



DOWN PAYMENT & CLOSING COST ASSISTANCE

The costs of down payment and settlement can overwhelm first-time homebuyers and is listed as the number one barrier to homeownership. The Maryland Mortgage Program provides help in the form of Down Payment Assistance, as well as a range of Partner Match programs from employers, developers and community organizations that can help borrowers cover these down payment and closing costs. These programs may make it possible for first-time homebuyers to afford a mortgage when they would not be able to do so the conventional way.

ABOUT DOWN PAYMENT ASSISTANCE (DPA)

What is Down Payment Assistance?

Down Payment Assistance (DPA) helps eligible borrowers by funding a portion of their down payment and closing costs.

Who is eligible for a DPA?

Individuals or families who are approved to purchase a home using a Maryland Mortgage Program first mortgage loan can apply for DPA.

How much can I borrow with DPA?

DHCD's Down Payment Assistance can provide a loan of up to \$5,000

What is the interest rate on the DPA loan?

DPA is offered at a 0% interest rate.

When must I pay back the DPA?

DHCD's DPA is a deferred loan that is repayable when you payoff or refinance the home or upon sale or transfer of the house you financed through the Maryland Mortgage Program.

Can I cover all of my settlement expenses using DPA?

Yes, there is no minimum borrower contribution

How do I get DPA?

When you apply to a participating lender for a Maryland Mortgage Program first mortgage loan to buy your home, ask the lender to qualify you for DPA.

Can I use DPA with a non-MMP first mortgage loan?

No. DPA can only be used with a Maryland Mortgage Program first mortgage loan.

Who insures or guarantees my first mortgage loan when I get DPA?

Maryland Mortgage Program first mortgage loans are insured or guaranteed by either the Federal Housing Administration (FHA), the Veterans Administration (VA), the United States Department of Agriculture through the Rural Housing Service (RHS).

Is my DPA loan insured?

No. However, it does get recorded as a second lien against the home that is purchased.

Is DPA available only in certain areas?

No. DPA is available statewide.

Are there any other special requirements for DPA?

No. Homebuyer Education is mandatory for each borrower (regardless of the type of down payment and closing cost assistance that is being provided). However, if a borrower is requesting assistance from DPA (and/or assistance through a Partner Match Program) for a property located in the City of Baltimore or in Anne Arundel, Baltimore, or Harford counties, the borrower must meet certain Homebuyer Education requirements (refer to the applicable requirements on the Homebuyer Workshops sheet or consult with your Maryland Mortgage Program approved lender).

ABOUT THE PARTNER MATCH PROGRAMS

In addition to the standard down payment and closing cost assistance program already mentioned, you may be able to get more assistance through our creative Partner Match initiatives. These initiatives involve partnerships that the Maryland Department of Housing and Community Development (DHCD) has established with participating employers, builders and developers, and community partners. DHCD will provide a dollar-for-dollar match to a participating partner's financial contribution for down payment and closing cost assistance. The three Partner Match initiatives are:

House Keys 4 Employees (HK4E) — Through HK4E, DHCD will match the financial assistance, dollar-for-dollar up to \$2,500, that a HK4E Participating Employer provides to its employees to help them purchase a home. **Smart Keys 4 Employees** is a Smart Growth enhancement to the HK4E Program that allows borrowers to receive additional matching funds from DHCD if the property the borrower is purchasing is located in a Priority Funding Area and if the property is within 10 miles of the borrower's place of employment or within the boundaries of the local jurisdiction (county). If a borrower meets these criteria for **Smart Keys 4 Employees**, DHCD will provide an "across the board" bonus of \$1,000.

Builder/Developer Incentive Program (BDIP) — Through BDIP, DHCD will match a financial contribution provided by a participating builder/developer, dollar-for-dollar up to \$2,500, to homebuyers who are eligible for and receive a Maryland Mortgage Program loan.

Community Partner Incentive Program (CPIP) — Through CPIP, DHCD is partnering with foundations, nonprofit organizations or local government interested in expanding affordable homeownership opportunities ("Community Partners") who provide financial assistance for downpayment and settlement costs to homebuyers. DHCD will match a financial contribution provided by a participating Community Partner, dollar-for-dollar up to \$2,500, to homebuyers who are eligible for and receive a Maryland Mortgage Program loan.



DOWN PAYMENT & CLOSING COST ASSISTANCE

ABOUT THE PARTNER MATCH PROGRAMS (CONTINUED)

How do the Partner Match

Programs work?

DHCD will match up to \$2,500 participating partners financial contributions for downpayment and closing cost assistance. The matching assistance from DHCD is in the form of a 0% deferred loan that is repayable when you payoff or refinance the home or upon sale or transfer of the housing you financed through the Maryland Mortgage Program.

Who qualifies for assistance through the Partner Match Programs?

Any borrower who receives a contribution for downpayment and/or closing cost assistance from a Participating Partner and meets the eligibility criteria under the Maryland Mortgage Program may participate in the program.

Can other closing cost assistance be used in conjunction with the Partner Match Programs?

Yes. The assistance provided through the Partner Match Programs is in addition to what a borrower may be eligible to receive through DPA, the standard downpayment and closing cost assistance option.

My local government offers a program where they make assistance available if I move within a certain distance of my place of employment. Can I use a Partner Match Program in conjunction with a local government's program?

Yes. The participating Partner's assistance can be combined with the local government contribution, but the amount of the dollar-for-dollar match provided by DHCD through a Partner Match Program would not exceed \$2,500 (\$3,500 if used with Smart Keys 4 Employees).

What are the Homebuyer Education requirements for

the Partner Match Programs?

Homebuyer Education is mandatory for each borrower (regardless of the type of down payment and closing cost assistance that is being provided). Also, if a borrower is requesting assistance through one of the "Partner Match" initiatives on a property located in the City of Baltimore or in Anne Arundel, Baltimore, or Harford counties, the borrower must meet the applicable requirements (see information found at the end of the "Homebuyer Education" page).

Who are the Participating Partners?

The list of participating partners in the Partner Match Programs may be found on the Maryland Mortgage Program website — mmp.maryland.gov www.mmprogram.org (see Down Payment Assistance).

How do I apply?

1. For HK4E, ask your Human Resources Department if your employer participates in the HK4E Program. State of MARYland employees should ask their lender for details. For the Builder/Developer Incentive Program, ask the builder/developer sales representative if they participate in the Builder/Developer Incentive Program. For the Community Partner Incentive Program, contact the appropriate representative listed on our website — mmp.maryland.gov.
2. Determine how much assistance is available to you.
3. Contact your local housing office to determine if the jurisdiction in which you wish to purchase a home can provide additional assistance to you.

What do I do after I find out what is available through a Participating Partner and/or local government?

1. Complete Section 1 of the Verification of Partner Contribution form and give the form to your Participating Partner (and/or local jurisdiction) to complete the section on the form that indicates how much the Participating Partner (and local government, if applicable) is contributing.
2. Select a participating Maryland Mortgage Program lender in your area and make an appointment to get pre-qualified for a Maryland Mortgage Program loan.
3. Provide the lender with the original of the fully completed and executed Verification of Partner Contribution form.
4. Talk to your lender about homebuyer education before signing a contract of sale. A list of participating Maryland Mortgage Program lenders and Homebuyer Education classes is included in this Information Package.