

2014 Entry Form
(Complete one for each entry.)

Fill out the entry name *exactly* as you want it listed in the program.

Entry Name _____

HFA _____

Submission Contact _____

Phone _____ **Email** _____

Qualified Entries must be received by **Tuesday, July 1, 2014.**

For more information about Qualified Entries, [click here to access the 2014 Entry Rules.](#)

Use this header on the upper right corner of each page.

HFA _____

Entry Name _____

Communications	Homeownership	Rental Housing	Special Needs Housing
<input type="checkbox"/> Annual Report <input type="checkbox"/> Promotional Materials and Newsletters <input type="checkbox"/> Creative Media	<input type="checkbox"/> Empowering New Buyers <input type="checkbox"/> Home Improvement and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Multifamily Management <input type="checkbox"/> Preservation and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Combating Homelessness <input type="checkbox"/> Housing for Persons with Special Needs
Legislative Advocacy	Management Innovation	Special Achievement	Are you providing visual aids?
<input type="checkbox"/> State Advocacy <input type="checkbox"/> Federal Advocacy	<input type="checkbox"/> Financial <input type="checkbox"/> Human Resources <input type="checkbox"/> Operations <input type="checkbox"/> Technology	<input type="checkbox"/> Special Achievement	<input type="checkbox"/> YES <input type="checkbox"/> NO

The Challenge

Minnesota has a well-documented disparity in the gap in homeownership rates between households of color or Hispanic ethnicity and white households. The population of people of color or Hispanic ethnicity in Minnesota increased 42 percent from 12 percent of the population in 2000 to 17 percent in 2010 – a rate three times more than the United States as a whole, and demographers project the growth will continue. Despite the growth of these populations in Minnesota, only 39 percent of all households of color own their homes, compared with 76 percent of white households. This is the largest homeownership gap in the country.

At Minnesota Housing, we have a special obligation to respond to the challenge of providing homeownership opportunities for households of color or Hispanic ethnicity. We were created to serve low- and moderate-income homebuyers, and as a provider of mortgage products, we recognize the increasing growth of these households in our state and their desire to become homeowners and we are eager to shed this distinction.

We focused our efforts to serve households of color and Hispanic ethnicity in all aspects of our business, from the first point of contact with our lending and real estate partners through training and technical support.

Innovation – meeting the challenge with a new Business Development Team

We established a new Business Development Team to increase our outreach and loan production for households of color or Hispanic ethnicity. The team reflects the diversity of Minnesota and includes employees with ties to the Hispanic, Asian, black American and African-born communities.

The Business Development Team facilitates targeted marketing and outreach with our lending and real estate partners, which in turn increases awareness and commitment to these markets. They educate our network about targeted business approaches to highlight the lending and earning potential within these markets. We maintain a network of racially and ethnically diverse individuals among our industry partners who are focused and committed to providing homeownership opportunities to under-served populations.

In addition to working with our business partners, the Business Development Team participates in community events throughout the year that allow them to connect with the people who are under-represented in the home-buying market. We invite influential lending partners who represent target communities. For example, when we sponsored a booth at a well-attended Hmong Housing Fair, we invited loan officers and real estate agents fluent in Hmong to assist those attendees who did not speak English.

Minnesota Housing responds with Production Targets and Innovative Programs

We set homeownership targets for the percentage of households of color or Hispanic ethnicity we strive to support with our mortgage programs. In 2014, our target is 22 percent, and year-to-date, we have exceeded our goal with 23.5 percent of our borrowers being households of color or Hispanic ethnicity.

Program staff monitors production numbers and reports to agency staff on a monthly basis. Whether we are planning large-scale program changes or deciding where the Business Development Team will make sales visits for the coming month, our production targets for households of color or Hispanic ethnicity influences these decisions.

Targeted Counseling Program and Mortgage Product

Tighter loan product and investor credit overlays and the implementation of new regulations have forced some households out of the market or into sub-prime mortgages. To combat this, we created two pilot initiatives designed to work in tandem to help households of color or Hispanic ethnicity who have the financial resources to pay a mortgage achieve sustainable homeownership. We committed \$500,000 to counseling agencies to provide Homeownership Capacity counseling services and \$10 million for homebuyers to access Targeted Mortgage loans through non-profit originators.

- **Homeownership Capacity:** intensive financial empowerment and homeownership counseling
- **Targeted Mortgage:** first mortgage financing for homebuyers who are otherwise capable of maintaining successful homeownership, but who are unable to qualify for an industry-standard mortgage product

The Homeownership Capacity program works intensively one-on-one with prospective homebuyers on financial capability and pre-purchase topics, such as:

- Credit repair
- Debt reduction
- Money management
- Applying for a mortgage loan
- Comparing Good Faith Estimates

Homebuyers who complete Homeownership Capacity training may be able to qualify for a mortgage in the private market. For borrowers who cannot qualify for a standard mortgage product using FHA or conventional underwriting, they may qualify for a Targeted Mortgage loan by demonstrating strong compensating factors, such as:

- Progress in repairing credit score
- Limited housing payment impact (i.e., limited payment shock)
- Two-year minimum rental history
- Sufficient reserves
- Minimum borrower contribution

With these pilot initiatives, we believe we have a unique opportunity to identify homebuyer counseling best practices and mortgage qualification barriers. To our knowledge, no other housing finance agency offers either type of program.

Emerging Markets Homeownership Initiative (EMHI)

To effectively address the homeownership gap, we know we can't do it alone. With the support of the governor, our agency convened lenders, government partners, real estate professionals, community groups, housing educators and counselors, non-profit housing providers and housing advocates under the Emerging Markets Homeownership Initiative (EMHI). The primary goal of the initiative was to create a business plan to increase homeownership opportunities for households of color or Hispanic ethnicity in Minnesota.

The EMHI Business Plan included strategies employed within our business structure. We expanded and tailored our outreach by creating customized and targeted marketing materials and campaigns, restructured our mortgage loan programs and downpayment assistance options, and developed processes and lender support that supported these populations. Nearly ten years after its inception, the strategies outlined in the EMHI Business Plan have simply become the way we do business.

Income Calculation Changes for Loan Programs

Historically, we had defined household income very conservatively and required the inclusion of the income of all household members, even those not on the mortgage. Lenders felt this income calculation hurt households of color and Hispanic ethnicity since they are more likely to have multiple generations living together or have temporary household members. The more adults in the household, the less likely they were to qualify for a Minnesota Housing program, even if individual incomes were low. In immigrant communities, additional household members were either fearful of providing employment information, or didn't understand why this information was needed, due to language and cultural barriers.

In response to this feedback, we researched how we could adjust our program income calculation guidelines within the requirements of the tax code. Program guidelines now only require the income of the mortgagors or spouses of mortgagors. The income of minors, temporary household members or extended families is no longer counted. Lenders responded positively to this change and feel it no longer penalizes households who happen to have additional non-mortgagors.

Downpayment Assistance

Our borrowers have access to three downpayment and closing cost (DPA) loans and can get up to \$10,000 in a zero-interest, deferred loan, with 50% forgiven after six years, deferred Payment Loan or a Monthly Payment Loan – up to 5% of the purchase price; no maximum amount. Eighty-nine percent of households of color or Hispanic ethnicity receive DPA. Therefore, availability of DPA is a key factor in accessing homeownership for these populations who often lack deep savings or family members with the means to contribute towards a downpayment.

At the same time, purchase prices began to rise and the market shifted to a seller's market. With increased purchase prices, borrowers needed larger downpayments, and fewer sellers were willing to pay closing costs. Buyers needed access to higher amounts of assistance.

The two changes resulted in more households of color or Hispanic ethnicity using the Deferred Payment Loan. Prior to March 31, 2014, only nine percent of our targeted households were using the Deferred Payment Loan, compared with 48 percent who opted for the interest-bearing Monthly Payment Loan. From April 1, 2014, when the changes occurred, to the present, 38 percent of households of color or Hispanic ethnicity now use the Deferred Payment Loan.

Despite an extremely temperamental and tight housing market over the past several years, Minnesota Housing has been able to close loans for 40-50 per month for households of color or Hispanic ethnicity, anywhere between 22% to 32% each month overall. Not only have our outreach and education methods helped us to sustain connections in those communities, that same work also strengthened our lending and real estate partner relationships, through the work we did to help them become better housing professionals in a growth market.

Exhibit 1

Pagos iniciales y gastos de cierres

Requisitos y opciones para todos los pagos iniciales/gastos de cierre:

- Prestatario deberá contribuir \$1,000 o 1% del precio de compra, cualquiera que sea menor.
- Prestatario podrá recibir solo una vez la asistencia de Minnesota Housing para los gastos de cierre y pagos iniciales. Los préstamos podrán ser combinados con otros Community Seconds, que no sean de Minnesota Housing.

Siguiente paso:

- Visita la página de internet www.mnhousing.gov para encontrar un prestamista cercano a tu domicilio.
- Asiste al taller de educación para primeros compradores, puede ser requerido por algunos programas. Para encontrar un curso cercano puedes contactar a Minnesota Home Ownership Center en la página www.hocmn.org.



Para obtener más información sobre los programas de Minnesota Housing ver:

Start Up *Préstamos para primeros compradores*

Step Up *Préstamos para personas que ya han comprado casa anteriormente*

Fix Up *Préstamos para mejorar o reparar su casa*

Minnesota Housing ofrece

financiamientos de vivienda para hogares de bajos y moderados ingresos fortaleciendo y apoyando a todas las comunidades.



¿Está listo para ser dueño de su propia casa?

Te podemos ayudar.



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www.mnhousing.gov



Follow us on Facebook and Twitter at @mnhousing.



05.13.2014

Start Up *Préstamos para primeros compradores*



Start Up *Préstamos para primeros compradores*

Minnesota Housing ha estado ayudando a primeros compradores a financiar sus casas por más de 40 años. Estamos asociados con una red nacional de prestamistas aprobados para ofrecer préstamos para casa.

Porque elegir Minnesota Housing?

- Tasa de interés competitiva
- Préstamos para pagos iniciales y gastos de cierre para personas elegibles
- Asociación con una red nacional de prestamistas con experiencia

Para ser elegible usted deberá:

- Ser primer comprador (o no haber sido dueño de casa por los últimos 3 años)
- Tener un puntaje de crédito de un mínimo de 640
- Cumplir con los requerimientos del programa estar en los límites de ingresos y límites de compra
- Calificar para los programas de préstamo de FHA, FHA streamlined, 203k, Rd, VA, Convencional Fannie Mae, HFA preferred, o Convencional Fannie Mae, HFA Preferred Risk Sharing



Límite de ingresos por familia*			
Miembros de familia	Area metro de 11 condados	Rochester MSA	Balance del estado
1-2 personas	\$82,900	\$81,300	\$73,900
3 personas +	\$95,335	\$93,495	\$84,985

*Sujeto a cambios

Límite de Compra		
Localidad de la Propiedad	Area metro de 11 condados	Balance del estado
	\$310,000	\$265,000

Tasa de Interés

Minnesota Housing ofrece tasas de interés competitivas para nuestros programas de préstamo. Tasas de interés actuales las puede encontrar en www.mnhousing.gov, están sujetas a cambios.



Visita la página de internet www.mnhousing.gov para encontrar un prestamista cercano a tu domicilio.

Pagos iniciales y gastos de cierre

Los prestatarios elegibles por el programa Start Up primeros compradores, tienen tres opciones de programas para pagos iniciales y gastos de cierre de Minnesota Housing.

Características clave	Pagos mensuales del préstamo	Pagos diferidos del préstamo	HOME HELP ayuda para el préstamo
<i>Total del préstamo</i>	Arriba del 5% del precio de compra o \$5,000, de acuerdo al más alto	Arriba del 5% del precio de compra o \$5,000, de acuerdo al más alto (máximo \$7,500)	Arriba de \$10,000 (Cálculación disponibles en la página de internet)
<i>Termino del préstamo</i>	10 años	Igual al término del primer préstamo	Igual al término del primer préstamo
<i>Reembolso</i>	Pago total del préstamo con pagos mensuales	Pago referido, reembolso después del pago del primer préstamo	Pago referido, 50% del préstamo es liquidado después de vivir en la propiedad por 6 años. 50% reembolsado después del pago total del préstamo.
<i>Tasa de interés</i>	Igual al primero préstamo	No intereses	No intereses
<i>Límites de ingresos</i>	Pagos mensuales del préstamo límite de ingresos	Pagos referidos del préstamo límites de ingresos	HOME HELP Límite de ingresos
<i>Publicación del cierre límite de activos líquidos</i>	No	\$8,000 o 8 meses de PITI, de acuerdo al monto más elevado	\$8,000 o 8 meses de PITI, de acuerdo al más elevado

Exhibit 2



¿Estás listo para ser dueño de casa?

¡Te podemos ayudar! Si estas comprando casa por primera vez *(o si no has sido dueño de casa en los últimos tres años o más)* te podemos ayudar a que no tengas que pagar más renta y encontrar un préstamo con pagos comparables a los que pagas actualmente en renta.

Como una agencia del estado, Minnesota Housing trabaja con una red de bancos que cubren todo el estado de Minnesota para poder ofrecer prestamos de casa, asistencia para los costos de cierre y enganches con intereses fijos para todos los residentes de Minnesota.

- Pagos mensuales razonables • Interes bajo
- Prestamos para asistencia con el enganche y costos de cierre



Visite nuestra página en el web para encontrar un banco cerca a usted en www.mnhousing.gov.



800.710.8871
651.296.8215
www.mnhousing.gov



Are you ready to become a homeowner?

We can help! If you're a first-time homebuyer *(or if you haven't owned a home in three years or more)* we can help you stop paying rent and find a loan with a monthly payment that's right for you.

As a state agency, Minnesota Housing works with a network of lenders across the state to offer affordable fixed-rate home mortgage loans and downpayment loans to Minnesota residents.



- Affordable monthly payments • Low interest rates
- Downpayment loans

Visit our website to find a participating lender near you at www.mnhousing.gov.



800.710.8871
651.296.8215
www.mnhousing.gov



Exhibit 3



¡Tenemos el financiamiento que usted **necesita!**

Minnesota Housing es un recurso confiable y accesible para ser dueño de su propia vivienda. Ofrecemos ayuda con gastos de cierre, pagos mensuales accesibles y bajas tasas de interés que hará su sueño de tener su propia casa una realidad. **¡Si de hogares se trata, nosotros lo apoyamos!**

Comuníquese con nuestros representantes, para empezar el proceso.



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