

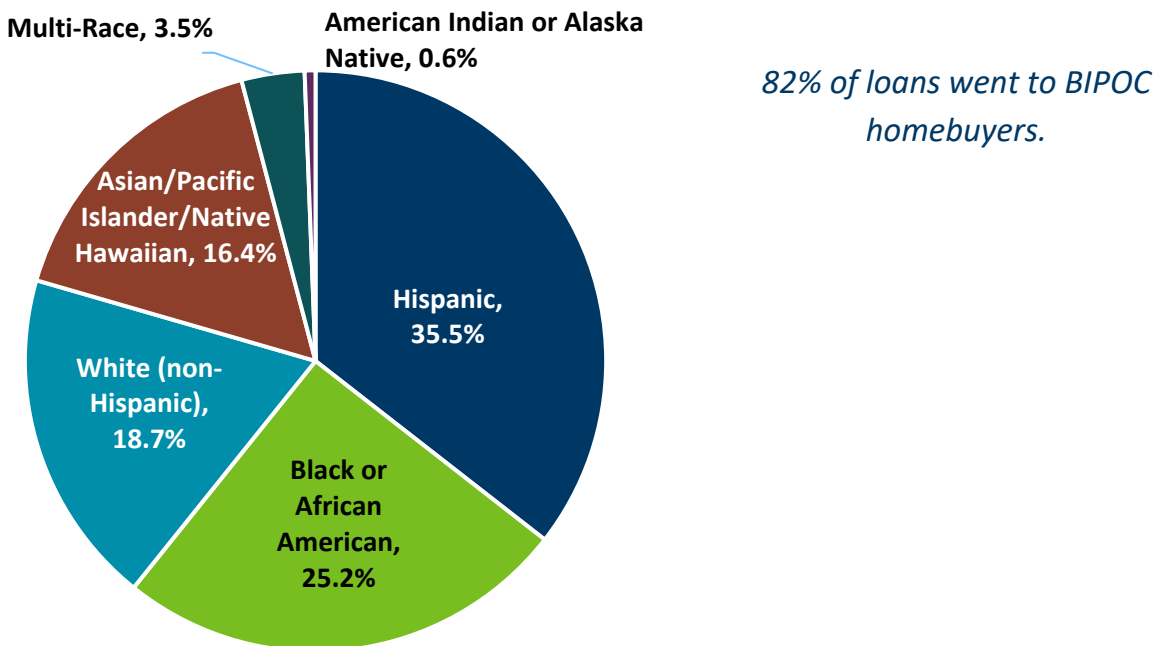
First-Generation Homebuyer Loan Program Recap

Minnesota Housing’s First-Generation Homebuyer Loan Program launched on May 6, 2024, and closed on December 19, 2024, after the full \$50 million was committed. The program was successful in making homeownership more affordable to 1,431 first-generation homebuyers whose families had been excluded from homeownership for generations. The program offered a deferred payment, interest-free, forgivable loan of up to \$35,000 per household, and allowed borrowers the opportunity to layer with Minnesota Housing’s existing downpayment assistance (DPA) loans for a total of up to \$53,000 to make their home purchase more affordable.

Table 1: Loans Distributed

Category	MN	Twin Cities Metro Area	Greater MN
Total Loans Closed (#)	1,431	80% ¹	20%
Median Household Income	\$77,670	\$80,650	\$63,125
Median Purchase Price	\$290,000	\$305,000	\$230,000

Figure 1: New Homebuyer Demographics

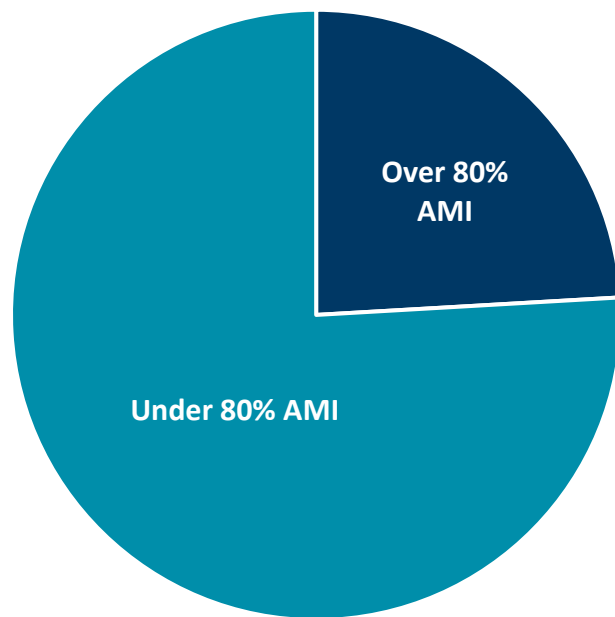


¹ 75% to 85% of potential first-generation homebuyers in Minnesota live in the Metro area.

Table 2: Total Loans and Related Statistics

Totals	#
Total Loans Closed (\$)	\$49,278,979
Administrative Fees	\$0
Avg. Loan Amount	\$34,440
% of Counties Served	64% ²
Median Credit Score	717
Avg. Household Size	3.5
Avg. Borrower Age	38
% with a 2nd Minnesota Housing DPA Loan	79%
Avg. 2nd Minnesota Housing DPA Amount	\$16,570

Figure 2: Participation by Borrower Area Median Income



76% of loans went to borrowers under 80% Area Median Income (AMI).

² These counties contain 94% of the state's population.

Table 3: Types of Mortgages

Type	%
Conventional	76%
FHA	23%
VA	.3%
USDA	0

Next Steps

Minnesota Housing will complete a program evaluation focusing on the program's impact on its goals.

All state appropriated funds from cancelled loan commitments after the program closed will be transferred to the state appropriated Homeownership Assistance Fund to be used for additional downpayment and closing cost assistance that targets first-generation homebuyers.