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**Down Payment Assistance Programs Help Repeat and First-Time Home Buyers**

Edina, Minn. – June 24, 2010 – [Down payment assistance programs](#) help when home buyers come up short on their mortgage down payment, which is common with both repeat and first-time home buyers.

In fact, some home buyers – and not just first-timers – may qualify to buy a home with no down payment whatsoever. Low or no down payment loans are available through the Federal Housing Administration (FHA), Veteran’s Assistance (VA) and the United States Department of Agriculture (USDA).

Different eligibility requirements apply. The FHA ([http://www.fha.com/fha\\_loan\\_types.cfm](http://www.fha.com/fha_loan_types.cfm)), for example, offers 3.5 percent down mortgages to qualified home buyers with good credit scores who demonstrate they will spend no more than 31 percent of their gross income on mortgage payments.

A VA zero-down home loan (<http://www.homeloans.va.gov/eligibility.htm>) requires a military background with VA loan eligibility. And the \*USDA Rural Development program ([http://www.rurdev.usda.gov/HSF\\_SFH.html](http://www.rurdev.usda.gov/HSF_SFH.html)) provides homeownership opportunities for low- and moderate-income rural Americans through several loan, grant, and loan guarantee programs. Homebuyers can also obtain low down payment loans on conventional loans.

Many community, city, county and state agencies offer down payment assistance programs, which have unique qualification requirements regarding income, assets, credit, occupancy and location. For a complete list of first time home buyer grants available in Minnesota, go to:

[http://hocmn.org/Stock/Editor/file/Matrix/AffordableLoanProductsMatrix\\_May2010.pdf](http://hocmn.org/Stock/Editor/file/Matrix/AffordableLoanProductsMatrix_May2010.pdf)

Some examples of Minnesota down payment assistance programs currently available include:

**HOME HELP:** A federally funded loan for qualified first-time homebuyers that lends up to \$10,000 in interest free funds for a mortgage down payment and closing costs; 70 percent of the loan is forgiven after six years. The goal of this program is to make housing more affordable by lowering the borrower’s housing debt ratio to 30 percent.

**Homeownership Assistance Fund (HAF):** This Minnesota Housing program awards eligible first-time homebuyers an interest-free, deferred loan – up to \$5,000 – to help with down payment and home closing costs. Homebuyers interested in the HAF should contact a Minnesota Housing [participating mortgage broker](#) prior to signing a purchase agreement. Participating lenders determine eligibility, which generally includes households earning 80 percent or less of area median income.

**CityLiving Home Program:** Created primarily for first-time home buyers in the Twin Cities of Minneapolis and St. Paul, this down payment assistance program gives borrowers access to a non-interest bearing loan equal to 2

percent of the first mortgage amount. There is no monthly payment due until the sale or refinance of the home, and the loan is forgiven after seven years of buyer occupancy. This program is also available to military personnel and repeat homebuyers who purchase in targeted areas.

**Dakota County Community Development Agency**: First time home buyers in Dakota County can apply for down payment and closing cost assistance loans up of up to \$10,000, depending on household income. The zero-percent interest loans require no monthly payments, but must be repaid when the primary mortgage is paid off, the home is no longer the primary residence, or when the home is sold or refinanced.

For more information on down payment assistance programs, to view property listings or find a Realtor® who specializes in your community, visit <http://www.edinarealty.com/pages/down-payment-assistance-program-of-the-week>.

\*Subject to funds availability

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