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Governor

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Kenneth C. Holt
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Tony Reed
Deputy Secretary

March 24, 2017

Directive 2017-06

TO: ALL PARTICIPATING LENDERS

SUBJECT: EXPANSION OF THE MARYLAND MORTGAGE GRANT ASSIST UTILIZATION

We are pleased to announce that, effective with reservations made on or after today, the Maryland Mortgage Program is expanding the utilization of the **Maryland Mortgage Grant Assist** to allow the funds to be used for down payment assistance with conventional loan products. Initially Grant Assist funds were limited to closing costs only; now Grant Assist funds may be applied to both **down payment and/or closing costs for conventional loans only**. This announcement supersedes Directive 2017-02.

*****NOTE*** This enhancement is effective for conventional loans only and is not allowed for government loans.**

As a reminder the following is still in effect:

- The grant must equal 4% and no higher or lower percentages are allowed.
- For government loans, if the grant exceeds closing costs, the excess will be applied as a principal curtailment.
- Employers, builders, developers, non-profits or other contributors may offer additional assistance; however the Partner Match Program is not available and the assistance will not be matched by the Department.

Please refer to the Fact Sheet for additional details:

<http://mmp.maryland.gov/Lenders/Documents/GrantAssistFactSheet.pdf>

As always, we appreciate your continued participation in our programs. If you have any questions concerning this directive or suggestions for improvements, please email singlefamilyhousing.dhcd@maryland.gov.

Sincerely,

Karl Metzgar

Karl Metzgar
Assistant Director / Operations Manager
Single Family Housing

