Find out more about Minnesota Housing loan programs:

Start Up *First-time homebuyer loans*

MCC *First-time homebuyer tax credit*

Step Up *Repeat homebuyer and refinance loans*

Fix Up *Home improvement loans*

Minnesota Housing finances affordable housing for low- and moderate-income households while fostering strong communities.

This reference guide 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.*

Minnesota Housing Finance Agency

Questions? Contact the Partner Solutions Team:

651.296.8215 or 800.710.8871
TTY 651.297.2361
www.mnhousing.gov

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EQUAL HOUSING OPPORTUNITY

2015.05.28

Step Up *Repeat homebuyer and refinance loans*

Program Reference Guide

for Housing Industry Professionals

Minnesota Housing Finance Agency

www.mnhousing.gov

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 credit score and debt-to-income (DTI) ratios:
- 640-659 credit score and maximum DTI of 45%
- 660+ credit score and maximum DTI of 50%

❒ Meet household income limits using qualifying income (subject to change):
- 11-county metro: $124,000
- Rochester MSA: $124,000
- Balance of state: $110,600

❒ Meet loan or home cost limits (subject to change):
- 11-county metro: $307,300
- Balance of state: $258,600

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 Fannie Mae HFA Preferred™
  - Conventional Fannie Mae HFA Preferred Risk Sharing™
- 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	5% of the purchase price or $5,000, whichever is greater (Up to $7,500)
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 interest 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.