



CARVER COUNTY
COMMUNITY
DEVELOPMENT
AGENCY

Down Payment Assistance Program for First Generation Homebuyers

SET-ASIDE GUIDE

November 2025

All guidelines and procedures of Carver County CDA Down Payment Assistance Program apply except for the modified criteria for the First-Generation Homebuyers.

Purpose

The Carver County Community Development Agency (CDA) created a Down Payment Assistance Program (DPA) to provide an affordable pathway to homeownership for low to moderate income households. The Carver County CDA provides financing for qualified first-time homebuyers to use towards down payment and/or closing costs.

Program Overview

The CDA's Down Payment Assistance Program for First-Generation Homebuyers is a set-aside of the Carver County CDA DPA Program. This set-aside is intended to provide financial support to eligible first-generation homebuyers in Carver County, Minnesota. The program offers deferred forgivable loans to assist with down payment and closing costs and supports wealth creation. All guidelines and procedures of the DPA program apply with the exceptions noted below.

Definition of First-Generation Homebuyer

You are a First-Generation Homebuyer if you AND your parent(s) or legal guardian(s) never owned a home in any country OR owned a home but lost it due to foreclosure. You also must be a current resident of Minnesota. Applicants must sign a First-Generation Homebuyer Affidavit confirming eligibility. Misrepresentation constitutes mortgage fraud.

You do NOT qualify if:

- You or your parents/legal guardians owned a home at any time.
- You or your parents/legal guardians married someone who owned a home.

Exceptions: If you or your parents/legal guardians previously owned a home that was lost due to foreclosure and have not owned a home since, you may still qualify.

Borrower Eligibility

- At least one borrower must self-attest as a First-Generation Homebuyer.
- All co-borrowers must be first-time homebuyers (no ownership in a principal residence in the past 3 years).

Loan Terms

-Type: Zero-interest, forgivable loan over 10 years.

-Repayment: Forgiven at 10% per year starting the day after the note's anniversary.

-Combined-Loan-To-Value (CLTV): May not exceed 103% of the home's appraised value.