

Home Buyer Assistance Deferred Loan
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1. **Interest Rate:** 0 %
2. **Amortization Type:** Deferred
3. **Loan Amount:** Up to \$5,000
4. **Term:** 10 years. If the borrower sells, transfers title or no longer occupies the property as their primary residence within 10 years of loan closing, 100% of the loan is due. If the borrower owns and occupies the property for 10 years, the loan is 100% forgiven.
5. **Eligible Properties:** 1-4 unit residential properties that are located with the geographical boundaries of the Columbia Park neighborhood. Townhomes, Condominiums and properties held in the name of a Trust are permitted.
6. **Ineligible Properties:** Ineligible properties include: Properties that are more than 4 units, Cooperatives, manufactured homes, new construction and properties used for commercial purposes.
7. **Eligible Borrowers:** All borrowers must be legally residing in the United States and may include: U.S. Citizens, Permanent Resident Aliens and Non-Permanent Aliens
8. **Ineligible Borrowers:** Ineligible borrowers include: Non-occupant co-borrowers, business entities, properties being purchased on a contract-for-deed, foreign nationals and borrowers without a Social Security Number.
9. **Ownership / Occupancy:** Owner Occupied only.
10. **Loan-to-Value:** Up to 110%
11. **Income Limit:** Loan applicants must have an adjusted gross income from the most recent tax return of less than 100% of HUD median income based on a household size. If a tax return is not required or filed the income will be determined by projected income for the next 12 months. This figure will be adjusted periodically to reflect the most current HUD income guidelines.
12. **Debt-to-Income Ratio:** N/A
13. **Multiple Loans per Property / Borrower:** Borrowers may only obtain one purchase assistance deferred loan from this program. If ownership changes, the new owner is eligible. If a previous recipient purchases a new qualifying home, they would be eligible again at that new property.
14. **Eligible Improvements:** These funds may only be used for down-payment or closing cost requirements related to the purchase of the property.

15. **Ineligible Improvements:** N/A
16. **Sweat Equity / Homeowner Labor:** N/A
17. **Property Inspection:** Not Required.
18. **Post Installation:** N/A
19. **Contract / Permits:** N/A
20. **Bids:** N/A
21. **Work Completion:** N/A
22. **Underwriting:** Funds may be used toward the down-payment or closing costs required for the purchase of the home. Amount and approval of loan will be determined based on the 1st mortgage approval. In order to determine eligibility, CEE requires the following documentation:
 - 1) A CEE application
 - 2) A copy of the Purchase Agreement
 - 3) A copy of the Appraisal or determination of value
 - 4) A copy of the Title Commitment
 - 5) A copy of the 1st mortgage pre-approval/commitment letter
 - 6) A copy of the 1st mortgage preliminary Loan Estimate or Closing Disclosure
23. **Disbursement of Funds:** Funds will be disbursed to the Closing Agent, for the Benefit of the Borrower, in coordination with the purchase closing.
24. **Loan Servicing:** Community Reinvestment Fund (CRF)
25. **Loan Costs:** Borrowers will pay all mortgage filing fees and related closing costs. These fees must be paid at closing-they cannot be financed into the loan amount.
26. **Loan Security:** All loans will be secured by a Mortgage in the name of the City of Minneapolis.