

FACT SHEET : HOMEABILITY

UPDATED
7/1/2021

(30-year conventional purchase loans for Maryland first-time homebuyers with disabilities; may be offered only by gold- or silver-tier lenders)



MARYLAND MORTGAGE
Making Homeownership Affordable

PURPOSE	<p>HomeAbility is comprised of an amortizing conventional loan (first lien) and a non-amortizing deferred loan (second lien for down payment and closing cost assistance) which together finance up to 105% of the purchase price. The first lien (80% of the purchase price) will be financed at a fixed interest rate and the second lien (up to 25% of the purchase price, capped at \$45,000) will be financed at a 0% interest rate with payment deferred for the life of the first lien.</p> <p>HomeAbility will assist disabled borrowers who have income not exceeding 80% AMI per borrower, as listed below by jurisdiction.</p> <p>HomeAbility may be offered only by gold- or silver-tier lenders (defined as having had 15+ MMP loans purchased during a previous quarter).</p>
INTEREST RATE	<p>The interest rates for this product will be on the Interest Rate Notification and published on the MMP website (go to <u>mmp.maryland.gov/Pages/Interest-Rates.aspx</u>) for the first lien and 0% interest for the second lien.</p>
TERM	<p>30-year amortizing conventional mortgage for the first lien; second (non-amortizing) lien is deferred for the life of the first lien.</p>
ORIGINATION / DISCOUNT FEES	<p>Zero point only</p>
INCOME AND PURCHASE PRICE LIMITS	<p>The borrower income limits (80% AMI) are listed below for each jurisdiction. Visit mmp.maryland.gov/Lenders/Pages/Income-and-Purchase-Limits.aspx for the current purchase price limits.</p>
MAIN UNDERWRITING REQUIREMENTS	<ol style="list-style-type: none"> 1. RESERVATIONS: The borrower(s) must have a fully ratified contract of sale before loan is reserved. If the transaction is a short sale, the third party (lender) approval is also required before the loan is reserved. 2. ASSET TEST: If assets exceed 20% of the purchase price, an Asset Test Worksheet (Attachment F) must be completed to determine the eligibility of the borrower. 3. Please refer to underwriting guidelines for US Bank and the GSEs in addition to any MMP guidelines.
HOMEBUYER EDUCATION	<p>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 (as applicable to the particular loan), including an online class (http://mmp.maryland.gov/Pages/Homebuyer-Education.aspx). If external assistance funds are being utilized, additional restrictions from the funding source may be applicable. For any other homebuyer education guidelines not mentioned here please refer to overlays and underwriting guidelines of US Bank and the GSEs.</p>
ELIGIBLE BORROWERS	<ul style="list-style-type: none"> - One of the borrowers is disabled; OR one of the borrowers is a guardian for, resides with, and is the principal caregiver for an immediate family member who is disabled (regardless of age) - Supporting documentation includes the following: <ul style="list-style-type: none"> ✓ The CDA form entitled "Certificate of Disability" (available online) completed by a health, mental health, or disability professional; and/or ✓ Proof of income from Social Security Administration (i.e. SSI or SSDI), VA or former employer. The proof is a copy of the borrower's disability policy, award letter or benefits statement from the benefits payer (insurance company, employer or other qualified disinterested party), per FNMA's guidelines; or ✓ Proof of application for disability benefits evaluation and a copy of the Social Security Administration office's decision on the application. It is entirely CDA's decision whether to accept the supporting documentation. - Must be first-time homebuyers, unless: <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-Documentation.aspx under First Mortgage Pre-Closing/Documents That Are Sometimes Required) must be completed. - Borrower must meet the eligibility guidelines for the overall Maryland Mortgage Program, and for US Bank and the GSEs.



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

Single Family Housing - Community Development Administration
Maryland Department of Housing and Community Development
7800 Harkins Road • Lanham, MD • 20706



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ELIGIBLE PROPERTIES	<p>Purchase Price Purchase price (plus capitalized ground rent, if applicable) may not exceed the Maximum Acquisition Cost listed under https://mmp.maryland.gov/Lenders/Pages/Income-and-Purchase-Limits.aspx.</p> <p>Type of Property</p> <ul style="list-style-type: none"> - Existing homes; - New construction only if located in a Priority Funding Area (PFA). Municipalities, Baltimore City and areas inside the Baltimore and Washington beltways are PFAs. For new construction, confirm that the property is located in a PFA by using DHCD's mapping tool at www.dhcd.state.md.us/Website/DHCDmapper.aspx or by contacting christina.james@maryland.gov; - Single-family, one-unit residences, including townhouses; detached and semi-detached homes; condominiums units; and modular or manufactured homes. <p>Property Restrictions Any land appurtenant to the residence which is not necessary to maintain the basic livability of the residence may not be financed with the proceeds of the mortgage loan. The lot size cannot exceed four acres; however, exceptions may be requested through the Lender for properties with septic and/or zoning considerations that require additional acreage. The maximum exception will not exceed ten acres. The Lender can request an exception from the SFH Operations Manager listing the reason(s) why the exception should be made. The borrower's name, address and loan number along with any pertinent documentation is to be included with the written request (email is acceptable). These requests are to be submitted as soon as the lender is aware of the situation.</p>
SUBORDINATE LIEN	<p>No shared lien or tacking/attaching financing liens, conditions or riders to an MMP Deed of Trust (must be an entirely separate lien recorded after the MMP Deeds of Trust). No deed covenants related to additional financing may be in the Deed incorporating requirements of the additional financing. Terms of repayment must be incorporated into the underwriting of the MMP loan. Financing must meet GSEs guidelines for HFA secondary financing and the CLTV may not exceed 105%.</p>
PARTNER MATCH AND THE DOWN PAYMENT & CLOSING COST ASSISTANCE	<p>Partner Match loans are not available with this product.</p> <p>The second lien of up to 25% of the purchase price (and capped at \$45,000) can be used for down payment, closing cost assistance and/or principal curtailment. If applicant uses other jurisdiction, municipality, Federal Home Loan Program (FHLP), or non-profit loan funds, the amount of DPA loan may be reduced to meet the 105% CLTV requirement.</p>
OTHER	<p>All other rules relating to Maryland Mortgage Program loans (see Maryland Mortgage 30-Year fact sheet: https://mmp.maryland.gov/Lenders/Documents/FactSheets/MMP-FactSheet-standard-loan-30yrPurchase.pdf) apply except where specifically noted in this document.</p> <p>HomeAbility can only be offered by gold- or silver-tier lenders (defined as having 15 or more MMP loans purchased the previous quarter). See the lender list: https://mmp.maryland.gov/Lenders/Documents/LendersList_MMPKit.pdf</p>



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HomeAbility – 2021 MAXIMUM INCOME/AFFORDABILITY LIMITS FOR BORROWERS

(Valid as of the date of this fact sheet, but subject to change when Fannie Mae and Freddie Mac update their income limits, usually once a year. Updates are announced by directive.)

County Name	Income limit for 80% AMI
Allegany	\$48,640
Anne Arundel	\$84,080
Baltimore	\$84,080
Baltimore City	\$84,080
Calvert	\$102,240
Caroline	\$57,600
Carroll	\$84,080
Cecil	\$75,600
Charles	\$102,240
Dorchester	\$57,600
Frederick	\$102,240
Garrett	\$57,600
Harford	\$84,080
Howard	\$84,080
Kent	\$62,800
Montgomery	\$102,240
Prince George's	\$102,240
Queen Anne's	\$84,080
Somerset	\$59,280
St. Mary's	\$93,200
Talbot	\$69,920
Washington	\$61,040
Wicomico	\$59,280
Worcester	\$59,280

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.



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