



Minneapolis Advantage Program **Frequently Asked Questions** **(Program start date April 2, 2009)**

What is the *Minneapolis Advantage Program*?

The *Minneapolis Advantage* program is a downpayment and closing cost assistance program to help rebuild the housing market in key neighborhoods that have experienced high levels of mortgage foreclosures. The program was developed in response to the City's "Five Point Strategy" which is designed to address the rising levels of foreclosures in various neighborhoods throughout the city.

(See www.ci.minneapolis.mn.us/foreclosure/docs/5PSSummary.pdf for more information about the Five Point Strategy.)

Minneapolis Advantage offers a \$10,000 zero-percent interest loan that is forgiven over five years. The loan is available to qualified homebuyers purchasing an eligible home in which they will live in an approved neighborhood.

Do I have to attend a class to participate?

All buyers must attend a Home Stretch homebuyer educational workshop before they close on their home purchase. You can call 651-659-9336 or visit www.hocmn.org to be referred to a class location near you.

Who can qualify for the *Minneapolis Advantage* loan?

Anyone who is buying in a neighborhood that has been approved by the City, who qualifies for and is receiving a traditional (prime or A-rated) fixed-rate first mortgage loan or is purchasing using cash, and meets the income limit.

What is the interest rate?

The *Minneapolis Advantage* loan is offered at zero percent interest, it has no monthly payments, and it is forgiven at the end of five years assuming you continue to occupy the home as your permanent and primary place of residence.

Do I have to be below a certain income to qualify?

The program is divided up into two parts. The first part is finance with funds received from the Federal Home Loan Bank ("FHLB") and it has a maximum income limit of 80% of the area median. The second part is funded by local funds ("Local") and it has a limit of 120% of the area median.

Do I have to purchase in a target area to get the loan?

The FHLB part has 22 neighborhoods and the Local part has 25 neighborhoods. See Exhibit A for a list of the neighborhoods for each part.

(Additional conditions apply – see "Can I buy a house anywhere I want" below.)

Do I have to be a first-time homebuyer?

No, you do not have to be a first-time homebuyer.

What can I pay for with the assistance money?

The money can be applied toward closing costs or down payment. The Local funds may also be used to be applied toward repairs to the home. All the funds must be used for these costs. The borrower may not walk away from the closing with any of this money.

How much assistance can I receive?

The maximum amount of assistance is \$10,000.

Do I have to repay the assistance?

The assistance is forgiven over five years at a rate of 1/60 of the loan per month. On the fifth anniversary the loan is no longer repayable. If you sell any time before the fifth anniversary the portion of the loan that has not yet been forgiven must be repaid.

Can I buy a house anywhere I want?

You can purchase any single family dwelling or a duplex within a neighborhood that has been identified by the City (see Exhibit A attached for a list of eligible neighborhoods) subject to the following conditions:

FHLB: The property to be purchased must be either a single-family detached home or a duplex that is in a foreclosed status, or was a foreclosed property that has been purchased by a non-profit for the purpose of selling it to an owner-occupant.

Local: The property must meet the above conditions or it must be on the City's vacant and boarded list or the home must have been in a vacant status at least 30 days prior to signing the purchase agreement.

To view the list of boarded and vacant homes, please visit the website at <http://www.ci.minneapolis.mn.us/Inspections/docs/ch249online.pdf>.

Contact your realtor to locate foreclosed properties that are available for purchase.

Can I rent the home out?

The program requires the house to be owner-occupied. If you buy a duplex, you must occupy one of the two units, but the other unit may be rented out.

What if I want to buy a townhouse or condominium?

No, the program may not be used to buy a townhouse or condominium.

Can I use mortgage funds to rehabilitate the house?

Yes, the program funds can be applied toward the cost of repairs you are completing as part of your purchase transaction.

Do I have to live in the house for a specific number of years before I can sell it?

See "Do I have to repay the assistance" above.

How do I apply for a *Minneapolis Advantage* loan?

Loans will be given on a first come-first served basis. The lender you use for your primary mortgage must contact **Greater Metropolitan Housing Corporation** at the numbers indicated below to apply for the loan on your behalf.

For properties in north Minneapolis please 612-588-3033.

For properties in south and northeast Minneapolis please call 612-378-7985.

(The explanations in this FAQ are subject to the terms of the actual guidelines.)

Exhibit A

**Minneapolis Advantage Program
Eligible Neighborhoods
2009**

Neighborhood	FHLB Funded \$1,500,000	Locally Funded \$500,000
Corcoran		X
Bottineau		X
Regina		X
Victory		X
Bryant	X	X
Sheridan	X	X
Lind-Bohanon	X	X
Ventura Village	X	X
Whittier	X	X
Audubon Park	X	X
Holland	X	X
Phillips West	X	X
Cleveland	X	X
Mckinley	X	X
Harrison	X	X
Powderhorn Park	X	X
Webber-Camden	X	X
Midtown Phillips	X	X
Folwell	X	X
Near North	X	X
Central	X	X
Willard-Hay	X	X
Jordan	X	X
Hawthorne	X	X
East Phillips	X	X
Beltrami	X	