



## Affordable Loan & Program Matrix – March 2018

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 Homeownership Advisor in your area for unbiased, professional information.** To find a local Homeownership Advisor visit [www.hocmn.org](http://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 homeownership advisors and industry professionals of affordable loans and programs available to their customers. It is not designed for consumers. 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 **biannually**. 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 the Center by email: [info@hocmn.org](mailto:info@hocmn.org)

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*Loan programs are compiled by the Center based on the most recent available information. Information is subject to change.*

## Associated Bank – CARE (Community Affordable Real Estate) Product

|   | Information  | Comments   |
|---|--|--|
| Geographic area                                     | Anoka, Chisago, Dakota, Hennepin, Ramsey, Scott, Washington, Pierce, St. Croix county, Rochester: Fillmore, Olmsted  | Contact: Joannette Cintrón 651-306-1785 (office)<br>Contact: Sandy Wanner 651-306-1662 (office)<br>Contact: Lance Couch 651-544-8739 (office)  |
| Ratios  | 37% / 47% maximum  |  |
| Maximum income                                      | 80% of Area Median Income (AMI)  |  |
| Income not considered                               | -  |  |
| Rental income                                       | -  |  |
| Gross up non-taxable income                         | No   |  |
| Adjustment to gross income                          | No   |  |
| Maximum loan amount                                 | \$424,100  |  |
| First time homebuyer only                           | No   | Cannot own another property  |
| Eligible properties                                 | Single Family detached, Townhome, Condo, PUD attached, PUD Detached, 2-unit properties   | Warrantable Condos only. Manufactured Homes are not eligible. <b>Must be primary residence.</b>  |
| Refinance   | Available with limited cash out.   |  |
| Interest rate                                       | Market rate  | Contact lender for details   |
| Down payment and/or closing cost assistance program | Gift funds and Down Payment Assistance Programs  | Maximum CLTV 105% if using a Community Second  |
| Buyer's minimum investment                          | 1 Unit No buyer investment required. Up to 97% LTV<br>2-Unit Requires a min investments of 3% Up to 95% LTV  |  |
| Mortgage insurance                                  | No mortgage insurance required.  |  |
| Closing costs                                       | Seller contributions allowed:<br>• 3% for LTV/CLTV >90% & < 97%<br>• 6% for LTV/CLTV > 75% & < 90%<br>• 9% for LTV/CLTV < 75%  | Seller contributions may include mortgage financing costs, closing costs and/or prepaids/escrows.  |
| Work history  | 2 years employment   |  |
| Credit history                                      | <b>Minimum Credit Score 640</b><br><b>Minimum Credit Score 670</b> for 2-Unit Properties<br>Requires clean credit for previous 12 months. All delinquent credit obligations paid prior to application. | Non-traditional Credit: Must have four sources with at least one housing related (rent, gas, electricity, water, cell phone, cable, internet). |
| Chapter 7   | Discharged minimum of 4 years.   |  |
| Chapter 13  | Discharged minimum of 4 years.   |  |
| Short Sales/Deed in Lieu                            | 4 years since the sale/execution with re-established credit.   |  |
| Foreclosure   | Settled for a minimum of 7 years with credit re-established.   |  |
| Liens & Judgments                                   | Paid prior to closing.   |  |
| Collection accounts                                 | Paid prior to closing.   |  |
| Education requirements                              | First time buyers requires at least one borrower to complete homebuyer education   | <a href="#">Home Stretch</a> accepted.   |
| Amortization  | 30 years   |  |
| Cash reserves                                       | PITI Reserve Requirements: 1 month   |  |
| Purchase rehab option                               | Not available  |  |

## Bremer – Gateway Community Mortgage Program

|  | Information   | Comments  |
|--|---|---|
| Geographic area  | Bremer Bank lending areas of MN, ND and WI  | Home must be located in a low or moderate census tract  |
| <b>Ratios</b>  | 43%   |   |
| <b>Maximum income</b>                                      | No income limit   |   |
| <b>Income not considered</b>                               | <ul style="list-style-type: none"> <li>• Self-employed with duration less than 1 year</li> <li>• Part-time received for less than 1 year</li> <li>• Income if returned to workforce for less than 6 months</li> </ul>                                 |   |
| <b>Maximum Loan to Value</b>                               | 97%   | Combined Loan to Value to 105% with acceptable down payment assistance programs approved by Bremer Bank   |
| <b>Gross up non-taxable income</b>                         | Available contact lender for details  | Must follow current portfolio guidelines  |
| <b>Adjustment to gross income</b>                          | -   | -   |
| <b>Maximum loan amount</b>                                 | \$307,900   | No minimum  |
| <b>First time homebuyer only</b>                           | No  |   |
| <b>Eligible properties</b>                                 | <ul style="list-style-type: none"> <li>• Single Family</li> <li>• Condominiums and townhomes (conforming to FNMA req.)</li> <li>• Planned Unit Developments</li> <li>• Community Land Trusts</li> <li>• Acreage limited to 10 acre parcels</li> </ul> |   |
| <b>Refinance</b>   | No  | Only permitted to improve Bremer Bank's position for a loan held in our in-house portfolio  |
| <b>Interest rate</b>                                       | Slightly higher than Market Rate, Fixed   |   |
| <b>Down payment and/or closing cost assistance program</b> | Allowable from acceptable sources   | Contact lender for details  |
| <b>Buyer's minimum investment</b>                          | 1% or \$1000  | Whichever is less   |
| <b>Mortgage insurance</b>                                  | Not applicable  |   |
| <b>Additional closing costs</b>                            | No  |   |
| <b>Work history</b>  | Two years continuous stable income  | College is acceptable as part of the two year history and documented  |
| <b>Credit history</b>                                      | <ul style="list-style-type: none"> <li>• No foreclosure within the last 7 years</li> <li>• Minimum 640 credit score</li> <li>• All collections, judgements and liens must be paid in full</li> </ul>  | 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 |
| <b>Chapter 7</b>   | Follow FNMA Guidelines  |   |
| <b>Chapter 13</b>  | Follow FNMA Guidelines  |   |
| <b>Liens</b>   | Paid in full  |   |
| <b>Foreclosure</b>   | None within the last 7 years  | Explanations required   |
| <b>Judgments</b>   | Paid in full with 3 <sup>rd</sup> party verification required of reason for default (default must be beyond borrower's control).  |   |
| <b>Collection accounts</b>                                 | Paid in full  |   |
| <b>Education requirements</b>                              | Yes. Sole borrower must attend. For co-borrowers, at least one borrower must attend.  | <a href="http://www.hocmn.org">www.hocmn.org</a> to find a Home Stretch workshop or register for the online course Framework  |
| <b>Amortization</b>  | 30 years fixed, fully amortizing  |   |
| <b>Cash reserves</b>                                       | One month reserves of PITI  | Must be accessible  |
| <b>Purchase rehab option</b>                               | Not available   |   |

## BMO Harris Bank – Neighborhood Home Loan Product (NHLP)

|   | Information  | Comments   |
|---|--|--|
| Geographic area                                     | Properties located in designated counties in Minnesota   | The property must be located in a Low or Moderate Income Census Tract or borrower income must be below Low Income Limit  |
| Ratios  | 40% for FICO < 680; 45% for FICO 680 +   |  |
| Maximum income                                      | None   |  |
| Income not considered                               | Must follow Freddie Mac's guidelines   |  |
| Rental income                                       | No   | Borrowers with NHLP mortgages may not have any ownership interest in any other residential properties as of the Note Date.   |
| Gross up non-taxable income                         | -  |  |
| Adjustment to gross income                          | -  |  |
| Maximum loan amount                                 | Conforming   |  |
| First time homebuyer only                           | No   | Homebuyer education required for purchase transactions.  |
| Eligible properties                                 | Single Family, Condominium, Townhouse, PUD and Manufactured Homes  | 1-2 Units only, Primary Residence (owner-occupied) Only<br>Non-occupant co-borrowers are not eligible.   |
| Refinance   | Yes - Rate/Term Refinance only   |  |
| Interest rate                                       | Note Rate /Fixed for Life of Loan for the 30 year FRM  | 5/1 ARM also available   |
| Down payment and/or closing cost assistance program | Approved affordable seconds and/or Grants available  |  |
| Buyer's minimum investment                          | Must be borrower own funds. Minimum Borrower Contribution: Greater of \$1,000 or 1% of loan amount (3% if FICO <660)   | Note: On refinance transactions, Equity can be used to meet the minimum borrower contribution.<br><u>Down payment Requirements:</u><br>Purchase (1 unit): 3%, Purchase (2 unit): 5%<br>Refinance (1-2 unit): 5%, Manufactured Homes: 20%   |
| Mortgage insurance                                  | No   |  |
| Closing costs                                       | Seller contributions allowed, cannot exceed 3% of the lesser of sales price or appraised value on LTVs > 90% and 6% on LTVs < 90%. Seller contributions may include mortgage financing costs, closing costs and/or prepaids/escrows. |  |
| Work history  | 2 years verifiable income  | Must follow Freddie Mac's guidelines   |
| Credit history                                      | Refinance: 660 FICO<br>LTV <= 93%: 620 FICO; LTV 93.01-94%: 640 FICO; LTV 94.01-95%: 660 FICO; LTV 95.01-97%: 680 FICO<br>FICO score is required for all NHLP transactions   | Regardless of the credit score, borrowers need three valid trade lines but those do not have to be on the credit report. The trade lines need to meet Freddie Mac's guideline for non-traditional or alternative credit (see Freddie Mac. All Regs, Chapter 37.4 (b) for further details). |
| Chapter 7   | Must follow Freddie Mac's guidelines   |  |
| Chapter 13  | Must follow Freddie Mac's guidelines   |  |
| Liens   | -  |  |
| Foreclosure   | -  |  |
| Judgments   | -  |  |
| Collection accounts                                 | -  |  |
| Education requirements                              | Homebuyer education is required for all purchase transactions.   | The Purchase Counseling Advisory Letter must be signed at closing as it is required for all purchase transactions.<br><a href="#">Home Stretch</a> and <a href="#">Framework</a> are accepted.   |
| Amortization  | 30 Years   | Insurance and tax escrows are required.  |
| Cash reserves                                       | None required  |  |
| Purchase rehab option                               | No- limited repair loan.<br>Repairs limited to those which do not affect the livability of the home. Max amount of repairs cannot exceed 15% (\$10,000 for Conv., \$5,000 for FHA) of "As Completed" value.                          | Escrow requirements: 110% for Conventional or 150% for FHA (\$500 minimum). Percentage based on estimated cost of repairs.   |

## Community Land Trusts

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](http://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<br>705 Walnut Street North<br>Chaska, MN 55318<br><a href="http://www.carvercda.org">www.carvercda.org</a> |   |
| First time homebuyer only  | Not Required   |   |
| Maximum income limit       | 80% of Median Income or Below  |   |
| Program Requirements       | Application, Homebuyer Education, CLT Orientation and lender Pre-approval  | Approved lenders only.                                    |
| 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    | 1930 Glenwood Avenue<br>Minneapolis, MN 55405<br>612-594-7150<br><a href="http://www.CLCLT.org">www.CLCLT.org</a> |   |
| 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 |

## First Homes

|                            | Information  | Comments                     |
|----------------------------|--|------------------------------|
| Geographic area served     | Rochester & 30-mile surrounding area   |                              |
| CLT Contact Information:   | 507-287-7117<br>12 Elton Hills Drive NW<br>Rochester, MN 55901<br><a href="mailto:shirley@rochesterarea.org">shirley@rochesterarea.org</a> |                              |
| 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  | Bloomington, Brooklyn Park, Deephaven, Eden Prairie, Edina, Golden Valley, Maple Grove, Minnetonka, New Hope, Richfield, St. Louis Park and Wayzata |
| CLT Contact Information    | 5101 Thimsen Avenue, Suite 202<br>Minnetonka, MN 55345<br><a href="http://www.homeswithinreach.org">www.homeswithinreach.org</a>   952-401-7071 |   |
| First time homebuyer only  | Not Required  |   |
| Maximum income limit       | 80% of Hennepin County Housing Consortium Income Limits (HUD)   |   |
| Program Requirements       | Application, Homebuyer Education, CLT Orientation and lender Pre-approval   |   |
| Buyer's minimum investment | \$1,000   |   |
| Additional closing costs   | None  |   |

## One Roof Community Housing

|                            | Information   | Comments                            |
|----------------------------|---|-------------------------------------|
| Geographic area served     | Duluth and surrounding communities.   |                                     |
| CLT Contact Information    | 12 East 4 <sup>th</sup> Street<br>Duluth, MN 55805<br><a href="http://www.1roofhousing.org">www.1roofhousing.org</a>   218-727-5372 |                                     |
| First time homebuyer only  | Not required  |                                     |
| Maximum income limit       | 80% Area Median Income  | Some units available up to 115% AMI |
| Program Requirements       | Application, Homebuyer education, CLT Orientation and lender Preapproval  |                                     |
| Buyer's minimum investment | \$1000  |                                     |
| Additional closing costs   | Recording fees for ground lease and related documents.  |                                     |

## 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<br>626 Selby Avenue<br>St. Paul, MN. 55104<br><a href="http://www.rondoctl.org">www.rondoctl.org</a> |   |
| 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     | Washington Counties   | Some cities within the counties listed are not currently served                                  |
| CLT Contact Information    | 651-994-9194<br>PO Box 25451<br>Woodbury, MN 55125<br><a href="http://www.tworiversclt.com">www.tworiversclt.com</a>  |  |
| First time homebuyer only  | Not Required  |  |
| Maximum income limit       | Must be at 80% or less of the Area Median Income for Washington or Anoka Counties depending on where you buy.<br>*Request updated limits by contacting Two Rivers CLT |  |
| Program Requirements       | Application, Homebuyer Education: Home Stretch, CLT Orientation and lender Pre-approval   | Conventional loan products only. No FHA. Approved Lenders Only; contact Two Rivers CLT for list. |
| Buyer's minimum investment | \$1,000   |  |
| Additional closing costs   | Recording fees for ground lease and related documents   | Assistance varies based on lender availability and borrower's income.                            |

## Dakota County CDA's First Time Homebuyer Program

|  | Information  | Comments  |
|--|--|---|
| <b>Geographic area</b>                                     | Dakota County  | For specific Information call:<br>Shari Larson 651-675-4472   |
| <b>Ratios</b>  | Maximum 45% DTI  |   |
| <b>Maximum income</b>                                      | \$90,400 1-2 person & \$103,900 3+ household size                                    |   |
| <b>Income not considered</b>                               | Per loan product guidelines – FHA, VA, Conventional                                  |   |
| <b>Rental income</b>                                       | Per loan product guidelines – FHA, VA, Conventional                                  |   |
| <b>Gross up non-taxable income</b>                         | Per loan product guidelines – FHA, VA, Conventional                                  |   |
| <b>Adjustment to gross income</b>                          | Per loan product guidelines – FHA, VA, Conventional                                  |   |
| <b>Maximum loan amount</b>                                 | \$285,780  |   |
| <b>First time homebuyer only</b>                           | Yes  |   |
| <b>Eligible properties</b>                                 | Per loan product guidelines – FHA, VA, Conventional                                  |   |
| <b>Refinance</b>   | Purchase program only  |   |
| <b>Interest rate</b>                                       | Varies with market   | See Web-site: <a href="https://www.dakotacda.org/housing-resources/homeownership/first-time-homebuyer-program/">https://www.dakotacda.org/housing-resources/homeownership/first-time-homebuyer-program/</a> |
| <b>Down payment and/or closing cost assistance program</b> | Yes, available in conjunction with 1 <sup>st</sup> mortgage                          | Up to \$8,500 Deferred, 0% Interest Down Payment Assistance Mortgage (repayable when 1 <sup>st</sup> mortgage is paid off) and Mortgage Credit Certificate available  |
| <b>Buyer's minimum investment</b>                          | <b>\$1,000</b>   |   |
| <b>Mortgage insurance</b>                                  | Charter Minimum Mortgage Insurance on Conventional FHA and VA per product guidelines |   |
| <b>Additional closing costs</b>                            | Up to \$458, depending on program options  |   |
| <b>Work history</b>  | Per loan product guidelines – FHA, VA, Conventional                                  |   |
| <b>Credit history</b>                                      | Conventional and VA: 640 minimum credit score<br>FHA: 650 minimum credit score       |   |
| <b>Chapter 7</b>   | Per loan product guidelines – FHA, VA, Conventional                                  |   |
| <b>Chapter 13</b>  | Per loan product guidelines – FHA, VA, Conventional                                  |   |
| <b>Liens</b>   | Per loan product guidelines – FHA, VA, Conventional                                  |   |
| <b>Foreclosure</b>   | Per loan product guidelines – FHA, VA, Conventional                                  |   |
| <b>Judgments</b>   | Per loan product guidelines – FHA, VA, Conventional                                  |   |
| <b>Collection accounts</b>                                 | Per loan product guidelines – FHA, VA, Conventional                                  |   |
| <b>Education requirements</b>                              | Yes, All borrowers and spouses   | Homestretch or Framework <b>and</b> pre-purchase appointment  |
| <b>Amortization</b>  | 30 year fixed rate   |   |
| <b>Cash reserves</b>                                       | Per loan product guidelines – FHA, VA, Conventional                                  |   |
| <b>Purchase rehab option</b>                               | FHA 203k available   |   |



## FHA – 203B, 203(k) Streamlined (Last updated March 2017)

|  | Information   | Comments  |
|--|---|---|
| Geographic area  | Nationwide  | To find lenders visit:<br><a href="https://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/lender/lenderlist">https://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/lender/lenderlist</a> |
| <b>Ratios</b>  | 31 / 43   | Must demonstrate compensating factors to exceed percentages.  |
| <b>Maximum income</b>                                      | None  |   |
| <b>Income not considered</b>                               | Food Stamps   |   |
| <b>Rental income</b>                                       | Yes   | With proper documentation   |
| <b>Gross up non-taxable income</b>                         | Yes   |   |
| <b>Adjustment to gross income</b>                          | None  |   |
| <b>Maximum loan amount</b>                                 | Metro Area Effective 1/1/16 \$326,000 (1 Family)  | Effective 1/1/14: Cook County \$282,900 (1 Family)<br>All other \$271,050 (1 Family)  |
| <b>First time homebuyer only</b>                           | No  | Borrower cannot own other property as primary residence.  |
| <b>Eligible properties</b>                                 | 1-4 units, condos, townhomes, manufactured housing  | Must meet FHA appraisal standards   |
| <b>Refinance</b>   | Yes. *NOTE: Effective 6/11/12 special ref. program for underwater FHA to FHA borrowers. See ML 2012-04  | Streamline and cash-out refinance (85% limit)   |
| <b>Interest rate</b>                                       | Market Rate   |   |
| <b>Down payment and/or closing cost assistance program</b> | Pre-approved programs are allowed; must have HUD approval letter.   | Gifts OK per guidelines. Funds from instrumentality of Governments per HB 4155.   |
| <b>Buyer's minimum investment</b>                          | <b>Credit Score at or above 580 requires minimum 3.5%</b><br><b>Credit Score between 500-579 required minimum 10%</b>   | See handbook 4155.1 Rev-5 & Mortgagee Letter 2010-29  |
| <b>Mortgage insurance</b>                                  | Yes<br>Effective 4/9/2012: <b>Upfront payment 1.75% of base loan amount</b><br>Effective 1/1/15 Annual Mortgage Insurance Premium (MIP) is 80-85 bps<br>See Mortgagee Letter 2015-1, Appendix 1.0 | Annual Mortgage Insurance Premium duration: <b>Effective 4/1/2013 (Mortgagee Letter 2013-04):</b><br>Loan To Value at origination:<br>< 90% LTV – 11 years<br>>90% but ≤ 95% LTV – Mortgage Term<br>>90 – Mortgage Term |
| <b>Closing costs</b>                                       | The seller may contribute up to 6% of the property's sales price toward closing costs and pre-paid.   |   |
| <b>Work history</b>  | 2 years verifiable income   | Salaries and wage income must be verifiable and stable over the past 2 years.   |
| <b>Credit history</b>                                      | <b>Minimum 500 credit score</b><br>Non-traditional accepted see mortgagee letter 2008-11<br>*minimum credit score depends on lender's overlay   | 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.           |
| <b>Chapter 7</b>   | At least 2 full years since discharged  | Re-establish good credit 12-month history.  |
| <b>Chapter 13</b>  | At least 1 full year into established repayment plan.   | Re-establish good credit 12-month history.  |
| <b>Liens and Judgments</b>                                 | Paid in full  | No exceptions. Satisfied prior to endorsement.  |
| <b>Foreclosure</b>   | 36 months from date claim was paid.   | Extenuating circumstances can grant exception. <b>See Back to Work Mortgage Letter 2013-26</b>  |
| <b>Collection accounts</b>                                 | Explanation of collection account required  |   |
| <b>Education requirements</b>                              | No  | Encouraged  |
| <b>Amortization</b>  | 15 to 30 year fixed rate  | Max. term is 30 years; shorter loan terms are available.  |
| <b>Cash reserves</b>                                       | 1-2 units: \$0. 3-4 units: 3 months PITI  |   |
| <b>Purchase rehab option</b>                               | 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.  |

## Minnesota Housing - Start Up

Minnesota Housing is a trusted state agency that works with local lenders to offer loan programs to help low- and moderate-income Minnesotans buy a home statewide. Homebuyers apply for the program directly through a participating lender. To find a Minnesota Housing lender, visit [mnhousing.gov](http://mnhousing.gov) and click on [Find a Lender](#) under the Homebuyers & Homeowners heading.

Start Up is a first-time homebuyer program that is available with conventional and government loan products.

### Benefits:

- Access to Minnesota Housing down payment and closing cost loans.
- Affordable, fixed interest rates
- As little as 3% down and reduced mortgage insurance costs with our exclusive conventional loans:
  - [Freddie Mac HFA Advantage<sup>SM</sup>](#)
  - [Fannie Mae HFA Preferred<sup>TM</sup>](#)
  - [Fannie Mae HFA Preferred Risk Sharing<sup>TM</sup>](#)

### Eligibility Requirements:

Borrowers may be eligible if they:

- Are a first-time homebuyer (not owned a home in the past three years)
- Have a minimum 640 credit score; some products require a higher credit score
- Meet [Minnesota Housing income limits](#)
- Purchase a home under the [Minnesota Housing home cost limits](#)
- Take an approved homebuyer education course (required for borrowers using a Minnesota Housing down payment and closing cost loan or getting a conventional loan). Approved courses:
  - [Home Stretch](#)
  - [Framework](#)
  - [Pathways Home: A Native Homeownership Guide](#)
  - Realizing the American Dream (offered through the [Minneapolis Urban League](#))

### More information:

Visit our website: [mnhousing.gov](http://mnhousing.gov)

- Under Homebuyers & Homeowners, click on [Find a Lender](#) to find a participating lender.
  - Homebuyers are encouraged to let the lender know they are interested in a Minnesota Housing loan. The lender will help them apply for the loan if it's a good fit. The lender will explain the loan options and work to qualify the homebuyer for a Minnesota Housing first mortgage and, if desired, a down payment and closing cost loan.
- Under Lenders & Homeownership Partners, click on the Start Up page to find:
  - [Start Up Program Description](#)
  - [Start Up Procedural Manual](#)
  - [Credit and DTI Matrix](#)

|   | Information  | Comments  |            |           |                |          |           |                  |          |           |                    |          |          |   |
|---|--|---|------------|-----------|----------------|----------|-----------|------------------|----------|-----------|--------------------|----------|----------|---|
| <b>Geographic area</b>                            | Statewide  | Program works with industry-standard loan products. Minnesota Housing provides an affordable, fixed interest rate and access to down payment and closing loans for eligible borrowers.  |            |           |                |          |           |                  |          |           |                    |          |          |   |
| <b>Ratios</b>                                     | Defer to underlying loan product guidelines (FHA, RD, VA, Conventional)  | Refer to the <a href="#">Credit and DTI Matrix</a> .  |            |           |                |          |           |                  |          |           |                    |          |          |   |
| <b>Maximum income</b>                             | <table border="1"> <thead> <tr> <th></th> <th>1-2 person</th> <th>3+ person</th> </tr> </thead> <tbody> <tr> <td>11 Co. Metro -</td> <td>\$90,400</td> <td>\$103,900</td> </tr> <tr> <td>Dodge &amp; Olmstead</td> <td>\$88,600</td> <td>\$101,800</td> </tr> <tr> <td>All Other Counties</td> <td>\$80,400</td> <td>\$92,400</td> </tr> </tbody> </table> |   | 1-2 person | 3+ person | 11 Co. Metro - | \$90,400 | \$103,900 | Dodge & Olmstead | \$88,600 | \$101,800 | All Other Counties | \$80,400 | \$92,400 | Each loan file contains both Minnesota Housing's Eligibility Income calculation and credit underwriting qualifying income. Lenders will calculate this income to check eligibility. |
|   | 1-2 person   | 3+ person   |            |           |                |          |           |                  |          |           |                    |          |          |   |
| 11 Co. Metro -                                    | \$90,400   | \$103,900   |            |           |                |          |           |                  |          |           |                    |          |          |   |
| Dodge & Olmstead                                  | \$88,600   | \$101,800   |            |           |                |          |           |                  |          |           |                    |          |          |   |
| All Other Counties                                | \$80,400   | \$92,400  |            |           |                |          |           |                  |          |           |                    |          |          |   |
| <b>Income not considered</b>                      | Refer to the <a href="#">Eligibility Income Worksheet</a>  | Program Eligibility Income  |            |           |                |          |           |                  |          |           |                    |          |          |   |
| <b>Rental income</b>                              | Refer to the <a href="#">Eligibility Income Worksheet</a>  | Program Eligibility Income  |            |           |                |          |           |                  |          |           |                    |          |          |   |
| <b>Gross up non-taxable income</b>                | Refer to the <a href="#">Eligibility Income Worksheet</a>  | Program Eligibility Income  |            |           |                |          |           |                  |          |           |                    |          |          |   |
| <b>Adjustment to gross income</b>                 | Refer to the <a href="#">Eligibility Income Worksheet</a>  | Program Eligibility Income  |            |           |                |          |           |                  |          |           |                    |          |          |   |
| <b>Maximum House Price</b>                        | 11 County Metro - \$306,000<br>Balance of State - \$253,800  | Refer to the <a href="#">combined mortgage programs description sheet</a>   |            |           |                |          |           |                  |          |           |                    |          |          |   |
| <b>First-time homebuyer only</b>                  | Yes  |   |            |           |                |          |           |                  |          |           |                    |          |          |   |
| <b>Eligible properties</b>                        | Single-family, detached, Duplex, Townhouse, A unit within a PUD, Community Land Trust (CLT), Manufactured home taxed as real property, Modular Home, Condos (see All regs for servicer requirements)   | Community Land Trusts: <ul style="list-style-type: none"> <li>Only eligible with <a href="#">Fannie Mae HFA Preferred™</a></li> </ul> Manufactured Homes: <ul style="list-style-type: none"> <li>Must be taxed as real property</li> <li>Only eligible with FHA, RD, or VA</li> </ul>   |            |           |                |          |           |                  |          |           |                    |          |          |   |
| <b>Refinance</b>                                  | No   |   |            |           |                |          |           |                  |          |           |                    |          |          |   |
| <b>Interest rate</b>                              | <a href="#">MN Housing Interest Rates</a>  |   |            |           |                |          |           |                  |          |           |                    |          |          |   |
| <b>Down payment and closing cost loan options</b> | <ul style="list-style-type: none"> <li><a href="#">Monthly Payment Loan</a></li> <li><a href="#">Deferred Payment Loan (DPL):</a> <ul style="list-style-type: none"> <li><a href="#">DPL option or DPL Plus option</a></li> </ul> </li> </ul>  | <a href="#">Down payment and Closing Cost Comparison Sheet</a><br>Other Community Seconds are also eligible.  |            |           |                |          |           |                  |          |           |                    |          |          |   |
| <b>Buyer's minimum investment</b>                 | Lesser of \$1,000 or 1% of the purchase price if receiving a Minnesota Housing down payment and closing cost loan  | Refer to the <a href="#">Down payment and Closing Cost Loan Comparison Chart</a> .  |            |           |                |          |           |                  |          |           |                    |          |          |   |
| <b>Mortgage insurance</b>                         | <ul style="list-style-type: none"> <li>Defer to underlying loan product guidelines (FHA, RD, VA, Conventional)</li> <li>Minnesota Housing HFA Conventional mortgage products layered with Start Up with lower or No MI options and no loan level pricing adjustments up to 97% LTV.</li> </ul>   | Minnesota Housing offers conventional loans that save borrowers money on mortgage insurance. <ul style="list-style-type: none"> <li>Conventional no-MI product: <a href="#">Fannie Mae HFA Preferred Risk Sharing™</a></li> <li>Conventional reduced-MI products: <a href="#">Fannie Mae HFA Preferred™</a> and <a href="#">Freddie Mac HFA Advantage™</a></li> <li>Upfront Paid Mortgage Insurance: In exchange for a slightly higher interest rate, the lender pays the MI upfront, eliminating the need for monthly MI payments. Minimum credit score of 740 is recommended to access lower MI rates.</li> </ul> |            |           |                |          |           |                  |          |           |                    |          |          |   |
| <b>Closing Costs</b>                              | Origination Fee Options: 1% fee or 0% fee with a slightly higher interest rate. \$175 Servicing Fee (one-time fee paid at closing) and \$58 Tax Service Fee to U.S. Bank Home Mortgage-HFA Division.   | Refer to the <a href="#">Lock, Fee and Service Release Premium (SRP) Guide</a> .  |            |           |                |          |           |                  |          |           |                    |          |          |   |
| <b>Work history</b>                               | Defer to underlying loan product guidelines (FHA, RD, VA, Conventional)  |   |            |           |                |          |           |                  |          |           |                    |          |          |   |
| <b>Credit history</b>                             | Defer to underlying loan product guidelines (FHA, RD, VA, Conventional)  | Minimum of 640 Credit Score for Conventional. Minimum of 650 Credit Score for FHA. Refer to the <a href="#">Credit and DTI Matrix</a>   |            |           |                |          |           |                  |          |           |                    |          |          |   |
| <b>Chapter 7 &amp; 13</b>                         | Defer to underlying loan product guidelines (FHA, RD, VA, Conventional)  |   |            |           |                |          |           |                  |          |           |                    |          |          |   |
| <b>Liens, Foreclosure, Judgments</b>              | Defer to underlying loan product guidelines (FHA, RD, VA, Conventional)  |   |            |           |                |          |           |                  |          |           |                    |          |          |   |
| <b>Collection accounts</b>                        | Defer to underlying loan product guidelines (FHA, RD, VA, Conventional)  |   |            |           |                |          |           |                  |          |           |                    |          |          |   |
| <b>Education requirements</b>                     | Homebuyer Education must be completed prior to closing if all borrowers are first-time homebuyers regardless of the product type or if they are getting a down payment and closing cost loan.  | The <a href="#">Homebuyer Education</a> requirement is satisfied when at least one borrower per household provides a certificate of completion from an approved course.   |            |           |                |          |           |                  |          |           |                    |          |          |   |
| <b>Amortization</b>                               | 15 or 30 years   | Defer to underlying loan product guidelines (FHA, RD, VA, Conventional)   |            |           |                |          |           |                  |          |           |                    |          |          |   |
| <b>Cash reserves</b>                              | Defer to underlying loan product guidelines (FHA, RD, VA, Conventional)  | Deferred Payment Loan and Deferred Payment Loan Plus down payment and closing cost assistance has a maximum cash reserve requirement greater of 8 months PITIA or \$8,000.  |            |           |                |          |           |                  |          |           |                    |          |          |   |
| <b>Purchase/rehab option</b>                      | A purchase repair option (FHA 203(k) Streamlined) is available.  | Lenders must apply to Minnesota Housing's servicer in order to participate in this option. Contact Minnesota Housing for more details.  |            |           |                |          |           |                  |          |           |                    |          |          |   |

## Minnesota Housing – Step Up

Minnesota Housing is a trusted state agency that works with local lenders to offer loan programs to help low- and moderate-income Minnesotans buy a home statewide. Homebuyers apply for the program directly through a participating lender. To find a Minnesota Housing lender, visit [mnhousing.gov](http://mnhousing.gov) and click on [Find a Lender](#) under the Homebuyers & Homeowners heading.

Step Up is designed for repeat homebuyers or current homeowners to purchase or refinance a home.

### Benefits:

- Access to Minnesota Housing's Monthly Payment Loan for down payment and closing costs for eligible borrowers.
- FHA 203(k) Streamlined purchase/repair product option available
- Flexible refinance options for borrowers with an existing Minnesota Housing down payment assistance loan.
- Affordable, fixed interest rates
- As little as 3% down and reduced mortgage insurance costs with our exclusive conventional loans:
  - [Freddie Mac HFA Advantage<sup>SM</sup>](#)
  - [Fannie Mae HFA Preferred<sup>TM</sup>](#)
  - [Fannie Mae HFA Preferred Risk Sharing<sup>TM</sup>](#)

### Eligibility Requirements:

Borrowers may be eligible if they:

- Have a minimum 640 credit score; some products require a higher credit score
- Meet [Minnesota Housing income limits](#)
- Purchase a home under the [Minnesota Housing home cost limits](#)
- Take an approved homebuyer education course (required for borrowers using a Minnesota Housing down payment loan or getting a conventional loan). Approved courses:
  - [Home Stretch](#)
  - [Framework](#)
  - [Pathways Home: A Native Homeownership Guide](#)
  - Realizing the American Dream (offered through the [Minneapolis Urban League](#))

### More information:

Visit our website: [mnhousing.gov](http://mnhousing.gov)

- Under Homebuyers & Homeowners, click on Find a Lender to find a participating lender.
  - Homebuyers are encouraged to let the lender know they are interested in a Minnesota Housing loan. The lender will help them apply for the loan if it's a good fit. The lender will explain the loan options and work to qualify the homebuyer for a Minnesota Housing first mortgage and, if desired, a down payment/closing cost loan.
- Under Lenders & Homeownership Partners, click on the Step Up page to find:
  - [Step Up Procedural Manual](#)
  - [Step Up Program Description](#)
  - [Credit and DTI Matrix](#)

## Minnesota Housing – Step Up

|  | Information   | Comments   |
|--|---|--|
| Geographic area                            | Statewide   | Program works with industry-standard loan products. Minnesota Housing provides affordable, fixed interest rates and access to Monthly Payment Loan for eligible borrowers.   |
| Ratios                                     | Defer to underlying loan product guidelines (FHA, RD, VA, Conventional)   | See the <a href="#">Credit and DTI Matrix</a> .  |
| Maximum income                             | 11 Co. Metro - \$135,100<br>Dodge & Olmstead \$135,100<br>All Other Counties \$120,200  | Monthly Payment Loan income limits will now simply align with the first mortgage program. Now Step Up with MPL no longer has a separate income limit.  |
| Income not considered                      | Defer to underlying loan product guidelines (FHA, RD, VA, Conventional)   | Qualifying income guidelines   |
| Rental income                              | Defer to underlying loan product guidelines (FHA, RD, VA, Conventional)   | Qualifying income guidelines   |
| Gross up non-taxable income                | Defer to underlying loan product guidelines (FHA, RD, VA, Conventional)   | Qualifying income guidelines   |
| Adjustment to gross income                 | Defer to underlying loan product guidelines (FHA, RD, VA, Conventional)   | Qualifying income guidelines   |
| Maximum House Price                        | 11 County Metro - \$306,000<br>Balance of State - \$253,800   | Refer to the <a href="#">combined mortgages program descriptions sheet</a> .   |
| First-time homebuyer only                  | No  | Step Up is available to repeat homebuyers or current   |
| Eligible properties                        | Single-family, detached, Duplex, Townhouse, A unit within a PUD, Community Land Trust (CLT), Manufactured home taxed as real property, Modular Home, Condos (see All regs for servicer requirements)  | Community Land Trusts: <ul style="list-style-type: none"> <li>• Only eligible with <a href="#">Fannie Mae HFA Preferred™</a></li> </ul> Manufactured Homes: <ul style="list-style-type: none"> <li>• Must be taxed as real property</li> <li>• Only eligible with FHA, RD, or VA</li> </ul>  |
| Refinance                                  | Yes   |  |
| Interest rate                              | Visit: <a href="#">Minnesota Housing Interest Rates</a>   |  |
| Down payment and closing cost loan options | Minnesota Housing <a href="#">Monthly Payment Loan</a>  | Other Community Seconds also eligible. <a href="#">Down payment and Closing Cost Loans Comparison Sheet</a>  |
| Buyer's minimum investment                 | Lesser of \$1,000 or 1% of the purchase price if receiving a Minnesota Housing Monthly Payment Loan.  | Refer to the <a href="#">Down payment and Closing Cost Loans Comparison Sheet</a> .  |
| Mortgage insurance                         | Defer to underlying loan product guidelines (FHA, RD, VA, Conventional)   | Minnesota Housing offers conventional loans that save borrowers money on mortgage insurance. <ul style="list-style-type: none"> <li>• Conventional no-MI product: <a href="#">Fannie Mae HFA Preferred Risk Sharing™</a>.</li> <li>• Conventional reduced-MI products: <a href="#">Fannie Mae HFA Preferred™</a> and <a href="#">Freddie Mac HFA Advantage SM</a></li> <li>• Upfront Paid Mortgage Insurance: In exchange for a slightly higher interest rate, the lender pays the MI upfront, eliminating the need for monthly MI payments. Minimum credit score of 720 is recommended to access lower MI rates.</li> </ul> |
| Closing costs                              | Origination Fee Options: 1% fee or 0% fee, with a slightly higher interest rate. \$175 Servicing Fee (one-time fee paid at closing) and \$58 Tax Service Fee to U.S. Bank Home Mortgage-HFA Division. | Refer to the <a href="#">Lock, Fee and Service Release Premium (SRP) Guide</a> .   |
| Work history                               | Defer to underlying loan product guidelines (FHA, RD, VA, Conventional)   |  |
| Credit history                             | Defer to underlying loan product guidelines (FHA, RD, VA, Conventional)   | Minimum of 640 Credit Score for Conventional. Minimum of 650 Credit Score for FHA. Refer to the <a href="#">Credit and DTI Matrix</a>  |
| Chapter 7 & 13                             | Defer to underlying loan product guidelines (FHA, RD, VA, Conventional)   |  |
| Liens, Foreclosure, Judgments              | Defer to underlying loan product guidelines (FHA, RD, VA, Conventional)   |  |
| Collection accounts                        | Defer to underlying loan product guidelines (FHA, RD, VA, Conventional)   |  |
| Education requirements                     | Homebuyer Education must be completed prior to closing if all borrowers are first-time homebuyers regardless of the product type or if they are getting a down payment and closing cost loan.         | The <a href="#">Homebuyer Education</a> requirement is satisfied when at least one borrower per household provides a certificate of completion from an approved course.  |
| Amortization                               | 15 or 30 years  | Defer to underlying loan product guidelines (FHA, RD, VA, Conventional)  |
| Cash reserves                              | Defer to underlying loan product guidelines (FHA, RD, VA, Conventional)   |  |
| Purchase rehab option                      | A purchase repair option (FHA 203(k) Streamlined) is available.   | Lenders must apply to Minnesota Housing's Master Servicer in order to participate in this option. Contact Minnesota Housing for more details.  |

## Sunrise Banks Open Door Program (with ITIN option)

|   | Information  | Comments  |
|---|--|---|
| Geographic area                                     | Twin Cities 7 County Metro Area  |   |
| Ratios  | 45% Debt to Income   |   |
| Maximum income                                      | No   |   |
| Income not considered                               | Cash Deposits  |   |
| Rental income                                       | Must have two years of rental history  | Does not include future projected income  |
| Gross up non-taxable income                         | Yes  |   |
| Adjustment to gross income                          |  |   |
| Maximum loan amount                                 | 424,100  |   |
| First time homebuyer only                           | No   |   |
| Eligible properties                                 | 1-4 Residential Properties   | Borrower(s) must live or intend to live in as primary residence                                       |
| Refinance   | Yes  |   |
| Interest rate                                       | 7% 80-90% LTV, 6.50% for 70-80%, 6.25% 60-70%, 6.00% for 60% and lower LTV   | Rates are subject to change   |
| Down payment and/or closing cost assistance program | FHLB Home Start, Home Start Plus and Native American Down Payment Assistance | Income and other eligibility requirements   |
| Buyer's minimum investment                          | \$2500.00 – remaining funds can be from other verifiable sources             | Credit score to qualify 670 or higher   |
| Mortgage insurance                                  | None Required  |   |
| Additional closing costs                            | NO origination fee, \$995 processing fee and traditional third party costs   |   |
| Work history  | Two Years verifiable employment or self employed                             |   |
| Credit history                                      | 12 Month Rental History with NO 30 day late payments                         | 1 Trade line must be at least 12 months, no late housing payments. 1 non-housing late in last 24 mos. |
| Chapter 7   | No   |   |
| Chapter 13  | No   |   |
| Liens   | No   |   |
| Foreclosure   | No   |   |
| Judgments   | Must be released prior to closing  |   |
| Collection accounts                                 | Must be paid prior to closing  |   |
| Education requirements                              | Framework or Sunrise Banks Homeownership Counseling                          |   |
| Amortization  | 30 years   |   |
| Cash reserves                                       | None   |   |
| Purchase rehab option                               | No   |   |

## Section 184 Indian Home Loan Guarantee Program

|                                    | Information  | Comments   |
|------------------------------------|--|--|
| <b>Geographic area</b>             | Entire State, <u>On or Off Tribal Land</u> . For participating Tribes. Download a <u>List of Participating Tribes</u> .  | Verification of enrollment is required at application. For a list of approved lenders in Minnesota, visit <a href="http://hud.gov">hud.gov</a>     |
| <b>Ratios</b>                      | Maximum 41% debt-to- income  | Debt-to-income ratio exceeding 41% may be acceptable if significant compensating factors are presented.  |
| <b>Maximum income</b>              | No maximum income  |  |
| <b>Income not considered</b>       | All income considered  |  |
| <b>Rental income</b>               | Must be demonstrated by tax return, shown as income.   |  |
| <b>Gross up non-taxable income</b> | None   |  |
| <b>Adjustment to gross income</b>  | None   |  |
| <b>Maximum loan amount</b>         | Cannot exceed the lesser of: 150% of the current median home price, or FHA limit   | Loan limits at: <a href="http://hud.gov">hud.gov</a>   |
| <b>First time homebuyer only</b>   | No   |  |
| <b>Eligible properties</b>         | Single family homes (1-4 units) and must be primary residence.   | Existing Home, Construction for New Home, Purchase and Rehab; including Current Home.  |
| <b>Refinance</b>                   | Can be used to refinance current loan.   | Borrower must pay the same loan guarantee fee as is required of new acquisitions. This fee is non-refundable.                                      |
| <b>Interest rate</b>               | Market Rate, Not based on Credit Score or History.   |  |
| <b>Down payment</b>                | 2.25% loans > \$50,000; 1.25% loans <\$50,000  | Allows gifts, down payment assistance.   |
| <b>Buyer's minimum investment</b>  | None   |  |
| <b>Mortgage insurance</b>          | No. Onetime upfront fee, 1% of loan. GF is 1.5% and there is now a small premium. Per month Added. Its .25% off the loan amount and divided into 12 months. Very minimal and will drop off at 78% LTV. | Upfront fee can be financed into the loan.   |
| <b>Closing costs</b>               | Seller can contribute max 6%.  |  |
| <b>Work history</b>                | 6 months stable employment accepted if able to document 2 years of employment prior to absence from workforce.   | Gaps greater than 30 days must be explained.   |
| <b>Credit history</b>              | No late payments in the past 12 months on all accounts   | Nontraditional credit accepted   |
| <b>Chapter 7</b>                   | Two years from the date of discharge.  | No bankruptcy in the past 24 months.   |
| <b>Chapter 13</b>                  | One year of good payment history; judge allows mortgage.   | No bankruptcy in the past 24 months. Same standard for Debt Management Plans.  |
| <b>Liens</b>                       | Federal liens must be current, paid or satisfied.  | No liens in the past 24 months.  |
| <b>Foreclosure</b>                 | 3 years since completion of foreclosure.   |  |
| <b>Judgments</b>                   | Paid in Full Prior to Closing  | No judgments in the past 24 months.  |
| <b>Collection accounts</b>         | Paid in Full Prior to Closing  | No accounts converted to collection in the past 12 months. All collections must have been paid in full 12 months prior to the date of application. |
| <b>Education requirements</b>      | Not required; strongly encouraged  | <a href="#">Home Stretch</a> and <a href="#">Framework</a> are accepted.   |
| <b>Amortization</b>                | 30 years   | If leasing tribal land a 50-year lease is required.  |
| <b>Cash reserves</b>               | Not required   |  |
| <b>Purchase rehab option</b>       | Used to rehab current home.  |  |



## TCHFH Lending, Inc. – Twin Cities Habitat for Humanity Loan Fund

|  | Information   | Comments   |
|--|---|--|
| <b>Geographic area</b>                                     | Seven County Metro Area: Hennepin, Ramsey, Washington, Anoka, Dakota, Scott, Carver   |  |
| <b>Ratios</b>  | 30% Housing Ratio / 43% Backend Ratio   |  |
| <b>Maximum income</b>                                      | 80% Area Median Income  | Minimum 30% of Area Median Income  |
| <b>Income not considered</b>                               | Self-employment, temporary employment, on call employment, and commission income with duration less than 2 years<br>Food stamps, unemployment income, or adoption/foster care assistance. |  |
| <b>Rental income</b>                                       | Not Considered  |  |
| <b>Maximum loan amount</b>                                 | 96.5% of property fair market value   | Down payment and affordability assistance available through Twin Cities Habitat for Humanity for the remaining 3.5%.   |
| <b>First time homebuyer only</b>                           | Yes   |  |
| <b>Eligible properties</b>                                 | Single family, Duplexes, Townhomes, Condominiums, and Habitat Land Trust Properties.  |  |
| <b>Refinance</b>   | Not Available   |  |
| <b>Interest rate</b>                                       | 3% Fixed  | Reviewed for adjustment annually   |
| <b>Down payment and/or closing cost assistance program</b> | Affordability assistance through Twin Cities Habitat for Humanity based on income and availability  |  |
| <b>Buyer's minimum investment</b>                          | -Completion of the Twin Cities Habitat for Humanity's Homeownership program<br>-\$3,000 towards buyer's closing costs<br>-First year homeowner's insurance policy premium                 | Sweat Equity of 20 to 250 hours<br>Twin Cities Habitat for Humanity's Homeownership program includes one-on-one financial coaching, homebuyer education courses and HomeStretch. |
| <b>Mortgage insurance</b>                                  | Not Required  |  |
| <b>Closing costs</b>                                       | Maximum borrower contribution of \$3,000, Seller contributions allowed  | Borrower maximum contribution does not include the owner's title insurance policy if the homebuyer chooses to purchase.  |
| <b>Work history</b>  | Minimum 1 year at current job   | Exception made if changes in job resulted in increased income or benefits.   |
| <b>Credit history</b>                                      | Soft floor of 620<br>Hard floor of 580<br>Non-traditional credit options available for credit invisible   | Scores between 580-619 require additional non-traditional credit documentation.  |
| <b>Chapter 7</b>   | 2 years since discharge, 24 months of re-established credit   | Non-traditional credit options available for re-established credit   |
| <b>Chapter 13</b>  | 2 years since discharge, 24 months of re-established credit   | Non-traditional credit options available for re-established credit   |
| <b>Liens</b>   | Paid prior to application   |  |
| <b>Foreclosure</b>   | Minimum of 3 years since sheriff's sale or short sale   |  |
| <b>Judgments</b>   | Paid prior to application   |  |
| <b>Collection accounts</b>                                 | Maximum of \$1,000 in collection accounts   | Medical collections allow up to \$3,000 in collections   |
| <b>Education requirements</b>                              | <ul style="list-style-type: none"> <li>Twin Cities Habitat for Humanity's homebuyer education courses</li> <li>HomeStretch</li> </ul>   |  |
| <b>Amortization</b>  | 30 years, fully amortizing  |  |
| <b>Cash reserves</b>                                       | \$1,800   |  |
| <b>Purchase rehab option</b>                               | Available in partnership with Twin Cities Habitat for Humanity  |  |



# US Bank – American Dream

|  | Information   | Comments  |
|--|---|---|
| <b>Geographic area</b>                                     | Statewide   |   |
| <b>Ratios</b>  | 43%   | one ratio with or without other debt  |
| <b>Maximum income</b>                                      | 80% Area median income  | No income limit if purchasing in low/moderate census tract  |
| <b>Income not considered</b>                               | Self-employment or part-time income less than 2 years   |   |
| <b>Rental income</b>                                       | Yes   | 75% or rental from 2 unit if borrower has had landlord training or has 2 months reserves; rent to be lesser of actual or market value   |
| <b>Gross up non-taxable income</b>                         | Yes   |   |
| <b>Adjustment to gross income</b>                          | 25%   |   |
| <b>Maximum loan amount</b>                                 | Conforming limits   | \$453,100 – is subject to change  |
| <b>First time homebuyer only</b>                           | No  | cannot own other property unless resulted of inheritance or joint ownership with family members; either case cannot be income producing   |
| <b>Eligible properties</b>                                 | 1-2 units, condos, townhomes, doublewide manufactured homes   | Primary residence only. Max LTV 95% for manufactured homes; max LTV 90% for duplexes.   |
| <b>Refinance</b>   | yes; rate and term  | Considered under any of the following conditions; property is located within low-to-moderate census tract; interest rate was non-competitive at the time of original closing (at least 2% higher than market rate; to take out contract for deed or to rehab the property |
| <b>Interest rate</b>                                       | Competitive   | Contact lender for more details   |
| <b>Down payment and/or closing cost assistance program</b> | \$3,000 USBHM assistance  | \$3000 maximum for acquisition cost; additional \$2500 for required repairs or if not needed for acquisition \$5500 for required repairs  |
| <b>Buyer's minimum investment</b>                          | Minimum investment of \$1,000 or 2% of the purchase price (whichever is less).  | Must be from borrower's own sources.  |
| <b>Mortgage insurance</b>                                  | Lender Paid Mortgage Insurance (LPMI)   | For LTVs => 90.01%  |
| <b>Closing costs</b>                                       | Seller can pay on behalf of the buyer up to 6%  |   |
| <b>Work history</b>  | minimum continuous stable income for two years or school and full time work for two years                               | Minimum 2 yr. continuous stable income, 2 yr, self-employment or commissioned income. Bank will evaluate likelihood of the continuation of public assistance and part-time income.  |
| <b>Credit history</b>                                      | minimum of 640, OR if no credit score all nontraditional credit accepted  | Non-traditional credit: must have 4 sources; rent receipts, utility payments, telephone or cable bills,   |
| <b>Chapter 7</b>   | At least 5 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.   |
| <b>Chapter 13</b>  | At least 5 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.   |
| <b>Liens</b>   | Paid in full  | No exceptions   |
| <b>Foreclosure</b>   | Foreclosure will be considered after 7 years. Short sales, after 5 years with re-established credit and other criteria. |   |
| <b>Judgments</b>   | Paid in full  | Third party verification required   |
| <b>Collection accounts</b>                                 | Paid in full  | Paid in full prior to application or documentation proving participation in a re payment plan for 6 months with creditor.   |
| <b>Education requirements</b>                              | Yes, all borrowers  | <a href="#">Home Stretch</a>  |
| <b>Amortization</b>  | 30 years  |   |
| <b>Cash reserves</b>                                       | 1 month PITI for borrowers utilizing Rehab product, 2 months PITI for duplexes  | not required on duplexes if borrower has landlord training; all reserves must be borrowers own funds.   |
| <b>Purchase rehab option</b>                               | Yes. Acquisition + rehab cannot exceed 105% of the appraised value. Rehab must be complete within 90 days of closing.   | Only necessary repairs allowed. Lender must approve home, scope of work and contractor.   |

## USDA Rural Development 502 Direct – Last Updated Sept 2016

|  | Information  | Comments  |
|--|--|---|
| <b>Geographic area</b>                                     | Statewide  |   |
| <b>Ratios</b>  | 41 % Single Family   | Higher housing ratio may be considered  |
| <b>Maximum income</b>                                      | 80% of median income for low;  | No income limit if purchasing in a low/moderate census tract. Maximum may vary if using assistance  |
| <b>Income not considered</b>                               | Self-employment, part-time income less than 1 year   |   |
| <b>Rental income</b>                                       | Yes  | 75% can be used with history  |
| <b>Gross up non-taxable income</b>                         | Yes  |   |
| <b>Adjustment to gross income</b>                          | 25%  |   |
| <b>Maximum loan amount</b>                                 | USDA has its own area loan limits  | Varies county by county   |
| <b>First time homebuyer only</b>                           | No   | Cannot own other property   |
| <b>Elegible propretiores</b>                               | 1-2 units, condos, townhomes   | Primary residence only  |
| <b>Refinance</b>   | Yes, rate and term only. Contract for Deed allowed with 1 year of on time payment history  | Case by case basis only   |
| <b>Interest rate</b>                                       | At or below market rate  | Contact lender for details  |
| <b>Down payment and/or closing cost assistance program</b> | \$3,000 USBHM assistance   | \$3,000 Acquisition Assistance, \$2,500 Rehab Gap Assistance  |
| <b>Buyer's minimum investment</b>                          | 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.   |
| <b>Mortgage insurance</b>                                  | No   | Portfolio loan  |
| <b>Closing costs</b>                                       | Seller can pay on behalf of the buyer up to 6%   |   |
| <b>Work history</b>  | Minimum 2 years continuous stable income   | Minimum 2 yr. continuous stable income, 2 yr. self-employment or commissioned income. Bank will evaluate likelihood of the continuation of public assistance and part-time income.                            |
| <b>Credit history</b>                                      | Non-traditional credit history accepted. FICO < 640 requires a minimum of 3 trade lines with 24 months of clean credit history. Max 2/30 revolving lates. No charge offs or collections last 24 months.  | 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. |
| <b>Chapter 7</b>   | 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 <b>not</b> likely to reoccur.  |
| <b>Chapter 13</b>  | At least 1 full years since discharge  | CCCS will be considered after one year in the program with no late payments and all other credit current.   |
| <b>Liens</b>   | Paid in full   | No exceptions   |
| <b>Foreclosure</b>   | Foreclosure will be considered after 7 years. Short sales, after 4 years with re-established credit and other criteria.  |   |
| <b>Judgments</b>   | Paid in full   | Third party verification required   |
| <b>Collection accounts</b>                                 | Paid in full   | Paid in full prior to application or documentation proving participation in a re payment plan for 6 months with creditor.   |
| <b>Education requirements</b>                              | Yes, all borrowers   | <a href="#">Home Stretch</a> is accepted.   |
| <b>Amortization</b>  | 30 years   |   |
| <b>Cash reserves</b>                                       | 1 month PITI for borrowers with FICO scores below 640, 2 months PITI for duplexes.   | 100% of reserves must be borrowers own funds. Applicants are required to use assets in excess of the asset limits of \$15,000 for non-elderly applicants and \$20,000 for elderly applicants                  |
| <b>Purchase rehab option</b>                               | 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.   |

# USDA Rural Development 502 Guaranteed Loans – Last updated September 2016

|  | Information   | Comments   |
|--|---|--|
| <b>Geographic area</b>                                     | Statewide, Non-metro  | Eligible communities: population of <20,000<br>Go to <a href="http://www.rurdev.usda.gov/rhs/">http://www.rurdev.usda.gov/rhs/</a> and click on "Income and Property Eligibility"  |
| <b>Ratios</b>  | 29 / 41   | Exceptions possible with underwriter approval and RD concurrence   |
| <b>Maximum income</b>                                      | 115% of the median income for the area  | Go to <a href="https://www.rd.usda.gov/programs-services/single-family-housing-guaranteed-loan-program/mn">https://www.rd.usda.gov/programs-services/single-family-housing-guaranteed-loan-program/mn</a> and click on Guaranteed Single Family Housing Loans" |
| <b>Income not considered</b>                               | All income must be included for income limits   |  |
| <b>Rental income</b>                                       | Property must be owner occupied   |  |
| <b>Gross up non-taxable income</b>                         | 15% to 25%  | Based on applicable tax rate. Check with investor  |
| <b>Adjustment to gross income</b>                          | \$480 per dependent child plus child care expenses  |  |
| <b>Maximum loan amount</b>                                 | No maximum amount; loan is based on affordability ratios  |  |
| <b>First time homebuyer only</b>                           | No  |  |
| <b>Eligible properties</b>                                 | Existing homes must meet HUD Handbooks 4150.2 & 4905.1<br><a href="http://www.hud.gov/offices/adm/hudclips/handbooks/hsg/h/">http://www.hud.gov/offices/adm/hudclips/handbooks/hsg/h/</a> | Repairs may be financed based on value. Regulations will change Dec. 1, 2014; visit USDA website for details.  |
| <b>Refinance</b>   | Only on loans that are currently Guaranteed or Direct; upfront guarantee fee 2% , plus .5% annual fee   |  |
| <b>Interest rate</b>                                       | May not exceed Fannie Mae 90-day + 6/10 <sup>th</sup> and rounded up to the nearest 25%   |  |
| <b>Down payment and/or closing cost assistance program</b> | 100% of appraised value can be financed; zero down, closing costs can be financed if property value allows  |  |
| <b>Buyer's minimum investment</b>                          | No minimum  | Assets above the limits set by USDA must be used toward the home purchase, otherwise no down payment is required.  |
| <b>Mortgage insurance</b>                                  | Annual fee of .5%   |  |
| <b>Closing costs</b>                                       | 2% upfront guaranteed fee. Fee can be included in loan above the appraised value.   |  |
| <b>Work history</b>  | Minimum 2 years continuous stable income  |  |
| <b>Credit history</b>                                      | Nontraditional credit history accepted.   | 4 nontraditional credit sources required if no rental history; 3 required with current rent/housing history.   |
| <b>Chapter 7</b>   | At least 3 full years since discharge   | Mitigating circumstances are considered; waivers allowed   |
| <b>Chapter 13</b>  | At least 3 full years since discharge   | Mitigating circumstances are considered; waivers allowed   |
| <b>Liens</b>   | First lien required   | Soft seconds allowed for down payment/closing cost programs  |
| <b>Foreclosure</b>   | 3 years from foreclosure sale   |  |
| <b>Judgments</b>   | Paid in full or subordinated  | Mortgage requires first lien   |
| <b>Collection accounts</b>                                 | Paid in full, unless FICO is 640+ and payment not required by lender  | No accounts turned to collection in last 12 months   |
| <b>Education requirements</b>                              | Homebuyer education not required, but recommended for first time buyers   | May be required by other agencies if using HOA funds<br><a href="#">Home Stretch</a> and <a href="#">Framework</a> are accepted.   |
| <b>Amortization</b>  | 30 years  |  |
| <b>Cash reserves</b>                                       | Not required  |  |
| <b>Purchase rehab option</b>                               | Not available   |  |

## Wells Fargo Bank – yourFirst Mortgage

|   | Information  | Comments   |
|---|--|--|
| Geographic area                                     | Statewide  |  |
| Ratios  | >45% DTI allowed with NDS review   |  |
| Maximum income                                      | None.  |  |
| Income not considered                               | Sweat Equity   |  |
| Rental income                                       | The following are allowed: <ul style="list-style-type: none"> <li>• Boarder income (1-unit primary purchase)</li> <li>• Accessory unit income (1-unit primary purchase)</li> <li>• Cash on hand (1-unit primary purchase)</li> </ul> |  |
| Gross up non-taxable income                         | Yes  | Standard conventional conforming guidelines.   |
| Adjustment to gross income                          | Standard conventional conforming guidelines.   |  |
| Maximum loan amount                                 | \$453,100  |  |
| First time homebuyer only                           | No   |  |
| Eligible properties                                 | 1-unit , PUD, Condo, Co-ops  |  |
| Refinance   | No   |  |
| Interest rate                                       | Market Rate  |  |
| Down payment and/or closing cost assistance program | Gift funds and down payment assistance programs  |  |
| Buyer's minimum investment                          | 3%   |  |
| Mortgage insurance                                  | LPMI & BPMI  |  |
| Additional Closing costs                            | Standard conventional conforming guidelines.   |  |
| Work history  | Standard conventional conforming guidelines.   |  |
| Credit history                                      | 620 Minimum  |  |
| Chapter 7   | Standard conventional conforming guidelines.   |  |
| Chapter 13  | Standard conventional conforming guidelines.   |  |
| Liens   | Standard conventional conforming guidelines.   |  |
| Foreclosure   | Standard conventional conforming guidelines.   |  |
| Judgments   | Standard conventional conforming guidelines.   |  |
| Collection accounts                                 | Standard conventional conforming guidelines.   |  |
| Education requirements                              | Yes  | Only required if using non-traditional credit. A closing cost credit is available for eligible customers who complete HUD-approved homebuyer education or counseling |
| Amortization  |  |  |
| Cash reserves                                       | Standard conventional conforming guidelines.   |  |
| Purchase rehab option                               | No   |  |