

# FACT SHEET: HOMESTART 6% DPA LOAN

(For borrowers ≤50% AMI)



**MARYLAND MORTGAGE**  
Making Homeownership Affordable

<b>PURPOSE</b>	To offer Maryland first-time homebuyers with an income at or below 50% of the Area Median Income (AMI) a Maryland Mortgage Program (MMP) first mortgage with a competitive interest rate and a 6% Down Payment and Closing Cost Assistance (DPA) loan with a 0% interest rate, 30 year term, repayment deferred for the life of the first mortgage. This specific product will require a <b>full loan documentation pre-closing compliance package (#1)</b> .
<b>START DATE</b>	July 5, 2022
<b>DOWNPAYMENT &amp; CLOSING COST ASSISTANCE</b>	The HomeStart 6% Loan product includes a 0% interest, 30 year deferred DPA loan equal to 6% 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 6% 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. <b>The loan available for this product is strictly 6% and no higher or lower percentages are allowed.</b> Funding: Just like for the regular 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). <b>(Reminder:</b> Except for SmartBuy, CDA assistance programs cannot be used with conventional financing for purchase of a DHCD-owned REO.)
<b>PARTNER MATCH PROGRAM AND REFINANCING PRODUCTS</b>	Not available. Assistance from employers, builders, non-profits, etc. may be utilized by the borrower in combination with this product (as long as all guidelines are met) but will not be matched by CDA funds.
<b>MARYLAND HOME CREDIT</b>	Not available.
<b>INTEREST RATE</b>	The interest rates for this product will be on the Interest Rate Notification and published on the MMP website.
<b>ELIGIBLE BORROWERS*</b>	The product is open to eligible MMP first-time homebuyers whose income is at or below 50% of the AMI. Eligible borrowers must qualify for an MMP loan, i.e., income limitations, credit score and purchase price limits.  Borrower(s) may not own other real property at time of closing.  As with all MMP purchase loans, the HomeStart 6% Loan requires homebuyers to take a Homebuyer Education class before they close the MMP loan. This education class must be approved by HUD, NIS, Fannie Mae or Freddie Mac. If funds from another source are being used, their requirements also must be met. <a href="http://mmp.maryland.gov/Pages/Homebuyer-Education-Classes.aspx">mmp.maryland.gov/Pages/Homebuyer-Education-Classes.aspx</a>  Please refer to underwriting guidelines for US Bank & insurers in addition to any MMP Program guidelines.

- FIRST-TIME HOMEBUYER REQUIREMENT**
- This product is only available for first time homebuyers with the following exceptions:
- Borrower is purchasing in a targeted area (for more information on targeted areas: <http://mmp.maryland.gov/Pages/Targeted-Areas.aspx>); or
  - It has been more than three years since borrower has owned a principal residence; or
  - 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 a Veteran First Time Homebuyer Exemption form must be completed.

*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](http://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  
Maryland Department of Housing and Community Development  
7800 Harkins Road • Lanham, MD • 20706  
SingleFamilyHousing.dhcd@maryland.gov  
Toll Free (Maryland Only): 800-756-0119



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COUNTY NAME	2022 INCOME LIMIT FOR 50% AREA MEDIAN INCOME
Allegany	\$35,650
Anne Arundel	\$58,050
Baltimore	\$58,050
Baltimore City	\$58,050
Calvert	\$70,250
Caroline	\$46,800
Carroll	\$58,050
Cecil	\$52,700
Charles	\$70,250
Dorchester	\$46,800
Frederick	\$70,250
Garrett	\$46,800
Harford	\$58,050
Howard	\$58,050
Kent	\$47,000
Montgomery	\$70,250
Prince George's	\$70,250
Queen Anne's	\$58,050
Somerset	\$44,500
St Mary's	\$57,150
Talbot	\$50,550
Washington	\$38,750
Wicomico	\$44,500
Worcester	\$44,500

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DEPARTMENT OF HOUSING  
AND COMMUNITY DEVELOPMENT