

# Homebuyer Education

All homebuyers applying for a First Time Homebuyer loan or *Give Yourself Credit!* must complete an approved homebuyer education course before closing on their loan.

## Home Stretch®

The Dakota County CDA and other local housing counseling agencies hold monthly Home Stretch® workshops. The cost to attend the CDA's Home Stretch® workshops is \$20 per household for Dakota County residents and \$40 per household for non-residents. All nine hours of Home Stretch® must be attended in order to receive a completion certificate.

## Framework™

Framework™ is an online homebuyer education program. The cost is \$75 per household. All modules must be completed to receive a certificate. Additionally, homebuyers and their spouses must attend a free pre-purchase advising session with one of the CDA's Homeownership Specialists.

To register for Home Stretch® or access Framework™ visit [www.dakotacda.org](http://www.dakotacda.org).

To schedule a pre-purchase advising appointment call (651) 675-4473.

For a list of metro area Home Stretch® providers visit [www.hocmn.org](http://www.hocmn.org).



1228 Town Centre Drive  
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First Time Homebuyer Resources  
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## Dakota County

# First Time Homebuyer Resources

Fixed-rate first mortgages, mortgage credit certificates, downpayment assistance and homebuyer education programs to help first time homebuyers be successful.



The Dakota County CDA has programs for homebuyers and homeowners to be successful. For more information about home improvement loans and weatherization, mortgage foreclosure counseling, homebuyer education or first time homebuyer resources, visit [www.dakotacda.org](http://www.dakotacda.org)



# First Time Homebuyer Program

## In the market for your first home?

The First Time Homebuyer Program from the Dakota County Community Development Agency (CDA) can make home ownership more affordable.

The First Time Homebuyer Program features fixed-rate financing for a first mortgage through participating lenders. The lenders have all the application materials to qualify homebuyers for a Dakota County CDA First Time Homebuyer loan, Mortgage Credit Certificate and downpayment assistance. The participating lender list can be found at [www.dakotacda.org](http://www.dakotacda.org).

## Eligible Financing

The First Time Homebuyer Program may be used with 30-year amortizing fixed-rate FHA, VA or HFA Preferred Conventional mortgage loans.

## Program Eligibility

- Homebuyers must be first time homeowners or someone who has not owned a home in the last three years. Eligible veterans do not need to be first time homebuyers.
- **Income Limits**
  - 1 or 2 person households: \$100,000\*
  - 3 or more person households: \$115,000\*
- **Maximum Purchase Price**  
For single family homes, townhomes or condominiums:
  - 1 or 2 person households: \$300,000\*
  - 3 or more person households: \$330,100\*
- Properties must be located in Dakota County.
- Homebuyers must occupy the home as their primary place of residence after purchase.

\* *Income limits, purchase price limits, and MCC percentage rates are subject to change. For the most recent information, visit [www.dakotacda.org](http://www.dakotacda.org).*

# Give Yourself Credit!

In addition to first mortgage financing, the Dakota County CDA is offering an opportunity to *Give Yourself Credit!* and save up to \$2,000 per year on your taxes.

*Give Yourself Credit!* provides homebuyers with a Mortgage Credit Certificate (MCC), which allows 30%\* of the first mortgage interest to be used as a federal income tax credit, reducing federal taxes by up to \$2,000 per year. The Mortgage Credit Certificate can be used to reduce homebuyers federal taxes every year they live in the home!

## Example

\$170,000 mortgage amount at a fixed interest rate of 4.25%.

*Give Yourself Credit!* first year tax credit = \$2,000  
Estimated savings over the life of the loan = \$39,320

The amount of the MCC tax benefit is limited to the amount of federal income tax owed each year. Homeowners may work with their tax preparer to change their federal tax withholdings and take full advantage of the credit each year. Mortgage interest not taken as a credit through the MCC can still be taken as a deduction on the homebuyers federal taxes.



# Downpayment & Closing Cost Assistance

Homebuyers using the First Time Homebuyer Program are also eligible for downpayment assistance loans of up to \$8,500.

## Loan Terms

- Zero percent interest.
- No monthly payments required.
- Loan must be repaid in full when the primary mortgage is paid off, or when the home is sold or refinanced.
- Borrower must contribute a minimum of \$1,000 of their own funds toward the purchase of the home.

## How to Apply

Interested homebuyers must work with a participating mortgage lender to determine eligibility for First Time Homebuyer, *Give Yourself Credit!* and Downpayment Assistance Programs.

For a list of lenders, current interest rates and downpayment assistance income limits visit [www.dakotacda.org](http://www.dakotacda.org).

## Questions?

Call (651) 675-4472 or email [info@dakotacda.state.mn.us](mailto:info@dakotacda.state.mn.us)



Dakota County  
Community Development  
Agency