

**Directive 2025-03**

**March 5, 2025**

**TO: ALL PARTICIPATING LENDERS**

**SUBJECT: Interest Rate, Lender Compensation and Loan Delivery Update**

To ensure clear communication with delivery times and corresponding lender compensation, the Community Development Administration (CDA) is providing refreshed guidance to the Maryland Mortgage Program (MMP) 105-day maximum reservation period. We are happy to announce that the lender compensation will remain at the higher level, paying a maximum of 2.50% for loans purchased by US Bank within 75 days of reservation. For days 76 through 90, the lender compensation will be 2.25%, and the 91-105-day timeslot at 1.75%. This structure allows a maximum compensation deadline at 75 days which reflects the Directive shared on April 1, 2021, and applies to all Maryland Mortgage Program (MMP) loans.

**LENDER COMPENSATION SCHEDULE**

<b>Days from Reservation to Purchase:</b>	<b>0-75</b>	<b>76-90</b>	<b>91-105</b>
<b>Lender Compensation:</b>	<b>2.50%</b>	<b>2.25%</b>	<b>1.75%</b>

**LOAN DELIVERY PERIOD AND INTEREST RATE LOCK**

- I. The interest rate lock contract will be terminated at the end of 105 days if the loan has not been purchased by US Bank, after which point the lender will be obligated to reimburse CDA in full for any CDA-funded loan.
- II. CDA will not allow a loan (to the same borrower for the same property) to be cancelled and re-reserved within a period of 6 months from the original loan reservation date. Therefore, lenders must ensure they reserve their loans as near as possible to the date they are confident the loan will close and be delivered. This planning is especially relevant for issues arising due to the fault of the realtor, fault of the seller, short-sale, new construction, rehabilitation, manufactured housing, FNMA or Freddie Mac REO purchases, etc.
- III. Lenders must ensure that their staff who originate, process, close and ship MMP loans are knowledgeable about the MMP products they are using, and the respective terms and conditions, and are trained to handle them accurately and timely. Lenders should reserve their loans correctly to limit any Attachment R adjustments. If an Attachment R is submitted requesting to switch loan programs after loan reservation and it is acceptable to CDA, CDA will apply the higher interest rate between the one published on the new reservation date and the original one that was set up previously.



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Lt. Governor  
JACOB R. DAY  
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JULIA GLANZ  
Deputy Secretary

This Directive supersedes and replaces previous relevant Directives regarding Interest Rate Lock, Lender Compensation and Loan Delivery.

As always, we appreciate your continued participation in our programs. If you have any questions regarding this Directive, please email [singlefamilyhousing.dhcd@maryland.gov](mailto:singlefamilyhousing.dhcd@maryland.gov)

Thank you,

*Denine Messersmith*

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