

**Instructions:** Use this worksheet to document your good faith effort to verify a borrower's eligibility for the programs.

Borrower First Name	MI	Last Name	Co-Borrower First Name	MI	Last Name
Property Address			Property City	MN State	Date Worksheet Prepared

**Front-end housing requirement for Deferred Payment Loan and Deferred Payment Plus**

Housing (Front-End) Ratio Calculation																										
<p>The Borrowers front-end ratio must be no less than 25% when factoring in all sources of loan funds.</p> <ul style="list-style-type: none"> <li>Borrowers can't manipulate income (quit job, etc.) to become eligible.</li> <li>Calculate with <b>all</b> DPA Funds.</li> <li>Do not include non-occupant co-signer income.</li> </ul> <p><i>* If DPA funds are being used to reduce the first mortgage loan amount, make sure the P&amp;I field and Mortgage Insurance field on this worksheet reflect the reduced first mortgage amount</i></p> <p><i>** For 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.</i></p>	<p><b>Use chart below to calculate the front-end ratio</b></p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr><td style="width:10%;">\$</td><td style="width:10%;"></td><td>Principal &amp; Interest*</td></tr> <tr><td>\$</td><td></td><td>Homeowners Insurance</td></tr> <tr><td>\$</td><td></td><td>Mortgage Insurance*</td></tr> <tr><td>\$</td><td></td><td>Property Tax</td></tr> <tr><td>\$</td><td></td><td>Association Fee</td></tr> <tr><td>\$</td><td></td><td>TOTAL Monthly Housing Expenses</td></tr> <tr><td>\$</td><td></td><td>Borrower Monthly Qualifying Income</td></tr> <tr><td></td><td style="text-align: right;">%</td><td>Housing (Front-End) Ratio <b>must be 25% or greater**</b></td></tr> </table>		\$		Principal & Interest*	\$		Homeowners Insurance	\$		Mortgage Insurance*	\$		Property Tax	\$		Association Fee	\$		TOTAL Monthly Housing Expenses	\$		Borrower Monthly Qualifying Income		%	Housing (Front-End) Ratio <b>must be 25% or greater**</b>
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**Deferred Payment Loan Plus Qualifying Requirements**

To be eligible for DPL Plus, borrowers must meet:

- Deferred Payment Loan Program guidelines (including front-end ratio of 25% or higher<sup>1</sup>) and
- One of following four targeting criteria

Targeting Criteria	Notes and Instructions
<input type="checkbox"/> Household of four or more people	Use <a href="#">Household Size Statement</a> to document if desired
<input type="checkbox"/> A household member with a disability	See <a href="#">Start Up Program Manual</a> for definition.
<input type="checkbox"/> Meet the definition of a First-Generation Homebuyer. * <ul style="list-style-type: none"> <li><input type="checkbox"/> Fully executed <a href="#">First-Generation Homebuyer Affidavit</a> documenting at least 1 borrower meets the first-generation homebuyer definition. <b>Valid only if County and State field is complete</b>, one box is checked, and all other fields are complete.</li> </ul> <p><b>Check one:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Lender's review of loan file a.) did not identify the borrower as a current or previous owner of real estate, or b.) documents the borrower lost the home(s) through foreclosure.</li> <li><input type="checkbox"/> Lender review of loan file identified borrower owned/owns real estate, and the lender documented borrower residence history in each year of ownership. Lender submitted documentation to Minnesota Housing for 2nd level review, and Minnesota Housing agreed documentation indicates borrower did not reside in the property(ies) they owned. (Include email in file)</li> </ul> <p><b>*Definition:</b> A FGHB is Defined as One (1) Borrower and their Parents or prior Legal Guardians have either never owned a home (in any country) or previously owned a home but lost it due to foreclosure. See <a href="#">First-Generation Homebuyer Affidavit</a> and <a href="#">Start Up Program Manual</a> for Definition Details</p>	
<input type="checkbox"/> Sole Head of Household with at least one Eligible Dependent Residing in the household <ul style="list-style-type: none"> <li>Must meet criteria for "Sole Head of Household" and "Eligible dependents" (see right)</li> <li>NOTE: Do not use the IRS definition of "head of household"</li> </ul>	<input type="checkbox"/> <b>Sole Head of Household:</b> Household includes <b>only one adult</b> that is not an Eligible Dependent <b>AND</b> Eligible Dependent(s) is/are (select at least one): <ul style="list-style-type: none"> <li><input type="checkbox"/> Under 18</li> <li><input type="checkbox"/> A household member with disability</li> <li><input type="checkbox"/> Age 62 or older</li> </ul>

Refer to the [Start Up Program Manual](#) and the [Downpayment and Closing Cost Loan Comparison Chart](#) for guidelines. Borrowers should only use the DPL Plus option if they need more assistance than is available with the standard Deferred Payment Loan. Contact the PST for clarification to these guidelines.

Name of Preparer	Title of Preparer	Date
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<sup>1</sup> Minnesota 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.

