

While you may think that you are at a disadvantage being a first time home buyer, there are **Minnesota first time home buyer programs** that can assist you. First, let's talk about the difference between being a first-time buyer and a multiple-time home buyer.

The U.S. government and the State of Minnesota both want everyone to be able to participate in the American Dream of home ownership, but they realize that there are barriers to entry. One of the biggest problems is the ability to accumulate a large enough down-payment. Initial down-payment requirements can range from zero to 10 percent or more. Ten percent on a \$200,000 home is \$20,000, and that can be difficult for a new buyer to come up with.

What Do You Know About Closing Costs



Another issue is closing costs, even with Minnesota first time home buyer programs. If you have good credit ([yes, you can still buy with bad credit](#)), and you are offered a credit card, there are usually no fees involved. Even with some personal and auto loans, there can be very in fees required to complete the transaction. Look, however, at this list of closing costs for a residential home loan:

| Item | Fee |
|--|---------------|
| Loan Origination Fee | \$2,500 (1%) |
| Discount Fee | \$625 (0.25%) |
| Processing Fee | \$450 |
| Underwriting Fee | \$500 |
| Wire Transfer | \$25-\$50 |
| Credit Report | \$35 |
| Tax Service | \$50 |
| Flood Certification | \$20 |
| Title Insurance | \$550 |
| Escrow/Signing | \$450 |
| Courier Fee | \$20 |
| Appraisal | \$450 |
| Recording | \$110 |
| Homeowner's Insurance first year premium | \$700 |
| 6 Months' Property Tax Reserves | \$1,500 |

Those are a substantial amount of potential fees, and closing costs can easily rise to almost \$10,000 in some transactions. Yes, you can try and get the seller to pay for some of these, but again, closing costs can be a problem to overcome. Luckily, there are Minnesota first-time home buyer programs in place to help.

National First Time Home Buyer Programs

First let's talk about national programs. [VA loans](#) are available for veterans and they require no minimum credit score, low down-payment requirements, and do not require PMI or private mortgage insurance. There usually is a VA funding fee, however. If you are a veteran, first look to the VA, as this is one of the most advantageous programs out there.

If you're not a veteran, you can investigate FHA Minnesota first-time home buyer programs. FHA loans can usually be done with only a three percent down-payment requirement. Even if you have a very low credit score, you still can possibly get a loan with a higher down-payment rate however.

Minnesota First Time Home Buyer Programs



According to our friends at www.nerdwallet.com, "As a [Minnesota] first-time home buyer, you may benefit from loan programs offered by the Minnesota Housing Finance Agency, or Minnesota Housing. If you're eligible for these programs, you'll also have access to down payment and closing cost assistance. Minnesota Housing defines a first-time home buyer as anyone who hasn't owned a home in the past three years; however, certain programs are available to repeat buyers as well."

[Check out this site for further information.](#)

What Are The Alternatives?

As we have consistently mentioned, we like traditional financing and hope that you are approved for it. But even if some of the available Minnesota first-time home buyer programs don't work for you, please [contact us at C4D](#). We are Minnesota contract for deed experts,

and we have ways to provide the path for home ownership that others do not.