



Mortgage Loan Program

New Lender Application Process

Program Description

Minnesota Housing offers first time homebuyer loan programs to help low and moderate income Minnesotans achieve homeownership.

- **First Time Homebuyer Mortgage Loan Programs**
 - Minnesota Mortgage Program (MMP): The Minnesota Mortgage Program (MMP) is a first time homebuyer loan program that helps low to moderate income Minnesotans to buy a home. The program offers affordable, low interest rates to assist households purchasing eligible homes in Minnesota
 - Community Activity Set Aside Program (CASA): CASA is an add-on program for eligible MMP Lending Partners, that provides affordable mortgage financing to support community-based partnerships targeting resources to increase the emerging market homeownership rate, single headed households, address workforce housing issues, and foreclosure issues.
 -
- **Enter Cost Assistance Programs**
 - Homeownership Assistance Fund (HAF): HAF supports the MMP and CASA first mortgage programs by providing interest-free deferred loans to assist eligible buyers with entry cost assistance and affordability needs.
 - HOME Homeowner Entry Loan Program (HOME HELP): HOME HELP only supports the CASA first mortgage program by providing interest-free deferred loans to assist eligible buyers with entry cost assistance and affordability needs.

Under the programs lenders originate, process, underwrite, close and fund the loans in accordance with an industry standard secondary market loan product and the Minnesota Mortgage Program Procedural Manual. After closing the loan, the lender sells the loan to Minnesota Housing's Master Servicer, US Bank MRBP.

Lending Partners have the option of either being a Direct Lender or becoming a Correspondent Lender:

- **Direct Lender:** Lenders originate, process, underwrite, close and fund the loans in accordance with an industry standard secondary market loan product and the Minnesota Mortgage Program Procedural Manual. After, closing the loan, the lender sells the loan to the Minnesota Housing Master Servicer, US Bank Home Mortgage - MRBP Division.
- **Correspondent Lender:** Allows Lenders that do not have an underwriter or are unable to provide government loans, the opportunity to partner with US Bank. As a correspondent Lender, US Bank can provide underwriting for VA, Rural Development, and Conventional loan products.

Lender Applicant Requirements

To participate under Minnesota Housing first time homebuyer programs, a mortgage lender must:

- Meet the Minnesota Housing definition of a mortgage lender: Any mortgage company, bank, savings bank, mutual savings bank, or non-profit licensed by the State of Minnesota and organized under the laws of the United States and/or any mortgagee or lender approved or certified by the Secretary of Housing and Urban Development or by the Administrator of Veterans Affairs, or any agency or instrumentality of the United States or the State of Minnesota, or a political subdivision of the State; and
- Be an organized business enterprise licensed by the State of Minnesota to make home mortgage loans and which customarily makes home mortgage loans; and
- Have a mortgage originating office(s) within the boundaries of Minnesota; and
- Be an FHA approved single family mortgagee, a VA supervised or non-supervised lender, an RD approved lender and/or an approved FNMA/FHLMC seller/servicer holding a private MI Master Policy, containing terms and conditions for insurance coverage and an identification number; and
- Be a lender that is familiar with FHA/VA/RD and/or Fannie Mae/Freddie Mac documents and requirements; and
- Originate, close and deliver a minimum of 6 mortgage loans of purchasable quality to Minnesota Housing during the initial 12 months of participation and annually thereafter; and
- Have and maintain a net company asset worth of at least \$250,000; and
- Have and maintain fidelity bond and mortgage errors and omissions insurance coverage in an amount at least equal to \$250,000; and
- The State Human Rights Act (Minnesota Statutes 363.073) requires that companies which had more than 40 full-time employees at any time in the past 12 months, and with which any State Agency or Department of the State of Minnesota contracts for goods and services in excess of \$100,000, must have an Affirmative Action Plan which has been approved by the Commissioner of the Minnesota Department of Human Rights. (www.state.mn.us/ebranch/dhr/employer_affiract.html)
- Supplemental material as requested

Lender Compensation

Lender is compensated for each loan purchased by the Master Servicer as follows:

- Minnesota Housing allows Lenders to collect up to 1% from the borrower for each home mortgage loan delivered under an individual commitment in the Minnesota Mortgage Program (MMP) and the Community Activity Set-Aside (CASA) program; and
- Minnesota Housing allows lender to collect a service release premium up to 1% of the purchase price paid by the Master Servicer.
- Reference program manual for fee allowed
http://www.mnhousing.gov/idc/groups/homes/documents/webcontent/mhfa_008365.pdf

Participation and Renewal Fees

The programs require the lender to remit applicable Participation Fees and Renewal Fees as follows:

- \$1,000 initial Participation Fee.
- Annual Renewal Fee of \$500.

Minnesota Housing may adjust the Participation Fees and Renewal Fees from time to time at Minnesota Housing's discretion.

Application Forms and Process

Minnesota Housing accepts lender applications on a continuous basis. To apply for participation in Minnesota Housing first time homebuyer programs submit:

- **Minnesota Housing New Lending Partner Information**
- **Participation Agreement (three executed Agreements with original signatures)**
- **Participation Fee**
- **Minnesota Mortgage Originator Licensing Information (Evidence of Compliance)**
- **Audited financial statements, certified by an independent public accountant, for the most recent year, including any findings**
- **USB Limited Power of Attorney (US Bank POA and Corporate Resolution)**
- **US Bank MRBP Lender Contact Information (Lender Contact/Authorization Form)**
- **Copy of fidelity bond and mortgage errors and omissions insurance coverage in an amount at least equal to \$250,000**
- **Lenders that wish to be a Correspondent Lender must apply directly to US Bank (US Bank contact information number 1-800-562-5165)**
- **Documentation of Minnesota Department of Human Rights approved Affirmative Action Plan (if applicable).**

Send the packet to:

Minnesota Housing Finance Agency
Chris Allen
400 Sibley Street, Suite 300
St. Paul, MN 55101

Upon receipt and approval of the application, Minnesota Housing staff will provide the lender with a welcome packet of information.

For more information contact

- Consult the Mortgage Program Procedural Manual located:
http://www.mnhousing.gov/idc/groups/homes/documents/webcontent/mhfa_008365.pdf
- To view Community Activity Set-Aside application materials:
<http://www.mnhousing.gov/partners/lenders/become/index.aspx>