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May 21, 2018

Directive 2018-14

TO: ALL PARTICIPATING LENDERS

SUBJECT: ANNOUNCING THE SPECIAL ASSISTANCE GRANT FOR INCOME SELECTED BORROWERS

The Maryland Mortgage Program (MMP) is announcing the **Special Assistance Grant** to assist income selected homebuyers with down payment assistance and closing costs while purchasing a home.

This initiative for Conventional mortgages uses Freddie Mac's HFA Advantage and provides an outright grant of \$2,500.00 for borrowers with income not exceeding 50% of Area Median Income (AMI) OR \$1,500.00 for borrowers above 50% and not exceeding 80% of the AMI as detailed on page 2 of this directive. This product is an add-on to our existing programs, quoting the same rates but using the product codes below. The fact sheet is on our website and can be accessed at:

<http://mmp.maryland.gov/Lenders/Documents/FactSheets/Special-Assistance-Grant.pdf>

Highlights of the product:

- This product requires an approved response from Freddie Mac's Loan Prospector (LP) automated underwriting system. Fannie Mae Desktop Underwriter (DU) may not be used.
- Grant funds may be used for down payment and/or closing costs of the mortgage loan/home purchase using a Freddie Mac Conventional mortgage.
- The grant is strictly \$2,500.00 for borrower incomes up to 50% AMI, or \$1,500.00 for borrower incomes above 50% AMI and no higher than 80% AMI. No higher or lower amounts are allowed. The lender will advance the grant funds at closing. US BANK will reimburse the lender directly after the loan is purchased.

IMPORTANT: The grant funds must be added to the Closing Disclosure in section "L" AS A SEPARATE LINE ITEM. Identify the grant funds as "**MD CDA's Affordable Subsidy \$2,500.00 Grant**" or "**MD CDA's Affordable Subsidy \$1,500.00.**" **The Freddie Mac Special feature code "H56" should be added to the 1008 form.**



- The grant may be combined for use with other MMP products – Regular Conventional Loan Assist, Conventional Grant Assist, Conventional Homefront, Conventional You’ve Earned It, Conventional Rate Assist, and 1st Time Advantage Loans. This grant may not be combined with the Maryland SmartBuy or refinance products.
- Regular Down Payment Assistance can be layered with this product. Partner Match Program funds may be layered with this product.
- The Maryland HomeCredit Program may be used and, as an additional incentive, MMP will waive the \$450.00 MMP fee. The lender fee may be still be charged.
- All other overlays of the MMP, US Bank, and/or Freddie Mac apply.

County Name	Income limit for 50% AMI	Income limit for 80% AMI
Allegany	\$26,950	\$43,120
Anne Arundel	\$45,550	\$72,880
Baltimore	\$45,550	\$72,880
Baltimore City	\$45,550	\$72,880
Calvert	\$55,150	\$88,240
Caroline	\$33,750	\$54,000
Carroll	\$45,550	\$72,880
Cecil	\$41,600	\$66,560
Charles	\$55,150	\$88,240
Dorchester	\$31,500	\$50,400
Frederick	\$55,150	\$88,240
Garrett	\$31,500	\$50,400
Harford	\$45,550	\$72,880
Howard	\$45,550	\$72,880
Kent	\$37,000	\$59,200
Montgomery	\$55,150	\$88,240
Prince George's	\$55,150	\$88,240
Queen Anne's	\$45,550	\$72,880
Somerset	\$34,400	\$55,040
St. Mary's	\$49,800	\$79,680
Talbot	\$37,600	\$60,160
Washington	\$35,700	\$57,120
Wicomico	\$34,400	\$55,040
Worcester	\$34,400	\$55,040



Bond Series and New Program Codes for the Special Assistance Grant

Bond Series - 895

**753 - MMP CONV+1500 SAG
754 - MMP CONV+2500 SAG
757 - HOMEFRONT CONV+1500 SAG
758 - HOMEFRONT CONV+2500 SAG**

Bond Series - 944

**769 - PREFERRED CONV+1500 SAG
770 - PREFERRED CONV+2500 SAG**

Bond Series - 954

**761 - YOU'VE EARNED IT CONV+1500 SAG
762 - YOU'VE EARNED IT CONV+2500 SAG**

Bond Series - 961

**765 - GRANT ASSIST CONV+1500 SAG
766 - GRANT ASSIST CONV+2500 SAG**

Bond Series - 963

**751 - 1ST TIME ADV BASE CONV+1500 SAG
752 - 1ST TIME ADV BASE CONV+2500 SAG**

Bond Series - 721

**MCC CONV+1500 SAG - 755
MCC CONV+2500 SAG - 756
MCC CONV HOMEFRONT+1500 SAG - 759
MCC CONV HOMEFRONT+2500 SAG - 760
MCC CONV YOU'VE EARNED IT+1500 SAG - 763
MCC CONV YOU'VE EARNED IT+2500 SAG - 764
MCC CONV PREFERRED+1500 SAG - 771
MCC CONV PREFERRED+2500 SAG - 772**

Bond Series - 722

**MCC CONV GRANT ASSIST+1500 SAG - 767
MCC CONV GRANT ASSIST+2500 SAG - 768**



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

