



LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lt. Governor

KENNETH C. HOLT
Secretary

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May 8, 2015

Directive 2015-22

TO: PARTICIPATING LENDERS

SUBJECT: SUBORDINATION OF DPA LOAN FOR CDA/FHA STREAMLINE REFINANCES

The purpose of this Directive is to announce that the Community Development Administration ("CDA") is updating the process for subordinating the DPA and/or Partner Match Program loans under the CDA/FHA Streamline Refinance Program, at the request of US Bank. DPA/Partner Match Program loans may be subordinated and retain their 0% deferred status when used in conjunction with a CDA/FHA Streamline Refinance Program loan.

The lender will complete an Attachment G (Subordination Authorization) and an Allonge-DPA Note together with a Subordination Agreement and include them in the Pre-Closing Compliance file that is submitted to CDA via eDocs. The Allonge-DPA Note document and the Subordination Authorization form are included on the "*Loan Documentation*" page located at <http://mmp.maryland.gov/Lenders/Pages/Loan-Documentation.aspx> under the "*First Mortgage Pre-Closing*" heading/"*Document Requirement: Documents that are sometimes required*" sub-heading. The CDA underwriter who reviews the Pre-Closing Compliance Submission will print out the Allonge-DPA Note and the Subordination Agreement, have them signed by DHCD and then mail them back to the lender. The lender will have the documents executed by the borrower at closing and mail the original Subordination Authorization and Allonge to CDA to the attention of Marque Gibson. These originals will be attached to the original DPA Note that CDA holds.

The original **Subordination Agreement** will be recorded by the title company and then mailed to CDA by the title company or the originating lender. The lender is required to include copies of these signed documents in the Post-Closing Compliance Submission via eDocs.

Additional information for this subordination process will be forthcoming in another directive next week.





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As always, we appreciate your continued participation in our programs. If you have any questions concerning this Directive or suggestions for improvements, please contact one of the following: Vicki Jones at vicki.jones@maryland.gov, Ed Anthony at edward.anthony@maryland.gov, Pat Smith at patriciaa.smith@maryland.gov or Kafayat Abiola at kafayat.abiola@maryland.gov

Sincerely,

William J. Manahan

William J. Manahan
Assistant Director, Single Family Housing

