



LARRY HOGAN
Governor

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Lt. Governor

Kenneth C. Holt
Secretary

Tony Reed
Deputy Secretary

February 25, 2019

Directive 2019-04

TO: ALL PARTICIPATING LENDERS

SUBJECT: FLEX 3% GRANT

In our continuing expansion of our product offerings we are pleased to announce the Maryland Mortgage Program (MMP) Flex 3% Grant. This product will assist homebuyers with down payment and closing costs (DPA) in the form of a 3% grant based on the first mortgage loan amount.

Highlights of the program include:

- Offers a fixed 3% DPA grant 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-Grant.pdf>



The Program Codes are listed below:

For FNMA loans:

886 – FLEX GRANT GOVT/CONV FNMA

- 593 – FLEX 3% GRANT GOVT
- 594 – FLEX 3% GRANT CONV
- 595 – FLEX 3% GRANT CREDIT 640

722 – FLEX GRANT FNMA + MCC V

- 596 – FLEX 3% GRANT GOVT + MCC
- 597 – FLEX 3% GRANT CONV + MCC
- 598 – FLEX 3% GRANT CRDT 640 + MCC

For FHLMC loans:

885 - FLEX GRANT GOVT/CONV FHLMC

- 742 – FLEX 3% GRANT + 1500 SAG
- 743 – FLEX 3% GRANT + 2500 SAG

728 – FLEX GRANT FHLMC + MCC V

- 740 – FLEX 3% GRANT MCC + 1500 SAG
- 741 – FLEX 3% GRANT 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

