



Maryland Department of Housing  
and Community Development

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October 2, 2018

**Directive 2018-25**

TO: **ALL PARTICIPATING LENDERS**

SUBJECT: **UPDATES TO MARYLAND SMARTBUY 2.0**

We are very happy to announce that Maryland SmartBuy 2.0 is now raising the dollar cap for the second lien to \$40,000 (from \$30,000).

**Effective for SmartBuy 2.0 reservations dated on or after October 1, 2018**, the following will be implemented:

- The **second mortgage** is a 5-year forgivable loan of up to 15% of the purchase price, not to exceed **\$40,000**.
- This second loan will be used to pay off completely the borrower's outstanding student debt balance at the time of home purchase. If there are two MMP borrowers, only one borrower's student loan balance must be paid off. The funds also may be used to pay off the other borrower's student debt ONLY if the total amount can be paid off in full.
- Updated fact sheet is here:  
[https://mmp.maryland.gov/Lenders/Documents/FactSheets/MMP\\_FactSheet\\_SmartBuy2.pdf](https://mmp.maryland.gov/Lenders/Documents/FactSheets/MMP_FactSheet_SmartBuy2.pdf)

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

Sincerely,  
*Karl Metzgar*

Assistant Director / Operations Manager  
Single Family Housing



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