



**MARYLAND MORTGAGE**  
*Making Homeownership Affordable*

## FACT SHEET: FLEX 4% GRANT

<b>PURPOSE</b>	To assist homebuyers with costs associated with purchasing a home in Maryland using the Maryland Mortgage Program (MMP). The Maryland Department of Housing and Community Development ("the Department") offers a first mortgage loan that is accompanied by a 4% grant to pay down payment or closing costs (closing costs only for FNMA loans). This specific product requires a <b>simplified loan documentation package (#2)</b> (unless an MCC is included).
<b>DATE</b>	This product was launched on January 22, 2018; most recently revised on 11/26/2019.
<b>CLOSING COST AND DOWN PAYMENT ASSISTANCE</b>	<p>Flex 4% Grant includes a grant of 4% of the MMP total loan amount (first lien). The grant funds can be used for closing costs and/or down payment for FHA, VA, USDA, or Freddie Mac loans. The grant funds can be used for CLOSING COSTS ONLY for FNMA loans.</p> <p><b>The grant available under this program is strictly 4% and no higher or lower percentages are allowed.</b></p> <p>As with all MMP DPA, lenders will advance the grant funds at closing and the Community Development Administration (CDA) will reimburse the lender after purchase by US Bank.</p> <p>Reminder: CDA assistance programs cannot be used with conventional financing for purchase of a DHCD-owned REO.</p> <p><b>NOTE:</b> It is the lender's responsibility to ensure that the Flex Grant funds for Fannie Mae loans are <b>used exclusively for CLOSING COSTS.</b></p>
<b>DOWN PAYMENT REQUIRED FROM THE BORROWER:</b>	<p>The borrower will bring the minimum down payment required by the loan underwriting guidelines. The grant funds can be used for down payment for all loan types OTHER THAN FNMA.</p> <p><b>FLEX 4% GRANT FUNDS CANNOT BE COMBINED WITH OTHER DOWN PAYMENT ASSISTANCE PRODUCTS OFFERED BY CDA.</b></p>
<b>PARTNER MATCH PROGRAM</b>	Not available with this program. Assistance from employers, builders, non-profits, etc. may be layered with this product but will not be matched by CDA funds.
<b>MARYLAND HOMECREDIT PROGRAM (MCC)</b>	Available with this and all Flex products. If an MCC is layered with a Flex loan, borrower must meet 1 <sup>st</sup> Time Advantage requirements including being a first-time homebuyer and utilizing the full loan documentation package (#1). The Maryland HomeCredit Program is subject to federal regulations and availability of funds, and may be discontinued at any time in the Department's sole discretion.
<b>INTEREST RATE</b>	Rates are published by the Department for the first lien. The grant is outright and does not carry any interest.
<b>ELIGIBLE BORROWERS</b>	<ul style="list-style-type: none"> <li>Borrowers must meet all eligibility requirements established for the Maryland Mortgage Program. For more information on MMP requirements, go online to <a href="https://mmp.maryland.gov/Lenders/Pages/ProgramInfo.aspx">https://mmp.maryland.gov/Lenders/Pages/ProgramInfo.aspx</a> or browse the website at <a href="http://www.mmp.maryland.gov">www.mmp.maryland.gov</a>.</li> <li>All Maryland Mortgage Program purchase products require that homebuyers take a Homebuyer Education class. An education class may be any class approved by HUD, Fannie Mae or Freddie Mac, including an online class. Some funding sources have more stringent requirements if their own funds are used. (<a href="http://mmp.maryland.gov/Pages/Homebuyer-Education.aspx">http://mmp.maryland.gov/Pages/Homebuyer-Education.aspx</a>).</li> </ul>
<b>FIRST TIME HOMEBUYER REQUIREMENT:</b>	<p>The borrower can be a repeat homebuyer if using the Flex 4% Grant UNLESS getting an MCC. If getting an MCC, borrower must be a first-time homebuyer, defined by our program as:</p> <ul style="list-style-type: none"> <li>Borrower is purchasing in a targeted area (see <a href="http://mmp.maryland.gov/Pages/Targeted-Areas.aspx">http://mmp.maryland.gov/Pages/Targeted-Areas.aspx</a> for more information on targeted areas); or</li> <li>It has been more than three years since the borrower has owned a principal residence; or</li> <li>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 <a href="http://mmp.maryland.gov/Lenders/Pages/Loan-Documents.aspx">http://mmp.maryland.gov/Lenders/Pages/Loan-Documents.aspx</a> under First Mortgage Pre-Closing/Documents That Are Sometimes Required) must be completed.</li> </ul> <p>Whether a repeat homebuyer or a first-time homebuyer, a Maryland Mortgage borrower <b>cannot own any other real property at time of closing.</b></p>
<b>OTHER</b>	<p>Please refer to underwriting guidelines for US Bank &amp; insurers in addition to any MMP guidelines.</p> <p>All other rules relating to Maryland Mortgage Program loans apply except where specifically noted in this document.</p> <p><b>Flex 4% Grant cannot be used in conjunction with any Maryland Mortgage Program products other than the Maryland HomeCredit.</b></p>

*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](http://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.



For more information, please visit:  
**MMP.Maryland.gov**

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