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November 10, 2016

Directive 2016-17

TO: ALL PARTICIPATING LENDERS

SUBJECT: REMINDER – MARYLAND MORTGAGE PROGRAM HOMEBUYER EDUCATION REQUIREMENTS

The purpose of this directive is to reinforce the Homebuyer Education requirements for the Maryland Mortgage Program. The requirements are established by each jurisdiction and must be met whether or not funding from the jurisdiction is being utilized. Non-compliance with the jurisdiction's requirements may result in denial of the loan application.

For details about the specific requirements for each jurisdiction and a list of possible homebuyer education providers, see <http://mmp.maryland.gov/Pages/Homebuyer-Education-Classes.aspx>.

The following jurisdictions have specific requirements and/or specific providers which are identified on our website. In addition, see the highlighted language which is new or needs emphasis.

ANNE ARUNDEL

- Homebuyer Education must be provided by a HUD-Approved housing counseling agency
- The borrower must complete a Homebuyer Education course that includes at least eight hours of education on credit, budget, savings, the settlement process, and mortgage products.
- **FOR THE CITY OF ANNAPOLIS:** Homebuyer education **MUST** be provided by the Arundel County Development Services, Inc. For further information: <https://acdsinc.org/housing-resources/homebuyers/homeownership-counseling/>

BALTIMORE CITY

- First-Time Homebuyers (see "Definitions" below) must complete Homebuyer Education with an organization approved by Baltimore City, and obtain a certificate of completion **BEFORE ENTERING INTO A CONTRACT OF SALE** to purchase a home.
- Move-Up Homebuyers (see "Definitions" below) must complete Homebuyer Education with an organization approved by Baltimore City, and obtain a certificate of completion **BEFORE CLOSING**.

Definitions - A "First-Time Homebuyer" is defined as someone who has not owned a principal residence in the last three years. A "Move-Up Homebuyer" is someone who has owned a principal residence in the last three years, and is purchasing a new home. To qualify for Maryland Mortgage program loan products, Move-Up Homebuyers must sell their currently-owned residential property before purchasing their new home.



BALTIMORE COUNTY

- Homebuyer Education must be received from one of the specifically identified agencies.
- Workshop and individual counseling must be completed and a certificate of completion received **BEFORE THE BORROWER ENTERS INTO A CONTRACT OF SALE** to purchase a home.

HARFORD COUNTY

Homebuyer Education must include:

- A minimum of **two (2) hours of one-on-one, face-to-face counseling**
- **Additional three (3) hours of workshop counseling**
- The counseling must be conducted by a HUD-approved housing counseling agency or by a lender that uses the services of a mortgage insurer with an established education/counseling program.

Note: Both the one-on-one AND the workshop counseling must be completed! The workshop component may be done online. The one-on-one must be done in person.

The remaining Maryland counties do not have special requirements and will allow Homebuyer Education to be completed either in-person or online.

- **In-Person Homebuyer Education Classes** - Listed at the bottom of the following link and sorted by county. See notations for special approvals by the jurisdictions.

<http://mmp.maryland.gov/Pages/Homebuyer-Education-Classes.aspx>.

- **Online Homebuyer Education Classes (Links are on the MMP website)**

Framework - (FNMA Approved, available in Spanish)

Genworth - (FNMA Approved, available in Spanish)

Housing Options & Planning Enterprises, Inc. (HOPE) - (HUD Approved)

Mortgage Guaranty Insurance Corporation (MGIC) - (FNMA Approved, available in Spanish)

REMINDER: Please check our website regularly for updates to homebuyer education in each jurisdiction to ensure the loan follows their criteria.

If you have any questions concerning this Notification or suggestions for improvements, please email Singlefamilyhousing.dhcd@maryland.gov.

Sincerely,

Karl Metzgar

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Single Family Housing

