

# Mortgage Loan Programs

## Downpayment and Closing Cost Loans Comparison

Effective for loans locked on or after December 7, 2016



Minnesota Housing downpayment and closing cost loans are available through Agency-approved lenders and can only be used with a Minnesota Housing first mortgage program.

This comparison sheet is a summary of program requirements and does not contain all the information needed to originate Minnesota Housing loans. Lenders should refer to Minnesota Housing's Program Procedural Manuals and the underlying product guidelines for complete information

Parameters		Monthly Payment Loan (MPL)	Deferred Payment Loan (DPL)	
			Deferred Payment Loan (DPL) Option	Deferred Payment Loan Plus (DPL+) Option
KEY FEATURES	Eligible First Mortgage Programs	Must be used with Start Up, Step Up, or MCC (with First Mortgage) <i>(Not eligible with Premium SRP Refinance option)</i>	Must be used with Start Up	
	Lender Requirements	Must be a participating lender	Must be a participating lender	
	Eligible Use of Funds	Downpayment and closing costs	Downpayment and closing costs	Downpayment and closing costs and principal reduction
	Layered Subsidies Allowed	Yes	Yes	
	Eligible First Mortgage Products	Refer to Start Up/MCC/Step Up guidelines	Refer to Start Up guidelines	
	Geographic Area	Statewide	Statewide	
	Loan Amount	Up to \$10,000, available in \$100 increments	Up to \$7,500, available in \$100 increments	Up to \$8,500, available in \$100 increments
	Targeting Criteria	None	None	Borrower must meet <b>two</b> of the four criteria: <ul style="list-style-type: none"> <li>• Sole head of household with at least one Eligible Dependent residing in the household</li> <li>• Household of four or more people</li> <li>• Disabled household member</li> <li>• Front-end ratio of 28% or higher</li> </ul>

Parameters		Monthly Payment Loan (MPL)		Deferred Payment Loans											
				Deferred Payment Loan (DPL) Option					Deferred Payment Loan Plus (DPL+) Option						
PROPERTY ELIGIBILITY	Acquisition Cost Limit	Start Up/MCC/Step Up limits				Start Up limits									
	Eligible Properties	Refer to Start Up/MCC/Step Up guidelines				Refer to Start Up guidelines									
BORROWER ELIGIBILITY	Income Limits <sup>1</sup> (Dodge/Olmstead Only)	Household Size	1-2 Person	3+ Person	Household Size	1-3 Person	4	5	6	7	8	9	10		
		Metro	\$86,600	\$99,500	Metro	\$60,000	\$66,500	\$72,000	\$77,000	\$82,500	\$88,000	\$93,000	\$96,485		
		Rochester MSA <sup>1</sup>	\$81,700	\$93,900	Rochester MSA	\$60,000	\$66,500	\$72,000	\$77,000	\$82,500	\$88,000	\$93,000	\$96,485		
		Greater MN	\$77,400	\$89,000	Greater MN	\$55,000	\$59,500	\$64,000	\$69,000	\$73,500	\$78,500	\$83,000	\$84,985		
	Minimum Credit Score/Debt-to-Income Ratio (DTI)	Refer to Start Up/MCC/Step Up guidelines				Refer to Start Up guidelines									
	Minimum Borrower Contribution	Lesser of \$1,000 or 1% of purchase price				Lesser of \$1,000 or 1% of purchase price									
	Maximum Post Closing Liquid Reserves	No limitation				Greater of 8 months PITIA or \$8,000									
	Minimum Post Closing Liquid Reserves	Defer to underlying product guidelines				Defer to underlying product guidelines									
	First-Time Homebuyer	Yes with Start Up. No with Step Up.				Yes									
	Homebuyer Education	Required of at least one borrower if all borrowers are first-time homebuyers				Required of at least one borrower									
LOAN TERMS	Interest Rate	Equal to the first mortgage rate				0%									
	Loan Term	10-year term				Equal to first mortgage term									
	Repayment	Fully-amortized loan with monthly payments				Deferred loan. Repaid when the property is sold, title is transferred or ceases to be principal place of residence and, under certain circumstances, when the property is refinanced.									
	Monthly Payment Required	Yes				No									
	Subordination	Full repayment of the loan is required unless the borrower refinances with Step Up and submits a request for subordination.				Full repayment of the loan is required unless the borrower refinances with Step Up and submits a request for subordination.									

