

This document is an overview of the changes to the [Start Up Procedural Manual](#), [Step Up Procedural Manual](#) and the [Borrower Affidavit](#) updates effective 5/6/2024.

## **Start Up | Step Up Procedural Manual Changes**

Below is a description of important updates that incorporate standard language and clarification of certain program parameters. The updated [Start Up Procedural Manual](#) includes the First-Generation Homebuyer Loan, which is an eligible downpayment and closing cost loan that can be used only with the Start Up program.

### **[Start Up Procedural Manual](#) Updates and Additions effective 5/6/2024**

- Chapter 2: Updated the sections on Fraud, Conflict of Interest, Suspension, and Disclosure and Reporting
- Chapter 4: Borrower Eligibility requirements for First Time Homebuyers
  - Clarified the current spouse of a borrower must not have had an ownership interest in their principal residence in the previous three years.
  - Created a chart to show who needs to be reviewed for the three-year requirement.
  - Clarified that manufactured housing ownership only counts as prior homeownership if the manufactured home was permanently affixed to the ground by way of a foundation.
- Chapter 5: Eligible Property types and eligible forms of ownership
  - Clarified that manufactured homes wider than double-wide are allowed.
  - Moved Community Land Trust to section 5.03 Ownership Interest because it is an ownership type, not a property type
  - Added a section on eligible ownership interest types.
    - Fee simple interest
    - Joint tenancy
    - Community Land Trust (CLT)
    - Tenancy in common
    - Tenants by the entirety
    - Sole Ownership
- Chapter 6: Non-Minnesota Housing Secondary Financing
  - Transactions using Minnesota Housing's First-Generation Homebuyer Loan cannot layer with the [First-Generation Homebuyers Community Down Payment Assistance Fund](#)
- Chapter 7: First Generation Homebuyer Loan
  - Provides loan details, including loan amount, terms, prohibition on layering with [First-Generation Homebuyers Community Down Payment Assistance Fund](#) Borrower eligibility criteria
    - First-Generation Homebuyer Criteria (applicable to one borrower and all of their parents or prior legal guardians)

- Minimum Housing Ratio of 28%
- No additional income limits (Start Up income limits apply)
- First-Generation Homebuyer Loan related content incorporated throughout the manual, including definitions of “Parent” and “Legal Guardian” added Appendix A (Definitions).

### [Step Up Procedural Manual](#) Updates and Additions effective 5/6/2024

- Chapter 5: Eligible property types and eligible forms of ownership
  - Clarified that manufactured homes wider than double-wide are allowed.
  - Moved Community Land Trust to 5.03 Ownership Interest because it is an ownership type, not a property type
  - Added a section on eligible ownership interest types.
    - Fee simple interest
    - Joint tenancy
    - Community Land Trust (CLT)
    - Tenancy in common
    - Tenants by the entirety
    - Sole Ownership
  
- Chapter 2: Updated the sections on Fraud, Conflict of Interest, Suspension, and Disclosure and Reporting

## **Borrower Affidavit (Start Up) Updates**

Updates were made to the [Borrower Affidavit](#) (Start Up) to align with the updated [Start Up Procedural Manual](#). The updated Borrower Affidavit (Start Up) must be used for all loans closed on or after 5/6/2024.

- Updated language in section #8 related to First-Time Homebuyer eligibility
  - Incorporates language directly from the Start Up Procedural Manual regarding ownership interests
  
- Clarified the current spouse of a borrower must not have had an ownership interest in their principal residence in the previous three years
- Clarified the manufactured housing ownership only counts as prior homeownership if the manufactured home was permanently attached to the ground by way of foundation
- Updated the way the signature section incorporates the date, State and County where the Affidavit was signed