

Effective for all loans originated on or after January 1, 2018. Lenders may begin using these disclosure options immediately.

Minnesota Housing prohibits lenders from charging fees to the borrower other than standard recording fees, conservation fund fees, and transfer taxes/fees on downpayment and closing cost loans. A servicing fee of \$175 is required on Monthly Payment Loans.

Deferred Payment Loans

Option 1: TRID Disclosures

- Applicable to **all** Deferred Payment Loans, whether or not the loan meets the criteria for the HUD/RESPA Partial Exemption ([12 CFR §1026.3\(h\)](#) and [HUD 1024.5](#)).
- Required if the loan has a finance charge such as title company/closing agent fees.
- **Action:** Provide the Loan Estimate and Closing Disclosure. Note that you are required to adhere to TRID delivery and timing requirements.
- **This loan has a balloon payment and must be disclosed as a balloon loan.**

Option 2: Company Generated Disclosures

- Applicable only to Deferred Payment Loans that meet the criteria for the HUD/RESPA Partial Exemption ([12 CFR §1026.3\(h\)](#) and [HUD 1024.5](#)).
- When using this option, no finance charges or vendor fees can be charged to the borrower.
- **Action:** Provide a set of disclosures that includes the elements required by [12 CFR Part §1026.18](#) (Regulation Z). * Minnesota Housing has developed a [sample disclosure](#) for optional use with loans that use the partial exemption. The CFPB has not been specific on delivery timing requirements for this disclosure option. It is Minnesota Housing's **opinion** that this disclosure may be signed by the borrower at or before closing. **This loan has a balloon payment and must be disclosed as a balloon loan.**

*Finance charge, APR, Total of payments due, Security interest, and Assumption policy are all covered with a TIL. Itemization of amount financed, Terms of repayment, and a reference to the loan contract (NOTE) also need to be disclosed.

Monthly Payment Loans

- Monthly Payment Loans are covered under TILA and RESPA and must follow TRID regulation.
- **Action:** Provide the Loan Estimate and Closing Disclosure.