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Deputy Secretary

March 17, 2016

Directive 2016-03

TO: ALL PARTICIPATING LENDERS

**SUBJECT: THE COMMUNITY DEVELOPMENT ADMINISTRATION REOPENS
THE MARYLAND HOMECREDIT PROGRAM (MCC III)**

The purpose of this directive is to inform you that the Community Development Administration (CDA) will re-open the Maryland HomeCredit Program (MCC III) on Friday March 18, 2016. Lenders can begin to reserve funds for the program on March 18, 2016, with the understanding that no certificate will be issued prior to March 21, 2016. Therefore, any loans with an MCC III will have to be reserved on or after March 18, 2016 and closed on or after March 21, 2016 to comply with the IRS requirements. Also, Attachment R requests to add an MCC to a loan reserved prior to March 21, 2016 will not be permitted.

The loan documentation attachments will be updated on the website.

The Bond Series and New Program Codes for the MCC III are:

700- MCC III ONLY

- MCC ONLY 601

701- MCC III

- MCC+CONV 602
- MCC+CONV HOMEFRONT 604
- MCC+GOV 605
- MCC+GOV HOMEFRONT 607
- MCC+GOVT-YOU'VE EARNED IT-STU 2PLAY 444
- MCC+CONV-YOU'VE EARNED IT-STU 2PLAY 452
- MCC+GOVT PATHWAY 636
- MCC+CONV PATHWAY 637
- MCC+ GOVT-PREFERRED 843
- MCC+CONV-PREFERRED 844

703- MCC III GRANDSLAM – NO DPA

- MCC+GOVT-MD GRANDSLAM 612
- MCC+CONV-MD GRANDSLAM 613



As a reminder, the following steps are essential for a successful reservation and issuance of ANY Maryland HomeCredit Program mortgage credit certificate:

- The Lender Online reservation must include the applicable MCC code to be eligible for the program (check program code name)
- Documentation identified on the checklists for the MHCP or MCC programs is required to be submitted in the applicable file to CDA
- Borrower(s) are required to complete the mortgage credit certificates section of the Buyer's Affidavit
- The closing package including the certificate is obtainable from Lender Online after the file is pre-closing compliance approved. The borrower(s) is required to sign the certificate at closing.
- Executed MCC documentation is required to be submitted in the Post-closing compliance package to CDA (including for MCC-only)
- CDA MCC fee (if applicable) must be submitted timely to the address provided in the closing instructions
- Lender is responsible for reporting each year's MCCs (with or without MMP loans) to the IRS the following January.

PLEASE NOTE: If the MCC is not reserved in Lender Online and the appropriate documentation submitted timely, CDA will not be able to provide the certificate. Certificates will not be issued after closing to rectify errors in reservations or processing.

As always, we appreciate your continued participation in our programs. If you have any questions concerning this directive or suggestions for improvements, please contact Vicki Jones at vicki.jones@maryland.gov or Ed Anthony at edward.anthony@maryland.gov.

Sincerely,

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Deputy Director Single Family Housing