

August 15, 2022

Directive 2022-07

TO: ALL PARTICIPATING LENDERS

SUBJECT: ENHANCEMENTS TO MARYLAND MORTGAGE PROGRAM SMARTBUY 3.0

The Maryland Mortgage Program (MMP) continues to seek solutions and increase opportunities to further the dream of homeownership for Maryland homebuyers. In connection with the housing prices uptrend, we are adjusting the dollar cap for SmartBuy product for the student debt payoff loan and are adding a new down payment assistance (DPA) option for borrowers with lower income. These changes are not retroactive and may only be applied for loan reservations on or after August 15<sup>th</sup>.

**Cap Adjustment (\$ only):** The SmartBuy 3.0 student debt payoff loan (unsecured) remains capped at 15% of the purchase price, however, in line with the higher priced market we are adjusting the dollar cap to \$50,000. So the borrower can get 15% of the purchase price or up to \$50,000, whichever is less. This continues to be an unsecured loan with a zero percent interest rate, forgivable over five years.

**New DPA Option for SmartBuy 3.0:** In addition to the DPA options announced on July 5, 2022, we are offering a HomeStart 6% DPA option for SmartBuy borrowers whose income is at or below 50% of Area Median Income (AMI). A chart listing the 50% income thresholds is found on page 2 of this Directive however lenders are solely responsible for confirming the AMI. The DPA loan will be 6% of the first mortgage loan, and have a zero percent interest rate.

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

Sincerely,

*Karl Metzgar*

Karl Metzgar  
Assistant Director / Operations Manager  
Single Family Housing

<b>COUNTY NAME</b>	<b>2022 INCOME LIMIT FOR 50% AREA MEDIAN INCOME</b>
Allegany	\$35,650
Anne Arundel	\$58,050
Baltimore	\$58,050
Baltimore City	\$58,050
Calvert	\$70,250
Caroline	\$46,800
Carroll	\$58,050
Cecil	\$52,700
Charles	\$70,250
Dorchester	\$46,800
Frederick	\$70,250
Garrett	\$46,800
Harford	\$58,050
Howard	\$58,050
Kent	\$47,000
Montgomery	\$70,250
Prince George's	\$70,250
Queen Anne's	\$58,050
Somerset	\$44,500
St Mary's	\$57,150
Talbot	\$50,550
Washington	\$38,750
Wicomico	\$44,500
Worcester	\$44,500

