



**HOME
Foreclosure Partnership Program (FPP)
PROGRAM SUMMARY**

Background

The HOME Investment Partnership Program is a federal program funded by the U.S. Department of Housing and Urban Development (HUD). The purpose of the HOME Program is to create affordable housing. Using HOME funds, Hennepin County has created the **Foreclosure Partnership Program (FPP)** to help with neighborhood stabilization by creating a balance for the Neighborhood Stabilization Program (NSP).

Use of Funds

To assist with neighborhood stabilization, FPP provides financial assistance for low income households to become homeowners. Hennepin County will provide FPP financing to assist buyers purchasing non-foreclosed properties in a target areas. The target areas are various census tracts and block groups located **within** the cities **Brooklyn Park, Brooklyn Center, Champlin, Crystal, New Hope, Maple Grove, and Robbinsdale, Rogers/Hassen Township and Richfield.**

Eligible Borrowers

Households at or below 80 percent of the area median income (AMI) established by HUD and adjusted for household size listed below.

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
80% limit	45,100	51,550	58,000	64,400	69,600	74,750	79,900	85,050

Borrowers must qualify for an eligible first mortgage. Borrowers cannot have an ownership interest in another property in the Twin Cities Metro area at the time they sign a purchase agreement.

Eligible Properties

- Single family housing (detached, townhomes, condos) to be occupied as a principal place of residence; and
- NOT foreclosed; and
- NOT currently rental; and
- Purchase price at or below \$200,000

Eligible Primary Financing

Primary financing must be a prime, fixed rate first mortgage loan.

The Loan

The maximum **“Incentive”** assistance is \$10,000. In addition to the incentive, households may qualify for **“Affordability”** assistance of up to an additional \$20,000. The loan and requirements will be secured by a Mortgage, Promissory Note and Declaration of Covenants and Restrictions.

Loan Terms

The assistance will be in the form of a forgivable, deferred (no monthly payments), zero percent interest loan with a term of five or ten years depending upon how much assistance is provided to the Borrower. During the loan term, the loan must be paid back if the property is no longer owner occupied or when the property is transferred, sold or refinanced.

Housing Counseling

Borrowers must attend a Home Stretch homeownership classes provide by a homeownership counseling agency. Eligible classes can be found at www.hocmn.org.

PROGRAM QUICK LOOK

Eligible Primary/First Mortgage Loan Products	Prime, Fixed Rate (HUD, VA, Conventional)
Maximum Borrower Income	80% of HUD Area Median Income (AMI)
Maximum Housing Ratio	30%
Minimum Borrower Investment	Greater of ½ of the required downpayment or \$1,000.
Eligible Property	Non- foreclosed in a target area that is currently not rental property.
Loan Rate and Term	0% Deferred, Forgivable Assistance up to \$14,999 has a five (5) year term Assistance of \$15,000 to \$30,000 has a ten (10) year term
Minimum Loan Amount	\$1,000
Maximum "Incentive" Assistance	\$10,000
Maximum "Homebuyer Gap" Assistance for households at or below 80% of AMI	Up to additional \$20,000 to ensure affordability/housing ratio of 30%.
Borrower Occupancy Requirement	Borrowers must owner occupy the assisted property as their principal place of residence.
Borrower Homebuyer Education Requirement	Borrowers must attend "Home Stretch" classes.
First Time Homebuyer Requirement	No; cannot have an ownership interest in another property at the time of signing the purchase agreement.

More information on the program is available on the Hennepin County website at www.hennepin.mn.us/hba. For questions, call **612-543-0046** or e-mail hbamail@co.hennepin.mn.us.

