

July 23, 2024

Directive 2024-06

TO: ALL PARTICIPATING LENDERS

SUBJECT: MARYLAND MORTGAGE PROGRAM DSELP/DPA FEE EXEMPTION

The purpose of this Directive is to inform you that all Downpayment and Settlement Expense Loan Program (DSELP) and Down Payment Assistance (DPA) loan security instruments are exempt from recording fees, surcharges and recordation/transfer taxes in accordance with Maryland Annotated Code, Real Property Article 3-603(a), Tax-Property Article 12-108(a) and 13-207(a)(1), and Courts and Judicial Proceedings Article 13-604(c)(1).

The MMP DSELP and DPA Deed of Trust has been updated to include the following language:

STATE GOVERNMENT TRANSFER -- EXEMPT FROM ALL FILING FEES, SURCHARGES, AND RECORDATION AND TRANSFER TAXES PURSUANT TO MARYLAND ANNOTATED CODE, COURTS AND JUDICIAL PROCEEDINGS ARTICLE, SECTIONS 7-202(b) AND 13-604(c), TAX-PROPERTY ARTICLE, SECTIONS 12-108(a)(a)(1)(iii) AND 13-207(a), AND REAL PROPERTY ARTICLE SECTION 3-603(a).

Also, a cover letter explaining the exemption is now included in the closing package for the MMP DSELP/DPA, and the MMP Compliance Manual will be updated with this information.

We encourage lenders to implement this exemption to all MMP DSELP/DPA instruments that will be recorded after the date of this Directive.

Please note that DHCD cannot guarantee that all county clerks will abide by the rule and charge \$0 recordation fee.

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.

Thank you,

Denine Messersmith

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