



Minnesota Housing 101: Homebuyer Programs

April 6th, 2010



Minnesota Housing

Minnesota Housing 101: Homebuyer Programs

March 6, 2010 1:00 PM – 2:00 PM CDT

-Welcome-

The presentation will begin in a few minutes to allow for registrants to log into the system. When you join the presentation, you may or may not hear background music. Please stay on the line.

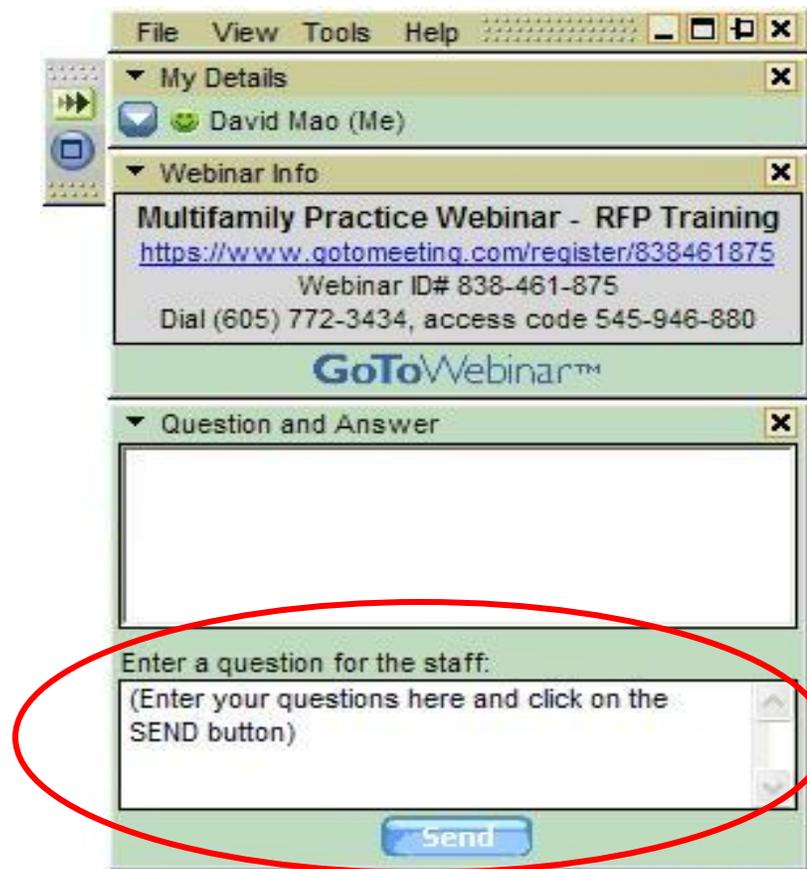
To join the conference call:

Dial: 1-877-810-2611 - Access Code: 522 142 31, then hit #

- If you are having difficulty joining, please e-mail: michael.nguyen@state.mn.us



Questions During Presentation



- We will batch online questions and answer them throughout the webinar
- A complete Q & A list will be posted to the Minnesota Housing website when training is completed
- All presentation materials from Minnesota Housing and are posted on our website at:

http://www.mnhousing.gov/resources/training/sf-assistance/MHFA_009091.aspx

Today's Presenter



- **Please wait a moment while we transition to our next speaker:**
- **Kim Stuart**
 - » **Minnesota Housing**
 - **Single Family Homes Division**



Minnesota Housing finances
and advances **affordable** housing
opportunities for low and moderate
income Minnesotans to
enhance quality of life and **foster**
strong **communities.**

End long-term homelessness.
Finance new affordable housing opportunities.
Increase emerging market homeownership.
Preserve affordable housing.

All Minnesotans
live in
affordable homes.

Minnesota Housing



- **State Housing Finance Agency**
 - » Invested more than **\$8.7 billion** and assisted more than **750,000** households since its establishment as a state agency in **1971**
- **Offer first time homebuyer financing**
- **Funded with Mortgage Revenue Bonds**

Minnesota Housing

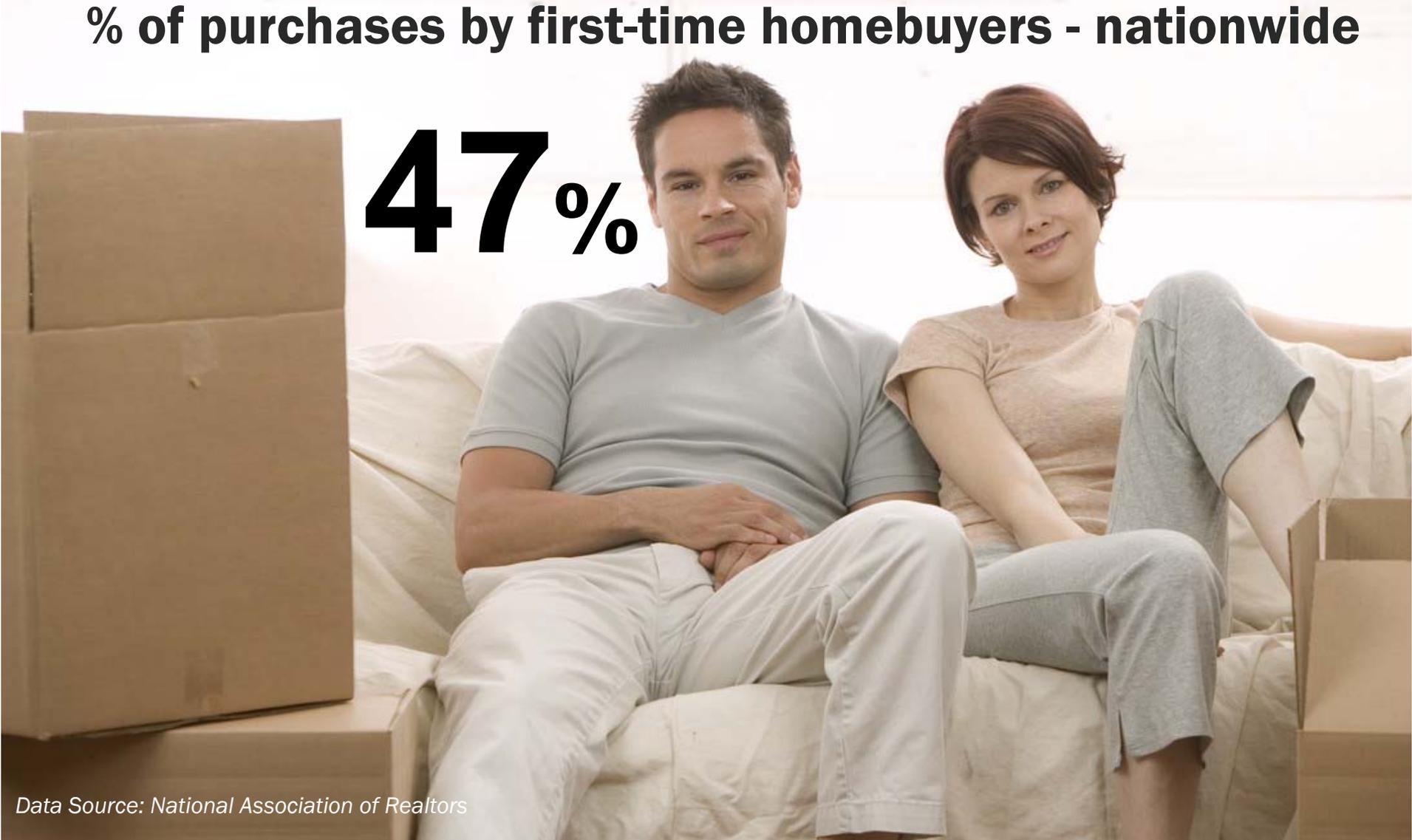


- **First Time Homebuyer Programs**
- **Homebuyer Education and Counseling**
- **Foreclosure Prevention**
- **Home Improvement Programs**
- **Housing Development Program**
- **Multi-Family Division**

Market Share

% of purchases by first-time homebuyers - nationwide

47%

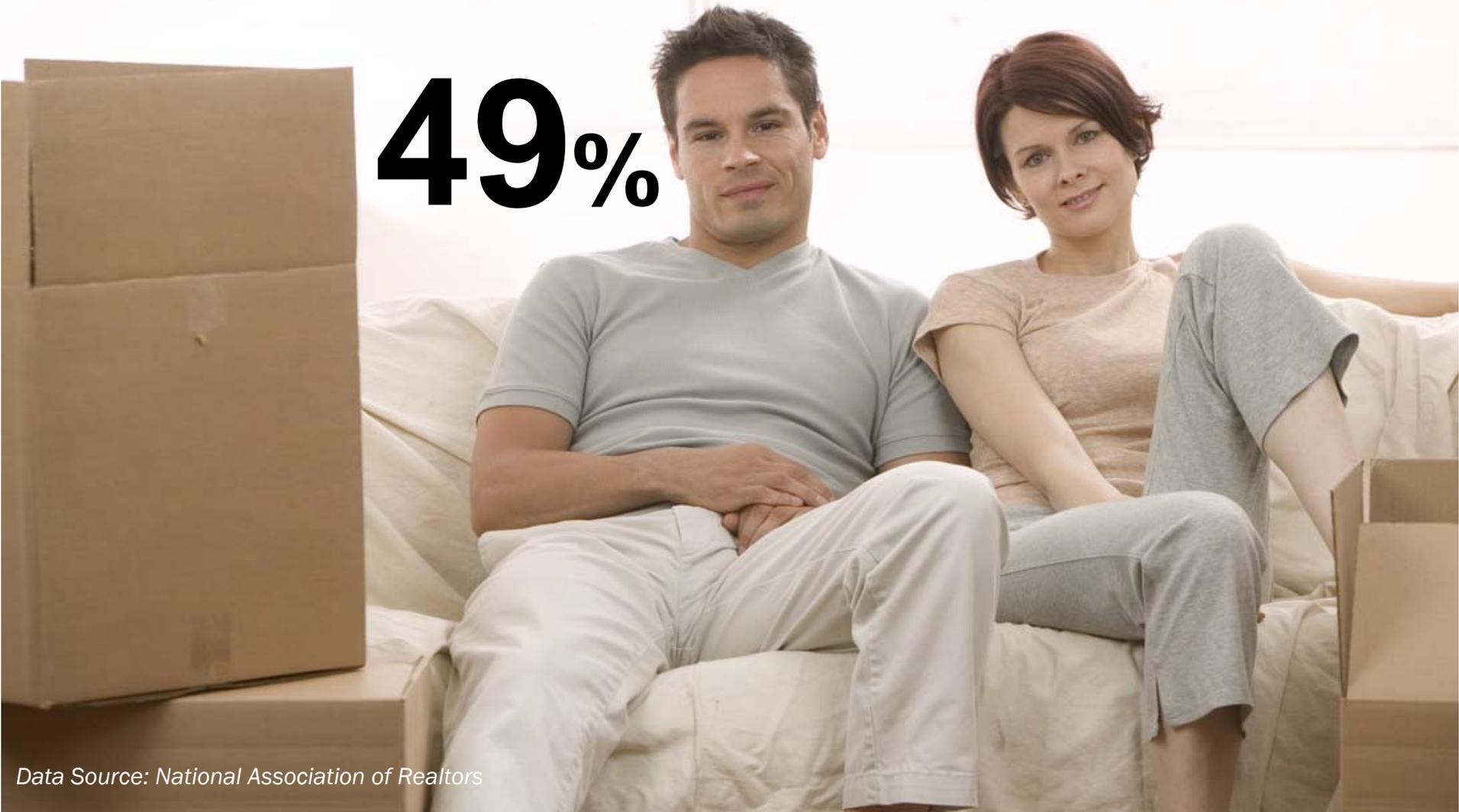
A man and a woman are sitting on a couch in a room filled with cardboard boxes, suggesting they are moving. The man is wearing a light blue t-shirt and white pants, and the woman is wearing a light-colored top and grey pants. They are both looking towards the camera with slight smiles. The background is a bright, slightly blurred room.

Data Source: National Association of Realtors

Market Share

% of purchases by first-time homebuyers - Minnesota

49%

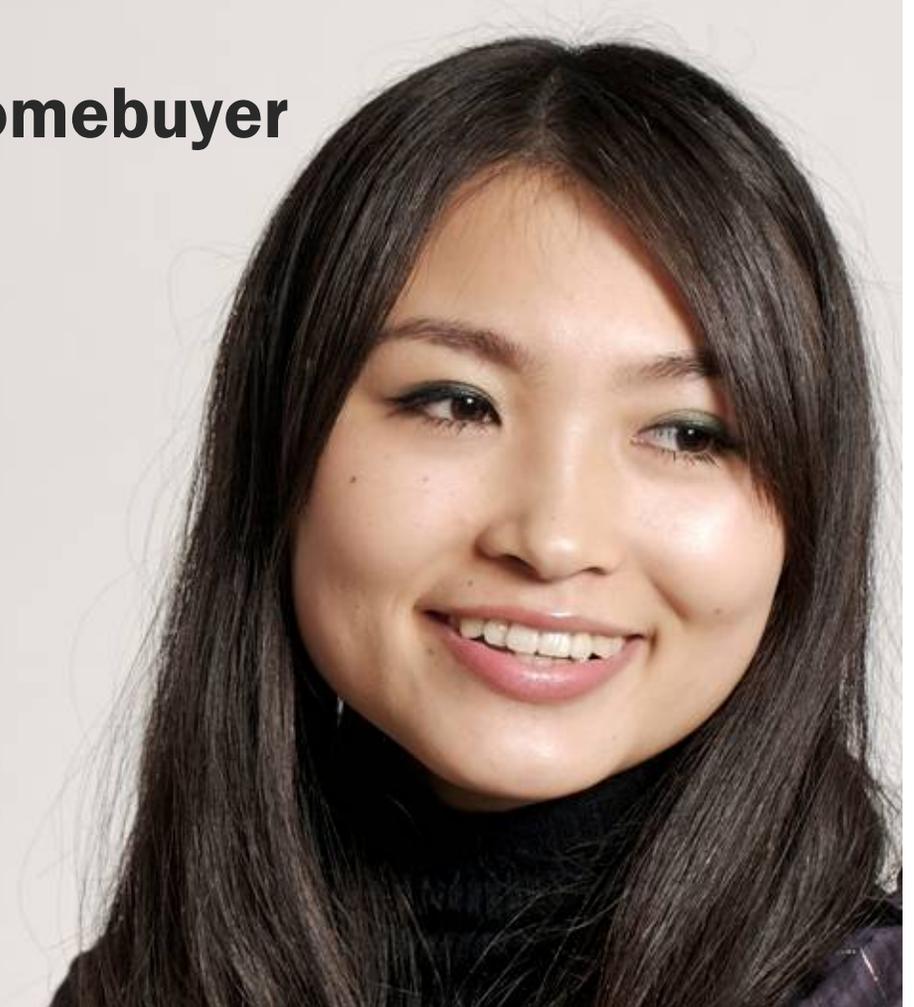
A man and a woman are sitting on a couch covered with white protective sheets. They are surrounded by several large cardboard boxes, suggesting they are in the process of moving into a new home. The man is wearing a light blue t-shirt and white pants, and the woman is wearing a light-colored top and grey pants. They are both looking towards the camera with slight smiles.

Data Source: National Association of Realtors

Market Share

**Age of a typical first-time homebuyer
in Minnesota**

28 yrs



Data Source: National Association of Realtors

Market Share

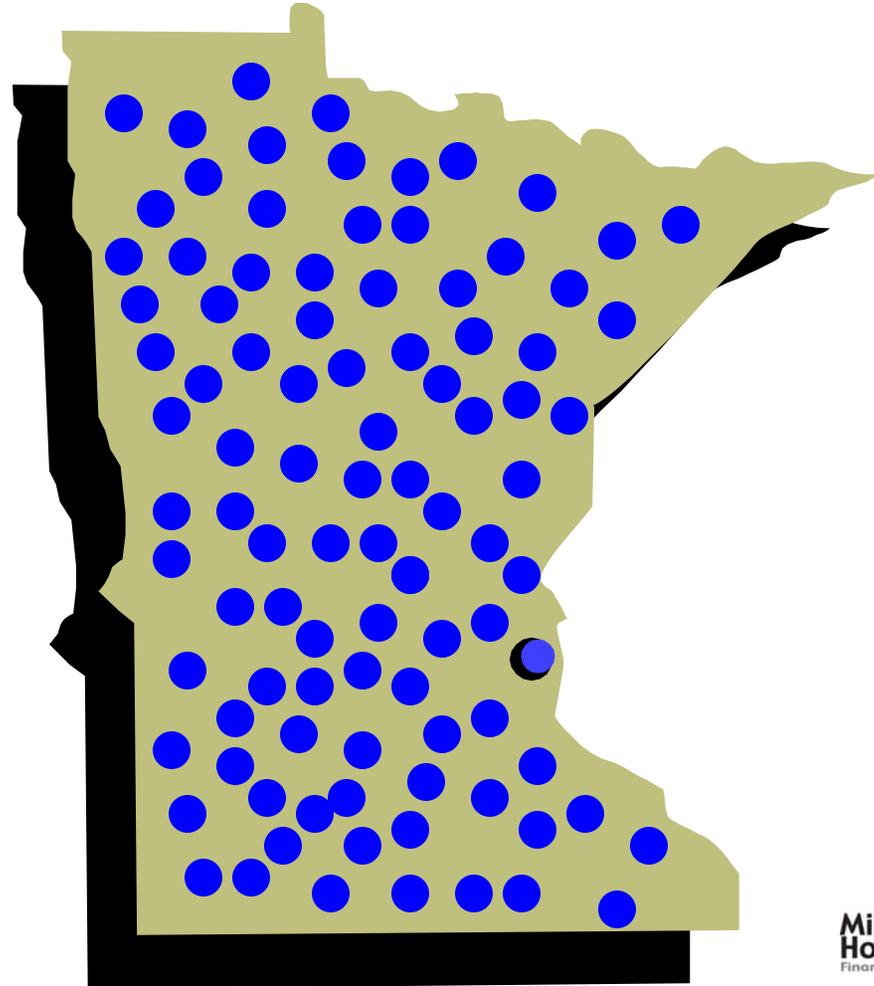
**Minnesota first-time homebuyer
median income**

\$62,400

Data Source: National Association of Realtors

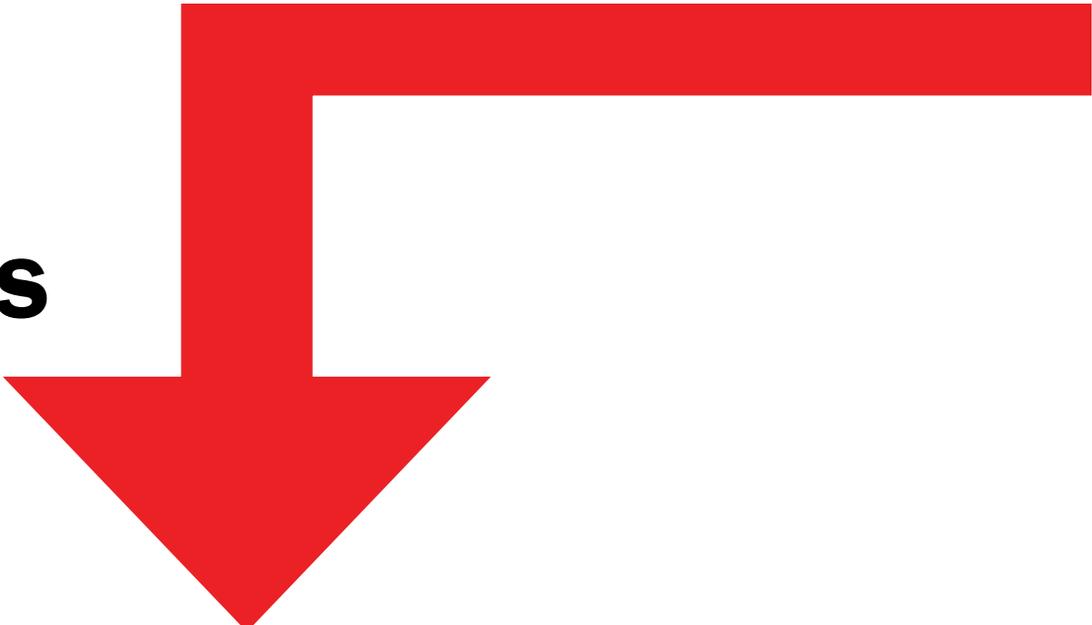
Benefits

**Available
statewide**



Benefits

**Below Market
Interest Rates**



**Today's rates as
low as 4.625%**

Benefits

Government Loan Products

- **FHA**
 - » **Including Streamlined 203 (K) for purchase rehab**
- **RD**
 - » **Pair 100% Financing with below market rate**
- **VA**



Benefits

Conventional Loan Products

Conventional- MCM and HomePossible

- **Rate includes Loan Level Pricing Adjustments (LLPA) and Adverse Market Delivery Charge (AMDC)**
- **Mortgage Insurance Partner Benefits**
 - » **Reduced MI Rates**
 - » **More flexible HFA Guidelines**
 - » **Job Loss Protection**
 - » **Recapture Tax Protection**

Benefits

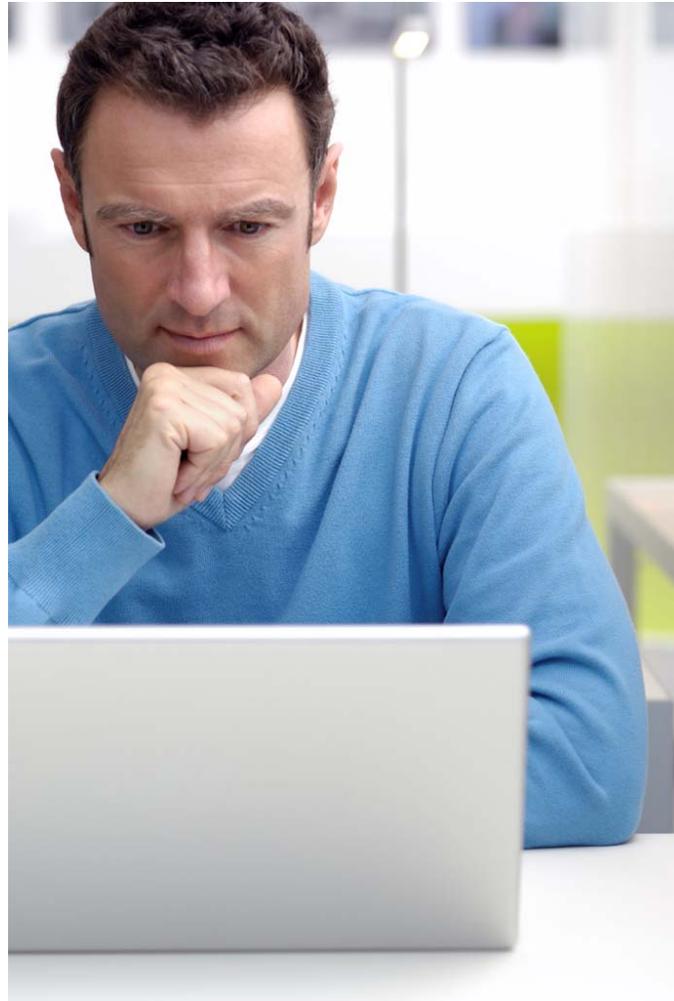
Entry Cost Assistance



- **Cash to Close**
- **\$3,000 - \$10,000**

Two Programs

- **Minnesota Mortgage Program (MMP)**
- **Basic Package**



- **Community Activity Set Aside (CASA) Program**
- **Enhanced Package**

Access to Minnesota Housing



Borrower:

- **Applies with a lending partner that originates Minnesota Housing first mortgage program loans**

Access to Minnesota Housing



Lending Partner:

- **Originates, processes, underwrites, closes and funds the loan**
- **Sells the loan to the Master Servicer, US Bank Home Mortgage- MRBP Division**

Role of US Bank Home Mortgage-MRBP Division

Master Servicer: Mortgage Loan Program, MBS

- **Purchases closed loans from lenders**
- **ALL Regs website**
 - » **Product descriptions**
 - » **Checklist**

Correspondent Lending

Correspondent Lending Services

**Underwriting for
FHA/VA, Conventional
and Rural Development**

Table Funding

**Mortgage Electronic
Registration Systems
(MERS)**

US Bank MRBP Correspondent Lending Help Desk



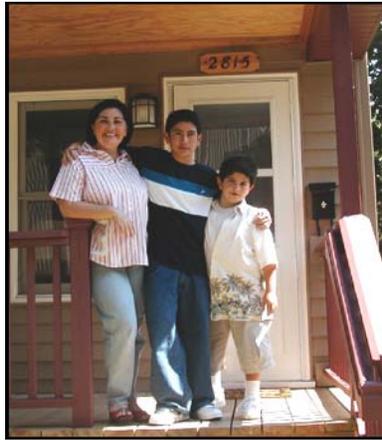
Phone: 1.800.562.5165

E-mail: mrbp.helpdesk@usbank.com



Program Features

Borrower



Property



Loan



**Subsidy
Recapture**



Eligible Borrowers

First-time Homebuyer



Borrowers have not had an ownership interest in a principal residence for the past three years

Eligible Borrowers

MMP Income Limits

Household Size	11-County Twin Cities Metro Area	Rochester MSA	Balance of State
1-4	\$83,900	\$77,800	\$72,900

Limits for larger households and other programs on the Minnesota Housing Website at www.mnhousing.gov

- 11 County Twin Cities Metro Area: Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington and Wright Counties
- Rochester MSA : Olmsted and Dodge Counties
- These limits are based on data supplied by the US Department of Housing and Urban Development (HUD)



Eligible Borrowers

CASA Income Limits

Household Size	11-County Twin Cities Metro Area	Rochester MSA	Balance of State
1-4	\$67,200	\$62,300	\$58,400

Limits for larger households and other programs on the Minnesota Housing Website at www.mnhousing.gov

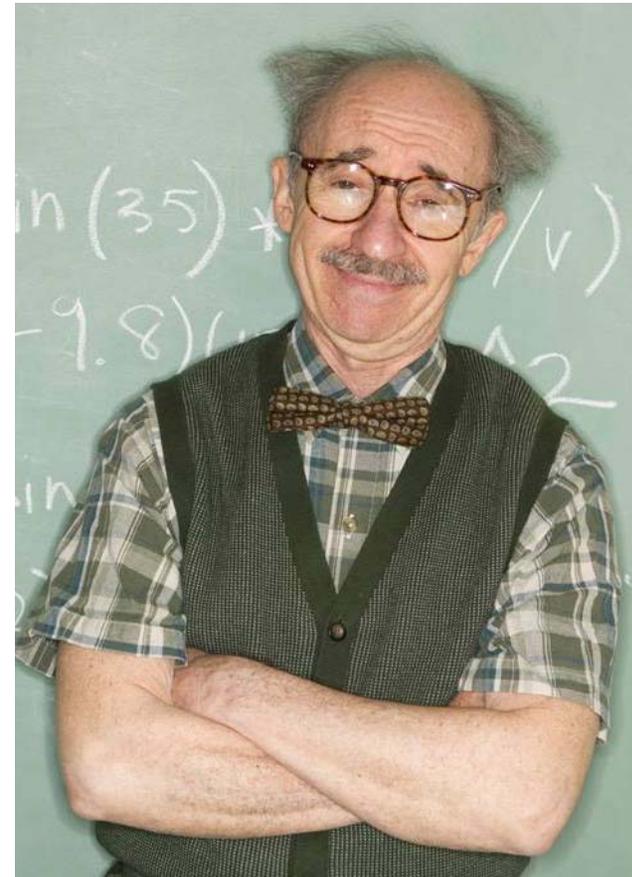
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Eligible Borrowers

Homebuyer Education

- Homebuyer education required for some borrowers
 - » **CASA Borrowers**
 - » **Conventional Loan Borrowers**



Looking for a Homebuyer Education Class?

- Home Stretch Homebuyer Education Classes
- Statewide Availability
- Home Ownership Center Website
 - » www.hocmn.org
 - » (651) 659-9336 or (866) 462-6466



Eligible Properties

House Price Limits-MMP and CASA

Area	New and Existing Residences
11-County Twin Cities Metro Area	\$298,125
Balance of State	\$237,031

Eligible Properties

Property Types



- **Single family residence or duplexes**
 - » Including CLTs
- **Townhomes**
 - » must be project approved if full PUD
- **Condos**
 - » must be project approved

Minnesota Housing Funds

- **Funds continuously available**
- **Online commitment system**



Borrower Cost

- **Par Rate: 0 Discount**
- **Standard lender origination**
- **No special lender fees added for Minnesota Housing loans**



Lender Compensation

**Lender
keeps
standard
origination
and fee
income**



**1%
Servicing
Release
Premium**

Homebuyers of the Future



- **Younger families**
- **More diversity**
- **More than 2/3 in next 20 years will be emerging market households**

Minnesota Housing Emerging Market Support

Community Business Representatives

- **Cheryl Rice, 651-297-3124**
- **Michael Nguyen, 651-296-7620**

Minnesota Housing RHAG Representatives

Northwest Region

- » Chuck Callendar, 651.296.8843

Northeast Region

- » Devon Pohlman, 651.296.8255

West Central Region

- » Michael Nguyen, 651.296.7620

Central Region

- » Jonathan Stanley, 651.297.3656

Southeast Region

- » Cheryl Rice, 651.297.3124

Southwest and Metro Regions

- » Any regional contact above



Lender Recognition

- **Lenders get credit for the loans they originate/close with Minnesota Housing**
 - » **Preferential placement on lender lists**
 - » **Annual award recognition**
 - » **Free advertising for platinum lenders**
 - » **Dedicated information on MinnesotaHousing.gov**



Jane Doe
ABC American Bank
Yourtown, Minnesota

It's time to show your face.

Check out our new lender recognition program to find out how you can earn free advertising starring...you!

With our new lender recognition program, individual loan officers with exceptional Minnesota Housing performance will be recognized at Platinum, Gold and Silver levels. The program offers the chance to earn:

- Free advertising in regional publications
- Preferential placement in website search functions
- Recognition at annual Partners in Affordable Housing Awards ceremony
- Listing on a dedicated lender recognition web page on the Minnesota Housing website
- Letters to your CEO recognizing your accomplishment

More details to come...

400 Sibley Street, Suite 300
Saint Paul, Minnesota 55105
800-657-3769 | 651-296-7608

www.mnhousing.gov

Minnesota Housing
Finance Agency

Lender Recognition

- **Work with your Web Administrator to get set up in HDS Single Family Web Application as a Loan Officer Contact**
- **Make sure your name is entered as the Loan Officer for your files**



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Minnesota Housing
Finance Agency

Co-Branded Marketing

- **Minnesota Housing tools to help you promote our programs on our website**
- **Pre-printed materials you can order –no charge**
 - » **Program reference guides**
 - » **Deck cards**
- **Download and customize online - print at your shop**
 - » **Information sheets**
 - » **Customizable print advertisement templates**
 - » **Radio scripts**

Co-Branded Marketing

- **Minnesota Housing tools to help partners promote our programs on our website**
- **Pre-printed materials you can order –no charge**
 - » **Program reference guides**
 - » **Deck cards**
- **Download and customize online**
 - » **Participating lenders can tag and produce**
 - » **Information sheets**
 - » **Customizable print advertisement templates**
 - » **Radio scripts**

Co-Branded Marketing

Download materials off the web

The screenshot shows the Minnesota Housing Finance Agency website. At the top left is the logo with a house icon. The main header contains the text: "Minnesota Housing finances and advances affordable housing opportunities for low and moderate income Minnesotans to enhance quality of life and foster strong communities." Navigation links for Home, Login, and Sitemap are present, along with a search box.

A horizontal banner features several images: a historic building, a modern apartment complex, a family of four, and a young girl. Below the banner is a navigation bar with categories: Home Buyers, Lending & Funding Partners, Developers, Owners, Homelessness/Housing Assistance, Applications & Forms, and Investors.

The main content area includes a "Welcome to Minnesota Housing" section. A dropdown menu is open over the "Co-Branded Marketing Opportunities" link, listing: Collaborative Partners, Home Buyer Educators, Real Estate Professionals, Lending Partners, Funding Partners, Income Limits, MBS Transition Information, HDS Single Family Application, Program Guidelines, Manuals & Forms, Single Family Training & Technical Assistance, Become a Minnesota Housing Lender, Single Family eNews Archives, and Co-Branded Marketing Opportunities.

Other visible elements include "Current Interest Rates" (4.75% and 5.99%), "Quick Links" (Rent & Income Limits, Home Cost Limits, News Room, About Us, Frequently Asked Questions, Driving Directions, eNews Signup), and a footer with the Minnesota Housing Finance Agency logo.



Minnesota Housing Promotion Opportunities



First-time Homebuyer Program Reference Guide

for Lenders, Real Estate Agents and Homebuyer Educators

"Because home means everything."

**Minnesota Housing can
help you promote your
programs!**



First-time Homebuyer Loan Programs Information Sheet

Because home means everything.

The mission of Minnesota Housing is to meet Minnesotans needs for decent, safe, affordable homes and stronger communities. We offer mortgage programs that provide affordable interest rate loans to eligible first-time homebuyers.

Why Choose Minnesota Housing?

- Low interest rates for first-time homebuyers
- Interest-free loans from \$3,000 up to \$14,999 to help with downpayment and closing costs for eligible borrowers
- No extra fees or discount points

To qualify, you must:

- Be a first-time homebuyer (or have not owned a home in the past three years)
- Meet the requirements for income and home purchase price limits
- Have acceptable credit

Minnesota Housing First-time Homebuyer Loan Programs

Minnesota Mortgage Program (MMP)

- Available statewide
- Affordable interest rate
- Maximum loan term is 30 years
- Downpayment and closing cost assistance available for targeted borrowers

Community Activity Set-Aside (CASA)

- Available in participating communities
- Affordable interest rate
- Maximum loan term is 30 years
- Downpayment and closing cost assistance, including a HOME HELP loan up to \$14,999

Interested?

Contact our lending partner below to learn more about how they can help you apply for the Minnesota Housing financing you need to buy that first home!



01/09/2009



Home Loan Programs



**Safe, affordable, fixed-rate financing
to help you buy your first home.**

*Minnesota Housing is the State's
trusted affordable housing bank.
We offer mortgage programs that
provide affordable interest rate loans
to eligible first-time homebuyers.*

Why choose Minnesota Housing?

- Affordable interest rates
- Interest-free deferred loans to help with downpayment and closing costs
- No extra fees or discount points
- 30-year loan terms available
- Statewide network of lending partners



Print Advertisement Templates

Because home means
everything...



If you're a first-time homebuyer ready to buy that perfect home, Minnesota Housing has the loan you need. As the State's premier affordable housing lender, we offer safe loans with fixed payments and affordable interest rates that can reduce your monthly payment. You may also be eligible to receive up to \$14,999 in downpayment and closing cost assistance. Contact our lending partner below to learn more and apply for a loan today—because home means *everything*.


Minnesota
Housing
Finance Agency
www.mnhousing.gov



Your Name Here
Call 555.555.5555
to apply today!



- Customizable
- You can send to print outlet of your choice
- New ads coming soon

Your Name Here

Call 555.555.5555
to apply today!


Minnesota
Housing
Finance Agency

Television and Radio

Coming Attractions

- **Professionally produced television and radio spots**
 - » **Minnesota Housing creates**
 - » **Lender can contact production company and pay for customized tag and run schedule**



Minnesota Housing

HDS Single Family Application

- **Commit and purchase approve loans online**
- **Manual and forms available online**
- **Forms Generator**



Minnesota Housing

Website: sign-up for E-news

Home | Login | Sitemap Search

Minnesota Housing
Finance Agency

Minnesota Housing finances and advances affordable housing opportunities for low and moderate income Minnesotans to enhance quality of life and foster strong communities.

ENDING HOMELESSNESS. ONE PERSON AT A TIME.

Home Buyers
Home Owners
Renters

Lending & Funding Partners
Real Estate Professionals
Home Buyer Educators

Developers, Owners
Management Agents
Architects & Builders

Homelessness/Housing Assistance
Emerging Markets
Local Governments

Applications & Forms
Resources
Training & Technical Services

Investors

Current Interest Rates

4.750%
Minnesota Mortgage Program
Government Rate

5.990%
Fix-up Fund

Minnesota Housing offers competitive interest rates on our loan programs.

[Click For More Interest Rates](#)

Quick Links

[Rent & Income Limits](#)

[Home Cost Limits](#)

[News Room](#)

[About Us](#)

[Frequently Asked Questions](#)

[Driving Directions](#)

[eNews Signup](#)

Welcome to Minnesota Housing

As the State's affordable housing bank, we offer products and services to help Minnesotans buy and fix up homes and we support the development and preservation of affordable rental housing by offering financing and on-going asset management of affordable rental housing developments.

For Minnesota Homeowners:

- [Energy Saver Rebate Program Now Available](#) - with Fix-up Fund home improvement loans

Special Announcements:

- [Foreclosure Assistance](#) - for homeowners facing foreclosure
- [Neighborhood Stabilization Program](#)
- [Weatherization Information](#)
- [American Recovery and Reinvestment Act \(ARRA\)](#)

Let us know your thoughts on our website. [Email your comments](#) if you have suggestions for improvements.



Easy Access to Rates

www.mnhousing.gov



The image shows a screenshot of the Minnesota Housing Finance Agency website. A large white box with a blue header and footer is overlaid on the left side of the page. The header of the box says "Current Interest Rates". The main content of the box lists two rates: "4.750% Minnesota Mortgage Program Government Rate" and "5.990% Fix-up Fund". Below this, it states "Minnesota Housing offers competitive interest rates on our loan programs." and includes a blue link "Click For More Interest Rates". The background of the screenshot shows the website's navigation menu, a search bar, and a main content area with a family photo and a navigation bar with links like "Homeless/Housing Assistance", "Applications & Forms", and "Investors".

Current Interest Rates

4.750%
Minnesota Mortgage Program
Government Rate

5.990%
Fix-up Fund

Minnesota Housing offers competitive interest rates on our loan programs.

[Click For More Interest Rates](#)

Minnesota Housing Finance Agency

Home | Login | Sitemap Search

Minnesota Housing finances and advances affordable housing opportunities for low and moderate income Minnesotans to enhance quality of life and foster strong communities.

Homeless/Housing Assistance
Emerging Markets
Local Governments

Applications & Forms
Resources
Training & Technical Services

Investors

Welcome to Minnesota Housing

able housing bank, we offer products and services to help fix up homes and we support the development and affordable rental housing by offering financing and on-going affordable rental housing developments.

Homeowners:
[Mortgage Program Now Available](#) - with Fix-up Fund home loans

Homeowners:
[Mortgage Assistance](#) - for homeowners facing foreclosure
[Stabilization Program](#)
[Information](#)
[American Recovery and Reinvestment Act \(ARRA\)](#)

thoughts on our website. [Email your comments](#) if you have suggestions for improvements.

Driving Directions
eNews Signup



Q & A

- **We will take time here to answer a few questions.**



Minnesota Housing

Customer Service Line

Minnesota Housing

Homes Division Information Center

7:30 am to 5:00 pm

651.296.8215 or 800.710.8871



For More Information Contact

Chuck Callender

651.296.8843

charles.callender@state.mn.us

Minnesota Housing

400 Sibley Street, Suite 300

St. Paul, MN 55101

651.296.7608

800.657.3769

TTY 651.297.2361

www.mnhousing.gov



For More Information Contact

Michael Nguyen

651.296.7620

michael.nguyen@state.mn.us

Minnesota Housing

400 Sibley Street, Suite 300

St. Paul, MN 55101

651.296.7608

800.657.3769

TTY 651.297.2361

www.mnhousing.gov



For More Information Contact

Devon Pohlman

651.296.8255

devon.pohlman@state.mn.us

Minnesota Housing

400 Sibley Street, Suite 300

St. Paul, MN 55101

651.296.7608

800.657.3769

TTY 651.297.2361

www.mnhousing.gov



For More Information Contact

Cheryl Rice

651.297.3124

cheryl.rice@state.mn.us

Minnesota Housing

400 Sibley Street, Suite 300

St. Paul, MN 55101

651.296.7608

800.657.3769

TTY 651.297.2361

www.mnhousing.gov



For More Information Contact

Jonathan Stanley

651.297.3656

jonathan.stanley@state.mn.us

Minnesota Housing

400 Sibley Street, Suite 300

St. Paul, MN 55101

651.296.7608

800.657.3769

TTY 651.297.2361

www.mnhousing.gov



For More Information Contact

Kimberly Stuart

651.296.9959

kim.stuart@state.mn.us

Minnesota Housing

400 Sibley Street, Suite 300

St. Paul, MN 55101

651.296.7608

800.657.3769

TTY 651.297.2361

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