

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.



**Step Up** *Repeat homebuyer and refinance loans*

## Program Reference Guide

for Housing Industry Professionals

*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](http://www.mnhousing.gov) for complete information.*



Questions? Contact the  
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# 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: \$310,000
  - Balance of state: \$265,000

## 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
<i>Loan Amount</i>	5% of the purchase price or \$5,000, whichever is greater
<i>Loan Term</i>	10-year term
<i>Borrower Contribution</i>	\$1,000 or 1% of the purchase price, whichever is less
<i>Repayment</i>	Fully amortized loan with monthly payments
<i>Interest Rate</i>	Equal to first mortgage interest rate
<i>Maximum Allowable Post-Closing Liquid Assets</i>	None
<i>Disclosures</i>	Industry standard disclosures required
<i>Income Limits</i>	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](http://www.mnhousing.gov).