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Lt. Governor

Kenneth C. Holt
Secretary

Tony Reed
Deputy Secretary

October 12, 2018

Directive 2018-26

TO: ALL PARTICIPATING LENDERS

SUBJECT: MONTGOMERY HOMEOWNERSHIP PROGRAM – PHASE III

As a result of the very successful Phase I and II of the Montgomery Homeownership Program, the Community Development Administration in collaboration with Montgomery County is pleased to announce that effective today Phase III is open to accept reservations. Lenders may reserve Montgomery Homeownership loans until the funds are fully committed; status will be posted weekly on the rates sheet and a flashing bulletin will be posted on Lender Online as the end of the program nears. The Montgomery Homeownership Program is designed to assist eligible homebuyers who purchase a home in Montgomery County by combining a Maryland Mortgage Program (MMP) first loan with a generous Down Payment Assistance (DPA) second loan.

Highlights of the program are:

- Montgomery Homeownership Program second lien will be a zero percent deferred DPA loan
- Maximum DPA loan will be 40% of total household income, up to a maximum of \$25,000.00
- DPA funds may be used for down payment and/or closing costs
- It can be combined with a Special Assistance Grant (SAG); there is a Credit 640 version
- Partner Match Programs – No matching funds provided; however, the DPA may be combined with available external assistance that meets agency guidelines
- Maryland HomeCredit Program – Available with this product (fee applies)
- Borrowers must meet all MMP and agency requirements

Bond Series and New Program codes for the Montgomery Homeownership Program:

1st Mortgage:

Bond Series: 894 - MNTGMRY HM GOVT/CONV

Program Codes: 480 - MNTGMRY HMOWNRSHV GOVT
481 - MNTGMRY HMOWNRSHV CONV
586 - MNTGMRY HM GOVT-CREDIT 640 FHA
775 - MNTGMRY HM CONV+1500 SAG
776 - MNTGMRY HM CONV+2500 SAG



Bond Series: 724 - MNTGMRY HM MCC V

Program Codes: MCC+GOVT MNTGMRY HMOWNRSHP 646
MCC+CONV MNTGMRY HMOWNRSHP 647
MCC+MNTGMRY HM GOVT-CREDIT 640 FHA 858
MCC CONV MNTGMRY HM+1500 SAG 777
MCC CONV MNTGMRY HM+2500 SAG 778

2nd Mtg/DPA:

Bond Series: 987 - MNTGMRY HM DPA
Program Code: 980 - 40% DPA MNTGMRY HMOWNRSHP
Sub-Program Code: 937 - MNTGMRY HM DPA

For complete program details, please refer to the information and fact sheet located on the website at <http://mmp.maryland.gov/montgomery>.

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

