

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. **NOTE:** Only one MN Housing First Mortgage and one MPL/DPL/DPL+ is allowed to be open at a time, for questions please reach out to the [Partner Solutions Team](#) for additional information.

PARAMETERS		MONTHLY PAYMENT LOAN	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	
	Layered Subsidies Allowed	Yes	Yes	
	Loan Amount	Up to \$14,000, in whole dollar amounts	Up to \$14,000, in whole dollar amounts	Up to \$18,000, in whole dollar amounts
	Targeting Criteria	None	None	See DPL and DPL Plus Eligibility Worksheet for details
BORROWER ELIGIBILITY	Income Limits	For Start Up: Use Start Up Income Limits For Step Up: Use Step Up Income Limits	DPL and DPL+ Income Limits	
	Maximum Post Closing Liquid Reserves	No limitation	\$13,000 Post Closing Liquid Asset Limit Include: Checking, Savings, CDs, Stocks, Bonds, ESOP/ESPP, Money Market, Tax Refunds, Virtual Currency Exclude: Retirement Accounts, Federal Stimulus Pmts., Front Line Worker Pay, 529 College Savings, HSA Accounts Borrowers cannot manipulate accounts (e.g. transfer funds into a retirement or other account, etc.) to meet minimum post-closing liquid reserve limits. Borrowers may spend down ¹ assets if certain requirements are met. Contact Partner Solutions Team for clarification on accounts not listed above.	
BORROWER ELIGIBILITY	First-Time Homebuyer	Start Up: Yes. Step Up: No. Repeat borrowers, and first-time homebuyers not eligible for Start Up	Yes	
	Housing Ratio Min.	None	25% Minimum Housing Ratio ^{2,3}	
	Homebuyer Education	Start Up: Yes. 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.	

PARAMETERS		MONTHLY PAYMENT LOAN	DEFERRED PAYMENT LOAN (DPL OPTIONS)	
			Deferred Payment Loan (DPL)	Deferred Payment Loan Plus (DPL+)
LOAN TERMS	Interest Rate	Equal to the first mortgage rate	0%	
	Loan Term	15-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. 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.		
	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.		

¹Borrowers may spend down excess liquid assets to meet the post-closing liquid asset limit, provided the following requirements are met:

- Funds must be used to pay down a borrower's own existing debt(s).
- Payment transaction(s) must be completed prior to or at loan closing.
- Documentation of the debt(s) and the payment transaction(s) must be included in the loan file.
- The asset limit must be met unless the underlying loan program guidelines require greater reserves.

²Minnesota Housing realizes an estimate of front-end ratio may change in underwriting. If the final housing ratio is less than 25%, the Lender must submit the calculation and explanation to Minnesota Housing for a second level review. If approved by Minnesota Housing, the Lender must document Minnesota Housing's approval to the file.

³For new construction properties, Minnesota Housing has determined that the estimated property tax after completion should be used in the Borrower's housing ratio/DTI calculation and the loan commitment system.

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.