

Mortgage Loan Programs Start Up | Step Up Program Descriptions

In addition to meeting the Start Up or Step Up eligibility requirements listed below, loans must meet base product guidelines (FHA, VA, RD, Fannie Mae HomeReady™, or Freddie Mac Home Possible®) and any applicable U.S. Bank Home Mortgage—HFA Division overlays (see U.S. Bank Allregs)

| PARAMETERS | | START UP | | STEP UP | |
|----------------------|-------------------------------------|---|-----------------------|---|------------------------|
| | First-Time Homebuyer | All borrowers must be first-time homebuyers | | Repeat borrowers and first-time homebuyers (if not eligible for Start Up) If first-time homebuyers, must check the first-time homebuyer box in the commitment system | |
| PROGRAM DIFFERENCES | Eligible Use | Purchase | | Purchase or Refinance | |
| | Income Calculation | Minnesota Housing Program Eligibility Income calculation | | Qualifying Income calculation for the underlying loan product | |
| | | Acquisition Cost | | Purchase Price/Refinance Loan Amount | |
| | House Price Limits | 11 County Metro | All Other Counties | 11 County Metro | All Other Counties |
| | One Unit | \$372,600 | \$349,500 | \$515,200 | \$472,030 |
| | Two Unit | | loop (DDL)/DDL Dlus | \$659,550 | \$604,400 |
| 00 | Eligible Downpayment and | <u>Deferred Payment Loan (DPL)/DPL Plus</u> Monthly Payment Loan | | • Monthly Payment Loan | |
| PR | Closing Cost Loans | Community Second | | Community Seconds® | |
| | Minimum Borrower Contribution | Lesser of \$1,000 or 1% of the purchase price if receiving a Minnesota Housing downpayment and closing cost loan | | Lesser of \$1,000 or 1% of the purchase price if receiving Monthly Payment Loan None for refinances | |
| PROGRAM SIMILARITIES | Eligible Products | FHA/FHA 203(k) limited FHA Refi - full RD Streamline Stream. Assist Freddie Mac HFA Preferred™ Freddie Mac HFA Advantage® Freddie Mac HFA Advantage® VA FHA Streamline Refi VA IRRL | | | |
| | Eligible Occupancy | Owner-occupied | | | |
| | Min FICO/ Max DTI | Refer to Credit and DTI Matrix | | | |
| | Manual Underwriting | Refer to Credit and DTI Matrix | | | |
| | Income Limits | Start Up Step Up income limits | | | |
| | Amortization | 30-year term (15-year term available for Step Up FHA/VA loans using 1.5% SRP option) | | | |
| | Interest Rates | Current rates available at mnhousing.gov | | | |
| | Eligible Property Types | One unit, single-family Duplex Townhouse Condo A unit Modul | | within a PUD real pro | |
| | Manufactured | | | - 001111110 | unity Land Trust (CLT) |
| | Housing | Manual underwriting not allowed See page 2 of the <u>Credit and DTI Matrix</u> for additional criteria | | | |
| | Homebuyer | For both Start Up and Step Up: If all borrowers are first-time homebuyers, at least one | | | |
| | Education | borrower must complete an <u>approved homebuyer education course</u> prior to closing. | | | |
| | Mortgage Insurance (MI) | Defer to underlying product guidelines Minnesota Housing HFA conventional mortgage products layered with Start Up and Step Up for loans up to 97% LTV. Refer to product descriptions above. | | | |
| | Reserves | See Allregs for U.S. Bank reserves requirements beyond the underlying product guidelines. | | | |
| | Interested Party Contributions | Defer to underlying product underwriting guidelines | | | |
| | Maximum LTV/CLTV | I Deter to linderlying product linderwriting guidelines | | | |

This document is a summary of program requirements and does not contain all information needed to originate loans for sale under Minnesota Housing programs. See the applicable Minnesota Housing Procedural Manual at www.mnhousing.gov for complete information.