



MARYLAND MORTGAGE
Making Homeownership Affordable

FACT SHEET: MONTGOMERY HOMEOWNERSHIP PROGRAM

PURPOSE	To help Maryland first time homebuyers purchase a home in Montgomery County by offering a Maryland Mortgage Program (MMP) first loan with a generous Down Payment Assistance (DPA) second loan.
DOWNPAYMENT AND CLOSING COST ASSISTANCE	<p>The Montgomery Homeownership Program second lien will be a DPA loan in the form of a zero percent deferred loan. The maximum DPA loan will be \$50,000 (not exceeding 40% of the household income of the respective borrower(s). Any funds not needed for the down payment or closing costs will be applied to principal curtailment (no cash-out). The DPA loan funds are from Montgomery County and are distributed by the Community Development Administration (CDA). The DPA lien will be in the name of the Maryland Department of Housing and Community Development ("the Department"). The DPA loan will be funded by the lender at closing. CDA reimburses the lender after post-closing approval by CDA (please refer to Directives 2018-16).</p> <p>(Reminder: CDA assistance programs cannot be used with conventional financing for purchase of a DHCD-owned REO.)</p>
MAXIMUM LOAN TO VALUE/COMBINED LOAN TO VALUE	LTV/CLTV requirements are the same as for the regular MMP products.
MAXIMUM DEBT TO INCOME (DTI) RATIO	Follow the applicable (FHA, GSEs, RHS, VA, USB, MIs etc.) guidelines, as applicable for maximum DTI ratio.
PARTNER MATCH PROGRAM	The DPA loan under this initiative cannot be combined with matching funds from the DPA Partner Match programs . However, the DPA can be combined with any available external assistance from employers, builders, developers, local jurisdictions, etc. that meets established agency guidelines.
MARYLAND HOMECREDIT PROGRAM	The Maryland HomeCredit Program (offering mortgage credit certificates) is no longer available.
INTEREST RATE	Rates for the first lien are published daily by the Department. The second loan (DPA) has a 0% rate, and payment is deferred for the life of the first lien.
ELIGIBLE BORROWERS	<ul style="list-style-type: none"> o Borrowers must meet all eligibility requirements established for the Maryland Mortgage Program. For more information on MMP requirements, go online to Program Fact Sheets or browse the website at MMP Maryland. o In addition to the MMP eligibility criteria, Montgomery County requires that the amount of assistance (DPA) in the second lien does not exceed 40% of the borrower(s)' household income. 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, as applicable, including an online class. (Homebuyer-Education).
FIRST TIME HOMEBUYER REQUIREMENT:	<p>This product is available to first time homebuyers in Maryland, which is defined as not owning a home ANYWHERE for the past three years) OR</p> <ol style="list-style-type: none"> 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 Targeted Areas); <p>Regardless of any waiving of the first-time homebuyer requirement, a Maryland Mortgage borrower cannot own any other real property at time of closing.</p>
OTHER	<ul style="list-style-type: none"> o All other rules relating to MMP loans apply except where specifically noted in this document; see the standard fact sheet at 30 Year Purchase Fact Sheet o In addition to MMP requirements, this product must meet all applicable overlays and requirements of US Bank, Fannie Mae, Freddie Mac, FHA/VA/RHS and PMIs. o Montgomery Homeownership Program cannot be used in conjunction with any other MMP products.

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](#) 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.

For more information, please visit:

[MMP Maryland](#)

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