeownership rates, high housing costs burdens, or limited access to affordable mortgage credit. Provides that assistance under the program shall be provided as a forgivable loan to be forgiven pro rata on a monthly basis over a 5-year period of continuous owner-occupancy. Sets forth the available loan amounts and provides that assistance funds may be used for down payments, closing costs, mortgage insurance, interest rate buydowns, or principal reduction. Permits the Authority to waive repayment in cases of documented financial hardship that is beyond the control of the homebuyer. Permits the Authority to adopt rules to implement and administer the program. Effective July 1, 2026.

LRB104 16472 KTG 29867 b

1 AN ACT concerning State government.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Housing Development Act is amended  
5 by adding Section 7.34 as follows:

6 (20 ILCS 3805/7.34 new)

7 Sec. 7.34. First-Generation Homebuyer Down Payment  
8 Assistance Program.

9 (a) The General Assembly finds that:

10 (1) Homeownership remains one of the strongest  
11 pathways to long-term financial stability.

12 (2) First-generation buyers face additional barriers  
13 including lack of family homeownership history, limited  
14 intergenerational financial support, and higher upfront  
15 cost burdens.

16 (3) Illinois currently offers down payment assistance  
17 but does not have a program specifically tailored to  
18 first-generation homebuyers.

19 (b) The Authority shall establish and administer a  
20 First-Generation Homebuyer Down Payment Assistance Program.  
21 The Authority shall use moneys in the First-Generation  
22 Homebuyer Down Payment Assistance Fund, a special fund created  
23 in the State treasury, and any other funds appropriated for

1 this purpose, to provide targeted assistance to eligible  
2 first-generation homebuyers throughout the State.

3 (c) For purposes of this Section, "eligible  
4 first-generation homebuyer" means an individual:

5 (1) who has resided in Illinois for at least one year  
6 immediately preceding his or her application for  
7 assistance;

8 (2) whose household income is at or below 120% of the  
9 area median income at the time of purchase;

10 (3) who meets the following criteria:

11 (A) has never owned a home or has not owned a home  
12 in the last 3 years;

13 (B) (i) has parents or prior legal guardians who  
14 have never owned a home, or (ii) was previously placed  
15 in foster care, kinship care, or institutional care  
16 prior to attaining the age of 18;

17 (4) if applicable, has a spouse or partner who also  
18 meets the requirements under paragraph (3);

19 (5) who completes a homebuyer education course  
20 approved by the U.S. Department of Housing and Urban  
21 Development or the Authority; and

22 (6) who plans on occupying the home as a primary  
23 residence. For purposes of this paragraph, "home" includes  
24 any non-commercial multi-family residence.

25 (d) The Authority may prioritize assistance applications  
26 from:

1           (1) applicants purchasing homes in designated  
2           community priority areas, as defined by the Authority;

3           (2) applicants with household income below 80% of the  
4           area median income;

5           (3) applicants purchasing homes in areas with low  
6           homeownership rates; and

7           (4) applicants purchasing homes in areas with high  
8           housing costs burdens or limited access to affordable  
9           mortgage credit.

10          (e) Assistance under this Section shall be provided as a  
11          forgivable loan. Eligible first-generation homebuyers may use  
12          assistance funds to purchase a single-family or non-commercial  
13          multi-family residence. The Authority may provide: (i)  
14          standard assistance that is the greater of 10% of the purchase  
15          price of a home or \$20,000 per eligible first-generation  
16          homebuyer household; or (ii) community priority area  
17          assistance that is the greater of 15% of the purchase price of  
18          the home or \$30,000 per eligible first-generation homebuyer  
19          household. The amount of assistance may be adjusted for market  
20          conditions over time at the discretion of the Authority. The  
21          assistance may be used for down payments, closing costs,  
22          mortgage insurance, interest-rate buydowns, or principal  
23          reduction.

24          (f) A forgivable loan provided under the Section shall be  
25          forgiven pro rata on a monthly basis over a 5-year period of  
26          continuous owner-occupancy. The Authority, in its discretion,

1 may waive repayment in cases of documented financial hardship  
2 due to loss of income, disability, natural disaster, or some  
3 other circumstance beyond the control of the eligible  
4 first-generation homebuyer.

5 (g) The Authority shall do the following in furtherance of  
6 its administration of the program:

7 (1) Establish documentation and verification processes  
8 (including self-attestation under penalty of perjury for  
9 parental homeownership history) and fraud prevention  
10 measures.

11 (2) Conduct outreach to prospective buyers statewide.

12 (3) Provide multilingual information and homebuyer  
13 workshops.

14 (4) Issue an annual public report, to be posted on its  
15 official website, that provides data and information on  
16 assistance applicants, outcomes, assistance amounts, and  
17 home retention rates.

18 (h) The Authority may adopt any rules necessary to  
19 implement and administer the program.

20 Section 10. The State Finance Act is amended by adding  
21 Section 5.1038 as follows:

22 (30 ILCS 105/5.1038 new)

23 Sec. 5.1038. The First-Generation Homebuyers Down Payment  
24 Assistance Fund.

1           Section 99. Effective date. This Act takes effect July 1,  
2    2026.