

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) | | FIRST-GENERATION HOMEBUYER LOAN |
|----------------------|--------------------------------------|--|--|--|---|
| | | | 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 | | <u>Limited Funding.*</u> Only available with Start Up |
| | Layered Subsidies Allowed | Yes | Yes | | Yes, except cannot layer with <u>First-Generation Homebuyers Community Down Payment Assistance Fund</u> |
| | Loan Amount | Up to \$18,000, in whole dollar amounts | Up to \$16,500, in whole dollar amounts | Up to \$18,000, in whole dollar amounts | Up to \$35,000, in whole dollar amounts |
| | Targeting Criteria | None | None | Refer to <u>DPL+ Eligibility Worksheet</u> for details | Refer to <u>First Generation Loan Eligibility Worksheet</u> for eligibility details |
| BORROWER ELIGIBILITY | Income Limits | Use first mortgage program (Start Up/Step Up) <u>income limits</u> | DPL and DPL+ <u>Income Limits</u> | | Same as <u>income limits</u> of the first mortgage program (Start Up) |
| | Maximum Post Closing Liquid Reserves | No limitation | Greater of 8 months PITIA or \$12,000**. Include: Checking, Savings, CDs, Stocks, Bonds, ESOP/ESPP, Money Market, Tax Refunds, <u>Virtual Currency</u> Exclude: Retirement Accounts, Federal Stimulus Pmts., Front Line Worker Pay, 529 College Savings, HSA Accounts Contact <u>Partner Solutions Team</u> for clarification on accounts not listed above and spend down scenarios. **Borrowers cannot manipulate accounts (transfer funds into a retirement account, spend down, etc.) to meet minimum post-closing liquid reserve limits | | No limitation |

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| BORROWER ELIGIBILITY | First-Time Homebuyer | Start Up: Yes. Step Up: No. Repeat borrowers, and first-time homebuyers not eligible for Start Up | Yes | | Yes. Must also meet definition of a First-Generation Homebuyer (See First-Generation Loan Eligibility Worksheet / First-Generation Homebuyer Affidavit). |
| | Homebuyer Education | Yes. For both Start Up and 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. | | |
| LOAN TERMS | Interest Rate | Equal to the first mortgage rate | 0% | | 0% |
| | Loan Term | 10-year term | Equal to first mortgage term | | 20-year 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). | | <p>Deferred, balloon payment loan with forgiveness provisions. Eligible for forgiveness if Borrower meets all terms of the note, including a requirement for owner-occupancy for the duration of the loan term.</p> <ul style="list-style-type: none"> • 50% of loan amount eligible for forgiveness 10 years after closing date; and • Remaining balance eligible for forgiveness 20 years after closing date. <p>Unforgiven balance due if the property is sold, title is transferred, home is no longer the primary residence, first mortgage loan is refinanced (unless with the Step Up program, see Subordination), or the first mortgage loan is paid in full prior to loan term date.</p> |

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| | | Deferred Payment Loan (DPL) | Deferred Payment Loan Plus (DPL+) | |
| Monthly Payment Required | Yes | No | | 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. Ineligible uses include value gap between the purchase price and the appraised value, additional points, or paying off debts. | | |
| | 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. | | |

[*The Minnesota Housing First-Generation Homebuyer Loan program has funding to serve approximately 1,500 eligible borrowers on a first-come, first-served basis until funds are exhausted. The program is made available through \\$50 million in one-time funding from the Minnesota legislature.](#)

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.