



Community Keys Plus with MHFA Impact - Down Payment Assistance Program Guidelines

Updated 05/11/2022

Program Overview: This program is designed to provide a key to help more people afford to buy their own home in selected census tracts in the five-county metro: Hennepin, Ramsey, Washington, Dakota, Anoka.

Loan Amount: Community Keys Plus provides up to \$20,000 in Down Payment and Closing Cost Assistance in two loans (\$10,000 each). Borrowers may be eligible for both loans based on income limits. The two loans must be used in equal amounts. One loan is from NeighborWorks Home Partners and the other loan is from Minnesota Housing Finance Agency.

Eligible Use of Funds: Funds will be used for down payment and closing costs (does not include points or appraisal shortages). Community Keys Plus funds may be layered with other Down Payment Assistance Programs. Funds are available on a first come/first serviced basis with a fully signed purchase agreement.

- MHFA Impact funds can cover the 3.5% FHA requirement.
- The NeighborWorks Home Partners loan is not eligible for the FHA down payment.
- Please note the required minimum investment of \$1,000 or 1% of the purchase price from their own verifiable funds.

Interest Rate & Deferred Loan Term: The loans have no monthly payments and do not accrue interest. It is paid back when you sell the home, transfer title, or no longer live in the home.

Loan Security: The loan will be secured by two mortgages – one in favor of Minnesota Housing Finance Agency and one in favor of NeighborWorks Home Partners.

Applicant Eligibility:

- Community Keys Plus- qualified buyers must have an annual household income that is at or below 80% of the area median income (AMI) based on the number of occupants planning on moving in at closing. [2022 AMI Chart.pdf](#) | [Powered by Box](#)
- MHFA Impact Qualified buyers – must have an annual household income that does not exceed \$94,600 for all household sizes.
- Buyers must have a minimum cash investment of \$1,000 or 1% of the purchase price from their own verifiable funds. Gift funds, grants, or loans are not acceptable.
- Buyers must have a need for the funds based on a house payment to income ratio at or above 25% after all down payment funds have been applied.

- Homebuyer Education: Buyers are also required to take 8 hours of homebuyer education from an approved provider or Framework (on demand recording) + a 1 hour pre-purchase advising appointment from an approved provider. Homebuyer education must be completed prior to closing.
- If buying a duplex, triplex, or four-plex, buyers will also need to complete Landlord Education prior to closing.
- Buyers must homestead and occupy the property as their primary residence for the life of the loans.
- Review of a credit report and debt to income is not required to obtain this loan.
- Liquid asset limit is not to exceed \$25,000 after closing.

Property Eligibility: Home must be located in selected census tracts within the five-county metro – Ramsey, Hennepin, Anoka, Washington, Dakota. Please call NWHP to confirm property eligibility at 612-292-8710.

Application Process: You must have a fully executed purchase agreement for an eligible property before applying for funds. Your loan officer will submit your application for you. Please allow 30 days to close from the time the complete application is submitted. Lender Package/Timeline are available here: <https://nwhomepartners.org/get-ready-help-for-homebuyers/down-payment-help/lender-forms-and-information/>

Disbursement Process: If the application meets the program guidelines, the loan funds will be wired to the Title Company from NeighborWorks Home Partners. The buyer will sign the loan documents at the first mortgage loan closing.

We appreciate your cooperation and welcome your questions.

Thank you,

NeighborWorks Home Partners Lending Team

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651-292-8710