

**FACT SHEET:
CREDIT 640
-FHA loans only-**



MARYLAND MORTGAGE
Making Homeownership Affordable

PURPOSE	To assist homebuyers with middle FICO scores in the 640-659 range with purchasing a home in Maryland using the Maryland Mortgage Program (MMP) for FHA mortgages.
DATE	Reservations opened on January 22, 2018.
CLOSING COST & DOWN PAYMENT ASSISTANCE	DPA loans or grants may be layered with this loan product, similar to the other FHA assisted products under MMP (such as MMP Premier and Grant Assist).
PARTNER MATCH PROGRAM	May be layered with this product.
MARYLAND HOMECREDIT PROGRAM	Can be used in conjunction with this product. The Maryland HomeCredit Program is subject to federal regulations and availability of funds, and may be discontinued at any time at the Department's sole discretion.
INTEREST RATE	Interest rates for the various Credit 640 options will be identified separately on the rate sheet published by the Department for the first lien.
ELIGIBLE BORROWERS	<ul style="list-style-type: none"> o Underwriting overlays: FHA only, middle FICO score: 640-659 2 months PITI reserves (gift funds may be used for reserves) Maximum DTI: 42% No manual underwriting allowed o Borrowers must meet all eligibility requirements established for the FHA, Maryland Mortgage Program and U.S. Bank overlays. (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:	<p>While Maryland Mortgage program loans generally are limited to first-time homebuyers, the requirement is waived if:</p> <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); 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. <p>Regardless of the waiving of the first-time homebuyer requirement, a Maryland Mortgage borrower cannot own any other real property at time of closing.</p>
OTHER	This product follows all underwriting overlays of FHA and US Bank. This product may be utilized with the Maryland Preferred Rate and the First Time Advantage product. All other rules relating to Maryland Mortgage Program loans apply except where specifically noted in this document.

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

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