



Critical Lender Update Conventional Cash to Close Grants Commitment System Updates

Available August 3, 2017 for new and existing
conventional loan locks

Agenda

1. Grant Overview
2. Grant Guidelines
3. Commitment System Changes
4. Next Steps
5. Q&A Session

Conventional Cash to Close Grant

- Limited time third party grant
- For Minnesota Housing borrowers:
 - Using a conventional product
 - At or below 80% AMI by county
- Available August 3, 2017 for new and existing conventional loan locks



How it Works

1. Check income and eligibility
2. Add grant to your existing loan commitment
 - Don't complete Allocation Change Request Form
3. Complete and provide [Award Letter](#)
4. Include grant on Closing Disclosure
5. Close in your name and fund the grant

Income Limits

- Use first mortgage Loan Qualifying income
 - Found in Conventional Cash to Close Lender Guide
 - Listed by county

Parameters	Fannie Mae HFA Preferred™ and HFA Preferred Risk Sharing™	Freddie Mac HFA Advantage SM	
Qualifying income limits	≤ 80% AMI by county	≤ 50% AMI by county	>50% and ≤ 80% AMI by county
Grant amount	\$1500	200 basis points of loan amount	50 basis points of loan amount
		Round up or down in \$100 increments	

Guidelines

Parameters	Fannie Mae HFA Preferred™ and HFA Preferred Risk Sharing™	Freddie Mac HFA Advantage SM
Grant use	Closing costs*	Closing costs and downpayment
Non-first time homebuyers allowed	Yes	Yes
Refinance transactions allowed	Yes	No
Additional Product Guidelines See Product Description	HFA Preferred™ HFA Preferred Risk Sharing™	HFA AdvantageSM

*Lender must ensure this grant, plus interested party contributions such as seller concessions, do not exceed actual closing costs plus pre-pays.

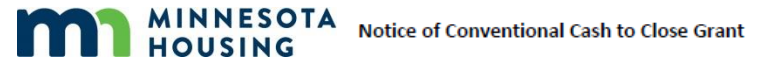
SFC/IFI Codes

Parameters	Fannie Mae HFA Preferred™ and HFA Preferred Risk Sharing™	Freddie Mac HFA Advantage SM	
Special Feature Code (SFC) and Investor Feature Identifier (IFI)	SFC: 843	IFI: H56 indicating the loan is a VLIP Mortgage (<=50% AMI)	IFI: H55 indicating the loan is a LIP Mortgage (<=80% AMI)

Underwriter should indicate code on Underwriting transmittal (1008)

Award Letter

- In Forms Generator
- Available on [website](#)
- Lender must sign and date form



This borrower has the opportunity to benefit from a third party grant through the use of a Minnesota Housing Finance Agency conventional first mortgage loan product based on the mortgage loan qualifying income and property location.

Borrower name:	<input type="text"/>
Property address:	<input type="text"/>
Minnesota Housing Loan number:	<input type="text"/>
Loan amount:	<input type="text"/>
Grant amount:	<input type="text"/>
County:	<input type="text"/>
Income:	<input type="text"/>
Government Sponsored Entity:	<input type="text" value="Select GSE"/>

The borrower is under no obligation to repay this third party grant.

Lender is responsible for updating any changes to the loan information (e.g., amount, income, etc.) and re-verifying the borrower is eligible for the third party grant.

Lender Name (printed)

Lender Signature

Date

Closing Disclosure

L. Paid Already by or on Behalf of Borrower at Closing		
01		
02	Loan Amount	\$162,000.00
03	Deferred Payment Loan	\$7,000.00
04	Conventional Cash to Close Grant	\$3,300.00
05		
Other Credits		
06		
07		
Adjustments		
08		
09		
10		
11		
Adjustments for Items Unpaid by Seller		
12	City/Town Taxes	to
13	County Taxes	to
14	Assessments	to
15		

N. Due from Seller at Closing		
01		
02		
03		
04		
05		
06		
07		
08		
09		
10		
11		
12		
13		
Adjustments for Items Unpaid by Seller		
14	City/Town Taxes	to
15	County Taxes	to
16	Assessments	to
17		

Include the grant on the Closing Disclosure on page 3, section L: lines 1-5

Commitment System

- Available on August 3 at 10:00 a.m.
- Add grant to existing locks or when locking a new conventional loan

Example Grant:

Borrower: Boitano, Brian Lender: 656300 - Movement Mortgage, LLC Program: Start Up Purchase Program

LOAN INFO	ORIGINATION	PROPERTY INFO	BORROWERS	FINANCE	TIMELINE	ATTACHMENTS	OTHER
<div>GRANT AMOUNT 1500</div>							FANNIE / FREDDIE Fannie

Commitment System

- For **ALL** conventional locks, complete the “Grant Amount” field found in the “Other” tab
 - If no grant, enter 0
- **Do not** enter downpayment loan amount or other grants into Grant Amount Field

Borrower: Boitano, Brian Lender: 656300 - Movement Mortgage, LLC Program: Start Up Purchase Program

LOAN INFO	ORIGINATION	PROPERTY INFO	BORROWERS	FINANCE	TIMELINE	ATTACHMENTS	OTHER
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GRANT AMOUNT

FANNIE / FREDDIE

HOUSING RATIO 28% OR ABOVE Y/N

HOUSING RATIO

HFA PREFERRED RISK SHARING Y/N

PERS. PROPERTY IN TRANSACTION?

Commitment System

- Do not enter Grant Amount for a government loan

Borrower: Kerrigan, Nancy Lender: 656300 - Movement Mortgage, LLC Program: Start Up Purchase Program

LOAN INFO	ORIGINATION	PROPERTY INFO	BORROWERS	FINANCE	TIMELINE	ATTACHMENTS	OTHER
LOAN NUMBER: 0012642053		ALLOTMENT/ALLOCATION: Government Start Up (FFY) Government 1st Mortgage					
LENDER LOAN NUMBER:		APPROVED/WORKING STAGES: Commitment		Purchase Approved			
LENDER CASE NUMBER:		STATUS: Current					
COMMITMENT DATE: 07/12/2017		ESTIMATED CLOSING DATE: 08/01/2017					
INITIATIVE:		LOAN AMOUNT: \$200,000.00					
INTEREST RATE: 4.0000 %		TERM IN MONTHS: 360					
AMORTIZATION: Fixed Rate		P&I: \$954.83					
LOAN TYPE: Federal Home Administration		PURCHASE PRICE: \$205,000.00					
		ADDITIONAL ACQUISITION COST: \$0.00					
		ACQUISITION PRICE: \$205,000.00					

Borrower: Kerrigan, Nancy Lender: 656300 - Movement Mortgage, LLC Program: Start Up Purchase Program

LOAN INFO	ORIGINATION	PROPERTY INFO	BORROWERS	FINANCE	TIMELINE	ATTACHMENTS	OTHER
GRANT AMOUNT 1500							FANNIE / FREDDIE

Avoid Errors

- Only include the amount of the Conventional Cash to Close Grant in the Grant Amount field. If no grant, enter “0”.
- Do not enter downpayment loan amount or grants from other sources in this Grant field.
- Do not use the Allocation Change Request form to simply add a grant. Enter Grant Amount in the “Other” tab.

Next Steps

- Available on August 3 for existing and new conventional locks
- Resources:
 - Conventional Cash to Close Grant Lender Guide
- New Form:
 - Award Letter

Contact Us



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