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January 23, 2013

Directive 2013-8

TO: All Participating Lenders

SUBJECT: Conventional Loans with financed Single Premium Mortgage Insurance

The purpose of this Directive is to re-enforce Fannie Mae's guidelines with regard to the calculation of LTV/GLTV for conventional loans.

The total of the loan amount + the financed single premium mortgage insurance divided by the property value (lesser of the purchase price or appraised value), commonly referred to as the Gross LTV (GLTV), may not exceed 97.0% under Fannie Mae's HFA Preferred Program. If the private mortgage insurer has a higher GLTV, Fannie Mae's HFA Preferred Program guidelines should prevail.

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
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