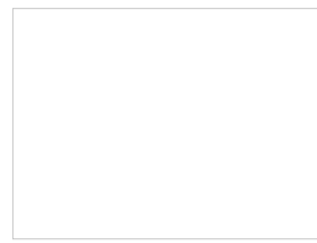


Fix Up Loan Program: Income eligibility changes and more



Questions?

Partner Solutions Team:

mnhousing.solution@state.mn.us
or 651.296.8215/800.710.8871

Monday-Friday
7:30 a.m. - 5:00 p.m.

Resources

[Previous eNews](#)

[Minnesota Housing website](#)

[Current interest rates](#)

[Upcoming trainings](#)

Income Eligibility Changes for Fix Up Loan Program

Effective January 29, lenders should no longer include “ongoing educational grants paid directly to the borrower” when calculating a Borrower’s Program Eligibility Income. Further, gross annual household income will now be referred to as Annualized Gross Income.

The [Fix Up/Community Fix Up Procedural Manual \(dated January 29, 2014\)](#) and the [Income Calculation Worksheet](#) have been updated to reflect these minor changes.

QM Reminder

The Consumer Financial Protection Bureau (CFPB) and the Department of Housing and Urban Development (HUD) have exempted state Housing Finance Agency (HFA) loans from the Qualified Mortgage (QM) rule that went into effect on January 10, 2014. This exemption applies to extension of credit made by intermediaries (e.g., Fix Up Loan Program lenders) pursuant to a program administered by an HFA. As a result, the Fix Up Loan Program will continue to have a maximum debt to income ratio of 48%.

As a reminder, Fix Up Program lenders must continue to have and utilize normal and prudent written underwriting standards - respecting the minimum standards outlined in the [Fix Up/Community Fix Up Procedural Manual \(dated January 29, 2014\)](#) - to determine a Borrower’s ability to repay.

Fix Up Loan Program Training

[Tuesday, April 15 from 10 a.m.-12 p.m.](#)

This training is designed for new Minnesota Housing-approved lenders and those who need a program refresher. Managers, loan officers and processing staff, and other housing professionals are welcome to register. Topics include:

- Program features and benefits, eligible properties and improvements
- Loan origination and processing
- Loan documentation requirements
- Credit underwriting
- Calculating and qualifying borrower income eligibility
- Closing, funding and selling loan to Minnesota Housing

Note: This training does not cover the Loan Commitment System training to learn how to enter, commit and fund a loan.

[Register Now.](#)

Future Procedural Manual Updates

Revisions to the Fix Up Procedural Manual will be coming in the following months. If there are areas of the manual in which lenders would like more clarity, please email your suggestions to [Krissi Hoffmann](#).

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