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revised July 20, 2012

Directive 2012-20

MEMORANDUM: ALL PARTICIPATING LENDERS

SUBJECT: OPENING OF THE \$50 MILLION "MARYLAND HOMEFRONT: THE VETERANS AND MILITARY FAMILY MORTGAGE PROGRAM" **(CORRECTED)**

The Department of Housing and Community Development is proud to announce a new initiative, Maryland Homefront: The Veterans and Military Family Mortgage Program, in appreciation of the contributions made by members of the United States armed services. The program opens for reservations today, Tuesday, July 3, 2012 and will remain open until June 30, 2013 or until the \$50 million allocated to the program has been expended, whichever occurs first. As the name implies, both veterans and active duty military will be eligible for this program.

A new occupation type, named "Military Active," has been added to the list of occupation types and should be selected if the borrower or co-borrower is active duty military. Lenders utilizing this new program will be recognized for reaching out to the men and women who unselfishly serve our country to make it a safer place to live. Eligible veterans and active duty military will receive an interest rate on loans under the Maryland Mortgage Program and the Save-A-Home Loan Program in Non-Targeted Areas that is one-half of a percent (.50%) lower than the Maryland Mortgage Program Non-Targeted interest rate and will also be eligible to receive a \$10,000 DSELP loan. The Maryland Homefront discounted rates do not apply to the Targeted Areas or the DHCD-owned Foreclosure rates, which are already discounted. The Maryland Homefront program codes and interest rates* under the 910 Bond Series are:

MARYLAND HOMEFRONT: THE VETERANS AND MILITARY FAMILY MORTGAGE PROGRAM								
<i>Chart is based on a prevailing non-targeted rate of 3.75%*.</i>								
	MMP 0 PT 30 YR		Save-A-Home 0 PT 30 YR				DHCD-owned Foreclosure 0 PT 30 YR	
	Non-Targeted	Targeted	Non-Targeted		Targeted		Non-Targeted	Targeted
			Short Sale	Foreclosure	Short Sale	Foreclosure		
Program Code	325	330	345	365	350	370	385	390
Interest Rate*	3.250%	2.875%	3.250%	3.250%	2.875%	2.875%	1.000%	1.000%
APR (VA)	3.419%	3.041%	3.419%	3.419%	3.041%	3.041%	1.149%	1.149%
APR (FHA)	4.082%	3.675%	4.082%	4.082%	3.675%	3.675%	1.638%	1.638%

Maximum DSELP Loan Amount	\$10,000 (in addition to applicable Partner Match Program matches and/or assistance from local jurisdictions.)
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- * Interest rates are subject to change; Targeted Area interest rates for the regular MMP and the Save-A-Home Loan Program revert to the Non-Targeted interest rates after the \$30 million program funds have been expended in the Targeted Areas.

When you reserve a HOMEFRONT PROGRAM loan on the New Reservation screen in Lender Online, there are two main categories: **HOMEFRONT** and **HOMEFRONT TARGETED** (which includes any Homefront loan in a Targeted Area).

- If the first mortgage is under the HOMEFRONT program type, the DSELP program code will be **990 – DSELP HOMEFRONT** and
- If the first mortgage is under the HOMEFRONT TARGETED program type, the DSELP program code will be **991 – DSELP HOMEFRONT TARGETED**.
- The sub-program codes will be 850 – 862 for both DSELP program codes.

Attachments CC, DD, EE, FF and R were revised to reflect the implementation of this new program and Attachment V was created to document a veteran's one-time exemption to the first-time homebuyer requirement. The following documents were added to Attachment CC – MBS Pre-Closing Compliance Checklist and must be included in the Pre-Closing Compliance Submission, if applicable:

- Under the new heading "5. HOMEFRONT PROGRAM ONLY", either
 - a copy of a *DD-214* is required if the borrower or co-borrower is a veteran; or
 - a copy of a *Leave & Earnings Statement and Confirmation of Active Duty Status* (using <https://www.dmdc.osd.mil/appj/scra/scraHome.do>) if borrower or co-borrower is active duty military
- Under the existing heading "6. IF PROPERTY LOCATED IN A NON-TARGETED AREA:" the following new requirement was added:
 - Veteran First-time Homebuyer Exemption Certification – Attachment V

As always, we appreciate your continued participation in MMP. If you have any questions concerning this Directive or suggestions for improving our Program, please contact me directly at (410) 514-7508 or 1-800-638-7781 or by e-mail at manahan@mdhousing.org.

Sincerely,

William J. Manahan

William J. Manahan
Assistant Director
Single Family Housing

Enclosures: Attachments CC
Attachment DD
Attachment EE
Attachment FF
Attachment R
Attachment V