



June 13, 2013

Step Up Program Refinance Options for Existing Minnesota Housing Borrowers with Minnesota Housing Downpayment (DPA) Loans

Borrowers with a first mortgage and secondary financing from Minnesota now have refinance options to lower the rate on their first mortgage! Contact your clients who have used Minnesota Housing financing to purchase their home and use Minnesota Housing programs to refinance them to a lower rate.

Refinance Option: refinance the Minnesota Housing first and Minnesota Housing DPA loan
Existing Minnesota Housing borrowers with certain downpayment assistance (DPA) loans can refinance into a Step Up loan, even if their total household income exceeds Step Up income limits. Borrowers with a Homeownership Assistance Fund (HAF) loan, Deferred Payment Loan, or Monthly Payment Loan, who otherwise qualify for Step Up have the opportunity to refinance their existing DPA loan amount into a principal-only amortizing (interest-free) Monthly Payment Loan as a method of repayment of their existing Minnesota Housing DPA loan. Lenders are required to use the [Over-Income DPA Borrower Step Up Refinance Interim Commitment Form](#) and the [Over-Income DPA Borrower Fund Approve Form](#) to complete this process.

Subordination Option

Minnesota Housing will **only** subordinate its lien position on a Homeownership Assistance Fund (HAF) loan, Deferred Payment Loan or Monthly Payment Loan to a Minnesota Housing Step Up loan when borrowers meet Step Up income limits. The [Subordination Request Form](#) includes additional required documents to request subordination. Borrowers requesting to subordinate the HAF loan in order to refinance with the Step Up program are eligible to receive Minnesota Housing's amortizing Monthly Payment Loan.

Minnesota Housing HOME HELP or ECHO borrowers refinancing with Step Up or other mortgage products must request written approval from AmeriNational.

View more information under [Downpayment and Closing Cost Subordination & Refinance Guidelines](#).

Questions?

Phone: 651.296.8215 or 800.710.8871

Email: mnhousing.solutions@state.mn.us

Business days: 7:30 a.m. - 5:00 p.m.

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