



# Maryland Mortgage Program

7.16.2024



Jacob R. Day, Secretary  
Julia Glanz, Deputy Secretary

[mmp.maryland.gov](http://mmp.maryland.gov)



**MARYLAND MORTGAGE**

*Making Homeownership Affordable*

# Who Are We?

The Community Development Administration is the Housing Finance Agency for the State of Maryland and offers:

Maryland Mortgage Program (MMP)

*~VA, FHA, USDA, and Conventional Insured Loans~*

Maryland HomeCredit Program

*~re-issued mortgage credit certificates only~*

# Maryland HomeCredit Program

The Maryland HomeCredit Program is no longer offering new mortgage credit certificates (MCCs). In the case of refinance (with or without an MMP first mortgage), a homeowner with an existing MCC can get the certificate reissued through an MMP lender approved to offer the program (as an MCC-ONLY REISSUE). The fee would be \$450 to CDA and up to \$350 to the lender.

# Benefits of MMP

STABILITY: 30-year fixed-rate mortgage terms

FLEXIBILITY: Network of lenders statewide

ASSISTANCE: Down payment and closing cost assistance options available for purchase loans

# Down Payment Assistance (DPA)

- DPA **loans** have a zero percent interest rate, deferred for the life of the first mortgage
- DPA **grants** are outright grants—not repayable
- Some products don't have DPA, but usually have lower interest rates
- MMP DPA is only available with an MMP first mortgage

# Maryland Mortgage Program

## Product Line

# Dual Track Product Line

## MMP 1st Time Advantage

- For first-time homebuyers only
- Usually lower rates

## MMP Flex

- For REPEAT homebuyers OR first-time homebuyers

# MMP 1st Time Advantage Loans

- 1st Time Advantage Direct  
*No MMP DPA, low interest rate*
- 1st Time Advantage 6000  
*\$6,000 DPA loan*  
*(can get Partner Match, if applicable)*
- 1st Time Advantage 3% Loan  
*DPA equal to 3% of first mortgage*
- 1st Time Advantage 4% Loan  
*DPA equal to 4% of first mortgage*
- 1st Time Advantage 5% Loan  
*DPA equal to 5% of first mortgage*
- HomeStart  
*For borrowers with  $\leq 50\%$  AMI. Comes with a DPA loan equal to 6% of the first mortgage.*



# MMP Flex Loans

For Repeat OR First-Time Homebuyers

- Flex Direct
  - No MMP DPA, low interest rate
- Flex 6000
  - \$5,000 DPA loan, can be layered with Partner Match
- Flex 3% Loan
  - DPA loan equal to 3% of the first mortgage

**~~No borrower or household member can own other property at the time of closing.~~**

# Partner Match Programs

- Available with the 1<sup>st</sup> Time Advantage 6000 & Flex 6000 products
- Matches a participating partner contribution up to \$2,500, in a zero percent deferred loan
- Funds are combined in the DPA loan Note
- Partners can be employers, builder/developers, and community agencies.
- Partners are listed on the website

<https://mmp.maryland.gov/Pages/Downpayment.aspx>

# Partner Match Programs

- House Keys 4 Employees (HK4E) with Smart Keys 4 Employees (SK4E)
- Builder/Developer Incentive Program (BDIP)
- Community Partners Incentive Program (CPIP)

*Smart Keys (which can only be layered onto House Keys) allows borrowers to receive an additional \$1,000 of match funds if:*

*Property is located in a Priority Funding Area; AND  
Property is within 10 miles of borrower's place of employment or within the boundaries of the local jurisdiction*

# Combining Assistance Funds

Example: Funds contributed from builder/developer partner AND from employer partner

<b>DPA Loan with 1<sup>st</sup> Advantage 6000/ FLEX 6000</b>	<b>\$6,000</b>
<b>Participating Partner contribution – builder/developer partner (<i>varies</i>)</b>	<b>\$3,000</b>
<b>Participating Partner contribution – employer partner (<i>varies</i>)</b>	<b>\$1,000</b>
<b>MMP HK4E, BDIP or CPIP maximum match --CAN ONLY MATCH UP TO \$2,500!</b>	<b>\$2,500</b>
<b>TOTAL ASSISTANCE</b>	<b>\$12,500</b>

# Specialty Products

- Maryland SmartBuy 3.0
- HomeAbility
- Montgomery County Products
  - Montgomery Homeownership Program
  - MEDPAL

# Maryland SmartBuy 3.0

- Designed to assist first-time homebuyers with student debt, SmartBuy is an innovative solution and has become a national model, inspiring other states, counties, and cities to launch similar initiatives.
- Homebuyer eligibility criteria: existing student debt up to a maximum of 15% of the home purchase price with a cap of \$20,000, requires complete payoff of student debt by closing. If a co-borrower has student debt and that can be paid off completely, that is allowed. Minimum credit score is 720.
- Lender funds all loans and gets reimbursed for both the unsecured second loan and the optional DPA loan the same way as regular MMP DPA loans.

# Maryland SmartBuy 3.0

## Structure – Two Loans + optional DPA

- **1<sup>ST</sup> Mortgage**: A conventional amortizing mortgage up to 97% of the sales price. This will be handled as a normal MMP loan (serviced by US Bank).
- **2<sup>nd</sup> Loan** (aka Secondary Assistance Loan): A forgivable loan of up to 15% of the purchase price (capped at \$20,000), which is used to pay off the student debt for at least one borrower. This is a 0% deferred loan with no payments, forgivable over 5 years at 20% per year. This second loan is not a lien on the property.

# Maryland SmartBuy 3.0

- Optional DPA Mortgage
- \$6,000 in Down Payment Assistance (DPA), or
- 6% DPA (for  $\leq 50\%$  AMI borrowers)

*This special transaction structure is ONLY available with SmartBuy and cannot be layered with other MMP products.*



# SmartBuy Lenders

- Participation in the Maryland SmartBuy is limited to specifically approved lenders. This is requested by the **Admin Contact**. (Additional hard copy agreements are not required.)
- Approved lenders may designate a specific contact for SmartBuy, or choose to just have their logo, which leads to their usual branch contact info. The **Admin Contact** emails this request to: [singlefamilyhousing.dhcd@maryland.gov](mailto:singlefamilyhousing.dhcd@maryland.gov)
- Approved SmartBuy lenders are listed here: <https://mmp.maryland.gov/Pages/SmartBuy/Lenders.aspx>

# HomeAbility

- Designed to assist first-time homebuyers with disabilities
- Up to 95% of the purchase price in a first lien; up to 25% of the purchase price in a 0% second lien for down payment and closing costs (max 105% CLTV)
- Special income limits - see website for 80% AMI chart:  
<https://mmp.maryland.gov/Pages/HomeAbility/default.aspx>
- Funding is allocated annually; a directive is sent when it is fully committed for the year

# MMP Collaborative Loans

**-Funded by Maryland jurisdictions – for first-time homebuyers only**

- **Montgomery Homeownership Program VIII**
  - *DPA up to \$25,000/40% of household income*
- **MEDPAL (Montgomery Employee Down Payment Assistance Loan)**
  - *\$25,000, for specific employee classifications, forgivable after 30 years*

# Montgomery Homeownership Program VIII

- Offers DPA of up to 40% of income (maximum \$25,000) in a zero percent deferred second loan; repayable upon sale/transfer/refinance
- Only available in Montgomery County
- DPA is funded by Montgomery County and administered by CDA; funds are limited

# Montgomery Employee Down Payment Assistance (MEDPAL)

- Offers \$25,000 in a zero percent deferred second loan; forgiven after 30 years if not repaid earlier.
- Only available to 1<sup>st</sup> time homebuyers of certain Montgomery County employee classifications to purchase a home in Montgomery County. Borrower must bring 1% of sales price to closing.
- DPA is funded by Montgomery County and administered by CDA. Funds are limited.

# Benefits of Conventional Loans

- Conventional loans may have a lower mortgage insurance (MI) payment
- For LTV lower than 80%, MI is not required for conventional loans
- FHA requires an upfront MI payment as well as monthly payments
- FHA requires a 3.5% minimum down payment; conventional only requires 3.0%

# Conventional Loans – Coverages

Fannie Mae and Freddie Mac offer lower premiums for borrowers with AMI under 80%. These are set by the GSEs and questions should be directed to them or the private mortgage insurers. MMP has different conventional program codes based on if the AMI is over or under 80% AMI.

	<u>MMP</u>	<u>Non-MMP</u>
<b>LTVs &gt; 95% and &lt;=97%</b>	<b>18%</b>	35%
LTVs > 90% and <=95%	16%	30%
LTVs > 85% and <=90%	12%	25%
LTVs > 80% and <=85%	6%	12%

# Conventional Refinance

## 97% LTV Conventional Refinance Loan Program

30-year, fixed rate, fully amortizing, limited cash out

Higher LTV limit ~ Lower MI premiums

(No DPA available)

**If using this refinance product, a borrower can have their existing MMP DPA loan subordinated.**



# Participating Mortgage Insurers

- Arch
- Enact
- Essent Guaranty, Inc.
- Mortgage Guaranty Insurance Corporation
- National
- Radian

*\*In addition to Federal Housing Administration (FHA) insurance and Veterans Administration (VA) or Rural Housing Services (RHS) guaranty*



# General Program Eligibility

# Eligibility

- Borrowers may be single or married. If married, both spouses are not required to apply, but will be included in the household income calculation.
- Must intend to occupy the property as the principal residence within 60 days of closing.
- Cannot own any other real property **ANYWHERE** at the time of closing.

# General Eligibility

- Must have a valid social security number and be eligible to work in the United States.
- Citizenship of the United States is not required to obtain a CDA loan.
- Everyone on the loan must live in the home—no co-signers!

# The Mapper

Go to: <https://mmp.maryland.gov/Pages/MMP-Mapper.aspx>

- In the “Find Address” box, enter the address. Press GO.
- Results will show on the left. If it is a PFA or Targeted Area, that information will be shown (but will only show if the answer is YES)
- A video showing how to use the Mapper is on the MMP training page.

# Priority Funding Areas

New construction properties (anything built within the last year) must be in Priority Funding Areas (PFAs) – these are older communities or locally-designated growth areas where State and local governments already have a significant financial investment in the existing infrastructure.

***The Mapper can be used to identify PFAs!***

Department of Housing and Community Development (DHCD) Mapper - Microsoft Internet Explorer provided by DHCD

http://www.dhcd.maryland.gov/website/DHCDmapper.aspx

File Edit View Favorites Tools Help

★ Favorites Google Intranet on My DHCD

Department of Housing and Community Development ...

### Maryland Department of Housing and Community Development (DHCD) Mapper

Hello! Legend Data Results Expand Map

Find Address: 209 Welsh Hill Rd  Zoom To Base Map Help

Selected Location:  
**209 WELSH HILL ROAD, FROSTBU...**  
Census Tract: 0018.00

**COUNTY BOUNDARIES**  
County: Allegany [more](#)

**ALLEGANY COUNTY**  
Account ID: 0128104315 [more](#)

**PRIORITY FUNDING AREAS**  
State Eligible: YES [more](#)

**COMMUNITIES OF OPPORTUNITY**  
CommOpp: In a Community of Opportunity [more](#)

**TARGETED AREAS**  
Targeted Area: YES [more](#)

If it doesn't say YES, the answer is NO

start Online A... CDA Len... Departm... Microsof... Desktop AOD/LT ... Search Desktop 9:19 AM Monday 8/5/2013

# Borrower Eligibility

For First-Time Advantage, HomeAbility, SmartBuy, Montgomery Homeownership Program & MEDPAL loans, borrowers MUST be first-time homebuyers.

A first-time homebuyer is defined as not having owned a home ANYWHERE in three years. Exceptions include:

- An honorably discharged veteran using their exemption for the first time. (A copy of the DD-214 must be provided to Lender.)
- A borrower purchasing in a **TARGETED AREA**.

For more information: <http://mmp.maryland.gov/Pages/Targeted-Areas.aspx>

*All customary underwriting standards and requirements related to student debt apply and will be used to qualify the homebuyers. All usual MMP standards must be met, i.e. credit score, income and purchase price limits, asset limits, etc.*



# Income & Purchase Price Limits

[mmp.maryland.gov/Lenders/Pages/Income-and-Purchase-Limits.aspx](http://mmp.maryland.gov/Lenders/Pages/Income-and-Purchase-Limits.aspx)

Projected income for ALL household members (including overtime, part-time, commissions) is used to determine income—total household income may not exceed the established limit (which differs by jurisdiction and household size).

# Income & Purchase Price Limits

Income and purchase price limits are established by the insurer agencies, not by CDA. They get updated semi-annually.

MARYLAND MORTGAGE PROGRAM LIMITS  
2020 INCOME LIMITS & MAXIMUM ACQUISITION COSTS  
2021 CDA MAXIMUM MORTGAGE LIMITS

COUNTIES & CITY	INCOME LIMITS			MAXIMUM ACQUISITION COSTS		CDA Maximum Mortgage Limits (as of 01/01/21) ***
	Household Size	Non-Targeted	Targeted	Non-Targeted	Targeted	
Allegany County <sup>1</sup>	1 or 2		\$125,400		\$360,067	\$356,362
	3 or more		\$146,300			
Anne Arundel County <sup>2</sup>	1 or 2	\$110,033	\$125,400	\$462,600	\$565,400	\$538,200
	3 or more	\$126,538	\$146,300			
Baltimore City <sup>1</sup>	1 or 2		\$125,400		\$565,400	\$538,200
	3 or more		\$146,300			
Baltimore County <sup>2</sup>	1 or 2	\$110,033	\$125,400	\$462,600	\$565,400	\$538,200
	3 or more					

# Asset Restrictions

- Borrowers' liquid assets may not exceed 20% of the sales/purchase price (not including 401K or retirement)
- A “gift of equity”(difference between the appraised value and the purchase price) in a non-arms length transaction is considered an asset.
- An asset test is required for borrowers whose assets equal or exceed 20% of the sales/purchase price.
- **The asset test requirement applies regardless of whether DPA is being utilized.**

# Homebuyer Education

- The mandatory homebuyer education must meet the guidelines of the insurer, US Bank, and any funding source.
- <https://mmp.maryland.gov/Pages/Homebuyer-Education.aspx>
- All homebuyers must take homebuyer education and receive a certificate.

# Homebuyer Education (HBE) Requirements

- MMP allows any class—online or in person—approved by HUD, Fannie Mae, Freddie Mac, or the private mortgage insurers, as long as a dated certificate is issued within 12 months prior to closing (all homebuyers must get a certificate)
- Borrower must still meet the requirements of the master servicer, insurer or funding source, including for any non-MMP assistance funds
- MMP encourages HBE completion prior to contract

<https://mmp.maryland.gov/Pages/Homebuyer-Education.aspx>

# Borrower Debt-to-Income (DTI) Ratio

- FHA Loans :  
640-679 FICO = max DTI 45%  
≥680 FICO = max DTI 50%
- VA & USDA Loans:  
640-679 FICO = max DTI 45%  
≥680 FICO = max DTI 50%
- Conventional Loans:  
50% with AUS Approve/Eligible

# Maximum Loan Amount

Maximum MMP loan amount is the lesser of the limit published on the Income and Purchase Price Limits chart (“CDA Maximum Mortgage Limit”) or the insurer/guarantor’s maximum mortgage amount. The maximum amount varies according to county.

# Eligible Properties

## PROPERTY SIZE

- Maximum lot size is 4 acres.
- For lots greater than 4 acres, an exception must be requested from CDA.
- No exceptions will be granted for lots over 10 acres.



# Eligible Properties

## HOUSING TYPES

- Detached
- Attached
- Semi-detached
- Townhouses
- Modular
- Condominium
- Manufactured Housing

# Flip / Pre-Payment

While the Maryland Mortgage Program does not have any specific overlays for flipping properties and/or pre-payment of loans, the master servicer and insurer(s) may have guidelines which must be met to avoid incurring penalties.

# Contract Ratification

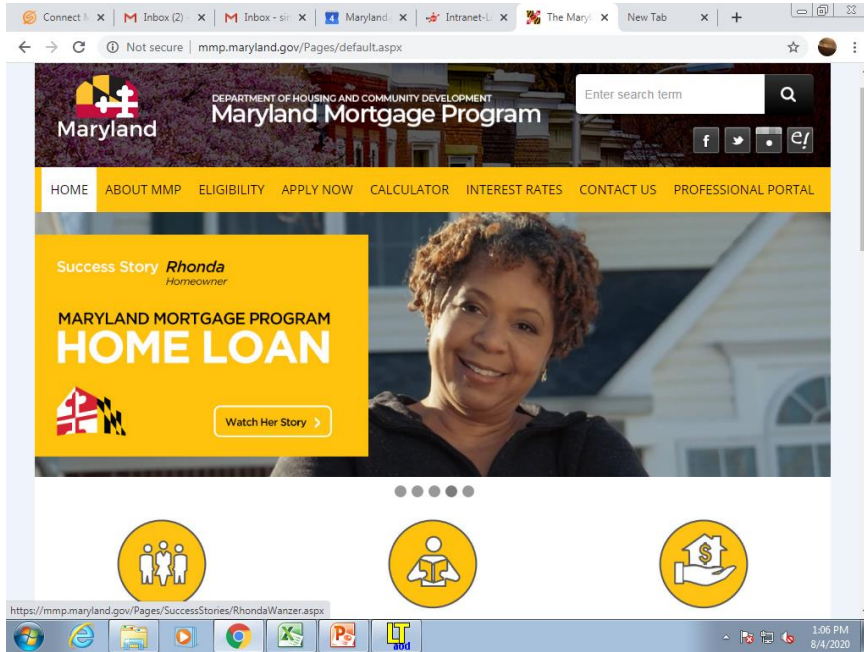
**Contracts must be fully ratified prior to reservation.**

CDA reserves the right to cancel any reservation or deny the purchase of a loan that does not have a fully ratified contract, signed by all parties, prior to reservation date.

***This includes third party (lender) approval  
for short sale transactions.***

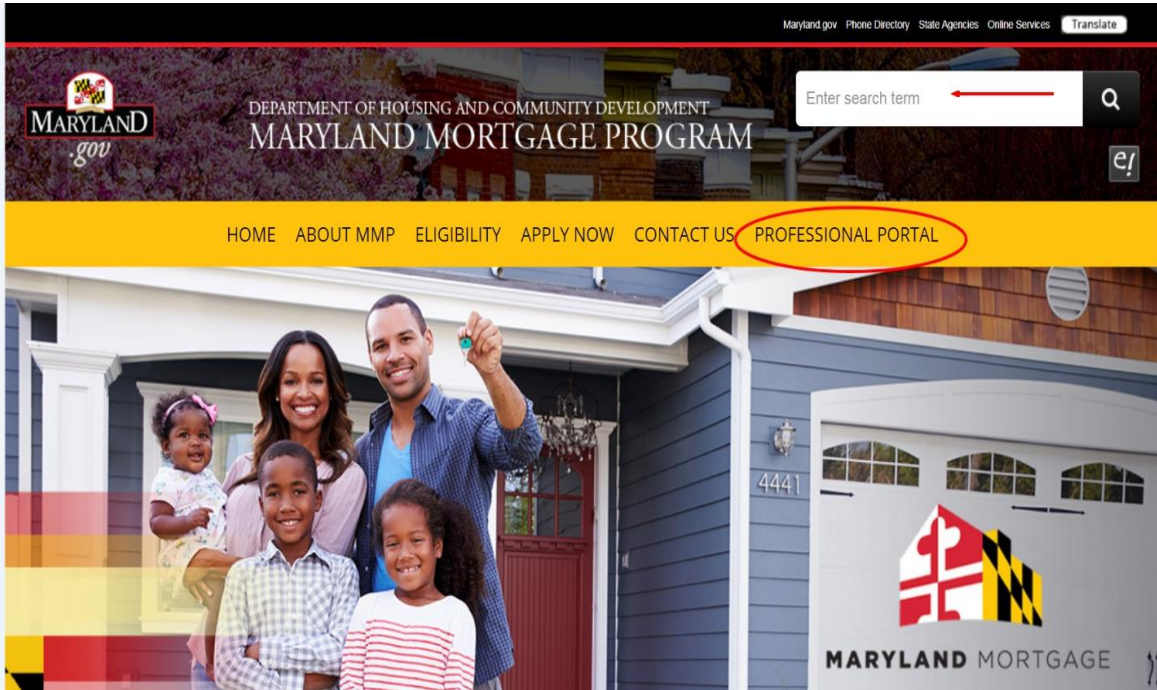
# Resources

# MMP Website



[mmp.maryland.gov](https://mmp.maryland.gov)

Website contains information on programs, rates, initiatives, approved lenders and more.



Resources for our industry partners are found under the Professional Portal – click on Program Information.

Bookmark this page!



# DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT Maryland Mortgage Program

- PROFESSIONAL PORTAL
- INTEREST RATES
- DOCUMENTS
- TRAINING
- MARKETING TOOLS
- LENDER FAQ
- CALCULATOR

HOME

Interest Rates

Loan Package Documents

Marketing Tools

Calculator

Lender, Realtor and Partner Resources

The success of the Maryland Mortgage Program depends on the Maryland Department of

# Lender Online

The Program Code Guide is here:

<https://mmp.maryland.gov/Lenders/Documents/CDAPROGRAMCODEGUIDE.pdf>

To submit a package, select the appropriate checklist from the Documents page, and upload the docs in that order. There should only be a few uploads, not one for each document.

There is a checklist and uploads for each mortgage. The second mortgage docs are submitted using the second portal tab in Lender Online.



# Interest Rates

View the interest rates (updated every weekday and sometimes more frequently).

Interest rates are locked when the reservation is made.

At the bottom of the page, sign up to receive rates and/or directives.

The screenshot shows a web browser window with the URL [mmp.maryland.gov/Lenders/Pages/Interest-Rates.aspx](http://mmp.maryland.gov/Lenders/Pages/Interest-Rates.aspx). The page has a red header with "HOME" and "Products and Interest Rates". Below the header, a paragraph states: "Rates can change on weekdays and occasionally more often to reflect the market. The rate is locked when the funds are reserved with the Maryland Mortgage Program. Rates in the chart below are current as of 08/04/2020."

The page displays two columns of interest rate information:

- MMP 1st Time Advantage** (Yellow background):
  - Must be **FIRST-TIME** homebuyers
  - 1st Time Advantage Direct (No MMP DPA)
    - FNMA Conv: 3.125%
    - FHLMC Conv: 3.125%
    - Government: 2.875%
    - FHA Credit 640: 2.875%
- MMP Flex** (Red background):
  - Can be **REPEAT** or **FIRST-TIME** homebuyers
  - Flex Direct (No MMP DPA)
    - FNMA Conv: 3.250%
    - FHLMC Conv: 3.250%
    - Government: 3.000%
    - FHA Credit 640: 3.000%
  - Flex 5000

The Windows taskbar at the bottom shows the system clock as 1:57 PM on 8/4/2020.

# Consumer-facing information can be reached from the Home screen

Referrals to lenders



Links to information about eligibility, homebuyer education, approved lenders, realtors, etc.



Product descriptions



Connect | x | M Inbox (3) | x | M Inbox (2) | x | Maryland | x | Intranet-L | x | The Maryl | x | New Tab | x | +

← → ↻ | Not secure | mmp.maryland.gov/Pages/default.aspx

**TALK TO US**  
Talk to one of our expert network Loan Officers, who can help you understand eligibility, program selection, available down payment and closing cost assistance initiatives.  
[Get Started](#)

**PREPARE YOURSELF**  
Eligibility  
Homebuyer Education  
Approved Lenders  
Real Estate Agents  
Property information  
[I'm Ready](#)

**OUR PROGRAMS**  
Explore the programs and initiatives that are available to eligible homebuyers, including mortgage financing, federal tax credits, down payment assistance and more.  
[Learn More](#)

1:11 PM  
8/4/2020

# Marketing Tools

<https://mmp.maryland.gov/Lenders/Pages/Marketing-Tools.aspx>

Kits, social media toolkit, and fact sheets

Kits are available in  
Spanish!

## Maryland Mortgage Information Kit Request Form

Maryland Mortgage Program partners can complete this form to request small batches (10 to 100) of the [Maryland Mortgage Program Info Kit](#).

Please allow up to two weeks for delivery of packets.

If you require more than 100 kits, please do not use this form, and instead contact Cecilia Weller at [cecilia.weller@maryland.gov](mailto:cecilia.weller@maryland.gov).

Your Name \*

  
First Last

Company / Organization \*

Delivery Address \*

Street Address

Address Line 2

City

State / Province / Region

United States

# MMP Product Calculator

- Identify potentially eligible MMP loan products based on basic criteria
- Estimate monthly payments (principal and interest only) based on current MMP interest rates. Taxes, insurance, and escrows **are not included** in the estimated payments

[MMP.Maryland.gov/calculator](https://MMP.Maryland.gov/calculator)

# Contacts

*If there are issues with a loan or closing:*

Talk to the lender. The lender has the contractual relationship with CDA and inquiries should go through them.

*If you need more help:*

[SingleFamilyHousing.DHCD@maryland.gov](mailto:SingleFamilyHousing.DHCD@maryland.gov)

# @MarylandMMP

