

# HFA Preferred Risk Sharing™

Combine with Start Up, MCC (with First Mortgage) or Step Up programs



## Product Description

Fannie Mae's HFA Preferred Risk Sharing™ conventional product allows a 97% loan-to-value (LTV) ratios with **no mortgage insurance** coverage requirements, and must be layered with a Minnesota Housing Mortgage Loan Program. This product description summarizes Minnesota Housing guidelines, Fannie Mae and U.S. Bank overlays required for loan eligibility. Lenders are also responsible for meeting all program guidelines ( [Start Up](#), [MCC \(with First Mortgage\)](#) or [Step Up](#) ), underlying product guidelines and U.S. Bank overlays. Where terms differ, the more restrictive terms apply.

PARAMETERS	REQUIREMENTS
Eligible Minnesota Housing Program(s)	<ul style="list-style-type: none"> <li>Start Up</li> <li>Step Up</li> <li>MCC (with First Mortgage)</li> </ul>
Loan Terms	<ul style="list-style-type: none"> <li>Purchase</li> <li>Refinance option with Step Up</li> <li>Fixed-rate</li> <li>Fully-amortizing mortgages</li> <li>30-year term</li> </ul>
Mortgage Insurance	Not required
Eligible Property Types	<ul style="list-style-type: none"> <li>Single-family</li> <li>Planned unit developments (PUD)</li> <li>Condos (see Allregs for U.S. Bank requirements.)</li> </ul>
Ineligible Property Types	No manufactured housing, co-ops or community land trusts (CLT)
Eligible Occupancy	Owner-occupied
Income Requirements	<a href="#">Minnesota Housing's Start Up/MCC/Step Up income limits</a>
Minimum Credit Score/Maximum DTI	<a href="#">Credit and DTI Matrix</a>
Minimum LTV/CLTV	Greater than 80%
Maximum LTV/CLTV	97% / 105%
Desktop Underwriter® (DU®)	<ul style="list-style-type: none"> <li>HFA Preferred Risk Sharing™ is available through DU® using the "Additional Data" screen; select "HFA Preferred Risk Sharing."</li> <li>DU® must recommend "Approve/Eligible"</li> <li>DU® recommendation "Refer with Caution" not eligible</li> </ul>
Loan Prospector® (LP®)	Not allowed
Manual Underwriting	Not allowed
Boarder Income	Not allowed
Minimum Borrower Contribution	\$1,000 or 1% of the purchase price, whichever is less, if receiving Minnesota Housing DPA
Downpayment and Closing Cost Loans	<ul style="list-style-type: none"> <li>Community Seconds®</li> <li>Start Up loans: Monthly Payment Loan, Deferred Payment Loan, Deferred Payment Loan Plus</li> <li>Step Up loans: Monthly Payment Loan</li> </ul>
Reserves	Defer to DU® requirements
Interested Party Contributions	Defer to underlying product guidelines regarding maximum seller contributions
Homebuyer Education	Required of at least one borrower, if <u>all</u> borrowers are first-time homebuyers.
Special Feature Code (SFC)	Use SFC 001 and SFC 820 to identify HFA Preferred Risk Sharing™ loans
Underwriting Guidelines	Unless otherwise stated in this product description or a U.S. Bank MRBP bulletin, refer to Fannie Mae's HomeReady™ underlying product guidelines.
Conventional Loan Delivery Fees	Zero LLPA (Loan Level Price Adjustment)

