

Mortgage Loan Programs

Start Up | Step Up | MCC



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 loans, we have programs to help you refinance or purchase a new home. Check out our Start Up, Step Up and Mortgage Credit Certificate (MCC) loan programs.

Mortgage Loan Programs

Start Up

First-Time Homebuyer Loan

- Mortgage loan for first-time homebuyers
- Purchase only
- 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
- 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
- Low, affordable interest rates
- Monthly payment downpayment and closing cost loan available for eligible borrowers

To be eligible, you must:

- Meet minimum credit score requirements.
- Qualify for an industry standard product such as FHA, FHA Streamlined 203(k), RD, VA, or Conventional Products offered by Minnesota Housing. A Minnesota Housing participating lender can walk you through the qualifying process.
- Meet our income limits¹:
 - Purchase or refinance a home within the following loan or cost limits:

Income Limits			
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

Loan or Home Cost Limits	
11-County Metro Area	Balance of State
\$306,000	\$253,800

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

²Dodge/Olmsted Counties only

Interest Rates

Minnesota Housing offers affordable, fixed interest rates. Current 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 at a time. 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 \$12,000 in increments of \$100	Up to \$8,000 in increments of \$100	Up to \$10,000 in increments of \$100 (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 (<i>see website</i>)	Deferred Payment Loan income limits (<i>see website</i>)	
Must be First-Time Homebuyer	No	Yes	
Maximum Allowable Post-Closing Liquid Assets	None	Greater of 8 months PITIA or \$8,000	
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: <ul style="list-style-type: none"> • Sole head of household with at least one Eligible Dependent residing in the household • Household of four or more people • Household member is disabled • Front-end ratio of 28% or higher

Interested?

Contact one of our lending partners by visiting www.mnhousing.gov. They'll help you complete your application and get started on the road to successful homeownership.

Minnesota Housing does not make or arrange loans. It is neither an originator nor creditor and is not affiliated with any Lender. The terms of any mortgage finance transactions conducted in connection with Minnesota Housing programs, including important information such as loan fees, the annual percentage rate (APR), repayment conditions, disclosures, and any other materials which are required to be provided to the consumer are the responsibility of the Lender.