

Update: New HFA Preferred™ Product Requirements



Questions?

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Monday-Friday
7:30 a.m.-5:00 p.m.

Resources

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Qualified Mortgage (QM) Exemption for Minnesota Housing Conventional and FHA-Insured Loans

The Consumer Financial Protection Bureau (CFPB) and the Department of Housing and Urban Development (HUD) have exempted state housing finance agency loans from the Qualified Mortgage (QM) rule that goes into effect on January 10, 2014.

Minnesota Housing's HFA Preferred™ and HFA Preferred Risk Sharing™ loans must meet Fannie Mae requirements for ATR Exempt Loans which include the requirement that points and fees not exceed 5% of the loan amount. See Fannie Mae's Lender Letter LL-2013-07 for more information.

Specialized HFA Preferred™ Product Requirements with Minnesota Housing (LTVs from >95 to 97%)

U.S. Bank Home Mortgage - MRBP Division (U.S. Bank MRBP) released a bulletin on December 19, 2013 outlining guidelines for the HFA Preferred™ product. The bulletin refers to HFA or lender exemptions from direct underwriting by U.S. Bank MRBP. All Minnesota Housing HFA Preferred™ loans **are exempt** from this underwriting requirement.

Minnesota Housing participating lenders are also **exempt** from the underwriting training sessions referenced in U.S. Bank MRBP's December 19, 2013 bulletin.

Minnesota Housing's HFA Preferred™ product terms for loans with loan-to-value (LTV) ratios from greater than 95% to less than or equal to 97% are:

- 680 credit score is required; and,
- No manual underwriting allowed.

See the [HFA Preferred Term Sheet](#) for additional requirements.

Submitting Conventional Loans to DU® 9.1

Conventional loans must be run in DU® as either HFA Preferred™ or HFA preferred Risk Sharing™. **Do not select MyCommunityMortgage.**

After you have logged in to DU® and are in the case file you want to submit as an HFA Preferred™ or HFA preferred Risk Sharing™ loan, click Additional Data in the navigation bar. When the Additional Data screen opens, locate the Community Lending Information section. Select either HFA Preferred™ or HFA preferred Risk Sharing™ from the choices of Community Lending Products.

If you have run the loan as MyCommunityMortgage, you must re-run it as HFA Preferred™ or HFA preferred Risk Sharing™.

If you are using a Community Seconds® mortgage, select Yes in the Community Seconds field. Otherwise, select No. If you are using a Community Seconds® mortgage, you must select the appropriate option from the Community Seconds Repayment Structure drop-down list.

When you are finished entering the necessary data for the loan and other required fields on the Additional Data page, click Submit.

Upcoming Trainings

Join Minnesota Housing for a Mortgage Loan Program Webinar in the new year. Choose from the following courses:

First-Time Homebuyer Programs (Start Up and MCC) Webinar

- [Wednesday, January 8, 9:00-11:00 a.m.](#)
- [Wednesday, February 5, 2:00-4:00 p.m.](#)
- [Wednesday, March 5, 9:00-11:00 a.m.](#)

This course covers both Minnesota Housing's first-time homebuyer programs and is geared towards lenders new to the programs or who need refresher training. You will receive MCC certification with this course.

Mortgage Credit Certificate (MCC) Program Webinar

- [Wednesday, January 22, 10:00-11:00 a.m.](#)

This training covers just the MCC Program, which allows first-time homebuyers to combine a Minnesota Housing first and second mortgage with a federal income tax credit. This course is designed for lending partners familiar with Minnesota Housing programs. You will receive MCC certification with this course.

Step Up Refinance Webinar

- [Friday, January 10, 10:00-11:00 a.m.](#)
- [Thursday, February 13, 2:00-3:00 p.m.](#)
- [Thursday, March 13, 10:00-11:00 a.m.](#)

This course covers the requirements of the Step Up purchase and refinance options for non-first-time homebuyers.

HOME HELP Webinar

- [Tuesday, March 4, 10:00-11:00 a.m.](#)

This training provides details on HOME HELP, the Minnesota Housing federally funded downpayment and closing cost loan option. Any new loan originators who are approved Minnesota Housing originators are required to take the HOME HELP training before originating HOME HELP loans.

Prerequisites: Attended a Start Up training and reviewed Loan Commitment System training materials to learn how to commit and fund a loan.

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