MINNESOTA HOUSING

First-Generation Homebuyer Loan Program Eligibility Worksheet

Instructions: Use this worksheet to document your good faith effort to verify a Borrower's eligibility for the First-Generation Homebuyer Loan and to confirm you have properly calculated and considered the Housing Ratio.

Borrower First Name   MI   Last Name   Co-Borrower First Name   MI   Last Name

---

Property Address   Property City   State   Date Worksheet Prepared

Borrower Eligibility

Definition: First-Generation Homebuyer is defined as:

- One (1) Borrower **and** their Parents or prior Legal Guardians have never owned a home (in any country) or previously owned a home but lost it due to foreclosure.
- See First-Generation Homebuyer Affidavit and Start Up Program Manual for definition details.

Check each box	Requirements (The First-Generation Borrower must meet each requirement to be eligible for the program)
☐	Signed First-Generation Homebuyer Affidavit documenting at least 1 borrower meets the first-generation homebuyer definition
☐	A front-end ratio (housing ratio) minimum of 28%
☐	Loan transaction **does not** include the First-Generation Homebuyers Community Down Payment Assistance Fund.

Check one:

☐ Lender's review of loan file a.) did not identify the borrower as a current or previous owner of real estate, or b.) documents the borrower lost the home(s) through foreclosure.

☐ Lender review of loan file identified borrower owned/owns real estate, and the lender documented borrower residence history in each year of ownership. Lender submitted documentation to Minnesota Housing for 2nd level review, and Minnesota Housing agreed documentation indicates borrower did not reside in the property(ies) they owned. (include email in file)

Housing Ratio Calculation

The Borrowers front-end ratio must be no less than 28% when factoring in all sources of loan funds. Use chart below to calculate the front-end ratio. Borrowers can't manipulate income (quit job, etc.) to become eligible.

- Calculate with **all** DPA funds
- Do not include non-occupant co-signer income

$		Principal & Interest* (including monthly payment loan, if applicable)
$		Homeowners Insurance
$		Mortgage Insurance
$		Property Tax
$		Association Fee
$		Total: Monthly Housing Expense
$		Borrower Monthly Qualifying Income
		Front-End Ratio

* If DPA funds are being used to reduce the first mortgage loan amount, make sure the P&I field and Mortgage Insurance field on this worksheet reflect the reduced first mortgage amount.

Refer to the Start Up Program Manual and the First-Generation Homebuyer Affidavit for guidelines and First-Generation Homebuyer definition details. Contact the Partner Solutions Team for clarification to these guidelines.

Reminder to borrowers: *Under the Minnesota Criminal Code, a person who obtains funds through sworn false representation may be guilty of perjury and/or theft and may face criminal charges.*

Print Name of Preparer   Title of Worksheet Preparer

Signature of Worksheet Preparer   Date

Minnesota Housing realizes an estimate of front-end ratio may change in underwriting. As long as the underwriter makes a good faith effort to identify costs at point of origination and factor in all downpayment loans and grants, we allow reasonable changes to the front-end ratio if the ratio documented on this worksheet is different than the final ratio calculated during underwriting. The underwriter must provide an explanation if the variance between ratios is large, or the Borrower's eligibility is a concern.

* M C L O A N E W S T *