



LARRY HOGAN  
*Governor*

BOYD K. RUTHERFORD  
*Lt. Governor*

KENNETH C. HOLT  
*Secretary*

ELLINGTON CHURCHILL, JR.  
*Deputy Secretary*

November 10, 2015

**Directive 2015-56**

**TO: ALL PARTICIPATING LENDERS**

**SUBJECT: ANNOUNCING THE MARYLAND PATHWAY TO HOMEOWNERSHIP IN GARRETT COUNTY (PATHWAY) PROGRAM**

We are pleased to announce that effective today, November 10, 2015 the Maryland Mortgage Program is offering **The Maryland Pathway to Homeownership in Garrett County (Pathway)** program. **The Pathway program offers a total Down Payment Assistance of \$15,000; \$7,500 as a forgivable grant from Garrett County and \$7,500 as a zero percent deferred loan from the Maryland Mortgage Program.** The entire \$15,000 Down Payment Assistance will be disbursed through the Community Development Administration under the Pathway program. The lenders will advance up to \$15,000 at loan closing and the Community Development Administration will reimburse the lenders upon post-closing approval of the loans and submission of Attachment W. As an additional incentive, the Community Development Administration will waive its fee (the lenders may still charge their fees) under the Maryland HomeCredit Program for the mortgage credit certificates associated with Pathway loans. For more details please refer to Directives 2015-03, 2015-27 and 2015-43.

The Pathway program will be open for reservations until November 10, 2016 or until the allocated funds are expended, whichever occurs first. A countdown of the remaining funds for this initiative will be posted in a flashing bulletin on Lender Online and on the Maryland Mortgage Program website. Loans must be reserved with the Maryland Mortgage Program prior to the closing of the initiative (expiration of funding.) Loans do not have to be closed by the end of the initiative.

**\* Note:** In line with recently announced US Bank's overlays and effective immediately all FHA Pathway program loans submitted to U.S. Bank for purchase must have a minimum representative Credit Score greater than or equal to 660 for all borrowers on the application. Details of U.S. Bank's new overlays are detailed in Directive 2015-57.

**\* Please refer to the attached Fact Sheet for details. Attachments DD, EE, FF, and W are updated on the website.** Additionally, Pathway Grant and Down Payment Assistance Closing Package & Pathway Grant, Down Payment Assistance and Maryland Credit Certificate Closing Package will be uploaded on Lender Online on November 10, 2016, to be used by the lenders when a loan is pre-closing approved by CDA.



The new bond series/program codes are:

**Bond Series 900**

Program Code       **636 - PATHWAY GOVT+MCC**  
                          **637 - PATHWAY CONV+MCC**

**Bond Series 912**

Program Code       **315 – PATHWAY GOVT**  
                          **316 – PATHWAY CONV**

**DPA Bond Series 977**

Program Code       **917 – DPA Loan/PATHWAY**  
Sub-Program Code   **936 – PATHWAY DSELP**

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](mailto:vicki.jones@maryland.gov) or Ed Anthony at [edward.anthony@maryland.gov](mailto:edward.anthony@maryland.gov).

Sincerely,  
*Maddy Ciulu*

Maddy Ciulu  
Deputy Director Single Family Housing

Enclosures: Maryland Pathway to Homeownership Program Fact Sheet



**The Maryland Pathway to Homeownership in Garrett County  
("Pathway")  
(November 10, 2015)  
FACT SHEET**

**PURPOSE:** To help Maryland homebuyers purchase a home in Garrett County, Maryland, by offering an interest rate below the regular Maryland Mortgage Program and a \$15,000 DPA (\$7,500 forgivable grant and \$7,500 loan) in all of Garrett County.

**FUNDS ALLOCATED:** \$262,500 for DPA grants from Garrett County and \$262,500 for DPA loans from the State of Maryland. A countdown of remaining funds for this initiative will be posted regularly in a flashing bulletin on Lender Online. Loans must be RESERVED with the Community Development Administration (CDA) prior to the closing of the initiative (expiration of the funding); loans do not have to be CLOSED before the initiative ends.

**DATE:** Lenders may reserve loans under this Initiative from November 10, 2015 until November 10, 2016 or until the allocated funds are expended, whichever occurs first.

**105-DAY PURCHASE DEADLINE:**

All loans under this program must be purchased by US Bank within 105 days of the reservation date; no extensions will be considered beyond the 105 days and any loans not purchased within the 105 days will be cancelled.

**DOWNPAYMENT AND CLOSING COST ASSISTANCE (DPA) AVAILABLE:**

- **\$7,500\*** DPA loan in the form of a zero percent deferred loan funded by the State of Maryland through CDA, and
- An additional **\$7,500 DPA outright grant** (does not have to be repaid) funded by Garrett County through CDA.

The DPA loan under the Pathway initiative **cannot** be combined with matching funds from the **DPA Partner Match programs**. However, any MMP loan under Pathway can receive any available assistance from employers, builders, developers, local jurisdictions etc.

(\***Reminder:** Homebuyers cannot use Conventional financing to purchase DHCD-owned REO and receive DPA).

**MARYLAND HOMECREDIT PROGRAM (MHCP):**

Can be used in conjunction with Pathway. As an additional incentive, CDA will waive the fee for the mortgage credit certificate (MCC) associated with a MMP loan under Pathway. Lenders may continue to charge their MCC fee (lenders can establish their own fees within these guidelines):

- MCC Only: up to \$700 per MCC
- MCC with an MMP loan: up to \$350 per MCC

(please refer to Directive 2014-19 for payment instructions).

ELIGIBLE PROPERTIES: All properties located in Garrett County, Maryland.

INTEREST RATE: • The interest rate is **25 bps (0.25%) below** each of the regular MMP interest rates for conventional and government insured loans.

- The interest rate reduction cannot be used in conjunction with the Maryland Homefront Program (borrowers can benefit from either a ¼% interest rate reduction for a Maryland Homefront loan OR a ¼% interest rate reduction for an Pathway loan) or any refinance program.

ELIGIBLE BORROWERS:

- The program is open to eligible MMP homebuyers purchasing an “eligible property” in Garrett County, Maryland (1 or 2 person annual income limit of \$108,600 and 3 persons or more \$126,700).
- Eligible borrowers must qualify for an MMP loan, i.e. credit score, income limitations, etc.
- All borrowers must take approved homebuyer education and utilize an approved lender.
- For more information on general MMP requirements, go online to <http://mmp.maryland.gov/Lenders/Pages/Fact-Sheets.aspx> or browse the MMP website at [www.mmp.maryland.gov](http://www.mmp.maryland.gov).

FIRST TIME HOMEBUYER REQUIREMENT: Garrett County is a Targeted Area and the first-time homebuyer requirement is waived. Borrower(s) must occupy property as their principal residence and cannot own other real property at time of closing.

11/06/15

**Disclaimer:**

*The terms and conditions are subject to change until a borrower qualifies for the loan and locks in the interest rate. A borrower should contact CDA for further information concerning a loan and applying for a loan (see "[mmp.maryland.gov](http://www.mmp.maryland.gov)"). In connection with the Maryland Mortgage Program (MMP), the Maryland Department of Housing & Community Development makes no promises, representations or warranties to any party, including any borrower about the actual benefit an MMP loan might provide to a specific homeowner. Each homeowner's situation is different, and homeowners should seek the advice of a financial advisor, attorney or housing counselor before entering into any loan transaction.*