

*The mission of Minnesota Housing is to meet Minnesotans needs for decent, safe, affordable homes and stronger communities. We offer mortgage programs that provide affordable interest rate loans to eligible first-time homebuyers.*

The HOME Homeowner Entry Loan Program (HOME HELP) and HOME HELP II are enhancement programs for eligible CASA initiatives, providing eligible borrowers with an interest free deferred loan for downpayment and closing costs.

## Why Choose HOME HELP?

- Low interest rates
- Interest-free loans from \$5,000 up to \$14,999 to help with downpayment and closing costs for eligible borrowers
- No discount points
- Financing options for first-time homebuyers and non-first-time homebuyers who meet eligible targeting guidelines

## Two Financing Options

### HOME HELP

- Borrower must be eligible for a targeted HOME HELP CASA initiative through Minnesota Housing
- Borrower must have \$1,000 of their own funds in the transaction, have limited assets and need payment assistance to qualify
- Available for down payment and/or closing cost assistance
- Deferred, interest-free loan available in amounts of \$5,000, \$10,000 or \$14,999 depending on borrower eligibility
- Loan must be fully repaid within the first 5 years if the borrower sells or vacates the property
- 70% of the loan is forgiven after the fifth year and 30% is repaid when the loan matures, the first mortgage is refinanced, or the property is sold or no longer owner-occupied
- Cannot be used with the Homeownership Assistance Fund (HAF)

### HOME HELP II

- To be eligible for HOME HELP, the borrower must be eligible for a first mortgage and meet HOME HELP II Targeting requirements
- Borrower must have \$1,000 of their own funds in the transaction, have limited assets and need payment assistance to qualify
- Available for down payment and/or closing cost assistance
- Deferred, interest-free loan available in amounts of \$5,000 or \$10,000 depending on borrower eligibility
- Loan must be fully repaid within the first 5 years if the borrower sells or vacates the property
- 70% of the loan is forgiven after the fifth year and 30% is repaid when the loan matures, the first mortgage is refinanced, or the property is sold or no longer owner-occupied



<b>Program Information</b>	<b>HOME HELP</b>	<b>HOME HELP II</b>
<b>First Loan Products</b>	Only CASA	Loans must be underwritten to the underlying first mortgage product and also meet the criteria below
<b>Housing Ratio</b>	30% Minimum	30% Minimum
<b>Maximum Debt Ratio</b>	Per loan product guidelines i.e. FHA, VA, etc.	45% Maximum
<b>Minimum Credit Score</b>	Per loan product guidelines i.e. FHA, VA, etc.	620
<b>Maximum Income</b>	80% of HUD per HOME	80% of HUD per HOME
<b>Maximum Interest Rate</b>	Current CASA interest rate	At or below CASA government rate
<b>Mortgage Term</b>	30 years	30 years
<b>Fixed or Adjustable Rate</b>	Fixed only	Fixed only
<b>If DU used, minimum recommendation</b>	Per loan product guidelines i.e. FHA, VA, etc.	EA-I
<b>If LP used, minimum recommendation</b>	Per loan product guidelines i.e. FHA, VA, etc.	Caution A- eligible 2
<b>Minimum Buyer Own Funds</b>	\$1,000	\$1,000
<b>Maximum Assets after Closing</b>	6 mos PITI/\$5,000	6 mos PITI/\$5,000
<b>First Time Homebuyer Requirement</b>	Yes	No, but must follow targeting guidelines
<b>Maximum Closing Costs</b>	Per loan product guidelines i.e. FHA, VA, etc.	Per loan product guidelines i.e. FHA, VA, etc.
<b>Seller (Interested Party) Contributions</b>	Per loan product guidelines i.e. FHA, VA, etc.	If not mentioned in underwriting for first mortgage, 5%. [FHA (6%) or VA (3%)]
<b>Gift Contributions</b>	Per loan product guidelines i.e. FHA, VA, etc.	Per loan product guidelines i.e. FHA, VA, etc.
<b>Maximum Purchase Price</b>	HOME Limits	HOME Limits
<b>Maximum Mortgage Amount</b>	MRB Limits	MRB Limits
<b>Maximum HOME HELP funds</b>	\$14,999	\$10,000
<b>Homebuyer Education Requirement</b>	Yes	Yes
<b>Allowable Fees</b>	\$150	\$150

## HOME HELP II Targeting

HOME HELP II can only be used within targeted zip codes, found on the Minnesota Housing website at [www.mnhousing.gov](http://www.mnhousing.gov) in the Lender Program Forms section. Borrowers purchasing within these target areas must meet the following requirements:

- First Time Homebuyer can purchase any property
- Non First Time Homebuyers must purchase a foreclosed property

## Homebuyer Education

Minnesota Housing requires qualified Homebuyer Education for all HOME HELP loans prior to closing. Contact a Minnesota Housing participating lender for more information on this requirement. For information on Homebuyer Education, go to the Minnesota Home Ownership Center website at [www.hocmn.org](http://www.hocmn.org).