

# **HUTCHINSON HRA ENTRY COST ASSISTANCE PROGRAM GENERAL CRITERIA**

The Hutchinson HRA Entry Assistance Program was created in 1998 to provide secondary funds to a homebuyer who qualifies for a mortgage. Funds are structured as a secondary, interest free deferred loan due upon sale or when the borrower no longer occupies the property and can be used for a down payment or closing costs.

The following are general criteria the Hutchinson HRA Entry Assistance Program Loan Review Committee uses for determining eligibility for a secondary mortgage:

1. The home to be purchased must be located within the City of Hutchinson.
2. Buyers total gross household income cannot exceed CASA Income Limits.
3. The maximum purchase price is the current MHFA Workforce CASA limit of \$190,000.
4. The homebuyer must contribute \$1000, including prepaids, for the purchase of the home.
5. The HRA entry cost assistance can not exceed \$3,000 per homebuyer or \$5,000 per homebuyer for an HRA project house.
6. Mortgage Structure: Interest free deferred loan due upon sale, when the borrower no longer occupies the property, or when the first mortgage is paid off.
7. An administration fee of \$350 will be due at closing, payable to the Hutchinson HRA.
8. The buyer must attend and receive certification through the Minnesota Housing Finance Agency Home Stretch First time Homebuyer Curriculum.
9. Available for CASA loans, MHFA Affordable Advantage loans and loans to purchase HRA owned houses.
10. Non-occupant co-borrowers are not allowed on first or second mortgage loans. All Borrowers must occupy the property as their primary residency.
11. Liquid asset limit of \$5,000.

These criteria were established to provide a consistent point of reference for lenders, realtors and homebuyers when considering accessing Hutchinson HRA Entry Assistance Program funds. In special circumstances, the Hutchinson HRA Entry Assistance Program Loan Review Committee reserves the right to make loans outside the general boundaries established above.