

AMORTIZING LOANS

Limited Partner Buy Out Loan

Program Overview

Funds are available to facilitate the exit of the investor limited partner. Eligible borrowers must have an existing loan from Minnesota Housing and are encouraged to use a new Minnesota Housing first mortgage to pay off the outstanding first mortgage debt and the buy out loan.

Application Process

Applications accepted throughout the year.

Lending Terms

- Use of Funds:** Loan funds must be used to facilitate the exit of the limited partner (LP)
- Eligible Borrowers:** Borrowers must have an existing loan from Minnesota Housing, and the borrower must be an individual or entity involved in the final ownership structure

Loan Parameters

- Term:** Up to 24 month balloon
- Interest:** Fixed rate, interest only, payments due monthly
- Security:** Mortgage recorded against the property in last lien position
- Fees:** Origination fee of 1 percent of buy out loan amount
- Guaranty:** Personal guaranty up to full loan amount
- Loan Amount:** Capped at 87 percent based on existing first mortgage payoff plus bridge amount
- Prepayment:** Loan may be prepaid without penalty at any time

Questions

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