

Minnesota Housing downpayment and closing cost loans are available through local participating lenders and can only be used with a Start Up or Step Up first mortgage. This comparison sheet is a summary of program requirements and does not contain all the information needed to originate Minnesota Housing loans. Lenders should refer to Minnesota Housing's Procedural Manuals and the underlying product guidelines for complete information.

| PARAMETERS | | MONTHLY PAYMENT LOAN | DEFERRED PAYMENT LOAN (DPL OPTIONS) | |
|----------------------|--------------------------------------|--|--|--|
| | | | Deferred Payment Loan (DPL) | Deferred Payment Loan Plus (DPL+) |
| KEY FEATURES | Eligible First Mortgage Programs | Only available with Start Up or Step Up | Only available with Start Up | |
| | Layered Subsidies Allowed | Yes | Yes | |
| | Loan Amount | Up to \$14,000, in whole dollar amounts | Up to \$14,000, in whole dollar amounts | Up to \$18,000, in whole dollar amounts |
| | Targeting Criteria | None | None | See DPL and DPL Plus Eligibility Worksheet for details |
| BORROWER ELIGIBILITY | Income Limits | For Start Up: Use Start Up Income Limits For Step Up: See Monthly Payment Loan Income Limits for Step Up | DPL and DPL+ Income Limits | |
| | Maximum Post Closing Liquid Reserves | No limitation | \$13,000 Post Closing Liquid Asset Limit Include: Checking, Savings, CDs, Stocks, Bonds, ESOP/ESPP, Money Market, Tax Refunds, Virtual Currency Exclude: Retirement Accounts, Federal Stimulus Pmts., Front Line Worker Pay, 529 College Savings, HSA Accounts Borrowers cannot manipulate accounts (e.g. transfer funds into a retirement or other account, etc.) to meet minimum post-closing liquid reserve limits. Contact Partner Solutions Team for clarification on accounts not listed above and spend down scenarios ¹ . | |
| BORROWER ELIGIBILITY | First-Time Homebuyer | Start Up: Yes. Step Up: No. Repeat borrowers, and first-time homebuyers not eligible for Start Up | Yes | |
| | Housing Ratio Min. | None | 28% Minimum Housing Ratio ² | |
| | Homebuyer Education | Start Up: Yes. Step Up: If all borrowers are first-time homebuyers, at least one borrower must complete a homebuyer education course prior to closing. | Yes. At least one borrower is required to complete an approved homebuyer education course prior to closing. | |

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|----------------------|---|---|--|-----------------------------------|
| | | | Deferred Payment Loan (DPL) | Deferred Payment Loan Plus (DPL+) |
| LOAN TERMS | Interest Rate | Equal to the first mortgage rate | 0% | |
| | Loan Term | 10-year term | Equal to first mortgage term | |
| | Repayment | Fully amortized loan with monthly payments | Deferred, balloon payment loan. Repaid when the property is sold, title is transferred, home is no longer the primary residence, when the first mortgage loan is refinanced (unless with the Step Up program), or the first mortgage loan is paid in full (prior to or at the end of the loan term). | |
| | Monthly Payment Required | Yes | No | |
| | Subordination | Full repayment of the loan is required unless the borrower refinances with Step Up. Lender must submit a request for subordination and receive approval for subordination from Minnesota Housing. | | |
| PROGRAM SIMILARITIES | Lender Requirements | Must be a participating lender. | | |
| | Use of Funds | Funds eligible for downpayment, buyer closing costs, and mortgage insurance costs. | | |
| | Eligible First Mortgage Products | Refer to Start Up Step Up Program Description | | |
| | Geographic Area | Statewide. | | |
| | Eligible Properties | Refer to Start Up Step Up Program Description | | |
| | Minimum Credit Score/Debt-to-Income Ratio (DTI) | Refer to Credit and DTI Matrix | | |
| | Minimum Borrower Contribution | Lesser of \$1,000 or 1% of purchase price | | |
| | Minimum Post Closing Liquid Reserves | Defer to underlying product guidelines. | | |

¹Borrowers may spend down excess liquid assets by up to \$2,500 to meet the post-closing liquid asset limit, provided the following requirements are met:

- Funds must be used pay down a borrower's own existing debt(s).
- Payment transaction(s) must be completed prior to loan closing.
- Documentation of the debt(s) and the payment transaction(s) must be provided.

²Minnesota Housing realizes an estimate of front-end ratio may change in underwriting. If the final housing ratio is less than 28%, the Lender must submit the calculation and explanation to Minnesota Housing for a second level review. If approved by Minnesota Housing, the Lender must document Minnesota Housing's approval to the file.

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 Minnesota Housing 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.