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DOWN PAYMENT ASSISTANCE SYNOPSIS

Multi Counties, MN

FHLB Des Moines/Greater Minnesota Housing Fund Foreclosure Downpayment Assistance Pool Program (FDAP)

Tracking Code: Retail/Wholesale – DMNGMHFFD

A. GENERAL INFORMATION

PURPOSE	Refer to Detail Page.
PROGRAM EXPIRATION	07/27/2011 (SPA's program approval expiration)
CONTACTS	Refer to Detail Page.
* ELIGIBLE FIRST MORTGAGE PROGRAMS	FHA Conv Home Opportunities sm Program VA Renovation Loan Programs * RD Minnesota (MHFA) MRB Program. Refer to the MRB synopsis for program details. CDMP (certified HMCs only) Fixed rate (reasonable).
FIRST MORTGAGE RESTRICTIONS	No requirements.
LENDER AGREEMENT/FEEES/TRAINING REQUIRED	

B. BORROWER REQUIREMENT

FIRST-TIME HOMEBUYER	No; however Borrower may not own any other real estate/property.
INCOME ELIGIBILITY	Yes. Refer to Detail Page.
FDAP MINIMUM INVESTMENT	Yes. Refer to Detail Page.
HOMEBUYER EDUCATION	Yes. Refer to Detail Page.

C. PROPERTY REQUIREMENT

PROPERTY LOCATION	Refer to Detail Page.
MAXIMUM PURCHASE PRICE	None stated.
ELIGIBLE PROPERTIES	1-4unit SFR, Owner Occupied, Existing/New Construction. Must be a short sale, deed in lieu of foreclosure, or a foreclosed property

D. FDAP TERMS

ASSISTANCE AMOUNT	\$10, 000 or \$15,000; based on property location.
ACCEPTABLE USE OF FUNDS	Downpayment, additional downpayment, and closing costs.
INTEREST RATE	No interest.
TERM	5 years.
PAYMENTS	None.
FORGIVEN	Yes, 1/60 th per month.
AFFORDABILITY PERIOD	None.
PREPAYMENT PENALTY	None.
SHARED APPRECIATION	None.
RESALE RESTRICTIONS	None.
DEFAULT	Sale, transfer, vacate property, or refinance.

E. PROCESSING / CLOSING

FDAP APPLICATION	Application taken by Administrators. Refer to Detail Page.
FDAP APPROVAL	Refer to Detail Page.
FDAP DOCUMENTS	Prepared by Administrators on behalf of the Authority.
FDAP FUNDS	Provided by Authority.
FDAP CLOSING	Refer to Detail Page.
FDAP SERVICING	Serviced by Authority.
EXHIBITS / USAGE	Refer to Detail Page.

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A. GENERAL INFORMATION

PURPOSE

The Federal Home Loan Bank of Des Moines (hereinafter called FHLBDM) has allocated AHP funds to the Greater Minnesota Housing Fund (hereinafter called Authority) to assist Borrowers purchase foreclosed properties under their "Foreclosure Downpayment Assistance Pool Program" (hereinafter called FDAP). The assistance is in the form of a no-interest, no-payment, 5-year forgivable loan secured by a subordinated or junior lien placed on the purchased property after the first mortgage is recorded. The Authority has four Sponsors (hereinafter called Administrators) who will administer the program on their behalf.

WFHM must use the more restrictive guidelines of the first mortgage loan program or the FDAP program if both programs have limits.

CONTACTS

If an issue is not addressed in this synopsis, please contact Special Programs Administration.

Special Programs Administration (SPA)

Refer to "SPA Contacts" on the SPA Website for the current phone numbers and address.

Federal Home Loan Bank of Des Moines (FHLBDM) – lender/donor

EIN: 42-6000149

Greater Minnesota Housing Fund (Authority)

Contact: Nancy DiPasquale

Mail: 332 Minnesota Street, Suite 1201E, St Paul, MN 55101

Telephone: 651.221.1997 x105 Fax: 651.221.1904

Email: ndipasquale@gmhf.com

Website: www.gmhf.com

Sponsors (Administrators)

Central MN Housing Partnership

Contact: Lenee Hoffman

Mail: 810 W St. Germain Street, Suite 303, St Cloud MN 56301-4092

Telephone: 320-259-0393 Fax: 320-259-9590

Email: Lenee@cmhp.net

Three Rivers Community Action, Inc.

Contact: Jenny Larson

Mail: 1414 North Star Drive, Zumbrota, MN 55992

Telephone: 507-732-8510 Fax: 507-732-8547

Email: Jenny.larson@threeriverscap.org

Southwest Minnesota Housing Partnership

Contact: Lisa Onken

Mail: 2401 Broadway Ave, Suite 4, Slayton, MN 56172

Telephone: 507-836-8673 x 401

Email: lonken@swmhp.org

MMCDC

Contact: Kathy Mission

Mail: 107 Graystone Plaza, Detroit Lakes, MN 56502

Telephone: 18-847-3191 Fax 218-847-3192

Email: kmission@mmcdc.com

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B. BORROWER REQUIREMENT

INCOME ELIGIBILITY

The income level of the Borrower used in determining program eligibility is the annualized total household gross income. Total household gross income is the current income of the primary Borrower and any other adult who is expected to live in the residence being financed. Refer to the exhibits for the maximum income limits.

FDAP MINIMUM INVESTMENT

The FDAP does require the Borrower to make a minimum investment of \$500 from Borrower's own funds.

The FDAP funds may be applied to meet the FHA Statutory (minimum) Downpayment requirement, after the Borrower has met the FDAP minimum investment requirement.

Note: Minimum downpayment requirements are subject to the more restrictive of the first mortgage loan program or FDAP guidelines. Refer to first mortgage loan guidelines for minimum downpayment requirements.

HOMEBUYER EDUCATION

The FDAP program does require the Borrower to complete a "HomeStretch" homebuyer education course.

Note: For Conventional Home Opportunities Program, the Borrower may be required to complete an approved homebuyer education course (refer to Ncyclopedia for details).

C. PROPERTY REQUIREMENT

PROPERTY LOCATION (BASED ON POOL OF FUNDS)

- 1) Target Income – 51-60% AMI - \$15,000: Greater Minnesota, defined as the 80 counties located outside the 7-county Minneapolis-St Paul metropolitan area.
- 2) Non Target Income – 80% AMI - \$10,000: 6 ex-urban collar counties north of the Twin Cities and surrounding St Cloud. (Wright, Isanti, Chisago, Benton, Sherburne and Stearns)
- 3) Non Target Income – 80% AMI - \$10,000: 74 counties within the greater Minnesota that fall outside of the Twin Cities and St Cloud MSA.

E. PROCESSING / CLOSING

FDAP APPLICATION

Once the Borrower has been pre-qualified/pre-approved by a Lender, the Borrower is to apply for the FDAP with one of the Administrators. The Administrator will forward the application package to the Authority for review.

FDAP APPROVAL

Upon review and approval, the Authority will complete the "For GMHF Use Only" section of the Reservation Form, and reserve funds for 60-days. A copy of the signed-off Reservation Form will be provided to the Lender upon request only.

The Fulfillment Site is to notify the Authority when WFHM conditional loan approval for the Borrower has been received. No other approval is necessary.

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FDAP CLOSING

Prior to granting funding approval, the Fulfillment Site is to verify with the closing agent that FDAP funds have been received from the Authority and the Borrower has executed the FDAP loan documents. The closing agent is to be instructed to record the FDAP documents immediately after the first mortgage documents in a subordinate position and return the recorded FDAP documents to the Authority. The FDAP lien is to be reflected as subordinate to WFHM's first mortgage lien on the title policy.

The closing agent is to be instructed to include photocopies of all executed FDAP documents in the "Title Package" to be sent to Post Closing.

EXHIBITS / USAGE

WF #	Exhibit	Usage
01	Borrower Acknowledgment and Consent (available on SPA's on-line web site under "FORMS").	Prepared by HMC for all loans and executed by Borrower at time of loan application to allow sharing of credit information between WFHM and Authority. Copy to Borrower and original maintained in the loan file.
02	Veteran's Acknowledgment and Consent (available on SPA's on-line web site under "FORMS").	Prepared by HMC for all VA loans and executed by Borrower at time of loan application. Copy to Borrower and original maintained in the loan file.
10	2009 FHLB AHP \$15K Income Limits, no date	Informational Tool.
11	2009 FHLB AHP \$10K Income Limits, no date	Informational Tool.

Note: An asterisk () indicates a program and/or exhibit update has been made since the last revision date.*