



LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lt. Governor

Kenneth C. Holt
Secretary

Tony Reed
Deputy Secretary

February 25, 2019

Directive 2019-03

TO: ALL PARTICIPATING LENDERS

SUBJECT: FLEX 3% LOAN

In our continuing expansion of our product offerings we are pleased to announce the Maryland Mortgage Program (MMP) Flex 3% Loan. This product will offer a low MMP interest rate and a 3% Down Payment and Closing Cost Assistance (DPA) loan.

Highlights of the program include:

- Offers a fixed 3% DPA loan based on 3% of the first mortgage amount
- Use of the simplified loan package is allowed (Standard Pre-Closing Package II) unless a Mortgage Credit Certificate (MCC) is part of the transaction
- Partner Match is not available – assistance from employers, builders, non-profits, etc. may be layered with this product but will not be matched by Department funds
- Maryland HomeCredit Program is available with this and all Flex products. If an MCC is layered with a Flex loan, the borrower(s) must meet First-Time Homebuyer requirements and the transaction requires the complete loan package (Standard Pre-Closing Package I)
- The Special Assistance Grant may be combined with this product
- Borrower does not have to be a first-time homebuyer; repeat homebuyers may be eligible

Here is the link for the product fact sheet:

<https://mmp.maryland.gov/Lenders/Documents/FactSheets/Flex-3-Loan.pdf>



The Program Codes are listed below:

For FNMA loans:

895 – FLEX GOVT/CONV FNMA

- 587 – FLEX 3% GRANT GOVT
- 588 – FLEX 3% GRANT CONV
- 589 – FLEX 3% GRANT CREDIT 640

721 – FLEX FNMA + MCC V

- 590 – FLEX 3% GRANT GOVT + MCC
- 591 – FLEX 3% GRANT CONV + MCC
- 592 – FLEX 3% GRANT CRDT 640 + MCC

For FHLMC loans:

890 - FLEX GOVT/CONV FHLMC

- 746 – FLEX 3% DPA + 1500 SAG
- 747 – FLEX 3% DPA + 2500 SAG

725 – FLEX GRANT FHLMC + MCC V

- 744 – FLEX 3% DPA MCC + 1500 SAG
- 745 – FLEX 3% DPA MCC + 2500 SAG

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

