

# **Saint Paul HRA Downpayment Assistance Program Guidelines**

## **Program Administrator**

Housing and Redevelopment Authority (“HRA”) of the City of Saint Paul, Minnesota.

## **Program Overview**

The HRA’s Downpayment Assistance Program (the “Program”) will deepen and expand homeownership opportunities to people with lower incomes, act as a wealth building tool, address the homeownership gap in Saint Paul and help mitigate displacement pressures. The Program provides residents within areas most vulnerable to unsustainable housing costs and displacement, access to necessary resources to assist with achieving homeownership in today’s increasingly pressured market.

The Program funds will be used for downpayment assistance, closing costs, and property inspections. All amounts used for downpayment assistance and closing costs will be offered as a loan at a 30-year deferred term at 0% interest and secured by a subordinate mortgage. At maturity, the balance of the loan is due, with exceptions where there are no net proceeds, as defined in the “Repayment Terms” section of the Guidelines.

The maximum loan amount is \$40,000.00 per eligible household, with specific amounts awarded depending on need. Unless prohibited by funders’ requirements, HRA funds may be layered with other downpayment assistance program funds.

Funds used for property inspections will be offered as a grant. See the “Reimbursement for Home Inspections” section of these Guidelines for additional information.

The Program will be operated in accordance with these Guidelines and all other relevant policies and procedures of the City of Saint Paul and the HRA.

## **Sources of Funds and Availability**

Program funds will be provided from HRA funds and other sources only as available and on a first-come, first-served basis.

Approximately one-half of available funds are reserved for homebuyer households with longer-term barriers to mortgage- and homeownership-readiness, and who are working in partnership with an approved pre-purchase homeownership counseling provider to address those barriers.

Additional and more restrictive requirements of the funding sources or underlying first mortgage lender may apply.

## **Coordination with Other Downpayment Assistance**

To ensure efficient use of resources, the HRA, in its sole discretion, requires that buyers whose needs may be met by other programs first access those programs.

The HRA will determine need based on its review of application buyer’s first-mortgage lender and make referrals to other program providers as appropriate.









## Repayment Terms for Loans Made with HRA Funds

At the time of repayment, net proceeds will be calculated as follows:

Sales price

- First mortgage principal due
- Closing costs
- Other secured financing due, provided it is in a senior lien position or financed the homebuyer's purchase of the unit
- = Net proceeds

If net proceeds are greater than or equal to the HRA funded downpayment assistance loan, the loan will be due in full. If net proceeds are positive, but less than the HRA funded downpayment assistance loan, then net proceeds will be paid to the HRA and the remainder of the HRA funded downpayment assistance loan will be forgiven. If net proceeds are negative, and amount to a loss, the HRA funded downpayment assistance loan will be forgiven in full.




## Program Subject to Alteration, Suspension and Discontinuation

The HRA reserves the right to alter these Guidelines and to suspend or discontinue its Downpayment Assistance Program at any time.

## Notice of Nondiscrimination

The Housing and Redevelopment Authority of the City of Saint Paul, Minnesota does not discriminate on the basis of race, color, religion, gender, age, national origin, disability, marital status, familial status, sexual orientation or military status in any of its programs, services or activities.

## Reasonable Accommodation; Assistance for Persons with Limited English Proficiency

If you need an accommodation to better understand this information or access this program, or want help translating this information, please contact  at  [612-224-3333](tel:612-224-3333) .

Si desea recibir asistencia gratuita para traducir esta información, envíe un correo electrónico a [crystal.king@ci.stpaul.mn.us](mailto:crystal.king@ci.stpaul.mn.us).

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<sup>i</sup> May be adjusted annually based on federal HOME sales price limits for existing homes.

