

Income Eligibility Changes for All Home Mortgage Programs



Critical Lender Update Webinars Announced

Register for a Critical Lender Update training to learn more about the new income eligibility changes, as well as other recent program updates:

[Thursday, January 16: 9-10 a.m.](#)

[Wednesday, January 22: 2-3 p.m.](#)

[Thursday, January 30: 9-10 a.m.](#)

Questions?

Partner Solutions Team:

mnhousing.solution@state.mn.us

or 651.296.8215/800.710.8871

Monday-Friday

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

Resources

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We're pleased to announce some positive changes to the Minnesota Housing income calculation requirements for the Start Up, Mortgage Credit Certificate (MCC) and Step Up programs. These changes are effective for new loan commitments made on or after January 29, 2014. [See the articles below for specific program details.](#)

For commitments made between January 8 and January 28, 2014, either the current income calculation requirements or the requirements effective January 29 may be used to qualify borrowers.

There are no changes to program [income limits](#) at this time.

Start Up and MCC Eligibility Income Requirements

Effective January 29, the calculation of Eligibility Income for the Start Up and MCC programs require the income of **only** the following people:

- The mortgagor(s)
- Any person who is expected to both live in the residence **and** sign the note
- Any person who is expected to both live in the residence **and** is a legal spouse of the mortgagor

Start Up and MCC (with First Mortgage) loans permit co-signers with new loan commitments as of January 29. If the co-signers live in the residence being financed, their income must be included in the Eligibility Income calculation.

Other changes to the types of income required for Eligibility Income also take effect, including the requirements for the treatment of rental income, educational assistance and income from custodial accounts. The revised [Eligibility Income Calculation Worksheet](#) provides additional guidance for determining Eligibility Income.

Refer to the [Start Up Procedural Manual \(dated January 29, 2014\)](#) and [MCC Procedural Manual \(dated January 29, 2014\)](#) posted on the Minnesota Housing website.

Step Up Qualifying Income Requirements

Effective January 29, lenders should use an **industry-standard qualifying income calculation** to determine Step Up income eligibility. **Only the income of those qualifying for the loan is counted.** If, for example, temporary household members, extended family members or married or unmarried partners are not qualifying for the loan, **do not** include their income for Step Up income eligibility purposes.

Refer to the [Step Up Procedural Manual \(dated January 29, 2014\)](#), posted on the Minnesota Housing website.

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