



MARTIN O'MALLEY
Governor

ANTHONY G. BROWN
Lt. Governor

CLARENCE J. SNUGGS
Acting Secretary

November 12, 2014

Directive 2014-34

TO: **ALL PARTICIPATING LENDERS**

SUBJECT: **FUNDING OF DOWN PAYMENT ASSISTANCE (DPA) LOANS**

The purpose of this Directive is to inform you that, effective **January 2, 2015**, Lenders will be responsible for funding the Down Payment Assistance ("DPA") loans at closing. The Community Development Administration ("CDA") will reimburse the lenders on a monthly basis, after the MMP mortgages are purchased by US Bank. This change should expedite the process for you and is being made in accordance with US Bank Bulletin 2013-08, which is attached. This streamlined process will enable you to better manage your CDA loan closings. In order for the first mortgage to be acceptable to FHA and receive insurance, the loan file submitted to US Bank must contain the following:

- A copy of the Commitment Letter from CDA verifying that a commitment was made by us to ultimately fund the DPA loan (downloaded from Lender Online by the lender after MMP and DPA loans are pre-closing compliance approved).
- The Award Letter certifying the origin of DPA funds as received from the Maryland DHCD (downloaded from Lender Online by the lender after MMP and DPA loans are pre-closing compliance approved).
- US Bank's DPA Funding Verification Form USB002

Lenders can access their monthly DPA Purchase Advice Report (for the previous month's purchased loans) from Lender Online as follows:

- Access Lender Online and click on the "**Reports**" tab. This will bring up "**Available Reports**"
- Under Available Reports, click on "**Purchase Advice**"
- Under "**Lenders/Branches**" select "**All**" and "**Bond Series**" select "974-978"
- Under the "**Purchase Period**" range, enter the purchase date in the "**From**" and "**To**" fields
- Under "**Report Options**", select "**Show 2nd Line of Detail**", then click "**Run Report**"



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Paragraph one (1) of the DPA Award Letter has been modified to reflect the requirements set forth in HUD Mortgagee Letter #2013-14 dated 5/9/13. The revised letter has been uploaded to Lender-On-line.

Please note that you will continue to receive the MMP (1st mortgage) Purchase Advice from US Bank.

As always, we appreciate your continued support of our programs. If you have any questions concerning this Notification or suggestions for improvements, please contact one of the following: Vicki Jones at jonesv@mdhousing.org, Ed Anthony at anthony@mdhousing.org, Pat Smith at smithp@mdhousing.org, Catherine Kraemer-Dale at kraemer-dale@mdhousing.org or Bill Milko at milko@mdhousing.org.

Sincerely,

Jacquelyn Mitchell

Jacquelyn Mitchell, Operations Manager
Single Family Housing

Enclosure: US Bank Bulletin 2013-08

BULLETIN

2013-08



MRBP OPERATIONS
HOME MORTGAGE

June 28, 2013

****ATTENTION ALL LENDERS****

On February 1st 2013, U.S. Bank issued Bulletin 2013-01 which addressed the December 5, 2012 HUD publication in the Federal Register regarding the November 29, 2012 Interpretive Rule, stating that funds made available by any state or local housing finance agency (HFA) for down payment assistance should be provided directly by the HFA at closing.

On May 9th 2013, FHA released Mortgagee Letter 2013-14 which modified their guidance to mortgagees regarding the extension of secondary financing, gifts/grants given by a Federal, State, Local government, or its agency or instrumentality. We are requesting that our lending partners assist us by providing documentation that HUD's guidelines have been met.

The following will be required for all loans closed/funded and delivered for purchase to U.S. Bank Home Mortgage-MRBP in which an HFA's Down Payment Assistance is being utilized in the transaction for loans closed July 1, 2013 or after:

- Down Payment Assistance Funding Verification Form USB002 - dated 6/30/13 – with one of the following attached
 - A copy of the wire or check information from the HFA verifying a direct transfer of down payment assistance funds was provided by the Housing Finance Agency.
 - A copy of the Commitment Letter from the HFA verifying that a commitment was made by the HFA to ultimately fund the down payment assistance.

As part of the Mortgagee Letter 2013-14, it is noted that “The Mortgagee is reminded to document a Gift Letter for the borrower's cash to close, including the required Minimum Cash Investment as described in HUD Handbook 4155.1.5.B.5 a Gift Letter Requirement.” Please be certain you are following the established guidelines.

Should you have any questions, please contact the Lender Help Desk at 800-562-5165 or e-mail mrbp.helpdesk@usbank.com.



EQUAL HOUSING LENDER This information is not intended to extend consumer credit as defined by section 226.2 of Regulation "Z". Interest rate, program terms and conditions are subject to change without notice. Not all products are available in all states and for all loan amounts. Other restrictions and limitations may apply. Granting of loan is subject to program guidelines. 02/2008

****Please respond by fax if you do not want to continue to receive this information. Fax request to: 800-476-5584**