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Secretary  
OWEN McEVOY  
Deputy Secretary

January 14, 2021

**Directive 2021-03**

TO: **ALL PARTICIPATING LENDERS**

SUBJECT: **UPDATE TO THE CREDIT 640 PRODUCTS**  
*(further revising Directive 2021-02)*

Effective immediately and further revising Directive 2021-02, the Credit 640 product has now been included in the regular FHA product with no differentiation from the other FHA loans. The Credit 640 codes and interest rates have been discontinued as the FHA 640 loans do not have any MMP overlays and therefore follow the regular FHA codes and interest rates.

Although the FHA loans with credit scores between 640 to 659 are the same as the regular FHA product as far as MMP compliance checking is concerned, as always please make sure to follow the guidelines and overlays from US Bank and investors.

For existing Credit 640 reservations in the pipeline, the loans will continue to be processed, but MMP overlays will not be applicable and will not be conditioned.

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

Sincerely,

*Karl Metzgar*

Karl Metzgar  
Assistant Director / Operations Manager  
Single Family Housing



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