

# MI 10K DPA Loan Program (Down Payment Assistance) FAQ's



1.844.984.HOME (4663)

## 1. What is the MI 10K DPA Loan program?

The MI 10K DPA Loan program is a \$10,000 down payment assistance program available in [236 zip codes](#) throughout the state of Michigan. The MI 10K DPA Loan must be combined with a MI Home Loan (not allowed to be used with the MI Home Loan Flex).

## 2. How can the MI 10K DPA Loan funds be applied?

The \$10,000 may be used toward the down payment, closing costs, and prepaids/escrows. Any excess funds may be used to increase the down payment. You must close your loan according to the terms listed on the MSHDA commitment. If you need to change your first mortgage amount (+/-) or increase your DPA amount you must upload revised underwriting documents and contact your MSHDA underwriter to have a revised commitment issued prior to closing.

## 3. Does the MI 10K DPA loan require maximum financing?

No. Unlike the \$7,500 MI DPA loan, the additional MI 10K DPA funds may be applied towards the down payment.

## 4. Is the MI 10K DPA Loan only available with a MSHDA first mortgage?

Yes. The MI 10K DPA Loan second mortgage must be used in conjunction with the MSHDA MI Home Loan first mortgage (FHA, RD Guaranteed or Conventional) – MI Home Loan Flex is not allowed.

## 5. Is the MI 10K DPA Loan a grant?

No. The MI 10K DPA Loan is a 0% interest, non-amortizing second mortgage on the property. The loan must be repaid when the house is sold, refinanced, the first mortgage is paid in full, the property ceases to be the principal residence or homeownership interest is transferred.

## 6. Is the borrower required to obtain a Homebuyer Education certificate of completion for the MI 10K DPA Loan Program?

Yes. All borrowers must take a Homebuyer Education class provided by a HUD approved housing counseling agency. The Homebuyer Education certificate of completion must be submitted to MSHDA underwriting with the credit package.

## 7. Do you have to be a MSHDA approved lender to offer the MI 10K DPA Loan?

Yes. The MI 10K DPA Loan program must be used in conjunction with a MSHDA MI Home Loan first mortgage. All lenders must be MSHDA MI Home Loan approved lenders.

## 8. What is the process for making a new reservation for the MI 10K DPA Loan program?

The MI 10K DPA Loan follows the same process flow through Lender Online (password required) as the MSHDA MI Home Loan and the \$7,500 MI DPA Loan.

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### 9. Where do I make a new reservation for MI 10K DPA Loan?

Go to Lender Online (password required) and under the reservation tab select: MI 10K DPA Loan

### 10. Can I change an existing MI Home Loan reservation for a loan that has already been submitted to MSHDA underwriting to the MI 10K DPA Loan program?

Yes. If loans are reserved using our regular \$7,500 DPA, we will process and authorize your request to move your loan to the new MI 10K DPA Loan.

All requests must be made via email and include the name of the client and reservation number. No exceptions. Please allow extra time for the file to be reviewed by our underwriting team who will make the necessary changes.

To request a change:

1. Email the name of the client and reservation number to Sarah Bohne at [BohneS@michigan.gov](mailto:BohneS@michigan.gov).
2. Notification of receipt of the request will be emailed to the lender after the reservation has been changed to the MI 10K DPA Loan program.

### 11. After I resubmit the loan package using the MI 10K DPA Loan program, will it be treated like a new loan submission or will it be reviewed as a condition?

Resubmitted loan packages will be processed as a "condition" and reviewed as quickly as possible. Please contact your MSHDA underwriter to let them know you have requested a change to the MI 10k DPA Loan program.

### 12. Can committed loans be converted to the MI 10K DPA Loan program?

Yes. Notification must be made to MSHDA underwriters requesting an updated loan commitment. Notification must be made to MSHDA underwriters along with updated 1008, 1003, and AUS finding.

### 13. Can the MI 10K DPA Loan funds total less than \$10,000?

Yes. The lender is not required to use the full \$10,000. Please remember, you can apply all additional funds to the down payment, prepaid/escrows, and closing costs. The borrower is still required to contribute 1% of the sales price to the transaction.

### 14. Do lenders need MSHDA approval if they reduce the amount of the MI 10K DPA Loan?

No. Lowering the DPA does not require MSHDA approval.

### 15. Do lenders need MSHDA approval if they increase the amount of the MI 10K DPA Loan?

Any increase in the DPA amount or any change to the amount (+/-) of the first mortgage will require MSHDA approval.

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### 16. Will I need a new commitment from MSHDA if I adjust my first mortgage balance up or down prior to closing?

Yes. Contact the MSHDA underwriter directly and upload the revised documents to the edoc file under the Origination/Underwriting package at Lender Online (password required) and the MSHDA underwriter will issue a revised commitment.

### 17. Can the MI 10K DPA Loan funds be used for principal reduction post closing?

No. The loan must close according to the terms on the MSHDA commitment. Principal reductions at closing will not be allowed. All changes to the first mortgage amount must be approved by MSHDA prior to closing.

### 18. Are there any LTV/CLTV limitations?

Follow loan type guidelines for LTV/CLTV limitations. The borrower may use additional funds towards down payment to reduce LTV/CLTV if desired. Asset limits still apply.

### 19. Does the MI 10K DPA Loan program have a different DPA mortgage and note?

No

### 20. Where can lenders find the MI 10K DPA Loan program documents, marketing materials, and product guidelines?

MI 10K DPA Loan program documents, marketing materials, and product guidelines are located at Lender Online under Program Documents/MI 10K DPA Loan.

### 21. What are the eligible areas for MI 10K DPA Loan funds?

The property must be within one of [236 zip codes](#) in these Michigan counties: