

FACT SHEET : 30-YEAR PURCHASE LOANS MARYLAND MORTGAGE PROGRAM

UPDATED
7/9/2019



MARYLAND MORTGAGE
Making Homeownership Affordable

This fact sheet includes standard Maryland Mortgage Program requirements, which apply for all MMP purchase loans. See individual fact sheets for specific product overlays.

INTEREST RATE	Posted rates are subject to change daily or more frequently to reflect market changes (go to mmp.maryland.gov/Pages/Interest-Rates.aspx for current rates). Once the loan is reserved in Lender Online, the rate is locked. The rate is fixed for the entire term of the loan.
RESERVATIONS	Must have a fully ratified contract of sale before loan is reserved. If transaction is a short sale transaction, third party (lender) approval is also required before loan is reserved. 30 year term only.
ORIGINATION / DISCOUNT FEES	Zero point only. https://mmp.maryland.gov/Lenders/Directives/Directive2016-15.pdf
INCOME LIMITS	Visit mmp.maryland.gov/Lenders/Pages/Income-and-Purchase-Limits.aspx to get current Income Limits
MAXIMUM ACQUISITION COSTS	Visit mmp.maryland.gov/Lenders/Pages/Income-and-Purchase-Limits.aspx to get current Max. Acquisition Costs
MAXIMUM LOAN AMOUNT	The Maximum Loan Amount (MLA) is listed at https://mmp.maryland.gov/Lenders/Pages/Income-and-Purchase-Limits.aspx and it is updated yearly. It has the following exceptions: For FHA loans, the lesser of the MLA or the FHA Maximum Mortgage Amount, plus the FHA Up Front Mortgage Insurance Premium (UFMIP) For VA, RHS and conventional loans, the base loan amount plus VA funding fee, RHS guarantee fee or conventional single premium mortgage insurance may not exceed the MLA.
FHA MAXIMUM MORTGAGE AMOUNT	Visit https://www.hud.gov/program_offices/housing/sfh to get current information.
MAXIMUM ASSETS	If assets exceed 20% of the purchase price, an Asset Test Worksheet (Attachment F) must be completed to determine the eligibility of the borrower
TERM	30-year amortizing mortgage
MAXIMUM LOAN TO VALUE (LTV)	For FHA loans, base loan amount may not exceed 96.5% of the lesser of appraised value or purchase price + FHA UFMIP; For VA loans, base loan amount may not exceed 100% of the lesser of appraised value or purchase price + VA Funding fee; For RHS loans, base loan amount may not exceed 100% of lesser of appraised value or purchase price + RHS guarantee fee. For conventional loans: - <i>Automated underwrite</i> : loan amount (plus single premium mortgage insurance) may not exceed 97% of the lesser of appraised value or purchase price - <i>Manual underwrite</i> : loan amount (plus single premium mortgage insurance) may not exceed 95% of the lesser of appraised value or purchase price
MAXIMUM DEBT TO INCOME (DTI) RATIO	45.00% for Freddie Mac insured automated underwritten loans and 50% for Fannie Mae loans. Follow USB, FHA, RHS, VA and private mortgage insurers' underwriting guidelines and overlays. FHA, VA and RHS loans: - FHA: 660 (or 640 if using a Credit 640 product) - VA & RHS: 640 - <i>Manual underwriting is not allowed for FHA loans.</i>
MINIMUM REPRESENTATIVE CREDIT SCORE	Conventional loans: Automated underwrite: For loans with LTVs up to 97%: 640 - Must be run through the insurer's AUS (DU or LPA, as applicable) and receive an Approve/Eligible Manual underwrite: For loans with LTVs up to 95% - 680 with two months of reserves and DTI less than or equal to 36% For loans with LTVs between 95.01% and 97%: NOT PERMITTED
OTHER UNDERWRITING CRITERIA	Please refer to underwriting guidelines for US Bank at www.allregs.com & the GSEs in addition to any MMP Program guidelines.

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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MORTGAGE INSURER/ GUARANTOR	Fannie Mae, Freddie Mac, FHA, VA, RHS or private mortgage insurer
ELIGIBLE BORROWERS	<ul style="list-style-type: none"> - Must be a first-time homebuyer (not owning a home ANYWHERE for the past three years) for any of the 1st Time Advantage products MMP products that include a Mortgage Credit Certificate, or Maryland SmartBuy, or Maryland HomeAbility; or: 1) one of the borrowers must be a veteran using their one-time exemption (copy of DD-214 required) or 2) borrower is purchasing a home in a Targeted Area (see mmp.maryland.gov/Pages/Targeted-Areas.aspx); - Must occupy the property as their principal residence; non-occupant co-borrowers (co-signers) are not permitted; - Total annual household income may not exceed Income Limit (see mmp.maryland.gov/IncomePurchaseLimits.aspx); - Interest in real property (whether or not it is principal residence) must be sold or transferred prior to settlement on MMP loan; - Non-borrowing spouse must meet first-time homebuyer, income, and other guidelines.
ELIGIBLE PROPERTIES	<p>Purchase Price</p> <ul style="list-style-type: none"> - Purchase price (plus capitalized ground rent (200 times the monthly ground rent), if applicable) may not exceed the Maximum Acquisition Cost listed at https://mmp.maryland.gov/Lenders/Pages/Income-and-Purchase-Limits.aspx; <p>Type of Property</p> <ul style="list-style-type: none"> - Existing homes; - New construction - only if located in a Priority Funding Area (PFA) <ul style="list-style-type: none"> → Municipalities, Baltimore City and areas inside the Baltimore and Washington beltways are PFA's. For new construction, confirm that the property is located in a PFA by using DHCD's mapping tool at https://portal.dhcd.state.md.us/GIS/MMP/index.html or by contacting christina.james@maryland.gov; - Single-family, one-unit residences, including townhouses; detached and semi-detached homes; condominiums units; and modular homes. <p>Property Restrictions</p> <p>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 from Single Family Housing (SFH), 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 is to 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 your written request. These requests are to be submitted to SFH as soon as the Lender is aware of the situation.</p>
HOME INSPECTION	A Home Inspection is required (unless home is newly constructed or substantially rehabbed); Lender must certify in Home Inspection Certificate that Home Inspection was completed and borrower reviewed it.
HOMEBUYER EDUCATION	<p>Mandatory for all borrowers</p> <p>Homebuyer education must be completed and a certificate issued through an approved provider prior to closing. Class must meet requirements of any funding source or insurer (see mmp.maryland.gov/Pages/Homebuyer-Education.aspx)</p>
DOWN PAYMENT & CLOSING COST ASSISTANCE	See mmp.maryland.gov/Pages/downpayment.aspx for information.
SUBORDINATE LIEN	<ul style="list-style-type: none"> - Permitted if it complies with insurer/guarantor requirements; - No shared lien or tacking/attaching secondary financing liens, conditions or riders to MMP Deed of Trust (must be an entirely separate second lien recorded after the MMP Deed of Trust); - No deed covenants related to the secondary financing may be in Deed incorporating requirements of the secondary financing; - Terms of repayment must be incorporated into the underwriting of the MMP loan. - For conventional loans, secondary financing must meet Fannie Mae's guidelines for "Community Seconds" and the CLTV may not exceed the lesser of 105% or the limit imposed by the mortgage insurer. (The SmartBuy products are an exception, please refer to https://mmp.maryland.gov/Pages/SmartBuy/default.aspx for specific details.)

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