Exclusive Conventional Products

Minnesota Housing offers exclusive conventional loan products that can keep your downpayment low and save you money on mortgage insurance.

Lower your monthly payment with Minnesota Housing's exclusive conventional loan products. Our conventional loan products add up to big savings by offering:

- Fixed interest rates
- Significantly lower mortgage insurance rates
- The option to avoid mortgage insurance altogether
- Only 3% down
- Downpayment and closing cost loans up to $17,000 available to eligible borrowers!

When you're buying a home, you'll need to choose between a government-backed loan (FHA, VA, or RD) or a conventional loan. As a state housing finance agency, we exclusively offer the affordable conventional options below. Talk to your lender about which products you qualify for, and your lender can explain the advantages and disadvantages of each.

See how you could save with conventional loans.

Monthly Payment Comparison	Standard Conventional	HFA Preferred Risk Sharing™	Upfront Paid Mortgage Insurance (UPMI)	Fannie Mae HFA Preferred™ and Freddie Mac HFA Advantage™
Downpayment	$6,000	$6,000	$6,000	$6,000
Purchase Price	$200,000	$200,000	$200,000	$200,000
Base First Mortgage	$194,000	$194,000	$194,000	$194,000
Interest Rate	3.65%	4.375%	4.25%	3.5%
Monthly Mortgage Insurance (MI)	$139.03	$0	$0	$88.92
MI Cost Over 5 Years	$8,341.80	$0	$3,977.00	$5,335.20
5-Year MI Savings vs. Standard Conventional	**$0**	**$8,341.80**	**$4,364.80**	**$3,006.60**

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Curious about mortgage insurance? Flip the page to learn more!

Consider your mortgage insurance options.

Private mortgage insurance (PMI) is required on most Minnesota Housing conventional loans, including Fannie Mae HFA Preferred™ and Freddie Mac HFA Advantage™, if your downpayment is less than 20% of the purchase price. The PMI helps protect the lender from losses if you don't repay your loan. Ask your lender about these common options:

1. **Borrower-paid Mortgage Insurance:** You make monthly mortgage insurance payments as part of your mortgage.
   - Get a slightly lower interest rate
   - May be canceled when the loan principal balance reaches 80% of the original property value
2. **Upfront Paid Mortgage Insurance:** The lender pays the mortgage insurance premium in a lump sum at closing, eliminating the need for you to make monthly mortgage insurance payments.
   - Mortgage insurance is included in the interest rate, resulting in a slightly higher rate
   - Typically results in lowest monthly mortgage payment
   - No need to cancel mortgage insurance when the loan principal balance reaches 80% of the original property value
   - More restrictive eligibility requirements apply
3. **No Mortgage Insurance:** By choosing our HFA Preferred Risk Sharing product, you can avoid PMI altogether.
   - Pay a slightly higher interest rate
   - Typically results in lower monthly mortgage payment than with Borrower-paid Mortgage Insurance
   - More restrictive eligibility requirements apply

Contact a participating Minnesota Housing lender to start your path to homeownership.

MINNESOTA HOUSING

651.296.8215

www.mnhousing.gov

All options based on a 1% origination rate. Interest rates and payment calculations are based on 700 credit score as of 2.26.2020 and are used for illustrative purposes only. In connection with Single Family Division loan programs, Minnesota Housing does not make or arrange loans. It is neither an originator nor creditor and is not affiliated with any Lender. The terms of any mortgage finance transactions conducted in connection with these programs, including important information such as loan fees, the annual percentage rate (APR), repayment conditions, disclosures, and any other materials which are required to be provided to the consumer are the responsibility of the Lender.

EQUAL HOUSING OPPORTUNITY

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