



LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lt. Governor

KENNETH C. HOLT
Secretary

ELLINGTON CHURCHILL, JR.
Deputy Secretary

December 2, 2015

Directive 2015-58

TO: **PARTICIPATING LENDERS**

SUBJECT: **New Lender Compensation, Loan Delivery Period, and Interest Rate Lock for Maryland Mortgage Program (MMP) loans**

The Community Development Administration is pleased to announce the following revised and enhanced guidelines for the MMP lender compensation schedule, extended loan delivery period and interest rate lock contract. This Directive will be effective on December 15, 2015 and applies to all existing and future MMP loan reservations.

I. LENDER COMPENSATION

Days Delivery:	0- 60	61-75	76-90	91-105	106-135	136-165
Lender Fee:	2.25%	2.0%	1.75%	1.50%	1.25%	1.00%

The lender compensation schedule above indicates the payment the lender will receive based upon the number of days from when the loan is reserved until it is purchased by US Bank.

II. LOAN DELIVERY PERIOD AND INTEREST RATE LOCK

1. The interest-rate lock contract will be terminated at the end of **165 days** if the loan has not been purchased by US Bank. If the original Interest Rate Lock and Delivery period of 165 days has expired, the lender will be obligated to reimburse CDA in full for any CDA-funded Down Payment Assistance loan.
2. CDA will not allow a loan (to the same borrower for the same property) to be cancelled and re-reserved within a period of one year from the original loan reservation date. Therefore lenders must ensure they reserve their loans as near as possible to the date they are confident the loan will close and be delivered. This planning is especially relevant for issues arising due to fault of the realtor, fault of the seller, short-sale, new construction, FNMA or Freddie Mac REO purchases, etc.
3. Lenders must ensure that their staff who originate, process, close and ship MMP loans are trained to process the CDA loans accurately and are knowledgeable with the MMP programs they are using and the respective terms and conditions. Lenders should reserve their loans correctly to limit any Attachment R adjustments. If an Attachment R is submitted requesting to switch loan programs after loan reservation and it is acceptable to CDA, CDA will apply whichever is higher of the reservation rate or the changed rate.



This Directive supersedes Directives 2015-46, 2013-38 (Interest Rate Lock Extensions, Re-Lock Policy for Existing and New Construction Loans) and Directive 2013-13 (Lender Compensation Update).

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 or Ed Anthony at edward.anthony@maryland.gov.

Sincerely,

Maddy Ciulu

Maddy Ciulu
Deputy Director
Single Family Housing

