Mortgage Loan Programs

Start Up | Step Up | MCC

Minnesota Housing Finance Agency

Minnesota Housing has been helping homebuyers finance homes for more than 40 years, partnering with a statewide network of approved lenders to offer safe and affordable home loans. In addition to our first-time homebuyer and downpayment assistance loans, we now have programs to help homeowners refinance or purchase a new home. Check out our Start Up, Step Up and Mortgage Credit Certificate (MCC) loan programs.

Minnesota Housing Mortgage Loan Programs

Start Up
First-Time Homebuyer Loan

- Mortgage loan for first-time homebuyers
- Purchase only
- 640 minimum credit score
- Low, affordable interest rates
- Downpayment and closing cost loan options available for eligible borrowers

Step Up
Purchase/Refinance Loan

- Available to existing homeowners and repeat homebuyers
- Purchase and refinance options
- 640 minimum credit score
- Low, affordable interest rates
- Monthly payment downpayment and closing cost loan available for eligible borrowers

First-Time Homebuyer Tax Credit *through the MCC Program*

- Tax credit program that could save you up to $2,000/year on your federal income taxes.
- Purchase only
- 640 minimum credit score
- Low, affordable interest rates
- Monthly payment downpayment and closing cost loan available for eligible borrowers

- To be eligible for our loans, you must qualify for an industry standard product such as FHA, FHA Streamlined 203k, RD, VA, Conventional Fannie Mae HFA Preferred™, or Conventional Fannie Mae HFA Preferred Risk Sharing™ loan. A Minnesota Housing participating lender can walk you through the qualifying process.

- Minnesota Housing mortgage loan income limits:

Current Income Limits[1]			
Household	11-County Metro Area	Rochester MSA[2]	Balance of State
1-2 Person	$86,600	$81,700	$77,400
3+ Person	$99,500	$93,900	$89,000

[1]Eligibility, qualifying Income limits, and limits for larger households and downpayment and closing cost loans are available on the Minnesota Housing website under "Homebuyers".

[2]Dodge/Olmsted Counties only

- The home you purchase or refinance must fall within the following limits:

Loan or Home Cost Limits		
Property Location:	11-county Metro	Balance of State
	$307,300	$258,600

Interest Rates

- Minnesota Housing offers affordable, fixed interest rates for our loan programs.
- Current interest rates can be found on our website at **www.mnhousing.gov** and are subject to change.

Downpayment and Closing Cost Loan Options

Eligible Minnesota Housing borrowers have access to downpayment and closing cost loan options. Additional eligibility requirements apply.

Requirements for all downpayment/closing cost loan options:

- Borrower must contribute $1,000 or 1% of the purchase price, whichever is less
- Homebuyer Education is required
- Borrower(s) may receive only one Minnesota Housing downpayment and closing cost loan. Loans may be combined with other non-Minnesota Housing Community Seconds®.

Key Features	Monthly Payment Loan	Deferred Payment Loans	
		Deferred Payment Loan Option (DPL)	Deferred Payment Loan Plus Option (DPL+)
Loan Amount	Up to $5,000 or 5% of the purchase price, whichever is greater ($7,500 maximum)	Up to $5,000 or 5% of the purchase price, whichever is greater ($6,000 maximum)	Up to $7,500 (eligibility and maximum amount determined by lender)
Loan Term	10-year term	Equal to first mortgage term	
Repayment	Fully amortized loan with monthly payments	Deferred payment repaid upon satisfaction of first mortgage	
Interest Rate	Equal to first mortgage rate	Interest-free	
Income Limits	Start Up income limits *(see website)*	Deferred Payment Loan income limits *(see website)*	
Must be First-Time Homebuyer	No	Yes	
Maximum Allowable Post-Closing Liquid Assets	None	$8,000 or 8 months PITI, whichever is greater	
Available With	Start Up, Step Up and MCC (with first mortgage)	Start Up	Start Up
Additional Eligibility Requirements	None	None	Borrower must meet **two** of the four criteria: • Single headed household with minor dependent(s) • Household of four or more people • Disabled household member • Front-end ratio of 28% or higher

Interested?

Contact one of our lending partners by visiting **www.mnhousing.gov** for help completing your application and getting started on the road to successful homeownership.