

Minnesota Housing downpayment and closing cost loans are available through local participating lenders and can only be used with a Start Up or Step Up first mortgage. 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 Procedural Manuals and the underlying product guidelines for complete information.

PARAMETERS		MONTHLY PAYMENT LOAN	DEFERRED PAYMENT LOAN (DPL OPTIONS)		FIRST-GENERATION HOMEBUYER LOAN
			Deferred Payment Loan (DPL)	Deferred Payment Loan Plus (DPL+)	
KEY FEATURES	Eligible First Mortgage Programs	Only available with Start Up or Step Up	Only available with Start Up		Program Closed for new commitments.* Only available with Start Up
	Layered Subsidies Allowed	Yes	Yes		Yes, except cannot layer with First-Generation Homebuyers Community Down Payment Assistance Fund
	Loan Amount	Up to \$18,000, in whole dollar amounts	Up to \$16,500, in whole dollar amounts	Up to \$18,000, in whole dollar amounts	Up to \$35,000, in whole dollar amounts
	Targeting Criteria	None	None	Refer to DPL+ Eligibility Worksheet for details	Refer to First Generation Loan Eligibility Worksheet for eligibility details
BORROWER ELIGIBILITY	Income Limits	Use first mortgage program (Start Up/Step Up) income limits	DPL and DPL+ Income Limits		Same as income limits of the first mortgage program (Start Up)
	Maximum Post Closing Liquid Reserves	No limitation	Greater of 8 months PITIA or \$12,000**. Include: Checking, Savings, CDs, Stocks, Bonds, ESOP/ESPP, Money Market, Tax Refunds, Virtual Currency Exclude: Retirement Accounts, Federal Stimulus Pmts., Front Line Worker Pay, 529 College Savings, HSA Accounts Contact Partner Solutions Team for clarification on accounts not listed above and spend down scenarios. **Borrowers cannot manipulate accounts (transfer funds into a retirement account, spend down, etc.) to meet minimum post-closing liquid reserve limits		No limitation

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BORROWER ELIGIBILITY	First-Time Homebuyer	Start Up: Yes. Step Up: No. Repeat borrowers, and first-time homebuyers not eligible for Start Up	Yes		Yes. Must also meet definition of a First-Generation Homebuyer (See First-Generation Loan Eligibility Worksheet / First-Generation Homebuyer Affidavit).
	Homebuyer Education	Yes. For both Start Up and Step Up: If all borrowers are first-time homebuyers, at least one borrower must complete a homebuyer education course prior to closing.	Yes. At least one borrower is required to complete an approved homebuyer education course prior to closing.		
LOAN TERMS	Interest Rate	Equal to the first mortgage rate	0%		0%
	Loan Term	10-year term	Equal to first mortgage term		20-year term
	Repayment	Fully amortized loan with monthly payments	Deferred, balloon payment loan. Repaid when the property is sold, title is transferred, home is no longer the primary residence, when the first mortgage loan is refinanced (unless with the Step Up program), or the first mortgage loan is paid in full (prior to or at the end of the loan term).		Deferred, balloon payment loan with forgiveness provisions. Eligible for forgiveness if Borrower meets all terms of the note, including a requirement for owner-occupancy for the duration of the loan term. <ul style="list-style-type: none"> • 50% of loan amount eligible for forgiveness 10 years after closing date; and • Remaining balance eligible for forgiveness 20 years after closing date. Unforgiven balance due if the property is sold, title is transferred, home is no longer the primary residence, first mortgage loan is refinanced (unless with the Step Up program, see Subordination), or the first mortgage loan is paid in full prior to loan term date.
	Monthly Payment Required	Yes	No		No

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	Subordination	Full repayment of the loan is required unless the borrower refinances with Step Up. Lender must submit a request for subordination and receive approval for subordination from Minnesota Housing.		
PROGRAM SIMILARITIES	Lender Requirements	Must be a participating lender.		
	Use of Funds	Funds eligible for downpayment, buyer closing costs, and mortgage insurance costs. Ineligible uses include value gap between the purchase price and the appraised value, additional points, or paying off debts.		
	Eligible First Mortgage Products	Refer to Start Up Step Up Program Description		
	Geographic Area	Statewide.		
	Eligible Properties	Refer to Start Up Step Up Program Description		
	Minimum Credit Score/Debt-to-Income Ratio (DTI)	Refer to Credit and DTI Matrix		
	Minimum Borrower Contribution	Lesser of \$1,000 or 1% of purchase price		
	Minimum Post Closing Liquid Reserves	Defer to underlying product guidelines.		

[*All funds for the Minnesota Housing First-Generation Homebuyer Loan program have been committed. Approximately 1,500 eligible borrowers were able to achieve First-Generation homeownership. The program was made available through \\$50 million in one-time funding from the Minnesota legislature.](#)

Minnesota Housing does not make or arrange loans. It is neither an originator nor creditor and is not affiliated with any Lender. The terms of any mortgage finance transactions conducted in connection with Minnesota Housing programs, including important information such as loan fees, the annual percentage rate (APR), repayment conditions, disclosures, and any other materials which are required to be provided to the consumer are the responsibility of the Lender.