



MARYLAND MORTGAGE
Making Homeownership Affordable

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, repayment deferred for the life of the first mortgage. 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 total 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 1 st 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. Fees apply.
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. The rate gets locked when the lender reserves funds in Lender Online.
ELIGIBLE BORROWERS*	The product is open to eligible MMP homebuyers. Eligible borrowers must qualify for an MMP loan, i.e., income limitations, credit score and purchase price limits, and other requirements not listed here. 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 that must be met if their 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	The borrower can be a repeat homebuyer if using the Flex 3% Grant UNLESS getting an MCC. If getting an MCC, borrower must be a first-time homebuyer, defined by our program as: <ul style="list-style-type: none"> o Borrower is purchasing in a targeted area (see http://mmp.maryland.gov/Pages/Targeted-Areas.aspx for more information on targeted areas); or o It has been more than three years since the borrower has owned a principal residence; or o Borrower is an honorably discharged veteran who has not previously used the first-time homebuyer exemption. This is in accordance with the Heroes Earnings Assistance and Relief Tax Act of 2008, as amended. A DD-214 form must be submitted to document veteran status, and an Attachment V - Veteran First Time Homebuyer Exemption form (located at http://mmp.maryland.gov/Lenders/Pages/Loan-Documents.aspx under First Mortgage Pre-Closing/Documents That Are Sometimes Required) must be completed. <p>Whether a repeat homebuyer or a first-time homebuyer, a Maryland Mortgage borrower cannot own any other real property at time of closing.</p>
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.

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

Single Family Housing - Community Development Administration
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