



Affordable Loan & Program Matrix – October 2011

Minnesota Homeownership Center

This tool is designed for housing counselors and industry professionals. **If you are purchasing your first home and would like to learn more about mortgage loans that might be right for you, contact a housing counselor in your area for free, professional information.** To find a local housing counselor visit www.hocmn.org or call the Minnesota Homeownership Center at 651-659-9336.

PURPOSE: Produced by the Minnesota Homeownership Center, this tool is intended to inform housing counselors and industry professionals of affordable loans and programs available to their clients. It is not designed for consumers/clients. Loans and programs included in the Matrix generally have flexible underwriting guidelines, allow higher LTV limits, lower buyer investment and require homebuyer education and/or counseling.

This Matrix is updated by the Center quarterly. Please note loan criteria may change prior to the next scheduled update. Questions regarding programs should be directed to the lender or program contact. If you have specific questions about the Matrix or would like to add your program please contact Brooke Walker at 651-659-9336 x 106 or by email at brooke@hocmn.org

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Bremer – Gateway to Homeownership

	Information	Comments
Geographic area	Alexandria, Brainerd, Grand Forks, International Falls, Twin Cities Metro Area , Moorhead, St. Cloud, Marshall and Willmar.	
Ratios	45%	
Maximum income	80% HUD Area Median	Adjusted by household size. Contact lender for details
Income not considered	Food Stamps	
Rental income	Yes	Consider 25% vacancy rate
Gross up non-taxable income	Yes	
Adjustment to gross income	No	
Maximum loan amount	Maximum acquisition cost \$180,000	
First time homebuyer only	No	
Eligible properties	1-2 units, single family, townhouse or condo. Mobile homes permanently affixed, acreage limited to 15 miles.	
Refinance	Yes, provided that the transaction is a referral from a Credit Counseling Agency where the purpose is to assist the applicants with retaining their home.	Private Mortgage Insurance required must follow MGIC requirements
Interest rate	Market Rate, Fixed	
Down payment and/or closing cost assistance program	Allowable from acceptable sources	
Buyer's minimum investment	\$1,000	Must document down payment funds for 2 months
Mortgage insurance	No, for a purchase transaction	
Additional closing costs	No	
Work history	Documented for 2 years through employment, schooling, etc.	Self-employed must have 2 years personal tax returns
Credit history	Minimum 600 credit score , with 12 months clean credit. Alternative credit accepted according to FNMA guidelines	Non-traditional credit: must have 3 sources: rent receipts, utility payments, telephone or cable bills, or other sources of credit or services for which the borrower has/had a regular financial obligation
Chapter 7	At least 2 full years since discharged	
Chapter 13	At least 2 full years in good repayment and must have court approval.	
Liens	Paid in full	
Foreclosure	3 years from foreclosure sale	Explanations required
Judgments	Paid in full, third-party verification required of reason for default (default must be beyond borrower's control)	
Collection accounts	Paid in full	
Education requirements	Yes, one borrower must complete.	Home Stretch Only in person or homestretch if available on line.
Amortization	30 years	Escrow required
Cash reserves	Not required	
Purchase rehab option	Not available	

Updated: October 2011

CityLiving Home Program

	Information	Comments
Geographic area	City limits of Minneapolis and St. Paul	To contact a participating lender visit http://www.ehousing.cc/cityliving-lenders.htm
Ratios	Conventional - AU approval or 41% back if manual UW FHA - 35/34	Expanded ratios may be available. Contact a participating lender staff for details
Maximum income	Target Area \$92,400 1-3+ household Non Target \$84,000- 1-2 household; \$92,400- 3+ household	
Income not considered	No food stamps or rental income	
Rental income	Yes, on multi-family homes	75% Rental Income can be used
Gross up non-taxable income	Yes, usually 15-25% depending on tax rate	
Adjustment to gross income	None	
Maximum loan amount	Target Area: 1 unit \$369,160 Non Target: 1 unit \$276,870	Higher Sale Price Limits for 2-4 Units
First time homebuyer only	Yes, except in targeted areas, if you are refinancing and doing renovation or are a veteran	
Eligible properties	1-4 unit	
Refinance	Only with substantial rehab; 1/3 of the value of the home	
Interest rate	3.99%; 4.125% with down payment assistance	Those receiving down payment loan will likely pay .25 higher interest rate.
Down payment and/or closing cost assistance program	Up to 2% of the first mortgage amount	Non-interest bearing loan with no payments until sale or refinance of the home. Forgiven after 7 years
Buyer's minimum investment	Conventional - \$500 FHA/VA - \$500	
Mortgage insurance	Yes VA - Funding Fee	Conventional - If LTV is over 80% VA- all unless an exempt rules vet
Additional closing costs	City Living Bond application fee and possible tax service fee	
Work history	Conventional, FHA or VA underwriting criteria	Usually 2 years full time
Credit history	Non-traditional credit may be accepted properly documented	4 sources including rent
Chapter 7	Conventional - 4 years re-established FHA/VA - 2 Years re-established	
Chapter 13	Conventional - 4 years re-established FHA/VA - 2 Years re-established	
Liens	Paid in full	
Foreclosure	3 years from foreclosure sale	
Judgments	Must be paid in full	
Collection accounts	Underwriters discretion	
Education requirements	Home Stretch homebuyer education required	All borrowers must complete prior to closing
Amortization	30 years	
Cash reserves	Depends on Product Guidelines	
Purchase rehab option	Yes. Acquisition + Rehab cannot exceed 100% of excepted property value; rehab must start 45days after closing and completed with 6months	Not available through all lenders

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Community Land Trust

Community land trusts provide permanently affordable homes to our workforce and ensure the homes remain affordable over time. They accomplish this by purchasing and retaining ownership of the land, while the homeowner owns the home. The ability to stabilize land costs keeps homes affordable while providing homeowners the same benefits as market rate homeownership. Community land trusts use a shared equity model that allows the land trust organization to share in the equity when the home is sold. Nonprofits that provide land trust homes are located throughout Minnesota and the organization's requirement and eligibility may vary. For information on land trust not included here visit www.mncltc.org

COMMUNITY LAND TRUSTS DO NOT PROVIDE FIRST MORTGAGE FINANCING

Carver County CLT Program

	Information	Comments
Geographic area served	Carver County	CLT Homes are available in most communities in Carver Co.
CLT Contact Information	952-448-7715 x 2782 705 Walnut Street North Chaska, MN 55318 www.carvercda.org	
First time homebuyer only	Not Required	
Maximum income limit	80% of Median Income or Below	Currently \$66,200 subject to change without notice
Program Requirements	Application, Homebuyer Education, CLT Orientation and Lender Pre-approval	Approved Lenders only, contact Carver County for list No more than \$5,000 at the time of closing
Buyer's minimum investment	\$1,000	
Additional closing costs	None	Assistance available varies by lender and borrower income

City of Lakes Community Land Trust

	Information	Comments
Geographic area served	City of Minneapolis	
CLT Contact Information	612-721-7556 2017 East 38 th Street , Minneapolis, MN 55407 www.CLCLT.org	
First time homebuyer only	Not Required	
Maximum income limit	80% Metropolitan Median Income	
Program Requirements	Application, Homebuyer Education, CLT Orientation and Lender Pre-approval	CLCLT also has a Contract for Deed Program
Buyer's minimum investment	Buyers mortgage product determines minimum investment	
Additional closing costs	Varies, depending on program/Project	Currently, all types of closing cost assistance work with CLT

Community Land Trust

First Homes

	Information	Comments
Geographic area served	Rochester & 30-mile surrounding area	
CLT Contact Information:	507-287-7117 400 South Broadway, Suite 300 Rochester, MN 55904 www.firsthomes.org	
First time homebuyer only	Not Required	
Maximum income limit	80% of State Median Income	
Program Requirements	Meet income limit; Qualify for Mortgage; Home Buyer Education	
Buyer's minimum investment	1% of purchase price	
Additional closing costs	None	Gap loan available if needed

Homes Within Reach

	Information	Comments
Geographic area served	Western Suburbs of Hennepin County	Brooklyn Park, Deephaven, Eden Prairie, Edina, Golden Valley, Maple Grove, Minnetonka, New Hope, Richfield, St. Louis Park and Wayzata
CLT Contact Information	952-401-7071 5101 Thimsen Avenue, Ste 200 Minnetonka, MN 55345 www.homeswithinreach.org	
First time homebuyer only	Yes	
Maximum income limit	Meet Hennepin County Housing Consortium Income Limits(HUD), effective 7/13/2011	See HWR website for further information
Program Requirements	Application, Homebuyer Education, CLT Orientation and Lender Pre-approval	
Buyer's minimum investment	\$1,000	
Additional closing costs	None	Depending on the circumstances, there can be additional closing cost assistance available to the prospective homebuyer

Community Land Trust

Rondo Community Land Trust

	Information	Comments
Geographic area served	City of St. Paul and Ramsey County Suburban Communities	Eligible Ramsey County Cities: Arden, Blaine, Falcon Heights, Gem Lake, Lauderdale, Little Canada, Maplewood, Mounds View, New Brighton, North Oaks, North St. Paul, Roseville, Shoreview, St. Anthony, St. Paul, Spring Lake Park, Vadnais Heights, White Bear Lake and White Bear Township.
CLT Contact Information	651-221-9884 626 Selby Avenue St. Paul, MN. 55104 www.rondoclt.org	
First time homebuyer only	Not Required	
Maximum income limit	80% of HUD median Income	
Program Requirements	Orientation, Application and Homebuyer Education Workshop	Approved Lenders Only - See Rondo CLT for list.
Buyer's minimum investment	\$500 - \$1000	
Additional closing costs	None	Assistance varies on lender availability and borrowers income

Two Rivers Community Land Trust

	Information	Comments
Geographic area served	Anoka and Washington Counties	Some cities within the counties listed are not currently served
CLT Contact Information	651-994-9194 3880 Lavern Avenue North, Ste 175 Lake Elmo, MN 55042 www.tworiversclt.com	
First time homebuyer only	Not Required	
Maximum income limit	80% Area Median Income (household of 4 income max= \$64,400)	
Program Requirements	Application, Homebuyer Education: Home Stretch, CLT Orientation and Lender Pre-approval	Conventional loan products only. No FHA
Buyer's minimum investment	Buyers mortgage product determines minimum investment	In most cases, CLT contribution counts as down payment and no additional down payment is required from buyer
Additional closing costs	Recording fees for ground lease and related documents	Up to \$10,000 may be available through a variety of lenders and mortgage products. CLT closing cost and down payment assistance sometimes available

FHA - 203b, 203(k) Streamlined

	Information	Comments
Geographic area	Nationwide	To find lenders visit /www.hud.gov/ll/code/llscrit.cfm
Ratios	31 / 43	Must demonstrate compensating factors to exceed percentages.
Maximum income	None	
Income not considered	Food Stamps	
Rental income	Yes	With proper documentation
Gross up non-taxable income	Yes	
Adjustment to gross income	None	
Maximum loan amount	\$318,550 Metro Area	Cook County \$282,900; all other \$271,050
First time homebuyer only	No	Borrower cannot own other property as primary residence.
Eligible properties	1-4 units, condos, townhomes, manufactured housing	Must meet FHA appraisal standards
Refinance	Yes	Streamline and cash-out refinance (85% limit)
Interest rate	Market Rate	
Down payment and/or closing cost assistance program	Pre-approved programs are allowed; must have HUD approval letter. For list of preapproved programs visit http://www.hud.gov/offices/hsg/sfh/np/np_hoc.cfm and select Denver Home Ownership Center.	Gifts OK per guidelines. Funds from instrumentality of Governments per HB 4155.
Buyer's minimum investment	Credit Score at or above 580 requires minimum 3.5% Credit Score between 500-579 required minimum 10%	See handbook 4155.1 Rev-5 & Mortgagee Letter 2010-29
Mortgage insurance	Upfront 1.00 % Effective 4/18/2011: Annual Mortgage Insurance Premium: LTV <95%: 110 BPS; LTV >95%: 115 BPS See Mortgagee Letter 2011-10	To cancel monthly payment, pay minimum 5 years and achieved 78% LTV. No annual MI for 15years or less, & 78% LTV at origination. See ML 11-35
Additional closing costs	Yes	The seller may contribute up to 6% of the property's sales price toward closing costs and pre-paid.
Work history	2 years verifiable income	Salaries and wage income must be verifiable and stable over the past 2 years.
Credit history	Minimum 500 credit score Non-traditional accepted see mortgagee letter 2008-11	Non-traditional credit: must have 3 sources: rent receipts, utility payments, telephone or cable bills, or other sources of credit or services for which the borrower has/had a regular financial obligation.
Chapter 7	At least 2 full years since discharged	Re-establish good credit 12-month history.
Chapter 13	At least 1 full year into established repayment plan.	Re-establish good credit 12-month history.
Liens	Paid in full	No exceptions.
Foreclosure	36 months from date claim was paid.	Extenuating circumstances can grant exception.
Judgments	Paid in full	Satisfied prior to endorsement.
Collection accounts	Explanation of collection account required	
Education requirements	No	Encouraged
Amortization	15 to 30 year fixed rate	Maximum term is 30 years; other shorter loan terms are available.
Cash reserves	1-2 units: \$0. 3-4 units: 3 months PITI	
Purchase rehab option	Yes. 203(k) Streamlined allows up to \$35,000 added to the loan balance, placed in escrow. Acquisition + plus rehab cannot exceed 110% expected market value.	To be used for repairs outline in Mortgagee Letter 2005-50. Rehab more than \$15k must be inspected by lender prior to draw.

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GMHC & Dayton's Bluff NHS - Bridge to Success Contract for Deed

	Information	Comments
Geographic area	Contact administrator for details	
Ratios	Follow FHA guidelines	
Maximum income	Up to 115% of the area median income	
Income not considered	Follow FHA guidelines	
Rental income	Not application	
Gross up non-taxable income	Yes	
Adjustment to gross income	No	
Maximum loan amount	\$200,000	
First time homebuyer only	No	
Eligible properties	1-4 Single Family, PUD and Condos	Owner occupied only
Loan Term	3 year Balloon	
Interest rate	7.5% Fixed Rate	
Down payment and/or closing cost assistance program	None	2 nd mortgage and grants for down payment assistance allowed
Buyer's minimum investment	100% LTV \$2,000 or 2% of sale price, whichever is less.	Can be applied to down payment or closing cost
Mortgage insurance	Not Applicable	
Additional closing costs	Origination fee of 2.50%, standard 3 rd party fees apply.	
Work history	Stable verifiable income	
Credit history	No minimum credit score. Will closely review past 12months of credit history	
Chapter 7	Bankruptcy considered under extenuating circumstances	
Chapter 13	Bankruptcy considered under extenuating circumstances	
Liens	See credit history	
Foreclosure	Foreclosure considered under extenuating circumstances	
Judgments	See credit history	
Collection accounts	See credit history	
Education requirements	Required to complete a financial management plan during contract period.	
Amortization	30 year amortization	
Cash reserves	Not applicable	
Purchase rehab option	Not applicable	

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Minnesota Housing - Community Activity Set Aside Program (CASA)

The Community Activity Set Aside (CASA) program provides partnerships with access to pools of Minnesota Housing funds that enables these partnerships to meet specific local homeownership needs. The partnerships consist of lenders, local government and nonprofit housing providers. Visit the Minnesota Housing website, www.mnhousing.gov for more details or click on the links below.

Homebuyers can obtain CASA loans through Minnesota Housing participating lenders. The CASA program requires partnerships receiving CASA funds to promote and market the funds to targeted population groups or workforce housing initiatives. You are not required to be a member of a targeted population group to be eligible for a CASA loan.

Benefits:

- Minnesota Housing Interest Rate
- \$1,000-\$8,500 in downpayment and closing cost assistance
- FHA Streamlined 203K purchase/repair product option available
- Fannie Mae EA1 credit accepted
- Program can incorporate a Housing Choice Voucher for Homeownership
- Lower private mortgage insurance rates and HFA MI guidelines for conventional insured loans

Eligibility Requirements:

Borrowers are eligible for CASA if they meet the following criteria:

- Are a [first-time homebuyer](#)
- Have an income at or below [Minnesota Housing income limits](#)
- Purchase a home under the [Minnesota Housing home cost limits](#)
- Have acceptable credit
- Home Stretch Workshop training or its equivalent required for all CASA borrowers

Income & Purchase Price Limits

Visit Minnesota Housing's website, <http://www.mnhousing.gov/consumers/home-buyers/index.aspx>

Twin Cities Metro Area Initiatives

For Lenders in Twin Cities Metro Area participating in CASA Initiatives visit: [Find a Lender](#)

Greater Minnesota Initiatives

For Lenders in Greater Minnesota participating in CASA Initiatives visit: [Find a Lender](#)

Minnesota Housing – Minnesota Mortgage Program (MMP)

The Minnesota Mortgage Program (MMP) is a first time homebuyer loan program that helps low to moderate income Minnesotans buy a home. The affordable, low, fixed interest rates are available to eligible homebuyers statewide.

Benefits:

- Lowest available Minnesota Housing interest rate
- Highest MN Housing income limits
- Up to \$3,000 in downpayment and closing cost assistance for targeted borrowers or borrowers purchasing in a Minnesota Housing Spotlight Area.
- Lower private mortgage insurance rates and HFA MI guidelines for conventional insured loans

Eligibility Requirements:

Borrowers are eligible for MMP if they meet the following criteria:

- Are a [first-time homebuyer](#)
- Have an income at or below prescribed [Minnesota Housing income limits](#)
- Purchase a home under the [Minnesota Housing home cost limits](#)
- Have acceptable credit
- Home Stretch Workshop training or its equivalent required for borrowers with conventional loans

Income & Purchase Price Limits:

Visit Minnesota Housing's website, <http://www.mnhousing.gov/consumers/home-buyers/index.aspx>

Minnesota Housing: Community Activity Set Aside Program (CASA) Minnesota Mortgage Program (MMP)

Information	Comments
Geographic area MMP: Statewide CASA: Supports community based initiatives	The programs utilize industry standard loan products. Minnesota Housing provides a bond interest rate and access to entry cost assistance for eligible borrowers.
Ratios Depends on product guidelines (FHA, RD, Fannie, Freddie, Etc.)	Programs allow both automated and manual underwriting. The programs allow nontraditional credit underwriting per <u>loan product guidelines</u> .
Maximum income 11 Co. Metro - \$66,200 / CASA \$82,700 / MMP Rochester MSA - \$64,200 / CASA \$80,200 / MMP Balance of State - \$58,350 / CASA \$72,900 / MMP	Eligibility Income for the 1 – 4 person household. The website contains income limits for larger households. Note: each file contains both program eligibility and credit underwriting qualifying income. To calculate eligibility income, use the Eligibility Income Worksheet found on www.mnhousing.gov . To calculate qualifying income, use the loan product guidelines.
Income not considered Depends on product guidelines (FHA, RD, Fannie, Freddie, Etc.)	Qualifying income guidelines
Rental income Depends on product guidelines (FHA, RD, Fannie, Freddie, Etc.)	Qualifying income guidelines
Gross up non-taxable income Depends on product guidelines (FHA, RD, Fannie, Freddie, Etc.)	Qualifying income guidelines
Adjustment to gross income Depends on product guidelines (FHA, RD, Fannie, Freddie, Etc.)	Qualifying income guidelines
Maximum House Price Maximum Home Price: 11 Co Metro - \$298,125 Balance of State - \$237,031	Home price includes the purchase price and any funds paid by the borrower to acquire the property. Use the Acquisition Cost Worksheet found on www.mnhousing.gov .
First time homebuyer only Yes	
Eligible properties Single family homes, duplexes, condos and townhomes	Community Land Trust properties are eligible, HOME HELP assistance does not allow multi-unit properties
Refinance No	Refer to MN Housing Manual for exceptions
Interest rate Visit: www.mnhousing.gov	
Down payment and/or closing cost assistance program MMP: From \$1,000-\$3,000 in Entry Cost Assistance for Targeted Borrowers CASA: From \$1,000-\$8,500 in Entry Cost Assistance	
Buyer's minimum investment Depends on product guidelines (FHA, RD, Fannie, Freddie, Etc.)	\$1,000 for borrowers receiving Entry Cost Assistance
Mortgage insurance Yes	If LTV>80%
Additional closing costs None	
Work history Depends on product guidelines (FHA, RD, Fannie, Freddie, Etc.)	
Credit history Depends on product guidelines (FHA, RD, Fannie, Freddie, Etc.)	620 minimum credit score (if a score is available) for borrowers receiving Entry Cost Assistance
Chapter 7 Depends on product guidelines (FHA, RD, Fannie, Freddie, Etc.)	
Chapter 13 Depends on product guidelines (FHA, RD, Fannie, Freddie, Etc.)	
Liens Depends on product guidelines (FHA, RD, Fannie, Freddie, Etc.)	
Foreclosure Depends on product guidelines (FHA, RD, Fannie, Freddie, Etc.)	
Judgments Depends on product guidelines (FHA, RD, Fannie, Freddie, Etc.)	
Collection accounts Depends on product guidelines (FHA, RD, Fannie, Freddie, Etc.)	
Education requirements Required for conventional MMP loans and all CASA borrowers. Recommended for all borrowers	1 borrower must attend Qualified Homebuyer Education prior to the loan closing. Refer also to underlying product guidelines.
Amortization 15 or 30 years	
Cash reserves Depends on product guidelines (FHA, RD, Fannie, Freddie, Etc.)	If receiving Entry Cost Assistance, no more than the greater of 6 months PITI or \$5,000 in liquid assets after closing.
Purchase rehab option A purchase repair option (FHA Streamlined 203K) is available under the Community Activity Set Aside Program.	Lenders must apply to Minnesota Housing's Master Servicer in order to participate in this option. Contact Minnesota Housing for more details.

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Section 184 Indian Home Loan Guarantee Program

	Information	Comments
Geographic area	Entire State, for participating Tribes	Must be a currently enrolled tribal member of a Federally Recognize Tribe. Verification of enrollment is required at application. For approved Lender List visit (see MN): http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/ih/homeownership/184/lender_list
Ratios	Maximum 41% debt to income	
Maximum income	No maximum income	
Income not considered	All income considered	
Rental income	Must be demonstrated by tax return, shown as income.	
Gross up non-taxable income	None	
Adjustment to gross income	None	
Maximum loan amount	150% of FHA limit	
First time homebuyer only	No	
Eligible properties	Single family homes (1-4 units) and must be primary residence.	Existing Home, Construction for New Home, Purchase and Rehab; including Current Home.
Refinance	Can be used to refinance current loan.	
Interest rate	Market Rate, Not based on Credit Score or History.	
Down payment	2.25% loans > \$50,000; 1.25% loans <\$50,000	Allows gifts, down payment assistance.
Buyer's minimum investment	None	
Mortgage insurance	No. Onetime upfront fee, 1% of loan.	Upfront fee can be financed into the loan.
Additional closing costs	No	
Work history	Two years of employment; gaps greater than 30days must be explained.	
Credit history	Two years good payment history.	Nontraditional credit accepted
Chapter 7	Two years from the date of discharge.	
Chapter 13	One year of good payment history; judge allows mortgage.	Same standard for Debt Management Plans.
Liens	Federal liens must be current, paid or satisfied.	
Foreclosure	3 years since completion of foreclosure.	
Judgments	Paid in Full Prior to Closing	
Collection accounts	Paid in Full Prior to Closing	
Education requirements	Not required; strongly encouraged	
Amortization	30 years	If leasing tribal land a 50year lease is required.
Cash reserves	Not required	
Purchase rehab option	Used to rehab current home.	

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US Bank Home Mortgage – American Dream

	Information	Comments
Geographic area	Statewide	
Ratios	41% single family	Higher housing ratio may be considered
Maximum income	80% of Area Median Income, total household income	No income limit if purchasing in a low/mod census tract. Maximum may vary if using assistance
Income not considered	Self-employed, part-time income less than 1 year	
Rental income	Yes	75% can be used with history
Gross up non-taxable income	Yes	
Adjustment to gross income	25%	
Maximum loan amount	Standard Fannie / Freddie conforming limits	Maximum conforming limits
First time homebuyer only	No	Cannot own other property
Eligible properties	1-2 units, condos, townhomes	Primary residence only
Refinance	Yes, rate and term only. Contract for Deed allowed with 1 year of on time payment history	Case by case basis only
Interest rate	At or below market rate	Contact Lender for details
Down payment or closing cost assistance program	\$3,000 USBHM assistance	\$3000 Acquisition Assistance, \$2,500 Rehab Gap Assistance
Buyer's minimum investment	Fico score of 640 or greater, or no credit score using alternative credit, requires minimum investment of \$1,000 or 2% of the purchase price (whichever is less). FICO scores less than 640 require a minimum investment of 3% of the purchase price.	Minimum investment must be from borrower's own sources
Mortgage insurance	No	Portfolio loan
Additional closing costs	No	Seller can pay on behalf of the buyer up to 6%
Work history	Minimum 1 year continuous stable income	Minimum 1 yr. continuous stable income, 1 yr. self-employment or commissioned income. Bank will evaluate likelihood of the continuation of public assistance & part-time income
Credit history	Non-traditional credit history accepted. FICO < 575 requires 2years clean credit history	Non-traditional credit: must have three sources: rent receipts, utility payments, telephone or cable bills, or other sources of credit or services for which the borrower has/had a regular financial obligation
Chapter 7	At least 2 full years since discharge	Must have re-established credit & current situation is such that the events that led to the bankruptcy are not likely to reoccur
Chapter 13	At least 1 full year since discharge	CCCS will be considered after one year in the program with no late payments and all other credit current
Liens	Paid in full	No exceptions
Foreclosure	7 years from foreclosure sale	A letter of explanation is required and borrower must prove credit has been re-established
Judgments	Paid in full	Third party verification required
Collection accounts	Paid in full	Paid in full prior to application or documentation proving participation in a repayment plan for 6 months with creditor
Education requirements	Yes, all borrowers	
Amortization	15 to 30 years	
Cash reserves	Not required	
Purchase rehab option	Yes. Rehab inspection required. Acquisition + rehab cannot exceed 97% of excepted market value. Rehab must be complete within 60days of closing	Repair Escrow Feature available: Health/safety repairs equaling at or below \$5,000 may be financed into the loan amount

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USDA Rural Development 502 Direct

	Information	Comments
Geographic area	Statewide, Non-metro	Eligible communities: population <20,000 Go to http://www.rurdev.usda.gov/rhs/ and click on "Income and Property Eligibility"
Ratios	29 / 41 very low income; 33/41 low income	Must be unable to obtain mortgage loan elsewhere
Maximum income	80% of median income for low; 50% of median income for very low	Go to http://www.rurdev.usda.gov/mn/index.htm and click on "Direct Single Family Housing Loans."
Income not considered		
Rental income	Property must be owner occupied	
Gross up non-taxable income	Compensating factor up to 120%	Requires next level supervisor approval.
Adjustment to gross income	See comments. Adjusted for household size	Deduct \$400 for elderly household and a portion of medical expenses; Deduct \$480 per minor child and daycare expenses
Maximum loan amount	MN area loan limits vary, check with respective area office	Can be participation loan (second) with another lender as first
First time homebuyer only	No	
Eligible properties	Single family modest homes, new manufactured homes, townhouses	
Refinance	No	
Interest rate	Currently 3.875% (subject to change monthly)	Subsidy subject to recapture
Down payment and/or closing cost assistance program	100% of appraised value can be financed: Zero down, closing costs may be financed	Payment subsidy may be available
Buyer's minimum investment	None	
Mortgage insurance	No	
Additional closing costs	No	
Work history	Minimum 2 years continuous stable income	Self-employment income with 2-year history.
Credit history	Non-traditional credit history accepted	Must be unable to obtain mortgage loan elsewhere, but have reasonable credit history
Chapter 7	At least 3 full years since discharge	Mitigating circumstances are considered, waivers allowed
Chapter 13	At least 3 full years since discharge	Mitigating circumstances are considered, waivers allowed
Liens	None	
Foreclosure	3 years from foreclosure sale	
Judgments	Paid in full	Paid in full, 12 months before application
Collection accounts	Paid in full	Paid in full, 6 months before application
Education requirements	Required for first time buyer	
Amortization	33 years; 30years for manufactured homes	Other terms depending on qualifications.
Cash reserves	Non-retirement assets limited to \$15,000 non elderly; \$20,000 elderly. Excess assets must be used for purchase/closing cost	
Purchase rehab option	Yes. Acquisition + rehab cannot exceed 100% of the appraised value. Rehab must be complete within 12 months of closing.	Only necessary repairs allowed. Lender must approve home, scope of work and contractor.

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USDA Rural Development 502 Guaranteed Loans

	Information	Comments
Geographic area	Statewide, Non-metro	Eligible communities: population of <20,000 Go to http://www.rurdev.usda.gov/rhs/ and click on "Income and Property Eligibility"
Ratios	29 / 41	Exceptions possible with underwriter approval and RD concurrence
Maximum income	115% of the median income for the area	Go to http://www.rurdev.usda.gov/mn/index.htm and click on "Guaranteed Single Family Housing Loans"
Income not considered	All income must be included for income limits	
Rental income	Property must be owner occupied	
Gross up non-taxable income	15% to 25%	Based on applicable tax rate. Check with investor
Adjustment to gross income	\$480 per dependent child plus child care expenses	
Maximum loan amount	No maximum amount; loan is based on affordability ratios	
First time homebuyer only	No	
Eligible properties	Existing homes must meet HUD Handbooks 4150.2 & 4905.1 http://www.hud.gov/offices/adm/hudclips/handbooks/hsg/	Repairs may be financed based on value
Refinance	Only on loans that are currently Guaranteed or Direct; 1% guarantee fee	
Interest rate	May not exceed Fannie Mae 90-day + 6/10 th and rounded up to the nearest .25%	
Down payment and/or closing cost assistance program	100% of appraised value can be financed; zero down, closing costs can be financed if property value allows	
Buyer's minimum investment	No minimum	
Mortgage insurance	Annual fee of 3%	
Additional closing costs	2% upfront guaranteed fee	Fee can be included in loan about the appraised value
Work history	Minimum 2 years continuous stable income	
Credit history	Nontraditional credit history accepted.	4 nontraditional credit sources required if no rental history; 3 required with current rent/housing history.
Chapter 7	At least 3 full years since discharge	Mitigating circumstances are considered; waivers allowed
Chapter 13	At least 3 full years since discharge	Mitigating circumstances are considered; waivers allowed
Liens	First lien required	Soft seconds allowed for down payment/closing cost programs
Foreclosure	3 years from foreclosure sale	
Judgments	Paid in full or subordinated	Mortgage requires first lien
Collection accounts	Paid in full, unless FICO is 640+ and payment not required by lender	No accounts turned to collection in last 12 months
Education requirements	Homebuyer education not required, but recommended for first time buyers	May be required by other agencies if using HOA funds
Amortization	30 years	
Cash reserves	Not required	
Purchase rehab option	Not available	

Updated: October 2011

Wells Fargo Bank – Community Development Mortgage Program

	Information	Comments
Geographic area	Statewide	
Ratios	42%	
Maximum income	80% of median income, based on family size	Use specific county median
Income not considered	Rental income	
Rental income	No	
Gross up non-taxable income	Yes	25% for child support, Social Security, SSI, Public Assistance, Workers Comp and Food Stamps.
Adjustment to gross income	25% on non-taxable income	
Maximum loan amount	None	
First time homebuyer only	No	Applicants who presently own real estate not eligible unless they sell the property and transfer title. No investment property allowed.
Eligible properties	One and two family residences, Condos, Townhouses, Modular Homes	Must be owner-occupied and principal residence of all buyers.
Refinance	No	
Interest rate	Market Rate	
Down payment and/or closing cost assistance program	Wells Fargo approved DAPS	Max – CLTV: 105%
Buyer's minimum investment	HCFG Market Class 2: 98% LTV; Market Class 3: 97% LTV; Market Class 4: 96%LTV	Gift or down payment loan. Max CLTV: 105% Contact WF Mortgage Consultant for County Status.
Mortgage insurance	No	
Additional closing costs	No	Maximum sellers' contribution is 3%. Cannot be used for down payment.
Work history	Minimum 1 year continuous stable income	Jobs held do not require similar or direct relation employment
Credit history	Minimum score 620 consisting of at least 3 trade lines.	
Chapter 7	At least 2 full year since discharge	Borrowers must have re-established credit in the past 12-18 months, and demonstrated that current situation is such that the events that led to the bankruptcy are not likely to reoccur.
Chapter 13	At least 2 full years since discharge	Discharged at least 2 year. See comment for Chapter 7
Liens	Maximum \$500 unpaid at application. Accounts over \$500 must be paid 24months prior to application.	Must be satisfied before closing. Wells Fargo charge off results in automatic denial.
Foreclosure	3 years since discharge	No exceptions
Judgments	Maximum \$500 unpaid at application. Accounts over \$500 must be paid 24months prior to application.	Must be satisfied before closing. Wells Fargo charge off results in automatic denial.
Collection accounts	Maximum \$500 unpaid at application. Account over \$500 must be paid 24months prior to application.	Must be satisfied prior to closing. Wells Fargo charge-off results in automatic denial.
Education requirements	Yes	At least one buyer must attend all sessions.
Amortization	30 years fixed	
Cash reserves	Not required	
Purchase rehab option	Not available	

Wells Fargo Bank – Neighborhood Community Development Mortgage Program

	Information	Comments
Geographic area	Determined by www.fhiec.gov/geocode/default.aspx Low to moderate census tract	HMC enters address to determine if in a LMI tract
Ratios	38%	42% if credit score at or above 720 and 6 months of PITI in reserves.
Maximum income	No	
Income not considered	Rental income	
Rental income	No	
Gross up non-taxable income	Yes	25% for child support, Social Security, SSI, Public Assistance, Workers Comp and Food Stamps
Adjustment to gross income	25% on non-taxable income	
Maximum loan amount	\$417,000	
First time homebuyer only	No	Applicants who presently own real estate not eligible unless they sell the property and transfer title.
Eligible properties	One and two family residences, Condos and Townhouses, Modular Homes	Must be owner-occupied and principal residence of all buyers. No investment properties
Refinance	No	
Interest rate	Market Rate	
Down payment and/or closing cost assistance program	Wells Fargo Approved DAPS	Max – CLTV: 105%
Buyer's minimum investment	HCFG Market Class 2: 98% LTV; Market Class 3: 97% LTV; Market Class 4: 96%LTV	Gift or down payment loan. Max CLTV: 105% Contact WF Mortgage Consultant for County Status.
Mortgage insurance	No	
Additional closing costs	No	Maximum sellers' contribution is 3%. Cannot be used for down payment.
Work history	Minimum 1 year continuous stable income	Jobs held do not require similar or direct relation employment
Credit history	Minimum score 680 consisting of at least 3 trade lines. Nontraditional accepted	Non-traditional credit: rent receipts, utility payments, telephone or cable bills, or other sources of credit or services for which the borrower has a regular financial obligation.
Chapter 7	At least 2 full year since discharge	Borrowers must have re-established credit and demonstrated that current situation is such that the events that led to the bankruptcy are not likely to reoccur.
Chapter 13	At least 2 full year since discharge	Discharged at least 2 year. See comment for Chapter 7
Liens	Maximum \$500 unpaid at application. Accounts over \$500 must be paid 24months prior to application.	Must be satisfied before closing. Wells Fargo charge off results in automatic denial.
Foreclosure	3 years since discharge	No exceptions
Judgments	Maximum \$500 unpaid at application. Accounts over \$500 must be paid 24months prior to application.	Must be satisfied before closing. Wells Fargo charge off results in automatic denial.
Collection accounts	Maximum \$500 unpaid at application. Account over \$500 must be paid 24months prior to application.	Must be satisfied prior to closing. Wells Fargo charge-off results in automatic denial.
Education requirements	Yes, one borrower	At least one buyer must attend all sessions.
Amortization	30 years fixed	
Cash reserves	If DTI is 38% or less, 2 months of PITI reserves required. If DTI is over 38%, 6 months of PITI reserves required.	
Purchase rehab option	Not available	