

## **Hutchinson Workforce New Construction Housing Initiative Homebuyer Gap Funds Factsheet**

Hutchinson Workforce Housing New Construction Initiative, homebuyer gap 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 qualify for a first mortgage, such as a MH Start Up or MH Step Up Mortgage or a RD Mortgage.
3. Must purchase a home in a target development: Summerset (lots available)
4. 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
5. Purchase Price Limits:
  - a. HRA approved Split Entry up to \$225,000
  - b. HRA approved Patio Home up to \$220,000
6. Homebuyer must contribute the lesser of \$1,000 or 1% of purchase price.
7. If a first-time homebuyer, at least one borrower must take Homebuyer Education.
8. All Borrowers must occupy the property as their primary residence.
9. An administration fee of \$500 will be due at closing, payable to the Hutchinson HRA.



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