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September 10, 2012

Directive 2012-25

TO: All Participating Lenders

SUBJECT: "CONVENTIONAL INSURED" IS NOW AN ELIGIBLE LOAN TYPE

The purpose of this Directive is to inform you that "conventional insured" is now an eligible loan type under the Maryland Mortgage Program and that "conventional uninsured" loans in Non-targeted Areas as well as Targeted Areas are now eligible for loans reserved on or after September 10, 2012. These loans must be underwritten to current Fannie Mae HFA Preferred underwriting guidelines and "HFA Preferred" must be selected when they are run through automated underwriting. Secondary financing must meet Fannie Mae's guidelines for "Community Seconds" (<https://www.efanniemae.com/sf/mortgageproducts/pdf/cschecklist.pdf>) and CLTV's may not exceed 105%.

The interest rate for conventional loans on properties located in a Non-targeted Area will be one quarter percent higher than the interest rate for a government loan under the regular Maryland Mortgage Program. The interest rate for all loans on properties located in a Targeted Area is maintained at 2.875% (APR 3.310% for conventional insured loan) until the \$30 million set aside for this initiative is fully reserved.

Please use one of the program codes listed below when reserving conventional insured loans:

- **304 - CONV INS. MBS OPT 30 YR (9/10/12)**
- **334 - CONV INS. SHORT SALE OPT 30 YR (9/10/12)**
- **354 - CONV INS. Foreclosures OPT 30YR (9/10/12)**
- **379 - CONV INS. DHCD-Owned Foreclosures OPT 30YR (9/10/12)**
- **382 - CONV INS. TARGETED DHCD-Owned Foreclosures OPT 30YR (9/10/12)**

The Lender's Compliance Manual for the MBS Program (located at: <http://mmprogram.org/LendersManuals.aspx>) and Attachments CC, EE and R (located at: <http://mmprogram.org/Attachments.aspx>) have been updated to include information about this new loan type. A list of Eligible Mortgage Insurers/Guarantors has been added to the website and is also attached to this Directive.

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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, Homeownership Programs

Single Family Housing

Enclosure: Eligible Mortgage Insurers/Guarantors list



**COMMUNITY DEVELOPMENT ADMINISTRATION/
SINGLE FAMILY HOUSING**

Eligible Mortgage Insurers/Guarantors

Participating Private Mortgage Insurance Companies
(as of 09/10/12)

Essent Guaranty, Inc.

Genworth Financial, Inc. (GE)

Mortgage Guaranty Insurance Corporation (MGIC)

Radian Guaranty, Inc. (RGI)

United Guaranty Residential Insurance Company (UGRIC)

Eligible Government Mortgage Insurers/Guarantors

Federal Housing Administration (FHA)

Veterans Administration (VA)

Rural Housing Services (RHS)