

August 1, 2011

## Homeownership Assistance Fund (HAF) Changes Effective August 3

For all Minnesota Mortgage Program (MMP) loans committed on or after **Wednesday, August 3**, the targeted zip codes have been reduced in number to better align available resources with the changing needs of the foreclosure impacted areas. The low-income census tracts will remain the same. The eligibility criteria for MMP borrowers receiving HAF entry cost assistance will be as follows:

- 60% of area median income OR
- Purchasing a home in an [MMP Spotlight Area](#), (this link includes the low-income census tract and target zip code list and maps)

The MMP Spotlight Areas are based on a combination of zip codes, census tracts and a number of other factors, including:

- Low-income census tracts
- Foreclosure/REO rate
- Delinquency rate
- Unemployment rate (for the county in which the zip code is located)
- Proportion of non-prime, ARMs (adjustable rate mortgages) that have not yet reached their reset date

MMP loans committed prior to Wednesday, August 3 will be able to use the current HAF eligibility guidelines.

HAF eligibility with the CASA program remains unchanged.

## Reminder - Private Mortgage Insurance (PMI) Company Requirements

Per section 4.08 of the Mortgage Loan Program Procedural Manual, all private mortgage insurance companies must:

- Be licensed to do business in the State of Minnesota; and
- Maintain a rating of A2 from Moody's Investor Services and AA from Standard and Poors Corporation at the time the mortgage loan is purchased by the Master Servicer, or possess Fannie Mae and Freddie Mac approval.

### Questions?

Single Family Division Help Desk  
651.296.8215 or 800.710.8871  
7:30 a.m. - 5:00 p.m. (business days)