

Mortgage Loan Programs

Downpayment and Closing Cost Loans Comparison



Minnesota Housing downpayment and closing cost loans are available through Agency-approved lenders and can only be used with a Minnesota Housing first mortgage program.

This comparison sheet is a summary of program requirements and does not contain all the information needed to originate Minnesota Housing loans. Lenders should refer to Minnesota Housing's Program Procedural Manuals and the underlying product guidelines for complete information.

Parameters		Monthly Payment Loan (MPL)	Deferred Payment Loan (DPL)		
			Deferred Payment Loan (DPL) Option	Deferred Payment Loan Plus (DPL+) Option	
KEY FEATURES	Eligible First Mortgage Programs	Must be used with Start Up, Step Up, or MCC (with First Mortgage) <i>(Not eligible with Premium SRP Refinance option)</i>	Must be used with Start Up		
	Lender Requirements	Must be a participating lender	Must be a participating lender	Must be a participating lender and approved by Minnesota Housing to offer DPL+	
	Eligible Use of Funds	Downpayment and closing costs	Downpayment and closing costs	Downpayment and closing costs and principal reduction	
	Layered Subsidies Allowed	Yes	Yes		
	Eligible First Mortgage Products	Refer to Start Up/MCC/Step Up guidelines	Refer to Start Up guidelines		
	Geographic Area	Statewide	Statewide		
	Loan Amount	Up to the greater of \$5,000 or 5% of the purchase price (or loan amount for Step Up Refinance). Round MPL amount up to the next \$100.	Up to the greater of \$5,000 or 5% of the purchase price (\$7,500 maximum loan). Round DPL amount up to the next \$100.	Increments of \$100 up to \$10,000 maximum loan depending on need. Round DPL+ amount up to the next \$100.	
	Targeting Criteria	None	None	Borrower must meet two of the four criteria: <ul style="list-style-type: none"> • Single parent household with a dependent • Household of four or more people • Disabled household member • Front-end ratio of 28% or higher 	



Parameters		Monthly Payment Loan (MPL)			Deferred Payment Loans								
					Deferred Payment Loan (DPL) Option				Deferred Payment Loan Plus (DPL+) Option				
PROPERTY ELIGIBILITY	Acquisition Cost Limit	Start Up/MCC/Step Up limits			Start Up limits								
	Eligible Properties	Refer to Start Up/MCC/Step Up guidelines			Refer to Start Up guidelines								
BORROWER ELIGIBILITY	Income Limits	Household Size	1-2 Person	3+ Person	Household Size	1-3 Person	4	5	6	7	8	9	10
		Metro	\$82,900	\$95,335	Metro	\$60,000	\$66,500	\$72,000	\$77,000	\$82,500	\$88,000	\$93,000	\$96,485
		Rochester MSA	\$81,300	\$93,495	Rochester MSA	\$60,000	\$66,500	\$72,000	\$77,000	\$82,500	\$88,000	\$93,000	\$96,485
		Greater MN	\$73,900	\$84,985	Greater MN	\$55,000	\$59,500	\$64,000	\$69,000	\$73,500	\$78,500	\$83,000	\$84,985
	Minimum Credit Score/ Debt-to-Income Ratio (DTI)	Refer to Start Up/MCC/Step Up guidelines			Refer to Start Up guidelines								
	Minimum Borrower Contribution	Lesser of \$1,000 or 1% of purchase price			Lesser of \$1,000 or 1% of purchase price								
	Maximum Post Closing Liquid Reserves	No limitation			Maximum of 8 months PITI or \$8,000								
	Minimum Post Closing Liquid Reserves	Defer to underlying product guidelines			Defer to underlying product guidelines								
	First-Time Homebuyer	Yes with Start Up. No with Step Up.			Yes								
Homebuyer Education	Required of at least one borrower if all borrowers are first-time homebuyers			Required of at least one borrower									
LOAN TERMS	Interest Rate	Equal to the first mortgage rate			0%								
	Loan Term	10-year term			Equal to first mortgage term								
	Repayment	Fully-amortized loan with monthly payments			Deferred loan. Repaid when the property is sold, title is transferred or ceases to be principal place of residence and under certain circumstances, when the property is refinanced.								
	Monthly Payment Required	Yes			No								
	Subordination	Full repayment of the loan is required unless the borrower refinances with Step Up and submits a request for subordination.			Full repayment of the loan is required unless the borrower refinances with Step Up and submits a request for subordination.								

