



MARYLAND MORTGAGE
Making Homeownership Affordable

FACT SHEET: FLEX 4% GRANT

PURPOSE	To assist first-time and repeat homebuyers with down payment and closing costs associated with purchasing a home in Maryland using the Maryland Mortgage Program (MMP) for government or conventionally insured or uninsured (LTV below 80%) loans. The Maryland Department of Housing and Community Development ("the Department") offers a first mortgage loan that is accompanied by a grant of 4% for down payment and/or closing costs.
DATE	This product was launched on January 22, 2018 and updated on February 25, 2019.
CLOSING COST AND DOWN PAYMENT ASSISTANCE	Flex 4% Grant includes an outright grant of 4% of the MMP loan amount (first lien). The grant is to be used for the down payment and/or closing costs of the mortgage loan and home purchase at closing. If the 4% 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 grant available for this product is strictly 4% and no higher or lower percentages are allowed. Under the Flex 4% Grant product, the lender will advance the grant funds at closing and the Community Development Administration (CDA) will reimburse the lender after the loan is post-closing approved by CDA (see Directive 2014-34). This product may also benefit from the Freddie Mac DPA assistance under the Special Assistance Grant , if eligible; please refer to the respective fact sheet. (Reminder: CDA assistance programs cannot be used with conventional financing for purchase of a DHCD-owned REO.)
DOWN PAYMENT REQUIRED FROM THE BORROWER:	The borrower will bring the minimum down payment required by Fannie Mae/Freddie Mac or FHA/RHS/VA for a conventional or government insured loan as stated in their guidelines. GRANT FUNDS CANNOT BE COMBINED WITH OTHER DOWN PAYMENT ASSISTANCE PRODUCTS OFFERED BY CDA UNLESS SPECIFICALLY REFERENCED IN THE PRODUCT FACT SHEET.
PARTNER MATCH PROGRAM	Not available with this product. Assistance from employers, builders, non-profits, etc. may be utilized by the borrower in combination with this product but will not be matched by the Department's funds.
MARYLAND HOMECREDIT PROGRAM	May be available with this product. The Maryland HomeCredit Program (offering mortgage credit certificates) is subject to federal regulations and availability of funds, and may be discontinued at any time in the Department's sole discretion. If the borrower for this product applies for an MCC, the first-time homebuyer requirements apply.
INTEREST RATE	Rates are published daily by the Department for the first lien. The grant does not carry any interest.
ELIGIBLE BORROWERS	<ul style="list-style-type: none"> o This product is available to first time and repeat homebuyers in Maryland. Borrowers must meet all eligibility requirements established for the Maryland Mortgage Program. For more information on MMP requirements, go online to http://mmp.maryland.gov/Lenders/Pages/Fact-Sheets.aspx or browse the website at www.mmp.maryland.gov. o All Maryland Mortgage Program purchase products require homebuyers to take a Homebuyer Education class. An education class may be any class approved by HUD, Fannie Mae or Freddie Mac, including an online class. (http://mmp.maryland.gov/Pages/Homebuyer-Education.aspx).
FIRST TIME HOMEBUYER REQUIREMENT:	This product is available to first time and repeat homebuyers in Maryland. If the borrower for this product applies for an MCC, the first-time homebuyer requirements apply. 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 4% Grant follows all underwriting overlays of US Bank, Fannie Mae, Freddie Mac, FHA/VA/RHS and PMIs, as applicable. Except where specifically noted, all rules relating to Maryland Mortgage Program loans apply. Special Assistance Grant product can be added to this product. It uses the simplified loan package (using Standard Pre-Closing Package II) unless an MCC is included. The Flex 4% Grant product cannot be used in conjunction with any other MMP products unless specified in the product fact sheet.

Disclaimer: The terms and conditions are subject to change until the lender locks the loan in Lender Online. A potential borrower should contact an approved lender for further loan information (see mmp.maryland.gov for a list of approved lenders). In connection with the Maryland Mortgage Program, the Maryland Department of Housing & Community Development makes no promises, representations or warranties to any party, including any borrower, about the actual benefit a Maryland Mortgage loan might provide in specific situations. Each borrower's situation is different, and potential borrowers should seek the advice of a financial advisor, attorney or housing counselor before entering into any loan transaction.



Larry Hogan,
Governor
Boyd K. Rutherford,
Lt. Governor



Kenneth C. Holt,
Secretary
Tony Reed,
Deputy Secretary

For more information, please visit:

MMP.Maryland.gov

Single Family Housing - Community Development Administration
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