FACT SHEET: FLEX 3% LOAN

PURPOSE
To offer Maryland homebuyers a low Maryland Mortgage Program (MMP) interest rate product and a 3% Down Payment and Closing Cost Assistance loan, 0% interest, 30 years, deferred. This specific product requires a simplified loan documentation package (#2) (unless an MCC is included).

START DATE
Feb 25, 2019

DOWNPAYMENT & CLOSING COST ASSISTANCE
The Flex 3% Loan includes a 0% interest, 30 year deferred DPA loan of 3% of the MMP loan amount (first lien). The assistance loan is to be used for the down payment and/or closing costs of the mortgage loan and home purchase at closing. If the 3% exceeds the total down payment and closing costs needed for the transaction, the excess funds will be applied by the lender to a principal curtailment.

The loan available for this product is strictly 3% and no higher or lower percentages are allowed.

Funding: As with all MMP DPA, the lender will advance the assistance loan funds at closing and the Community Development Administration (CDA) will reimburse the lender after the loan is purchased by US Bank (see Directive 2018-16).

(Reminder: Except for SmartBuy 1.0, CDA assistance programs cannot be used with conventional financing for purchase of a DHCD-owned REO.)

PARTNER MATCH PROGRAM AND REFINANCING PRODUCTS
Not available. Assistance from employers, builders, non-profits, etc. may be layered with this product but will not be matched by CDA funds.

MARYLAND HOME CREDIT (MCC)
Available with this and all Flex products. If an MCC is layered with a Flex loan, borrower must meet 1st Time Advantage requirements including being a first-time homebuyer and utilizing the full loan documentation package (#1). The Maryland HomeCredit Program (MCC) is subject to federal regulations and availability of funds, and may be discontinued at any time in the Department’s sole discretion.

INTEREST RATE
The interest rates for conventional and government (FHA, VA, USDA) loans for this product will be listed on the Interest Rate Notification published on the MMP website.

ELIGIBLE BORROWERS*
This product is only available for repeat homebuyers if:

- Borrower is not applying for a Mortgage Credit Certificate (MCC) and/or;
- Borrower is purchasing in a targeted area and sold their current home prior to closing on the new property;
- Flex products require homebuyers to take a Homebuyer Education class before they close the MMP loan. This education class must be approved and provided by HUD, Private Mortgage Insurers, Fannie Mae or Freddie Mac. Some funding sources have more stringent requirements if their own funds are used. mmp.maryland.gov/Pages/Homebuyer-Education-Classes.aspx
- Any overlays required by the GSEs, FHA, VA, USDA, Private Mortgage Insurers, US Bank etc. apply.

FIRST-TIME HOME BUYER REQUIREMENT
Regardless of the waiving of the first-time homebuyer requirement, a Maryland Mortgage borrower cannot own any other real property at time of closing.

OTHER
Flex 3% Loan follows all underwriting overlays of US Bank, Fannie Mae, Freddie Mac, FHA/VA/RHS and PMIs. All other rules relating to Maryland Mortgage Program loans apply except where specifically noted in this document. Flex 3% Loan cannot be used in conjunction with any Maryland Mortgage Program products other than the Maryland HomeCredit and Special Assistance Grant.

Disclaimer: The terms and conditions are subject to change until a borrower qualifies for the loan and locks in the interest rate. A borrower should contact their lender for further information concerning a loan and applying for a loan (see www.mmp.maryland.gov). In connection with the Maryland Mortgage Program (MMP), the Maryland Department of Housing & Community Development makes no promises, representations or warranties to any party, including any borrower about the actual benefit an MMP loan might provide to a specific homeowner. Each homeowner’s situation is different, and homeowners should seek the advice of a financial advisor, attorney or housing counselor before entering into any loan transaction.

For more information, please visit:
mmp.Maryland.gov

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