



MARTIN O'MALLEY
Governor

ANTHONY G. BROWN
Lt. Governor

January 21, 2015

Directive 2015 - 03

TO: **ALL PARTICIPATING LENDERS**

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

The purpose of this directive is to inform you of some updates and changes to directive **2014-34, dated November 12, 2014**, regarding the funding of Down Payment Assistance (DPA) Loans. The directive informed lenders of their responsibility for funding the Down Payment Assistance ("DPA") loans at closing.

In order to reimburse the MMP lenders in due time, the Community Development Administration ("CDA") will refund the DPA funds to the lenders **in the month following the loan closing** instead of in the month following loan purchasing as it was mentioned in the previous directive.

CDA will review the loan closing pipeline every month and will proceed (on a best effort basis) with reimbursing every lender within 30 calendar days after the MMP mortgage Post-Closing packages are returned, reviewed, approved and staged to "Pur/Clsg FI Rev" by CDA, in Lender Online.

To initiate the reimbursement request, the lender is to complete and submit an Attachment W, which is found on Lender Online, and email it to CDA_Wireinstructions.dhcd@maryland.gov. This change should expedite the reimbursement process for you and 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



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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 in Lender Online. Likewise there have been some revisions to the DPA Deed of Trust, available now in Lender Online.

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