

TO: CLOSING AGENTS MINNEAPOLIS/SAINT PAUL HOUSING FINANCE BOARD MORTGAGE REVENUE BOND PROGRAM

RE: SPECIAL REQUIREMENTS OF THE PROGRAM

The Minneapolis/Saint Paul Housing Finance Board provides a first-time homebuyer first mortgage program. In conjunction with that program, down payment/closing cost assistance secured by second mortgages is being provided by either the City of Minneapolis or City of Saint Paul for buyers in the respective cities .

Second Mortgages in this program are exempt from mortgage reservation tax. MN Statute 287.04(f) states the following as an exemption from MRT:
“The principal amount of a mortgage loan made under a low and moderate income or other affordable housing program, if the mortgagee is a federal, state, or local government agency.”

The following language is pre-printed on the mortgage
This mortgage is exempt from Mortgage Reservation Tax under MN Statute 287.04(f).

IF THESE FEES ARE CHARGED, PROOF OF REFUND OR PRINCIPAL REEUCION MUST BE PROVIDED FOR BOTH THE FIRST AND SECOND MORTGAGES TO BE PURCHASED.

As a reminder, changes that occur at closing may affect the loan’s compliance with tax law. Please check with the lender if any changes occur at closing (i.e. changes in income, sales price and those who are to be listed on title). Questions should be directed to the participating lender.

We appreciate the role you play in delivering affordable housing to Minneapolis and Saint Paul first-time homebuyers.

Thank you for your kind attention.