

## eNews Alert



January 3, 2012

### New Conventional Loan Option with Better Pricing for the Minnesota Housing Loan Programs

HFA Preferred™, available exclusively to housing finance agency (HFA) borrowers, is similar to the MyCommunityMortgage® product that offers a 97% loan to value (LTV) and 105% combined loan to value (CLTV) for one unit properties.

For all loans committed January 1, 2012 and forward, lenders will use HFA Preferred™ to originate conventional loans for sale under Minnesota Housing programs.

The following terms apply to the HFA Preferred™ loan product:

- HFA Preferred™ available through Desktop Underwriter (DU) 8.3 using the Community Lending Products dropdown box in the "Additional Data" section; select "HFA Preferred" (see DU release notes 6/14/2011).
- No loan level pricing adjustments (LLPA) and the adverse market delivery charge (AMDC) is built into the interest rate
- Available under the Minnesota Mortgage Program (MMP) and Community Activity Set Aside (CASA) Program
- Minnesota Housing entry cost assistance, HAF and HOME HELP available (current guidelines apply to access funds)
- Manual underwriting allowed using Fannie Mae MyCommunityMortgage® terms (see also - U.S. Bank MRBP Conventional Product Descriptions)
- Product description available from U.S. Bank MRBP

#### Conventional Loan Reminders:

- All Conventional loans must be originated under Fannie Mae HFA Preferred™ (MyCommunityMortgage® or Freddie Mac Home Possible Mortgage)
- Manufactured housing is an ineligible property type for conventional loans.
- Qualified homebuyer education is required for all Conventional MMP and CASA loans. The requirement is satisfied when at least one borrower per household provides a certificate of completion.

Please note: HFA Preferred Risk Sharing in DU is not available under Minnesota Housing programs at this time.

#### Questions on HFA Preferred™?

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