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**January 22, 2018**

**Directive 2018-03**

**TO: ALL PARTICIPATING LENDERS**

**SUBJECT: MARYLAND CREDIT 640 – FHA LOANS**

The Maryland Mortgage Program (MMP) is pleased to announce the **MARYLAND CREDIT 640 - FHA** loans category to assist homebuyers with median FICO scores in the 640 - 659 range. In the past borrowers in this FICO range were not eligible for MMP; now more borrowers will qualify for our programs.

Highlights of this new product are:

- There will be Maryland Credit 640 options available under the FHA loans for Maryland Mortgage Premier, "You've Earned It!," Maryland Homefront, Maryland Grant Assist, and Maryland Preferred Rate. Future FHA products may qualify; check their fact sheets.
- DPA loans or grants may be layered with this product, including Partner Match funds if available.
- The Maryland HomeCredit Program is available with this product.
- The Interest Rates will be published under each applicable product on our rate sheet and website.
- **MMP UNDERWRITING OVERLAYS** for the FHA loans with middle FICO Scores 640 – 659
  - 2 Months PITI Reserves
  - Maximum DTI 42.00%
  - No Manual Underwriting is allowed
- All overlays of MMP, FHA and/or US BANK apply.

The Fact Sheet is available at the following link:

**[http://mmp.maryland.gov/Lenders/Documents/FactSheets/MMP\\_FactSheet\\_Credit640.pdf](http://mmp.maryland.gov/Lenders/Documents/FactSheets/MMP_FactSheet_Credit640.pdf)**



## **Bond Series and New Program Codes for the Credit 640 FHA Loans**

### **Bond Series 895**

- **581 – GOVT-CREDIT 640 – FHA**
- **584 – HOMEFRONT - GOVT-CREDIT 640 – FHA**

### **Bond Series 944**

- **585 – PREFERRED GOVT-CREDIT 640 – FHA**

### **Bond Series 954**

- **583 – YEI GOVT-CREDIT 640 – FHA**

### **Bond Series 961**

- **582 – GRANT ASSIST GOVT-CREDIT 640 – FHA**

### **Bond Series 916**

- **CREDIT 640 – FHA ONLY MCC IV**

### **Bond Series 711**

- **853 – MCC + GOVT-CREDIT 640 – FHA**
- **855 – MCC + YEI GOVT-CREDIT 640 – FHA**
- **856 – MCC + HOMEFRONT GOVT-CREDIT 640-FHA**
- **857 – MCC + PREFERRED GOVT-CREDIT 640-FHA**

### **Bond Series 713**

- **854 – MCC + GRANT ASSIST GOVT-CREDIT 640 – FHA**

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](mailto:singlefamilyhousing.dhcd@maryland.gov).

Sincerely,

*Karl Metzgar*

Karl Metzgar  
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