



LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lt. Governor

Kenneth C. Holt
Secretary

November 28, 2016

Directive 2016-18

TO: ALL PARTICIPATING LENDERS

SUBJECT: CLARIFICATION FOR DISCLOSURE REQUIREMENTS FOR DOWN PAYMENT & SETTLEMENT EXPENSE LOAN PROGRAM

As a result of lender inquiries regarding disclosures to recipients of down payment assistance loans the Department of Housing and Community Development is issuing the following clarification.

The Office of the Commissioner of Financial Regulation has provided guidance to the Department of Housing and Community Development that Maryland Mortgage Lender Law licensees may satisfy their disclosure obligations under Maryland Code Annotated, Commercial Law Article, Title 12 (Credit Laws), for loans made pursuant to the Down Payment & Settlement Expense Loan Program ("DSELP," also referred to as "DPA").

The Office of the Commissioner of Financial Regulation has advised that it will permit Maryland Mortgage Lender Law licensees to substitute the standard DSELP commitment letter for any applicable disclosures required for DSELP loans under the Credit Laws. The DSELP Commitment is a mandatory document under the DSELP program. The Office of the Commissioner of Financial Regulation licensees are advised to retain copies of commitment letters in their loan files.

As always, we appreciate your continued participation in our programs.

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

Sincerely,

Karl Metzgar

Karl Metzgar
Assistant Director / Operations Manager
Single Family Housing

