

January 22, 2018

Directive 2018-01

TO: ALL PARTICIPATING LENDERS

**SUBJECT: ANNOUNCING THE 6% MARYLAND OPPORTUNITY GRANT FOR INCOME
SELECTED BORROWERS**

The Maryland Mortgage Program (MMP) is excited to announce the **6% Maryland Opportunity Grant** to assist income selected homebuyers with down payment assistance and closing costs while purchasing a home. This product replaces the 2% Maryland Opportunity Grant offered during 2017.

This initiative for Conventional Mortgages only uses Freddie Mac's HFA Advantage and now provides a 6% grant based on the first loan amount for borrowers who meet the income levels for each county listed on page 2. The Fact Sheet is on our website and can be accessed at:

http://mmp.maryland.gov/Lenders/Documents/FactSheets/MMP_FactSheet_6percentOpportunityGrant.pdf

Highlights of the product include:

- This product requires an approved response from Freddie Mac's Loan Prospector (LP) automated underwriting system. Fannie Mae Desktop Underwriter (DU) is not valid.
- Grant funds may be used for both down payment and closing costs of the mortgage loan/home purchase using a Freddie Mac Conventional mortgage.
- The total grant must always equal 6% of the first loan amount and no higher or lower percentages are allowed. The grant is comprised of two components, a 4% grant and a 2% grant. The lender will advance the 4% and 2% grant funds at closing. CDA will reimburse the lender for the 4% grant and US BANK will reimburse the lender for the 2% grant.

IMPORTANT: The grant funds must be added to the Closing Disclosure in section "L" AS TWO SEPARATE LINE ITEMS. Identify the grant funds as "**MD CDA's Affordable Subsidy 2% Grant**" and "**MD CDA 4% Grant.**" The Freddie Mac Special feature code "**H56**" should be added to the 1008 form.

- The grant is not available for use with other MMP purchase, down payment assistance, or refinance products unless specifically identified in the product fact sheet.
- The Maryland HomeCredit Program may be used and as an additional incentive MMP will waive the \$450.00 MMP fee.

- 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. Regular DPA may not be layered with the Maryland Opportunity Grant.
- All other overlays of the MMP, US Bank, and/or Freddie Mac apply.

County Name	Income limit
Allegany	\$26,950
Anne Arundel	\$45,550
Baltimore	\$45,550
Baltimore City	\$45,550
Calvert	\$55,150
Caroline	\$33,750
Carroll	\$45,550
Cecil	\$41,600
Charles	\$55,150
Dorchester	\$31,500
Frederick	\$55,150
Garrett	\$31,500
Harford	\$45,550
Howard	\$45,550
Kent	\$37,000
Montgomery	\$55,150
Prince George's	\$55,150
Queen Anne's	\$45,550
Somerset	\$34,400
St. Mary's	\$49,800
Talbot	\$37,600
Washington	\$35,700
Wicomico	\$34,400
Worcester	\$34,400

Bond Series and New Program Codes for the Maryland Opportunity Grant

Bond Series 962

- **487 – MD OPP 6% GRANT CONV**

Bond Series 715

- **659 - MCC + CONV MD OPP 6% GRANT**



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

