

Hutchinson Workforce Housing Initiative First-time Homebuyer Funds Factsheet

Hutchinson Workforce Housing Initiative, first-time homebuyer funds are structured as interest free, deferred loans due in 30 years, upon sale, when the borrower no longer occupies the property, or when the first mortgage is paid off, whichever occurs first.

Funding will be awarded on a first come first serve basis. The homebuyer's lender (must be a Minnesota Housing Participating Lender) will need to submit the complete application packet to Hutchinson HRA to reserve the funds.

Funding is need based up to a maximum of \$25,000 Minnesota Housing (MH) IMPACT Gap funds and \$15,000 HRA Entry Cost Assistance. If eligible must use MH MPL and/or DPL first (Lender will determine eligibility).

Eligibility Criteria:

1. Must use a Participating Builder.
2. Must be a First-time Homebuyer (may not have had an ownership interest in a Principal Residence at any time during the three year period ending on the date of execution of the mortgage. This requirement applies to any person who will execute the note and will have a present ownership interest in the financed property)
3. Must qualify for a first mortgage, such as a MH Start Up Mortgage or RD Mortgage.
4. Must purchase a home in a target development: Summerset (lots available)
5. Household Income Limits:
 - a. MH IMPACT Gap Loan & HRA Entry Cost Assistance
\$101,900
 - b. MH Monthly Payment Loan (MPL)
1-2 person household \$88,600 & 3+ person \$101,800
 - c. MH Deferred Payment Loan (DPL)
1-2 person household \$64,000; 3 person \$72,000 & 4 person \$80,000
6. Purchase Price Limits:
 - a. HRA approved Split Entry up to \$225,000
 - b. HRA approved Patio Home up to \$220,000
7. Homebuyer must contribute the lesser of \$1,000 or 1% of purchase price.
8. At least one borrower must take Homebuyer Education.
9. All Borrowers must occupy the property as their primary residence.
10. An administration fee of \$500 will be due at closing, payable to the Hutchinson HRA.

