

Virtual currency can impact a Minnesota Housing borrower's program eligibility. Here's what you need to know to make sure your borrower is eligible for Start Up or the Deferred Payment Loan/DPL Plus.

- **Start Up Eligibility Income Calculation:**
 - Follow the [Start Up Eligibility Income Worksheet](#) for guidance on how to document income from virtual currency (see sections on Additional Income from an Employer and Income from Financial Assets). If the virtual currency income is taxable it must be included in the Start Up Eligibility Income Calculation, so follow the IRS guidance. See the [IRS FAQs](#) on virtual currency.
- **Deferred Payment Loan/DPL Plus Asset Limit:**
 - Include the value of virtual currency accounts in the post-closing liquid assets calculation. Borrowers will need to provide a screenshot of their online wallet or other account application showing the current balance of the virtual currency. Though the values of virtual currencies fluctuate, lenders may treat documentation of virtual currency balances as a bank statement and count the value at the time of the statement.

How will I know if a borrower has income or assets in virtual currency?

Here are some best practices for doing your due diligence:

- For all Start Up borrowers:
 - Ask if they have income from virtual currency (income from an employer or income from financial assets).
 - Inform them the Start Up Borrower Affidavit requires borrowers to attest that they have disclosed *all income sources* to the Lender, including income received from virtual currency business activities or investments.
 - Check to see if the Virtual Currency question on page 1 of the borrower's 1040 is checked yes.
 - If marked yes: Check the return for more info on income from virtual currency, and ask DPL borrowers for documentation of virtual currency account balance.
 - If marked no: A borrower could still have virtual currency assets that need to be counted towards the Deferred Payment Loan post-closing liquid asset limit.
- For DPL/DPL+ borrowers:
 - Ask if they have any virtual currency accounts.