



**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	44,950	51,400	57,800	64,200	69,350	74,500	79,650	84,750

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](http://www.hocmn.org).

**PROGRAM QUICK LOOK**

<b>Eligible Primary/First Mortgage Loan Products</b>	Prime, Fixed Rate (FHA, VA, Conventional)
<b>Maximum Borrower Income</b>	80% of HUD Area Median Income (AMI)
<b>Maximum Housing Ratio</b>	30%
<b>Minimum Borrower Investment</b>	Greater of ½ of the required downpayment or \$1,000.
<b>Eligible Property</b>	Non- foreclosed in a target area that is currently not rental property.
<b>Loan Rate and Term</b>	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
<b>Minimum Loan Amount</b>	\$1,000
<b>Maximum "Incentive" Assistance</b>	\$10,000
<b>Maximum "Homebuyer Gap" Assistance for households at or below 80% of AMI</b>	Up to additional \$20,000 to ensure affordability/housing ratio of 30%.
<b>Borrower Occupancy Requirement</b>	Borrowers must owner occupy the assisted property as their principal place of residence.
<b>Borrower Homebuyer Education Requirement</b>	Borrowers must attend "Home Stretch" classes.
<b>First Time Homebuyer Requirement</b>	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](http://www.hennepin.mn.us/hba). For questions, call **612-543-0046** or e-mail [hbamail@co.hennepin.mn.us](mailto:hbamail@co.hennepin.mn.us).

