

Mortgage Loan Programs

Start Up | Step Up | MCC's



Minnesota Housing has been helping homebuyers finance homes for more than 40 years, partnering with a statewide network of approved lenders to offer safe and affordable home loans. In addition to our first-time homebuyer and downpayment assistance loans, we now have programs to help homeowners refinance or purchase a new home. Check out our Start Up, Step Up and Mortgage Credit Certificate (MCC) loan programs.

Minnesota Housing Mortgage Loan Programs

Start Up

First-Time Homebuyer Loan

- Mortgage loan for first-time homebuyers
- Purchase only
- 640 minimum credit score
- Low, affordable interest rates
- Three downpayment and closing cost loan options available for eligible borrowers

Step Up

Purchase/Refinance Loan

- Available to existing homeowners and non-first-time homebuyers
- Purchase and refinance options
- 640 minimum credit score
- Low, affordable interest rates
- Monthly payment downpayment and closing cost loan available for eligible borrowers

First-Time Homebuyer Tax Credit

(through the MCC First-Time Homebuyer Loan Program) - Limited Time Only

- Tax credit program that could save you up to \$2,000/year on your federal income taxes.
- Purchase only
- 640 minimum credit score
- Low, affordable interest rates
- Monthly payment downpayment and closing cost loan available for eligible borrowers

- To be eligible for our loans, you must qualify for an industry standard product such as FHA, FHA Streamlined 203k, RD, VA, Conventional Fannie Mae HFA Preferred™, or Conventional Fannie Mae HFA Preferred Risk Sharing™ loan. A Minnesota Housing participating lender can walk you through the qualifying process.

- Minnesota Housing mortgage loan income limits are as follows:

Current Income Limits*			
Household	11-County Metro Area	Rochester MSA	Balance of State
1-2 Person	\$83,900	\$81,300	\$73,900
3+ Person	\$96,485	\$93,495	\$84,985

- The home you purchase or refinance must fall within the following limits:

Loan or Home Cost Limits		
Property Location:	11-county Metro	Balance of State
	\$298,125	\$237,031

**Eligibility, Qualifying Income limits, and limits for larger households and downpayment and closing cost loans are available on the Minnesota Housing website under "Homebuyers".*



Interest Rates

- Minnesota Housing offers affordable, fixed interest rates for our loan programs.
- Current interest rates can be found on our website at www.mnhousing.gov and are subject to change.

Downpayment and Closing Cost Loan Options

Eligible Minnesota Housing borrowers have access to three downpayment and closing cost loan options. Additional eligibility requirements apply.

Requirements for all downpayment/closing cost loan options:

- Borrower must contribute \$1,000 or 1% of the purchase price, whichever is less
- Homebuyer Education is required
- Borrower(s) may receive only one Minnesota Housing downpayment and closing cost loan. Loans may be combined with other non-Minnesota Housing Community Seconds®.

Downpayment and Closing Cost Assistance Loans			
Key Features	Monthly Payment Loan	Deferred Payment Loan	HOME HELP Loan
Loan Amount	Up to the greater of \$5,000 or 5% of the purchase price	Up to the greater of \$5,000 or 5% of the purchase price (\$7,500 maximum loan amount)	\$5,000 to \$10,000 depending on need
Loan Term	10-year term	Equal to first mortgage term	Equal to first mortgage term
Repayment	Fully amortized loan with monthly payments	Deferred payment repaid upon satisfaction of first mortgage	Deferred payment, 50% of the loan forgiven after sixth year of owner-occupancy. 50% repaid at end of loan term
Interest Rate	Equal to first mortgage rate	Interest-free	Interest-free
Income Limits	Start Up/MCC/Step Up income limits (<i>see website</i>)	Deferred Payment Loan income limits (<i>see website</i>)	HOME HELP Loan income limits (<i>see website</i>)
First-time Homebuyer Requirement	No	Yes	Yes
Post-Closing Liquid Asset Limit	None	Limited to \$8,000 or 8 months PITI, whichever is greater	Minimum reserves: Lesser of \$500 or 2 months PITI Maximum reserves: Greater of \$8,000 or 8 months PITI
Available With	Start Up , Step Up and MCC (with first mortgage)	Start Up	Start Up from a Minnesota Housing Lender approved to offer HOME HELP

Interested?

Contact one of our lending partners by visiting www.mnhousing.gov for help completing your application and getting started down the road toward successful homeownership.