

May 8, 2023

Directive 2023-06

TO: ALL PARTICIPATING LENDERS

SUBJECT: THE MARYLAND MORTGAGE PROGRAM ANNOUNCES THE MONTGOMERY EMPLOYEE DOWN PAYMENT ASSISTANCE LOAN (MEDPAL) PRODUCT

The Maryland Mortgage Program (MMP) is continuing our partnership with Montgomery County by offering the Montgomery Employee Down Payment Assistance Loan. This product is targeted to first time homebuyers who are employees of certain Montgomery County departments (see fact sheet) purchase a home in Montgomery County by offering an (MMP) first loan with a \$25,000 Down Payment Assistance (DPA) second loan.

Highlights of the product include

- **Borrower(s) must bring 1% of the sales price to closing in addition to any insurer or servicer required funds – MMP DPA funds may not be included in this 1%**
- Zero percent, deferred loan in the amount of \$25,000 forgiven after 30 years
- Funds may be used for down payment or closing costs
- No cash back to borrower at closing. Any remaining funds must be applied to the first mortgage as a principal curtailment
- This product may not be combined with any other Montgomery County assistance
- Borrowers must meet all eligibility requirements established for the Maryland Mortgage Program.

- Montgomery County Department of Housing and Community Affairs (DHCA) will confirm employment qualification by reviewing the Applicant's County Government Verification of Employment statement or the County School System's Salary Information Notice. Employees can utilize the Employee Self-Serve portal to obtain these documents and demonstrate their qualifications. This information will be provided to Carlos Daza, carlos.daza@montgomerycountymd.gov, (240) 777-3688. If eligible, a MEDPAL Employment Qualification Form will be issued to the employee for submission to their lender.
- The fact sheet is listed with the other program fact sheets on this page: <https://mmp.maryland.gov/Lenders/Pages/Fact-Sheets.aspx>
- A comparison of the two MMP Montgomery County products is on the Montgomery County page: <https://mmp.maryland.gov/Montgomery/Pages/default.aspx>

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.

Sincerely,

Karl Metzgar

Karl Metzgar
Assistant Director / Operations Manager
Single Family Housing

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