



4801 WEST 50TH STREET
EDINA, MINNESOTA 55424
952-826-0462
FAX: 952-826-0389

FIRST GENERATION HOMEBUYER PROGRAM

Program Outline :

- Provide \$15,000 in addition to the Come Home 2 Edina 2nd Mortgage.
- 0% interest
- \$1,000 forgiven each year; fully forgiven after 15-years.
- Secured by 3rd Mortgage.
- Establish First Generation homebuyer through execution of affidavit
- Income and home purchase price limits remain the same as the CH2E program

Funding: Edina Housing Foundation proceeds.

Purpose: To provide assistance to first generation homebuyers looking for affordable homeownership options in Edina.

Maximum Loan Amount :

1. A maximum 25% of the purchase price, not to exceed \$60,000. The loan will be sized assuming the borrower contributes at least 25% of gross monthly qualifying income toward monthly payments for PITI, association dues, and/or land trust fees before Edina Housing Foundation's assistance can be used.
2. An additional \$15,000 in down payment assistance to be provided as a forgivable loan.

Term: Identical to the term of the 1st mortgage loan (No FHA).

CHOOSE EITHER (for basic Come Home 2 Edina program)

1. **Interest Option:** Same interest rate as the first mortgage or 5% whichever is less.
2. **Shared Appreciation Option:** All payments deferred - Upon sale of the home, a refinance with cash out, or maturity of the first mortgage loan, the borrower will pay the principal balance plus an amount equal to the appreciated value of the home multiplied by a percentage of the loan to appraisal at the time of purchase (never to exceed an amount equal to 5% per year accrued simple interest).

Payments:

1. **Interest Option** - Monthly payments of interest only. Principal due upon sale, refinance with cash out, or maturity of the 1st mortgage.
2. **Shared Appreciation Option** - Deferred until sale, refinance with cash out, or maturity of 1st mortgage loan. Payment includes the principal loan amount plus a share of the appreciation (never more than if you had paid 5% simple interest per year).

Security: The Come Home 2 Edina will be secured by a subordinate mortgage on the property.

The \$15,000 First Generation Forgivable Loan will be secured by a loan subordinate to the Come Home 2 Edina loan.

Assumability: The subordinate loan is assumable with the approval of the East Edina Housing Foundation.

Purchase Price: Not more than \$500,000.

Downpayment: Borrower shall pay not less than \$1,000 towards down payment, closing costs and/or prepaid expenses.

Income Eligibility

<u>Household Size</u>	<u>Household Income Level* (as of 7/1/20)</u>
1 - 2 persons	\$103,400
3+persons	\$118,900

*Same as MHFA Start-Up Program for 11-country metro area (subject to change)

Asset Eligibility:

1. For borrowers younger than age 50-years, household assets shall not be more than \$50,000 after closing, excluding retirement accounts (i.e. 401(k), 503(b), IRA, SEP, etc.).
2. For borrowers aged 50-years and older, house household assets shall not be more than \$100,000 after closing, excluding retirement accounts (i.e. 401(k), 503(b), IRA, SEP, etc.).
3. For all age groups, aggregate retirement accounts shall not be more that \$1-million.