

Minnesota Housing downpayment and closing cost loans are available through Agency-approved lenders and can only be used with a Minnesota Housing first mortgage program. 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 Program Procedural Manuals and the underlying product guidelines for complete information.

PARAMETERS		MONTHLY PAYMENT LOAN (MPL)	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	
	Lender Requirements	Must be a participating lender	Must be a participating lender	
	Eligible Use of Funds	Downpayment and/or closing costs	Downpayment and/or closing costs	
	Layered Subsidies Allowed	Yes	Yes	
	Eligible First Mortgage Products	Refer to Start Up/Step Up guidelines	Refer to Start Up guidelines	
	Geographic Area	Statewide	Statewide	
	Loan Amount	Up to \$17,000, in whole dollar amounts	Up to \$11,000, in whole dollar amounts	Up to \$15,000, in whole dollar amounts
	Targeting Criteria	None	None	See DPL+ Eligibility Worksheet for details.
PROPERTY ELIGIBILITY	Acquisition Cost Limit	Start Up/Step Up limits	Start Up limits	
	Eligible Properties	Refer to Start Up/Step Up guidelines	Refer to Start Up guidelines	

BORROWER ELIGIBILITY	Income Limits	Same as income limits of the first mortgage program (Start Up or Step Up)	DPL and DPL+ Limits
	Minimum Credit Score/Debt-to-Income Ratio (DTI)	Refer to Start Up/Step Up guidelines	Refer to Start Up guidelines
	Minimum Borrower Contribution	Lesser of \$1,000 or 1% of purchase price	Lesser of \$1,000 or 1% of purchase price
	Maximum Post Closing Liquid Reserves	No limitation	Greater of 8 months PITIA or \$8,000 Include: Checking, Savings, CDs, Stocks, Bonds, Money Market, Tax Refunds Exclude: Retirement Accounts, Federal Stimulus Payments, 529 College Savings Contact the PST for clarification on other accounts not listed above
	Minimum Post Closing Liquid Reserves	Defer to underlying product guidelines	Defer to underlying product guidelines
	First-Time Homebuyer	Start Up: Yes Step Up: Repeat borrowers, and first-time homebuyers not eligible for Start Up	Yes
	Homebuyer Education	Required of at least one borrower if all borrowers are first-time homebuyers	Required of at least one borrower
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 and submits a request for subordination.	Full repayment of the loan is required unless the borrower refinances with Step Up and submits a request for subordination.

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