

Service Release Premium Increase and Refinancing Options

Special Announcement - Service Release Premium (SRP) Increase

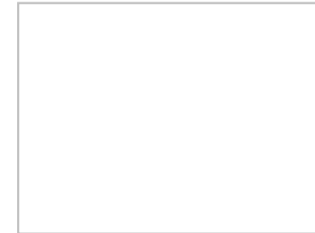
Minnesota Housing is pleased to announce that the service release premium (SRP) will increase to 1.5% of the loan amount (net extension and hold fees) for loan commitments beginning on October, 9, 2013. The SRP increase is applicable to Start Up, Step Up Refinance and Step Up Purchase loans and MCC (with First Mortgage), and is payable upon sale of the loan to the Master Servicer in accordance with its policies.

Take Advantage of Step Up Premium Pricing Option for Refinances

Premium Pricing is available for Step Up borrowers who lack cash for closing costs. It is particularly beneficial for borrowers using the FHA Streamlined Refinance, which doesn't allow borrowers to pay for closing costs with a second mortgage, such as Minnesota Housing's Monthly Payment Loan.

Like any premium pricing option, lenders pay for the closing costs, or a portion of the closing costs, by charging a slightly higher interest rate. Refer to Minnesota Housing's [interest rates](#) page for current Step Up Refinance Premium Pricing rates.

Lenders have 3.5 points total to allocate to borrower closing costs and lender compensation, and are permitted to vary the SRP used for closing costs or retained by the lender. See the [Premium Pricing Service Release Premium \(SRP\)](#) for Premium Pricing examples.



Questions?

Partner Solutions Team:

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

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