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April 11, 2008

To the IHDA Lender Community:

I would like to thank everyone who has helped make the G-I Loan for Heroes Program a success. In less than a year, IHDA has helped Veterans and Active Duty Service Personnel purchase homes in 209 cities located in 71 counties.

The downside to this success is that IHDA has exhausted its 0% second mortgage funds. The Program in its present form ends at the close of business today, April 11, 2008. IHDA is committed to assisting our military personnel, past and present. We have revised the program and have included the new guidelines with this letter. The new program will save the borrower approximately .50 bps. (based on loan size and down payment) to the standard IHDA rate. The new program is effective April 12, 2008.

The main changes to the program are:

-  The second mortgage rate will be 1% under the IHDA first mortgage rate.
-  The LTV must be 95%
-  A minimum FICO score of 620 is required.

You will find the complete guidelines in the attachment.

Thank you for your continued support of the IHDA programs.

Sincerely,

William Smirniotis

William Smirniotis
Managing Director
Homeownership Programs