Come HOME 2 EDINA
2nd Mortgage Program

Purpose: To provide assistance to families and individuals looking for affordable homeownership options in Edina.

Maximum Loan Amount: A maximum 25% of the purchase price, not to exceed $60,000. The loan will be sized assuming the borrower contributes at least 25% of gross monthly qualifying income toward monthly payments for PITI, association dues, and/or land trust fees before Edina Housing Foundation's assistance can be used.

Term: Identical to the term of the1st mortgage loan (No FHA).

CHOOSE EITHER

1. **Interest Option:** Same interest rate as the first mortgage or 5% whichever is less.

2. **Shared Appreciation Option:** All payments deferred – Upon sale of the home, a refinance with cash out, or maturity of the first mortgage loan, the borrower will pay the principal balance plus an amount equal to the appreciated value of the home multiplied by a percentage of the loan to appraisal at the time of purchase (never to exceed an amount equal to 5% per year accrued simple interest).

Payments: **1. Interest Option** - Monthly payments of interest only. Principal due upon sale, refinance with cash out, or maturity of the 1st mortgage.
2. Shared Appreciation Option – Deferred until sale, refinance with cash out, or maturity of 1st mortgage loan. Payment includes the principal loan amount plus a share of the appreciation (never more than if you had paid 5% simple interest per year).

Security: The loan will be secured by a subordinate mortgage on the property.

Assumability: The subordinate loan is assumable with the approval of the East Edina Housing Foundation.

Purchase Price: Not more than $425,000.

Downpayment: Borrower shall pay not less than $1,000 towards downpayment, closing costs and/or prepaid expenses.

Income Eligibility

Household Size	Household Income Level* (as of 7/1/19)
1 – 2 persons	$100,000
3+persons	$115,000

*Same as MHFA Start-Up Program for 11-country metro area (subject to change)

Asset Eligibility: Household assets shall not be more than $50,000 after closing, excluding retirement accounts (i.e. 401(k), 503(b), IRA, SEP, etc.) However, a borrower who is 65 or older may have household assets up to $250,000 after closing, including retirement accounts.

Disclaimer: This document is provided for informational purposes only. For the most current program guidelines, contact Stephanie Hawkinson at shawkinson@edinamn.gov.