



Minnesota Housing Mortgage Loan Programs



Minnesota Housing Mortgage Loan Program Training

Tuesday, October 11, 2011 – 9:00 a.m. – 12:00 p.m.

-Welcome-

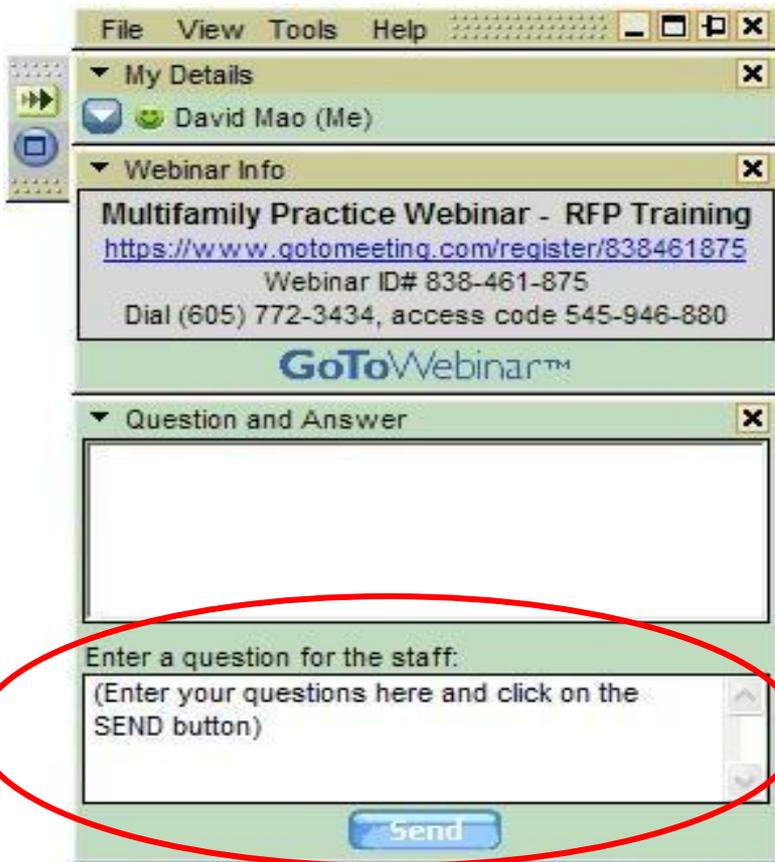
The presentation will begin at 9:05 p.m. CDT to allow for registrants to log into the system. When you join the presentation, you may or may not hear background music. Please stay on the line.

To join the conference call:

Dial: 1-888-824-5783 - Access Code: 18785301#

- If you are having difficulty joining, please e-mail: dana.stibbins@state.mn.us**

Questions During Presentation



- We will batch online questions and answer them throughout the webinar
- A complete Q & A list will be posted to the Minnesota Housing website when training is completed
- All presentation materials from Minnesota Housing and US Bank MRBP are posted on our website at:

http://www.mnhousing.gov/resources/training/sf-assistance/MHFA_009091.aspx

Minnesota Mortgage Program

Program Assistance



Minnesota Housing Help Desk

7:30 am to 5:00 pm

- » **651-296-8215**
- » **800-710-8871**

Program Officer

- » **Stephanie Oyen, 651-297-3132**
- » **Stephanie.oyen@state.mn.us** or
- » **Mary Rivers, 651-297-3127**
- » **Mary.rivers@state.mn.us**



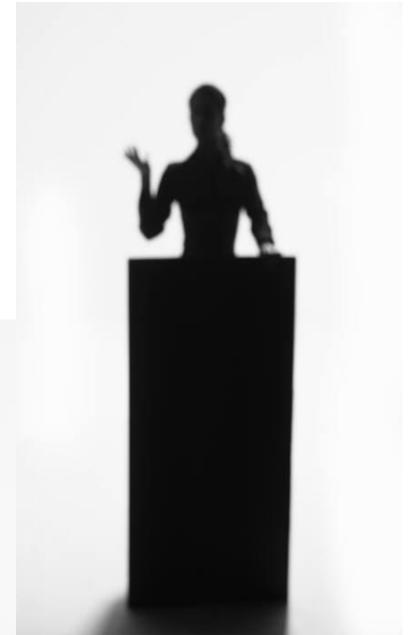
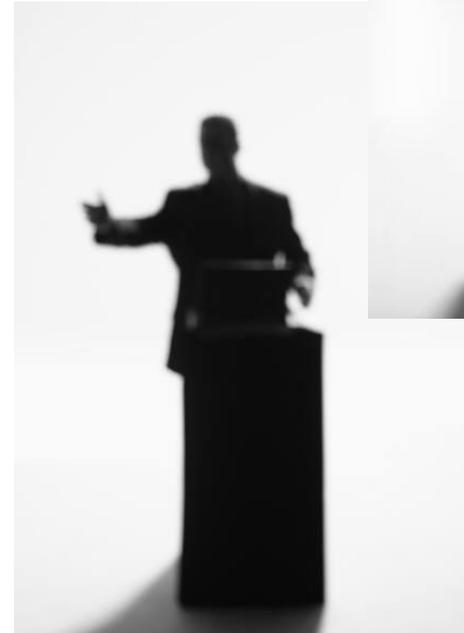
Agenda

- **Welcome & Speaker Introductions**
- **MN Housing Mortgage Loan Programs**
 - » *Presented by Minnesota Housing Staff*
 - **Basics of Minnesota Housing Loans**
 - **Originating MN Housing Loans**
 - ▶ **Break for questions**
 - **Processing and Underwriting**
 - **Closing and Post Closing**
 - **MN Housing Marketing Support**
 - ▶ **Break for questions**

Today's Speakers

- **Minnesota Housing**
 - » **Stephanie Oyen**

- **US Bank-MRBP**
 - » **Lou Caresani** (Pre-recorded)



Agenda (continued)

- **US Bank Mortgage Revenue Bond Program**
 - » *Presented by pre-recording by US Bank Staff*
 - **Delivery and Funding**
 - **Exceptions**
 - **Lenders/Correspondent Lenders**
 - **Help Desk**
 - **Customer Service**
 - **Underwriting**

All Minnesotans live in
quality affordable homes
that positively impact individuals,
families and communities.

Why Choose MN Housing?

Low interest rates for first mortgages

Entry cost assistance available to targeted borrowers

Our loans utilize FHA/VA/RD and Conventional guidelines

Rates, manuals, forms available on website

Friendly, helpful staff!

Role of Minnesota Housing

Mortgage Loan Program, MBS

- » Utilize mortgage revenue bond (MRB) proceeds
- » Affordable fixed interest rate
- » Entry cost assistance
- » Responsible for compliance with bond guidelines
- » Underwriting questions refer to US Bank MRBP

Role of US Bank - MRBP

Master Servicer – US Bank MRBP

- » Purchases the 1st mortgage
- » Services MN Housing loans
- » US Bank MRBP website – www.mrbp.usbank.com
- » All Regs website
 - » Product descriptions
 - » Checklists for files

Minnesota Housing Lender Partner



Lending Partner:

- **Originates, processes, underwrites, closes and funds the loan**
- **Sells the loan to the Master Servicer, US Bank Home Mortgage- MRBP Division**

Two Lender Options



- **Full Contract Lender**

- **Correspondent Lender through US Bank MRBP**



Minnesota Housing Manual and Forms

Home Buyers Home Owners Renters	Lending & Funding Partners Real Estate Professionals Home Buyer Educators	Developers, Owners Management Agents Architects & Builders	Home Em Loc
Current Interest Rates 4.6% Minnesota Mortgage Government	Collaborative Partners Home Buyer Educators Real Estate Professionals	Welcome to Minnesota	
5.99% Fix-up Minnesota Housing competitive interest rates on our loan programs. Click For More Interest Rates	Lending Partners Funding Partners Income Limits MBS Transition Information	HDS Single Family Application	Program Guidelines, Manuals & Forms
Quick Links	For Minnesota • Ener impr	Single Family Training & Technical Assistance	Become a Minnesota Housing Lender
	Special • Fore - Neighborhood Stabilization Program	Single Family eNews Archives	Co-Branded Marketing Opportunities
		Single Family Servicing	

• Find at
www.mnhousing.gov
Website

• Select “Program
Guidelines, Manuals &
Forms”

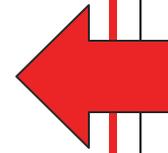


Single Family Division Program Guidelines, Manuals and Forms

Mortgage Loan Programs

Minnesota Housing Mortgage Loan Programs: Includes instructions and information on the Minnesota Mortgage Program (MMP), Community Activity Set-Aside (CASA) Program, and the Homeownership Assistance Fund (HAF).

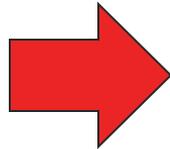
- [Mortgage Loan Program, MBS Procedural Manual](#)
- [Mortgage Loan Program, MBS Process Guide](#)
- [Minnesota Housing Compliance Overview](#)
- [Program Forms and Resources](#)
- [US Bank Home Mortgage - MRBP Division \(see US Bank Lending Manuals\)](#)
- [News Alerts](#)
- [Mortgage Insurance Partnerships](#)
- [Affordable Advantage Balances](#)
- [CASA Funded Initiative Balances](#)
- Community Activity Set Aside (CASA) Initiatives:
 - [Twin Cities Metro Area](#)
 - [Greater Minnesota Area](#)



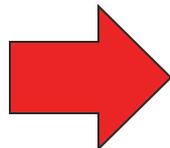
Minnesota Housing Manual Process Guide Program Forms

Mortgage Loan Programs Forms Page

Forms



Resources



Mortgage Loan Program Forms

The documents below can also be created through the [Single Family HDS Web Application Forms Generator](#).

Minnesota Housing Help Desk

If you have questions regarding a Minnesota Housing program form, call 651-296-8215 or 800-710-8871 weekdays, 7:30 a.m. to 5:00 p.m.

Minnesota Housing Mortgage Loan Programs include: Minnesota Mortgage Program (MMP), Community Activity Set-Aside Program (CASA), Homeownership Assistance Fund (HAF)

Required Documents (All loans)

- [Assignment of Mortgage](#) - Uniform Conveyancing Blanks, MN Dept. of Commerce
- [Borrower Affidavit](#)
- Mortgage Deed Amendments (Choose one):
 - [Conventional/RD First Mortgage Deed Amendment](#)
 - [FHA Mortgage Deed Amendment](#)
 - [VA Mortgage Deed Addendum](#)
- [Property Seller Affidavit](#)
- [Property Seller Affidavit Fannie Mae/Institutional Seller](#)
- [Subsidy Recapture Disclosure Statement](#) - Updated 06.27.2011

Additional Documents (Required on some loans)

- [FHA Streamlined 203K Appliance Form](#)
- [HAF Mortgage](#)
- [HAF Note](#)
- [Notice to Buyers \(FHA\)](#)
- [Notice to Veteran and Consent \(VA\)](#)

Resources

Worksheets and Overviews

- [Acquisition Cost Worksheet](#)
- [Income Eligibility Calculation Worksheet](#)
- [Minnesota Housing Compliance Overview](#)
- [Subsidy Recapture Overview](#) - Information on Subsidy Recapture Tax

Mortgage Loan Program

Life of a Minnesota Housing Loan

- **Loan Origination**
- **Processing and Underwriting**
- **Closing**
- **Post Closing**
- **Resources**



Loan Origination



Origination

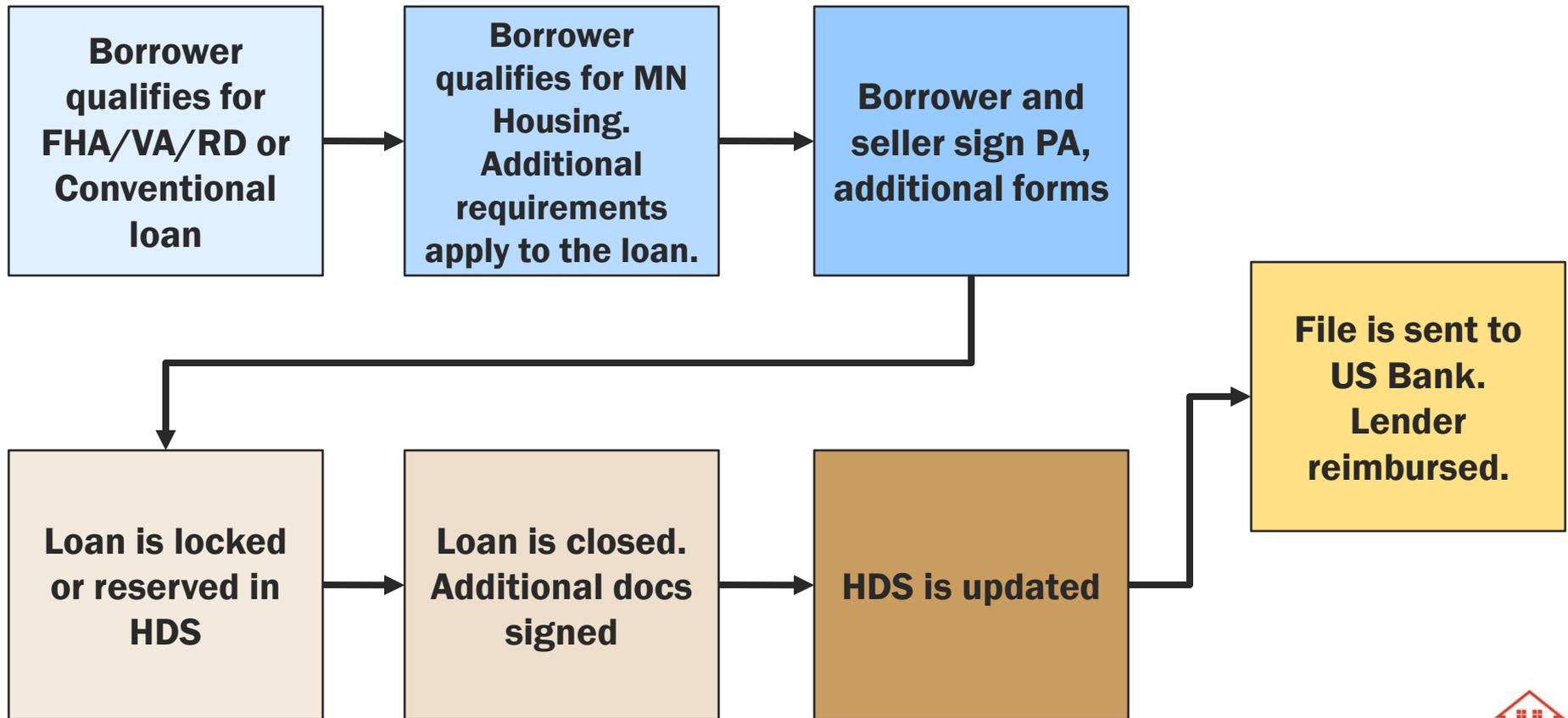
Processing/UW

Closing

Post-Closing

Minnesota Housing Basics

The Loan Process



Preliminary Eligibility Requirements

First Mortgage Programs

First time home buyer

Household income is under our income limits

Home is under our purchase price limits

Second Mortgage Programs (ECA loans)

Asset limit for borrower

\$1,000 minimum borrower investment

620 credit score



Origination

Processing/UW

Closing

Post-Closing

Preliminary Eligibility Confirmation

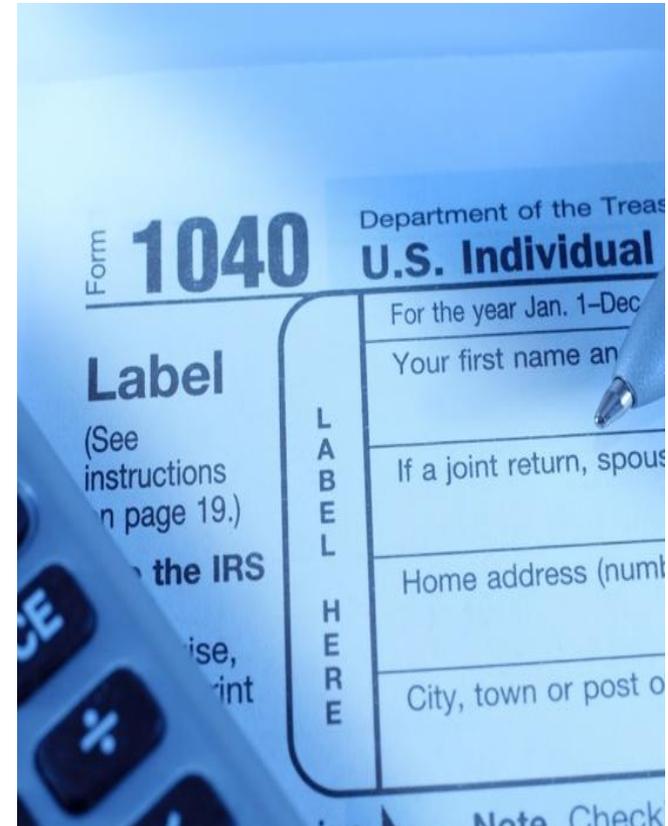
Definition of a First-Time Homebuyer:

- » **Borrowers have not had**
 - ➔ 1. an ownership interest**
 - ➔ 2. in a principal residence**
 - ➔ 3. for the past three (3) years**
- » **Request three (3) years tax returns**



First-Time Homebuyer Status Documentation

- **Documentation of Federal income tax returns for the past 3 years, including:**
 - » **Copies of Federal tax returns**
 - **Must be signed by borrower**
 - » **Documentation from the IRS**
 - **Transcripts from IRS do not need to be signed**
 - » **Signed affidavit, if not legally required to file**
- **Tax returns must be in file per MRB requirements**



First Mortgage Programs

1. Minnesota Mortgage Program (MMP)

- Basic package
- Lowest rate
- \$3,000 assistance

2. Community Activity Set Aside (CASA)

- Enhanced package
- Slightly higher rate
- \$4,500 assistance or \$8,500



Minnesota Mortgage Program (MMP)

Program Features



Available
Statewide



MMP Highlights

**Lowest Minnesota
Housing Interest Rate**

**Homebuyer Education
required for Conventional
Loan Borrowers**

**Up to \$3,000 in HAF Entry
Cost Assistance (ECA)**
*for Income Eligible Borrowers or
Targeted Zip Codes/Census Tracts*

**Mortgage Insurance
Partnerships**

Origination

Processing/UW

Closing

Post-Closing

Eligible Borrowers

2011 MMP Income Limits

Household Size	11-County Twin Cities Metro Area	Rochester MSA	Balance of State
1-4	\$82,700	\$80,200	\$72,900

Limits for larger households and other programs on the Minnesota Housing Website at www.mnhousing.gov

- 11 County Twin Cities Metro Area: Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington and Wright Counties
- Rochester MSA : Olmsted and Dodge Counties
- These limits are based on data supplied by the US Department of Housing and Urban Development (HUD)



Origination

Processing/UW

Closing

Post-Closing

Community Activity Set-Aside Program (CASA) Program Features



CASA supports community-based partnerships



CASA Highlights

Minnesota Housing Interest Rate

Homebuyer Education Required

HAF ECA Available up to \$4,500

HOME HELP ECA Available at \$8,500

**Special Product Options
EA1, HCV, FHA 203KS**

Mortgage Insurance Partnerships

Origination

Processing/UW

Closing

Post-Closing

Eligible Borrowers

2011 CASA Income Limits

Household Size	11-County Twin Cities Metro Area	Rochester MSA	Balance of State
1-4	\$66,200	\$64,200	\$58,350

Limits for larger households and other programs on the Minnesota Housing Website at www.mnhousing.gov

- 11 County Twin Cities Metro Area: Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington and Wright Counties
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- These limits are based on data supplied by the US Department of Housing and Urban Development (HUD)



Origination

Processing/UW

Closing

Post-Closing

Loan Origination

Acquisition Cost Limits-MMP and CASA

Area	New and Existing Residences
11-County Twin Cities Metro Area	\$298,125
Balance of State	\$237,031

First Mortgage Recap



- **Originate an FHA/VA/RD or conventional loan**
- **Select Program: MMP or CASA**
 - » **First time Home Buyer**
 - » **Meet income limits**
 - » **Meet purchase price limits**
- **MMP and CASA can be used alone or in conjunction with ECA**

Second Mortgage ECA Loans

Homeownership Assistance Fund (HAF)

- Available with MMP or CASA
- Up to \$3,000 with MMP
- Up to \$4,500 with CASA

HOME HELP

- Available exclusively with CASA
- HOME HELP training required for lender partners
- Available at \$8,500

Homeownership Assistance Fund (HAF)

- **Used with MMP and CASA**
- **Used for down payment and/or closing costs**
- **Attaches as an interest-free deferred loan**
- **Must always be repaid**
- **Requires a minimum credit score of 620**
- **Required borrower investment: \$1,000**
- **Asset Test**
 - » **Borrower liquid asset reserves after closing may not exceed the greater of 6 months PITI or \$5,000**

With MMP



- Not automatically available
- For borrowers who purchase in target areas
 - » low income census tract or
 - » High need “Spotlight” zip code
- Or
 - » households at 60% of the area median income, not purchasing in target areas
- Target areas and income guidelines on Minnesota Housing website at www.mnhousing.gov

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With CASA



- Not automatically available
- For borrowers who meet CASA income limits and HAF eligibility requirements
- HAF cannot be combined with HOME HELP

HAF with MMP

Program		Homeownership Programs Eligibility Income Limits	Entry Cost Assistance Programs	
			Eligible HAF Amount	Eligible HOME HELP Amount
Minnesota Mortgage Program (MMP)	Interest Rate Only	Level 1	Not Applicable	Not Available
	MMP Spotlight Area	Level 1	Up to \$3,000	
	MMP Non-Spotlight Area	Level 3	Up to \$3,000	
Community Activity Set-Aside Program (CASA)	Interest Rate Only	Level 2	Not Applicable	No HOME HELP
	With HAF	Level 2	Up to \$4,500	No HOME HELP
	With HOME HELP	HOME HELP limits apply	Not Applicable	\$8,500

Homeownership Programs 2011 Eligibility Income Limits:

The following income limits are effective for Minnesota Mortgage Program (MMP) and Community Activity Set-Aside Program (CASA) loans committed on or after June 27, 2011:

Household Size	Minnesota Housing Area Median Income Limits								
	11-County Twin Cities Metro Area*			Rochester MSA***			Balance of State		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1 Person	\$82,700	\$66,200	\$34,800	\$80,200	\$64,200	\$33,750	\$72,900	\$58,350	\$30,650
2 Person			\$39,750			\$38,550			\$35,000
3 Person			\$44,700			\$43,350			\$39,400
4 Person			\$49,650			\$48,150			\$43,750
5 Person	\$89,350	\$71,500	\$53,650	\$86,650	\$69,350	\$52,050	\$78,750	\$63,050	\$47,250
6 Person	\$95,950	\$76,800	\$57,600	\$93,050	\$74,500	\$55,900	\$84,600	\$67,700	\$50,750
7 Person	\$102,550	\$82,100	\$61,600	\$99,450	\$79,650	\$59,750	\$90,400	\$72,400	\$54,250
8 Person	\$109,200	\$87,400	\$65,550	\$105,900	\$84,750	\$63,600	\$96,250	\$77,050	\$57,750
9 Person	\$115,800	\$92,700	\$69,550	\$112,300	\$89,900	\$67,450	\$102,100	\$81,700	\$61,250
10 Person**	\$122,400	\$98,000	\$73,500	\$118,700	\$95,050	\$71,300	\$107,900	\$86,400	\$64,750



MMP Spotlight Areas

Census Tracts

Beltrami (007)	Hennepin (053)	Itasca (061)	Mower (099)	Polk (119)	Ramsey (123)	Stearns (145)	St. Louis (137)
9508.00	0083.00	9802.00	0004.10	0202.00	0305.00	0001.00	0122.00
	0079.00				0327.00		0018.00
	0077.00				0331.00		0016.00
	0059.01				0408.02		0019.00
	0033.00						0028.00
	0022.00						
	1072.00						
	1069.00						
	1057.00						
	1048.00						
	1034.00						
	1016.00						
	1015.00						

Zip Codes

ZipCode	Primary County Name	ZipCode	Primary County Name	ZipCode	Primary County Name
55005	Anoka	55070	Anoka	55371	Mille Lacs
55006	Isanti	55074	Chisago	55376	Wright
55007	Pine	55079	Chisago	55390	Wright
55011	Anoka	55080	Isanti	55398	Sherburne
55012	Chisago	55092	Anoka	55411	Hennepin
55013	Chisago	55101	Ramsey	55412	Hennepin
55017	Isanti	55106	Ramsey	55429	Hennepin
55019	Rice	55130	Ramsey	55430	Hennepin
55020	Scott	55301	Wright	55443	Hennepin
55024	Dakota	55303	Anoka	55444	Hennepin
55030	Pine	55308	Sherburne	55445	Hennepin
55032	Chisago	55309	Sherburne	55448	Anoka
55038	Washington	55330	Sherburne	56330	Mille Lacs
55040	Isanti	55338	Sibley	56353	Mille Lacs
55046	Rice	55341	Wright	56442	Crow Wing
55054	Scott	55354	McLeod	56455	Crow Wing
55056	Chisago	55363	Wright		

HAF with MMP

Program		Homeownership Programs Eligibility Income Limits	Entry Cost Assistance Programs	
			Eligible HAF Amount	Eligible HOME HELP Amount
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	With HAF	Level 2	Up to \$4,500	No HOME HELP
	With HOME HELP	HOME HELP limits apply	Not Applicable	\$8,500

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4 Person			\$49,650			\$48,150			\$43,750
5 Person	\$89,350	\$71,500	\$53,650	\$86,650	\$69,350	\$52,050	\$78,750	\$63,050	\$47,250
6 Person	\$95,950	\$76,800	\$57,600	\$93,050	\$74,500	\$55,900	\$84,600	\$67,700	\$50,750
7 Person	\$102,550	\$82,100	\$61,600	\$99,450	\$79,650	\$59,750	\$90,400	\$72,400	\$54,250
8 Person	\$109,200	\$87,400	\$65,550	\$105,900	\$84,750	\$63,600	\$96,250	\$77,050	\$57,750
9 Person	\$115,800	\$92,700	\$69,550	\$112,300	\$89,900	\$67,450	\$102,100	\$81,700	\$61,250
10 Person**	\$122,400	\$98,000	\$73,500	\$118,700	\$95,050	\$71,300	\$107,900	\$86,400	\$64,750

HOME HELP with CASA

- **Supports CASA initiatives**
- **Lower income limits than CASA**
- **Interest-free deferred loan for \$8,500**
- **70% forgiven after 6 years**
- **Used for down payment or closing costs**
- **Requires a minimum credit score of 620**
- **Required borrower investment: \$1,000**
- **Asset Limit of 6 months PITI or \$5,000**
- **Housing ratio must be greater than 25% prior to \$8,500 being applied**

Recap of MN Housing Programs



FIVE Possibilities

- » **MMP standalone**
- » **MMP with HAF**
- » **CASA standalone**
- » **CASA with HAF**
- » **CASA with HOME HELP**

Loan Origination

Homebuyer Education

- **Home Stretch Homebuyer Education Classes**
- **Statewide Availability**
- **Minnesota Home Ownership Center Website**
 - » www.hocmn.org
 - » **(651) 659-9336 or (866) 462-6466**



Origination

Processing/UW

Closing

Post-Closing

Loan Origination

Loan Amortization

- **Fully amortized fixed rate loans**
- **No balloons**
- **No buydowns**
- **Allowable loan terms**
 - » **15 year (no HAF or HOME HELP allowed) and**
 - » **30 year**
- **No refinances**



Loan Origination

Occupancy Requirements

- **Owner-occupancy within 60 days of closing**
- **All borrowers must occupy the property and be first-time buyers**
- **No co-signers allowed**



Loan Origination

Personal Property

Personal property may not appear anywhere on the purchase agreement or addenda



Definition:

Anything which is not installed or attached to the property in some permanent manner and is not legally considered part of the real estate (e.g. free standing appliances)

Reference [Borrower Affidavit & Property Seller Affidavit](#) (or [Property Seller Affidavit Fannie Mae/Institutional Seller](#) if foreclosed property)



Origination

Processing/UW

Closing

Post-Closing

Loan Origination

Eligible Property Types



- **Single family residence or duplexes**
 - » Including CLTs
- **Townhomes**
 - » must be project approved if full PUD
- **Condos**
 - » must be project approved

Loan Origination

Ineligible Property Types



- **No manufactured homes with conventional financing**
 - » Government financing available with manufactured homes
- **No co-ops**
- **No investment properties**
- **No recreational homes**

Loan Origination

Subsidy Recapture



- [Subsidy Recapture Disclosure Statement](#)
- [Subsidy Recapture Overview](#)
- **Lender responsible for disclosure**
- **Only applies if all three criteria are met:**
 1. **Home is sold within first 9 years**
 2. **Borrower household income increases substantially**
 3. **Borrower realizes “gain on sale of property” as defined by IRS (different from exposure to capital gains tax)**

Loan Origination

Subsidy Recapture Examples

- **The typical Twin Cities Metro borrower earns: \$42,000**
- **Income must increase to:**
 - » **Year 1: \$82,700 - 100% increase**
 - » **Year 5: \$105,548- 155% increase**
 - » **Year 7: \$116,367- 181% increase**

- **Typical Greater MN borrower earns: \$36,000**
- **Income must increase to:**
 - » **Year 1: \$72,900- 103% increase**
 - » **Year 5: \$102,357- 159% increase**
 - » **Year 7: \$102,577 185% increase**

Updated: 08.2009



Origination

Processing/UW

Closing

Post-Closing

Loan Origination

MN Housing Funds

- Funds continuously available
- Online commitment system
- Rates available at www.mnhousing.gov



Loan Origination

Committing the Loan



Minnesota Housing Finance Agency logo on the left. Navigation links: Home | Login | Sitemap. Search bar on the right. Main text: "Minnesota Housing finances and advances affordable housing opportunities for low and moderate income Minnesotans to enhance quality of life and foster strong communities."

Buyers Owners s	Lending & Funding Partners Real Estate Professionals Home Buyer Educators	Developers, Owners Management Agents Architects & Builders	Homelessness/Housing Assistance Emerging Markets Local Governments	Applications & Forms Resources Training & Technical Services	Investors
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Current Interest Rates

4.500%
Minnesota Mortgage Program
Government Rate

5.990%
Fix-up Fund

Minnesota Housing offers
competitive interest rates on

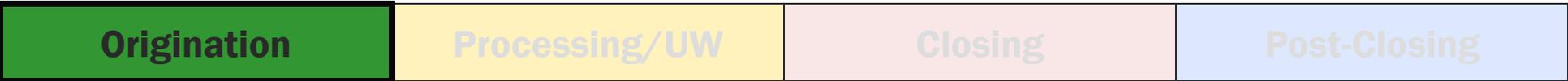
Welcome to Minnesota Housing

As the State's affordable housing bank, we offer products and services to help Minnesotans buy and fix up homes and we support the development and preservation of affordable rental housing by offering financing and on-going asset management of affordable rental housing developments.

Special Announcements:

First-time Homebuyers

[Click Here](#)



Loan Origination

Committing the Loan

- » **Information entered into HDS**
- » **Must have a fully executed PA**
- » **Commitment term**
 - **Existing properties: 75 days**
 - **New construction: 115 days**
 - **Two 30-day extensions at .500% each (borrower may not pay the extension fee)**
- » **Rate lock runs from the date of HDS SF Web Application commitment to receipt of the purchase package by US Bank Home Mortgage- MRBP Division**

Q & A

- **We will take time here to answer a few questions.**



Processing and Underwriting MMP & CASA Loans



Origination

Processing/UW

Closing

Post-Closing

Processing and Underwriting

- **Eligible for FHA,VA, RD or conventional loan**
- **Verify MMP/CASA and HAF/HOME HELP eligibility**
- **Confirm First-Time Homebuyer status**
- **Income eligibility**
 - » **See optional worksheet for calculation method**
- **Property requirements**
- **Acquisition Cost and Appraised Value**
 - » **See optional worksheet for calculation method**
- **Review and update our HDS system**

Processing and Underwriting

Credit Requirements

- **US Bank Home Mortgage - MRBP Division purchases loans industry standard loan products**
 - » **FHA, VA, RD**
 - » **Conventional: Uninsured and Insured**
 - **Must be a MyCommunityMortgage® or Home Possible® and run through DU/LP**
 - **Must meet MI guidelines**
 - **Must meet insurer/guarantor income limits with one exception**
 - **Manual underwriting for MyCommunityMortgage® loans only**

Processing and Underwriting

Validate Income Eligibility



- **Gross Annual Household Income from all Sources**
 - » **“Non-stable” income excluded from underwriting must be included in eligibility income**
 - » **Income from all household members over the age of 18**
- **Income Eligibility Calculation Worksheet**

Processing and Underwriting

Income Eligibility

- **Qualifying Income** = Income that you/your underwriter use to determine repayment of the mortgage based on underlying product guidelines.
- **Eligibility Income** = Income that you/your underwriter use to determine eligibility for MN Housing loans
- **Example –**
 - » single mom receiving intermittent child support
 - » child support is NOT used as qualifying income to repay the mortgage, but
 - » You **WOULD** include child support income for Eligibility Income
- **Example –**
 - » husband and wife are purchasing a house,
 - » husband has bad credit and is not included in the application
 - » His income is NOT used as qualifying income to repay the mortgage, but
 - » You **WOULD** include his income for Eligibility Income

Processing and Underwriting

Federal “Basic Livability”

Properties must meet three tests:

- 1. Current use provides no source of income**
 - Exceptions for duplex, home business
- 2. Local custom**
 - Appraiser certifies that lot size is common for the area
- 3. Intended for one residence**
 - Applicable only if there is more than one parcel or eligible for legal subdivision

Processing and Underwriting Personal Property

- Check the purchase agreement prior to closing the loan
- The most recent Borrower Affidavit and Property Seller Affidavit (or Property Seller Affidavit Fannie Mae/Institutional Seller) reflect language to remove personal property from the purchase agreement



Processing and Underwriting

Acquisition Cost Confirmation

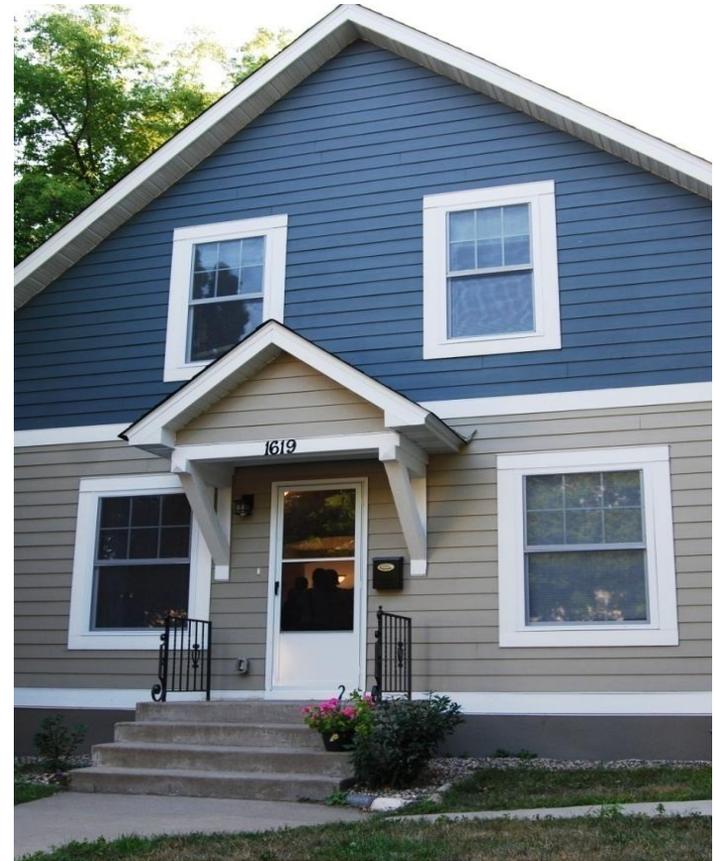


- **Acquisition Cost is the cost of a completed dwelling unit**
- **Purchase Price plus any additional funds paid by the borrower to acquire the property**
- **Acquisition Cost Worksheet (optional) located under Resources on our website**

Processing and Underwriting

Property Value Limits

- **Property cannot appraise for more than 125% of the maximum acquisition cost for the area**
 - » **Example: An existing property cannot appraise for more than \$372,656 in the Twin Cities Metro Area**



Processing and Underwriting HDS



- **Review and update information in HDS:**
 - » **Check rate lock**
 - » **Update eligibility income**
 - » **Verify HAF loan**
 - » **Verify property is in Spotlight Area for MMP HAF or is at a lower income (Level 3)**

Closing



Loan Closing

Closing Table

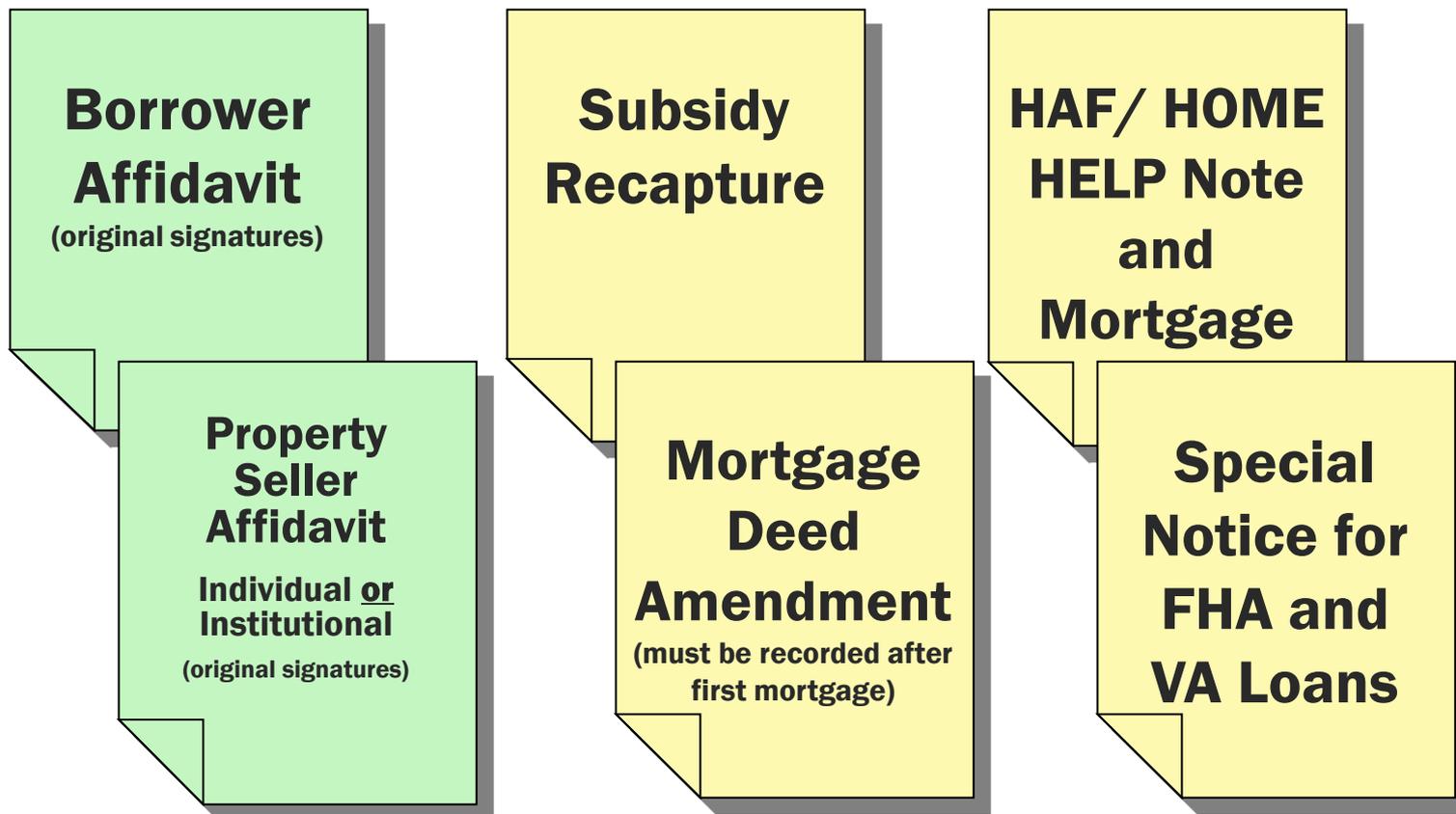
- **Confirm loan commitment terms**
- **Review and update HDS**
- **Execute Minnesota Housing forms**
- **Fund the loans**
 - » **First Mortgage**
 - » **HAF/HOME HELP**



Loan Closing

Forms Specific to Minnesota Housing

http://www.nhousing.gov/partners/lenders/programs/MHFA_001509.aspx



Minnesota Housing Manual and Forms



Home Buyers Home Owners Renters	Lending & Funding Partners Real Estate Professionals Home Buyer Educators	Developers, Owners Management Agents Architects & Builders	Home Em Loc
Collaborative Partners	Home Buyer Educators	Real Estate Professionals	Minnesota Housing
Lending Partners	Funding Partners	HDS Single Family Application	Program Guidelines, Manuals & Forms
Income Limits	MBS Transition Information	Single Family Training & Technical Assistance	Become a Minnesota Housing Lender
Single Family eNews Archives	Co-Branded Marketing Opportunities	Single Family Servicing	Neighborhood Stabilization Program

•Find at
www.mnhousing.gov
Website

•Select “Program
Guidelines, Manuals &
Forms”

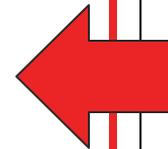


Single Family Division Program Guidelines, Manuals and Forms

Mortgage Loan Programs

Minnesota Housing Mortgage Loan Programs: Includes instructions and information on the Minnesota Mortgage Program (MMP), Community Activity Set-Aside (CASA) Program, and the Homeownership Assistance Fund (HAF).

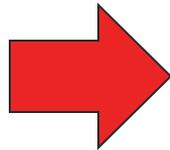
- [Mortgage Loan Program, MBS Procedural Manual](#)
- [Mortgage Loan Program, MBS Process Guide](#)
- [Minnesota Housing Compliance Overview](#)
- [Program Forms and Resources](#)
- [US Bank Home Mortgage - MRBP Division \(see US Bank Lending Manuals\)](#)
- [News Alerts](#)
- [Mortgage Insurance Partnerships](#)
- [Affordable Advantage Balances](#)
- [CASA Funded Initiative Balances](#)
- Community Activity Set Aside (CASA) Initiatives:
 - [Twin Cities Metro Area](#)
 - [Greater Minnesota Area](#)



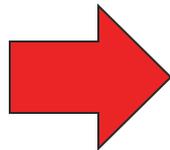
Minnesota Housing Manual Process Guide Program Forms

Mortgage Loan Programs Forms Page

Forms



Resources



Mortgage Loan Program Forms

The documents below can also be created through the [Single Family HDS Web Application Forms Generator](#).

Minnesota Housing Help Desk

If you have questions regarding a Minnesota Housing program form, call 651-296-8215 or 800-710-8871 weekdays, 7:30 a.m. to 5:00 p.m.

Minnesota Housing Mortgage Loan Programs include: Minnesota Mortgage Program (MMP), Community Activity Set-Aside Program (CASA), Homeownership Assistance Fund (HAF)

Required Documents (All loans)

- [Assignment of Mortgage](#) - Uniform Conveyancing Blanks, MN Dept. of Commerce
- [Borrower Affidavit](#)
- Mortgage Deed Amendments (Choose one):
 - [Conventional/RD First Mortgage Deed Amendment](#)
 - [FHA Mortgage Deed Amendment](#)
 - [VA Mortgage Deed Addendum](#)
- [Property Seller Affidavit](#)
- [Property Seller Affidavit Fannie Mae/Institutional Seller](#)
- [Subsidy Recapture Disclosure Statement](#) - Updated 06.27.2011

Additional Documents (Required on some loans)

- [FHA Streamlined 203K Appliance Form](#)
- [HAF Mortgage](#)
- [HAF Note](#)
- [Notice to Buyers \(FHA\)](#)
- [Notice to Veteran and Consent \(VA\)](#)

Resources

Worksheets and Overviews

- [Acquisition Cost Worksheet](#)
- [Income Eligibility Calculation Worksheet](#)
- [Minnesota Housing Compliance Overview](#)
- [Subsidy Recapture Overview](#) - Information on Subsidy Recapture Tax

Forms Generator

Single Family HDS Web Application



Origination

Processing/UW

Closing

Post-Closing

Forms Generator

Single Family HDS Web Application

- **Access through Single Family HDS Web Application**
- **Forms Generator Guide**
- **Auto-populates fields from HDS, reducing document prep time**
- **Review the documents online prior to closing**
 - » **Make sure all data fields are completed**
 - » **Fill in any missing data before printing**
 - » **Double check all documents prior to signing**

Loan Closing

Borrower Cost / Lender Compensation

Borrower Cost

- **Par Rate: 0 Discount and 1% Origination**
 - **No special lender fees added only for Minnesota Housing loans**

Lender Compensation

- **1 % origination fee**
- **Standard fee set**
- **US Bank Home Mortgage**
 - **MRBP purchases at 101% net any extension or hold fees**

Post-Closing



Post-Closing Purchase Approval



- **“Funding Approve” on Minnesota Housing HDS SF Web Application**
- **Send purchase package to US Bank Home Mortgage-MRBP Division**
 - » **Use US Bank’s Checklist**
- **Include all Minnesota Housing Documents**

Post Closing

Hold Fees

- **Minnesota Housing allows a three-week period with no fees assessed from the date of notification from the master servicer**
- **If the exception is outstanding for more than 3 weeks, the fee is .125% of the loan amount each week until the exception is cleared**



Post-Closing

Minnesota Housing Quality Control



- **Minnesota Housing audits for compliance with Mortgage Revenue Bond and Agency guidelines**
- **First 6 loans of new lenders**
- **10% random sample**
- **US Bank reserves right to audit underlying product**

Post-Closing Common Errors



- **Incorrect: calculation of eligibility income**
 - » Use optional worksheet
 - » Update HDS with correct eligibility income
 - » Include income from all household members
- **Missing: 3 years tax returns or transcripts**
 - » Required on all files. No exceptions
 - » Affidavit acceptable **ONLY** if borrower was not legally required to file taxes
- **Incorrect: MN Housing documents**
 - » Obtain proper authorizing document for seller
 - » Verify data is correct prior to closing

Post-Closing Common Errors



- **Incorrect: personal property on purchase agreement**
 - » Work with Realtor partners
 - » Ensure that Borrower and Seller are signing appropriate Affidavits
- **Incorrect: Borrower not HAF eligible**
 - » Review information in HDS
 - » Verify HAF asset limit
 - » Borrower needs minimum \$1,000 investment from their own funds

Resources



Minnesota Housing

Manuals and Forms

- **Manual and forms available on the Minnesota Housing Website**
- **Forms generator available on Minnesota Housing HDS SF Web Application**



Co-Branded Marketing

- **Minnesota Housing tools to help you promote our programs**
 - » **Program reference guides**
 - » **Information sheets**
 - » **Deck cards**
 - » **Customizable print advertisement templates**
 - » **Radio scripts**

Information Materials



First-time Homebuyer Program Reference Guide

for Lenders, Real Estate Agents and Homebuyer Educators



First-time Homebuyer Loan Programs Information Sheet

Because home means everything.

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.

Why Choose Minnesota Housing?

- Low interest rates for first-time homebuyers
- Interest-free loans from \$3,000 up to \$14,999 to help with downpayment and closing costs for eligible borrowers
- No extra fees or discount points

To qualify, you must:

- Be a first-time homebuyer (or have not owned a home in the past three years)
- Meet the requirements for income and home purchase price limits
- Have acceptable credit

Minnesota Housing First-time Homebuyer Loan Programs

Minnesota Mortgage Program (MMP)

- Available statewide
- Affordable interest rate
- Maximum loan term is 30 years
- Downpayment and closing cost assistance available for targeted borrowers

Community Activity Set-Aside (CASA)

- Available in participating communities
- Affordable interest rate
- Maximum loan term is 30 years
- Downpayment and closing cost assistance, including a HOME HELP loan up to \$14,999

Interested?

Contact our lending partner below to learn more about how they can help you apply for the Minnesota Housing financing you need to buy that first home!



02/09/2009



Home Loan Programs



Safe, affordable, fixed-rate financing to help you buy your first home.

Minnesota Housing is the State's trusted affordable housing bank. We offer mortgage programs that provide affordable interest rate loans to eligible first-time homebuyers.

Why choose Minnesota Housing?

- Affordable interest rates
- Interest-free deferred loans to help with downpayment and closing costs
- No extra fees or discount points
- 30-year loan terms available
- Statewide network of lending partners



Print Advertisement Templates

Because home means
everything...



If you're a first-time homebuyer ready to buy that perfect home, Minnesota Housing has the loan you need. As the State's premier affordable housing lender, we offer safe loans with fixed payments and affordable interest rates that can reduce your monthly payment. You may also be eligible to receive up to \$14,999 in downpayment and closing cost assistance. Contact our lending partner below to learn more and apply for a loan today—because home means *everything*.


Minnesota
Housing
Finance Agency
www.mnhousing.gov



Your Name Here
Call 555.555.5555
to apply today!



- **Customizable**
- **You can send to print outlet of your choice**
- **New ads coming soon**

Your Name Here

Call 555.555.5555
to apply today!


Minnesota
Housing
Finance Agency



Minnesota Housing finances and advances affordable housing opportunities for low and moderate income Minnesotans to enhance quality of life and foster strong communities.



- Home Buyers
- Home Owners
- Renters
- Lending & Funding Partners
- Real Estate Professionals
- Home Buyer Educators
- Developers, Owners
- Management Agents
- Architects & Builders
- Homelessness/Housing Assistance
- Emerging Markets
- Local Governments
- Appl
- Reso
- Train

Current Interest Rates

5.500%
Minnesota Mortgage Program
Government Rate

6.250%
Fix-up Fund

Minnesota Housing offers competitive interest rates on our loan programs.

[Click For More Interest Rates](#)

- Quick Links**
- Rent & Income Limits
 - Home Cost Limits
 - Agency News
 - News Room
 - About Us
 - Frequently Asked Questions
 - Driving Directions
 - eNews Signup**

Welcome to Minnesota Housing

As the State's affordable housing bank, we offer products and services to help Minnesotans buy and fix up homes and we support the development and preservation of affordable rental housing by offering financing and on-going asset management of affordable rental housing developments.

- Special Announcements:**
- [HOME Rehabilitation Loan Program RFQ Available](#)
 - [American Recovery and Reinvestment Act of 2009 \(ARRA\)](#)
 - [Neighborhood Stabilization Program](#)
 - [2009 Action Plan and 2008 CAPER](#)
 - [Foreclosure Assistance](#) - for homeowners facing foreclosure
 - [Weatherization Information](#)

Let us know your thoughts on our website. [Email your comments](#) if you have suggestions for improvements.

Sign-up for Minnesota Housing e-News at www.mnhousing.gov



Minnesota Mortgage Program

Program Assistance



Minnesota Housing Help Desk

7:30 am to 5:00 pm

- » **651-296-8215**
- » **800-710-8871**

Program Officer

- » **Stephanie Oyen, 651-297-3132**
- » **Stephanie.oyen@state.mn.us** or
- » **Mary Rivers, 651-297-3127**
- » **Mary.rivers@state.mn.us**



Short Pause

- **Final questions for Minnesota Housing**
- **Resume training with US Bank MRBP pre-recorded presentation**



Welcome Back

- Time for final questions
- All materials posted on the Minnesota Housing website
 - » www.mnhousing.gov
 - » http://www.mnhousing.gov/resources/training/sf-assistance/MHFA_009091.aspx
- Questions about US Bank MRBP presentation
 - » Contact US Bank MRBP Help Desk
 - 800-562-5165



**Please be patient
as we transition
to the recorded
version of US
Bank MRBP**

Lou Caresani