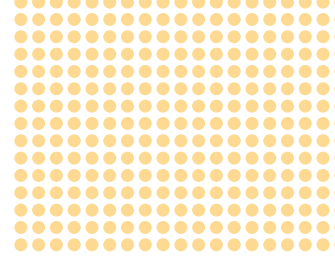


Frequently Asked Questions for Down Payment Assistance Loans



1. Do Lenders need to be approved or sign a Lender Agreement form?

No, lenders do not need to be approved. However, we do need cooperation to gather documents from lenders. The application and initial documents are needed 4 weeks prior to the closing. We also need all requested documents at least 6 business days prior to closing, and first mortgage final clear to close (CTC) and final Closing Disclosure (CD) at least 2 business days prior to close.

2. Are the down payment assistance (DPA) funds a grant or a loan?

All down payment assistance (DPA) programs are secured loans that are recorded as a mortgage on the property.

3. What can the DPA funds be used for?

The DPA funds can be used for down payment assistance and closing fees (excluding fees associated with the down payment loan). They also cannot be used for Mortgage Insurance (MI) upfront fees, premiums, or MI buydowns.

4. Where can I find the full program guidelines?

All DPA program guidelines are posted on our website. Select the DPA program you are interested in and scroll down until you see the header “Documents” — there you can find the program guidelines along with a sample note and mortgage for the program.

5. What is the application and approval process for the DPA?

The approval process typically takes about 3 weeks, depending on the volume of applications and when the documents are received, and typically 1 week to prepare and coordinate the closing. Therefore, we ask for applications **to be submitted 4 weeks before closing**.

The first step is to apply online (<https://application.mncee.org/>) and select Down Payment Assistance as the purpose of the application. Once the DPA application is submitted, we need the following documents to verify initial eligibility.

- Signed Purchase Agreement
- Mortgage Loan Estimate
- Verification for all household income and household size (usually previous year’s Federal Tax returns, but some programs also require paystubs and W2)

Once we verify initial eligibility, we send the DPA Loan Estimate and reserve the funds. We will send the borrower and lender a full list of other items needed to request full approval. We need all items at least one week before closing

6. Who handles the DPA disclosures?

CEE will handle all disclosures and final document preparation.

7. How does closing work? And who provides the DPA funds at the closing table?

The buyer has the option to shop for the DPA closing agent. Typically, it is easiest to close the DPA alongside the first mortgage with the same title company. In this case, we mail the DPA check and email the closing documents to the title company. If the title company charges additional fees to close the DPA, the borrower may select a different closing agent. In some instances, the borrower may choose to close the DPA with CEE if possible. In this case the borrower will bring the DPA check to the main closing with them.

Please note, the DPA requires full approval from a first mortgage lender. We only release our final closing documents when we have clear to close and final CD from the first mortgage lender.

8. Are there any fees associated with the DPA?

There is a \$46 recording fee. The DPA is exempt from Mortgage Registration Tax and Conservation fees. If closing with a title company, they may charge additional fees.

9. Do all applicants need to be first-time home buyers?

Yes. We follow HUD’s definition for a first-time homebuyer. Applicants must not have owned a property within the past 3 years to qualify as a first-time homebuyer. If an applicant recently divorced and had ownership rights during their marriage, we need to see a divorce decree specifying that they no longer have ownership rights to the property. For more information, [click here](#).

10. What first lien mortgage programs can this assistance be paired with?

(Fannie, Freddie, FHA, VA, USDA) — All mortgages must be fixed rate and term.

11. Can a DPA be used with an FHA 203(k) renovation mortgage?

We would need to see a mortgage Loan Estimate to verify, fixed rate and term only.

12. Are there any deed restriction provisions such as resale or affordability period restrictions set out in the deed, covenants, or any originating document?

None.

13. Can the DPA’s be utilized by a Wholesale Lender/Broker.

Yes, if the lender selected can approve the first mortgage with the DPA added.

14. Are there any requirements for whom the loan is sold to?

The servicer for the DPA loan is preselected by the city. There are no requirements for whom the first mortgage is sold to for servicing.

15. Will the DPA loan take third lien position?

Most DPA’s will take third lien position. However, St. Louis Park and Roseville require their loan to be in second lien position.

16. What is the Entity Taxpayer Identification Number (EIN #)

It is different for each DPA since they are funded by different cities. Below are the EIN numbers for specific cities:

City	EIN Number
Anoka	41-6004936
Blaine	41-6008302
Brooklyn Center	41-6005011
Brooklyn Park	41-6008804
Coon Rapids	41-6008573
Fridley	41-1744991
Minneapolis	41-6005375
Minnetonka	41-6005379
Roseville (REDA EIN)	82-3187431
St. Louis Park	41-6005519
St. Louis Park FG	41-6005519