### **Homeownership Programs**

#### **Our Family of Loans**

Whether you're just starting your home search or ready to tackle home improvements, we've got you covered. Learn more by visiting www.mnhousing.gov.

Start Up First-time homebuyer loans

MCC First-time homebuyer tax credit

Step Up Repeat homebuyer and refinance loans

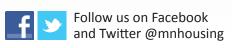
Fix Up Home improvement loans

#### **Our Mission**

Housing is the foundation for success, so we collaborate with individuals, communities and partners to create, preserve and finance affordable housing.

This reference quide does not contain all information needed to originate loans for sale under Minnesota Housing programs. See the Minnesota Housing Step Up Procedural Manual at www.mnhousing.gov for complete information.

651.296.8215 | 800.710.8871 | TTY 651.297.2361 mnhousing.solution@state.mn.us www.mnhousing.gov







Step Up Repeat homebuyer and refinance loans

# **Program Reference Guide**

for Housing Industry Professionals



## Step Up Repeat homebuyer and refinance loans from Minnesota Housing

Step Up is our statewide mortgage loan program for low- and moderate-income repeat homebuyers to purchase or refinance a home. The program offers affordable, fixed-rate loans and access to Minnesota Housing Monthly Payment Loans for downpayment and closing costs for eligible borrowers.

#### **Borrower Eligibility**

To be eligible for a Minnesota Housing Step Up loan, borrowers must meet the following requirements:

Meet household income limits using qualifying income
(subject to change):

11-county metro: \$124,000Rochester MSA: \$124,000Balance of state: \$110,600

Meet loan or home cost limits	(subject to change):

11-county metro: \$307,900Balance of state: \$255,500

Meet credit score and debt-to-income (DTI) ratios. See FICO/DTI
requirements on website.

#### **Loan Requirements**

- Fixed-rate, fully-amortized loans
- Escrows are required
- 15- and 30-year terms allowed
- Eligible products: FHA, FHA Streamlined Refinance, FHA 203(k)
  Streamlined, RD, VA, Conventional Products offered by Minnesota Housing\*
  - \*See product descriptions for additional requirements
- Normal customary origination, closing costs and fees charged to the borrower

#### **Downpayment and Closing Cost Loans**

Step Up borrowers have access to the Minnesota Housing Monthly Payment Loan to finance downpayment and/or closing costs. Step Up is ineligible for the Deferred Payment Loan. Loans may be combined with other non-Minnesota Housing Community Seconds®.

Key Features	Monthly Payment Loan
Loan Amount	Up to \$10,000 in increments of \$100
Loan Term	10-year term
Borrower Contribution	\$1,000 or 1% of the purchase price, whichever is less
Repayment	Fully amortized loan with monthly payments
Interest Rate	Equal to first mortgage rate
Maximum Allowable Post-Closing Liquid Assets	None
Disclosures	Industry standard disclosures required
Income Limits	Monthly Payment Loan income limits (see website)

### **Property Eligibility**

The property must be a principal residence located in Minnesota, including:

- Single-family residences
- Duplexes
- Townhomes/condos
- Unit in a Planned Unit Development (PUD)
- Manufactured homes financed with government insured/ guaranteed loans
- Community Land Trust leasehold estates

#### Excluding:

- Non-owner-occupied properties
- Investment properties
- Recreational homes

For more information, see the Step Up Procedural Manual at www.mnhousing.gov.