LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lt. Governor

KENNETH C. HOLT
Secretary

TONY REED.
Deputy Secretary

August 6, 2018

Directive 2018-23

TO: **MARYLAND MORTGAGE PROGRAM LENDERS**

SUBJECT: OPENING OF THE MARYLAND SMARTBUY 2.0 PROGRAM: AFFORDABLE HOMEOWNERSHIP FOR BUYERS WITH STUDENT DEBT

We are pleased to announce that the highly anticipated SmartBuy 2.0 product will be available for reservations starting at 11:00 AM today and continuing until the funds allocated to this initiative are expended (the remaining funds will be updated daily in Lender Online).

The Community Development Administration offers the "SmartBuy 2.0" product for eligible borrowers to receive favorable financing to purchase eligible properties in Maryland.

Highlights of SmartBuy 2.0 are:

- **Any home in Maryland** that is eligible under the Maryland Mortgage Program (MMP) guidelines is eligible under SmartBuy 2.0

- Student loan debt relief – Up to 15% of the purchase price of the purchase home, with a maximum benefit of **$30,000, in a no-interest second loan forgivable over five years**

- Middle credit score of **680 or higher** (other manual underwriting guidelines also apply)

- **Maryland Home Credit (MCC)** cannot be obtained with this product.

- **Other sources** can provide financial assistance grant form only (not loans)

- Existing **student loan debt must be at least $1,000**. Full amount of outstanding student loan debt(s) must be paid off at closing.

- **Downpayment and settlement assistance** of $5,000.00 is available.

- **Lender funds the first and second loans (and DPA third, if applicable), and is reimbursed through the usual MMP process.**

NOTE: SmartBuy (SmartBuy 1.0 and SmartBuy 2.0) can only be offered by specifically approved lenders. A list of the Maryland SmartBuy approved lenders may be found at http://mmp.maryland.gov/Pages/SmartBuy/Lenders.aspx.

For complete program details, please refer to the Fact Sheet (http://mmp.maryland.gov/Lenders/Documents/FactSheets/MMP_FactSheet_SmartBuy2.pdf), Attachments CC, DD, EE and FF which are updated on the mmm.maryland.gov website.

The SmartBuy presentation may be a useful resource. It is available on our training page here: http://mmp.maryland.gov/Lenders/Pages/Training-and-Compliance.aspx.

The Bond Series and new Program Codes for SMARTBUY 2.0 are:

1st Mortgage:

Bond Series: 964 - MD SMARTBUY 2.0
Program Code: 413 - MD SMARTBUY 2.0 CONV

2nd Mortgage:

Bond Series: 993 - MD SMARTBUY 2.0 FORGIV
Program Code: 926 - MD SMARTBUY 2.0 FORGIVABLE 2ND
Sub-Program Code: 941 - MD SMARTBUY 2.0 FORGIVABLE LOAN

3rd Mortgage (DPA):

Bond Series: 996 - MD SMARTBUY 2.0 3RD/DPA
Program Code: 927 - MD SMARTBUY 2.0 DPA
Sub-Program Code: 946 - MD SMARTBUY 2.0 DPA LOAN

As always, we appreciate your continued participation in our programs. If you have any questions concerning this directive or suggestions for improvements, please contact me at karl.metzgar@maryland.gov.

Sincerely,

Karl Metzgar

Karl Metzgar
Assistant Director/Operations Manager
Single Family Housing