



**Maryland Department of Housing and Community Development**  
Community Development Administration/Homeownership Programs

December 21, 2000

Directive 2000-12

MEMORANDUM FOR: ALL PARTICIPATING LENDERS

SUBJECT: OPENING OF 2000 SERIES H BOND ISSUE

The purpose of this Directive is to announce the opening of the 2000 Series H Bond Issue, which closed on December 20, 2000. An "Attachments" cover sheet dated 12/20/00 with an Attachment I and the 2000 Series H Highlight Sheet are attached. This Directive will be posted on our website at [www.dhcd.state.md.us](http://www.dhcd.state.md.us) and should be read by all of your originating branches as well as your closing and shipping staff.

**General Program Information**

- Proceeds from this bond issue will be made available for reservations on Friday, December 22, 2000 at 8:00 a.m.
- There are no On-Behalf-Of Local Governments' (OBO) funds in the 2000 Series H Bond Issue, which means **only existing or newly constructed homes located in Priority Funding Areas are eligible** under this Bond Issue.
- A total of approximately \$58.8 million will be made available for reservations.
- We will open the bond issue with an interest rate of 6.60 percent. However, we reserve the right to **increase OR decrease** the interest rate to stay within a certain spread of the private sector market. If we decide to change the interest rate, notice will be given on the Lender Hotline (410-514-7513) on Tuesday with Wednesday of the same week as the effective date of the change. In addition, a notice will be e-mailed or faxed to lender contacts on Tuesday when the change is announced on the hotline.

**Highlights of MMP Changes**

- There were no substantive changes to the MMP Lender's Manual. It is anticipated that the MMP Lender's Manual dated 12/20/00 will be uploaded to our website the week of December 25, 2000. Refer to the "Attachments" cover sheet for the shaded date of the "Reservation of MMP Funds" form, Attachment I, which is attached. Please make sure these forms are incorporated into your systems for immediate use.

- Effective **Monday, January 8, 2001**, it will be **mandatory** to use the "Reservation of MMP Funds" form dated 12/20/00. The major change to this form is the addition of a new field, the "Property Tax I.D. No.". The "Property Tax I.D. No." can be obtained from the Multiple List Service (MLS) form or your title agent. The "Property Tax I.D. No." blank must be completed for every loan.

As always we appreciate your continued participation in MMP. If you have questions concerning this Directive or suggestions for improvement of our Program, please contact me directly at (410) 514-7530 or 1-800-638-7781 or by e-mail at [manahan@dhcd.state.md.us](mailto:manahan@dhcd.state.md.us).

Sincerely,

William J. Manahan  
Deputy Director  
Homeownership Programs

Attachments: "Attachments" Cover Sheet dated 12/20/00 with Attachment I  
2000 Series H Highlight Sheet

PARRIS N. GLENDENING  
GOVERNOR

RAYMOND A. SKINNER  
SECRETARY



*The Maryland Department of Housing and Community Development (DHCD) pledges to foster the letter and spirit of the law for achieving equal housing opportunity in Maryland.*  
<http://www.dhcd.state.md.us>

## ATTACHMENTS

- A. Separation Affidavit- (8/31/99)
- B. Tax Information Authorization - IRS FORM 8821 (Revised January 2000)
- C. Income Eligibility Procedures – **DELETED** – NOW IN MANUAL
- D. Income Eligibility Worksheet and Lender Certification (8/31/99)
- E. Income Eligibility Worksheet Instructions- **DELETED** – NOW IN MANUAL
- F. Asset Test Worksheet (8/31/99)
- G. Compliance Certification- **DELETED** – NOW IN ATTACHMENT D
- H. Initial Interview Checklist (8/31/99)
- I. Reservation of MMP Funds form (12/20/00)
- J. Affidavit In Lieu of Current Year's Tax Returns (8/31/99)
- K. Pre-Closing Compliance Checklist (4/25/00)
- L. Post-Closing Compliance and Purchase Checklist (6/14/00)
- M. Post-Purchase Final Documents Checklist (4/25/00)
- N. Additional Buyers Affidavit Relating to Business Use of Residence (1/11/99)
- O. Columbia National Loan Servicing Checklist
- P. Columbia National Loan Servicing Transfer Guidelines (3/29/00)
- Q. Non-Conforming Request for Reservation of Funds form (3/29/00)
- R. Request for Reservation of Funds Change form (1/11/99)
- S. Affidavit Regarding Not Being Required to File Tax Return(s) (8/31/99)
- T. Sample Reservation Pipeline Letter and Report (8/31/99)
- U. Sample Final Documents Pipeline Letter and Report (8/31/99)
- V. Application For Maryland Mortgage Program Funds - To be Placed on Waiting List (6/14/00)

**ATTACHMENT I**

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**  
 CDA/HOMEOWNERSHIP PROGRAMS  
 100 COMMUNITY PLACE, ROOM 4.300, 4TH FLR, CROWNSVILLE, MD 21032-2032  
 TELEPHONE: (410) 514-7540 OR 1-(800) 638-7781

**RESERVATION OF MARYLAND MORTGAGE PROGRAM (MMP) FUNDS**

**IMPORTANT INSTRUCTIONS (Follow Carefully):**

1. Take a complete mortgage application, determine that property is in a *Priority Funding Area* (unless in *OBO* Program and funds not restricted to Priority Funding Area) and conduct an eligibility review of applicant BEFORE reserving funds.
2. Prepare a "Reservation" Package, which includes:
  - A. Reservation of MMP Funds form - ALL REQUIRED BLANKS LEGIBLY COMPLETED (PRINTED OR TYPED)
  - B. First page and signature page of the ratified sales contract.
3. Fax the Reservation of MMP Funds form, together with the first page and signature page of the ratified sales contract, to (410) 987-4136. Your request will be processed and, if eligible and funds are available, the Reservation form will be faxed back to you with a Reservation Number and date assigned.
4. If the request is ineligible, you will receive a Non-Conforming Request form by fax (see MMP Lender's Manual). **Funds will not be held or reserved until a complete, eligible request is received and approved.**

\*\*\*\*\*

Total Acquisition Cost: \$ _____ (As calculated in the Buyer's Affidavit)	Borrower's Gross Annual Income: \$ _____
First Mortgage Loan Amount: \$ _____ [Include FHA UFMIP, VA funding fee or RHS guarantee fee (with closing costs, if applicable)]	Co-Borrower's Gross Annual Income: + _____
	Other Household Income: + _____
First Mortgage Interest Rate: _____%	TOTAL ANNUAL HOUSEHOLD INCOME: \$ _____ (for <u>eligibility</u> purposes)
First-Time Homebuyer: Yes _____ No _____	Number of Household Members: _____
County or Balt. City: _____	Insurer/Guarantor: FHA ___ VA ___ RHS ___
Applicable Restricted Area*: _____	EXISTING _____ NEW _____
Priority Funding Area: Yes _____ No _____	Zip Code of Borrower's Previous Address: _____
<b>Property Tax I.D. #:</b> _____	*SEE HIGHLIGHT SHEET
Targeted Area*: Yes _____ No _____	
If targeted and entire jurisdiction is not targeted, provide the Census Tract No.: _____	

\*\*\*\*\*

Name of Borrower: \_\_\_\_\_ SS# \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Name of Co-Borrower: \_\_\_\_\_ SS# \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

\*\*\*\*\*

Property Street Address: \_\_\_\_\_

City: \_\_\_\_\_, Maryland Zip: \_\_\_\_\_

CDA Project Name and Number, if applicable: \_\_\_\_\_

\*\*\*\*\*

Name and Address of Lender: \_\_\_\_\_

\_\_\_\_\_

Lender Contact: \_\_\_\_\_ Phone: (\_\_\_\_) \_\_\_\_\_ Fax: (\_\_\_\_) \_\_\_\_\_

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**DO NOT WRITE BELOW-CDA/HP USE ONLY**

RESERVATION NUMBER: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Res. Date: \_\_\_\_\_ **See Reservation Pipeline Report for loan deadlines.**



MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
 CDA/HOMEOWNERSHIP PROGRAMS  
**MARYLAND MORTGAGE PROGRAM**  
**HIGHLIGHT SHEET**

**PLEASE NOTE: ONLY HOMES IN PRIORITY FUNDING AREAS\* ARE ELIGIBLE**

NAME OF BOND ISSUE:	2000 Series H
FUNDS AVAILABLE:	December 22, 2000 at 8:00 a.m.
INTEREST RATE:	6.60% (6.38659 per thousand) - interest rate subject to change
INCOME LIMITS AND MAXIMUM ACQUISITION COSTS:	See Table Below
TERM:	30 Years
POINTS:	One point from buyer(s) and one point from seller(s), to be collected at settlement
MORTGAGE INSURER/GUARANTOR:	<b>FHA, VA or RHS</b>
HOME INSPECITON:	Required (unless home newly constructed or substantially rehabbed)
HOMEBUYER EDUCATION:	Mandatory for <u>all</u> borrowers

DEFINED AREA	INCOME LIMITS <sup>1</sup> (By Number of Persons in Household)		MAXIMUM ACQUISITION COSTS	
	1 or 2	3 or more	EXISTING	NEW
<b>Baltimore PMSA</b> Anne Arundel+, Baltimore+, Carroll, Harford+, Howard, Queen Anne's, Baltimore City**	\$66,900	\$76,935	\$140,634	\$157,825
<b>Cumberland, MD</b> Allegany**	\$66,900	\$76,935	\$92,763	\$121,296
<b>Washington, D.C. PMSA</b> Calvert, Charles, Frederick+ Montgomery+, Prince George's+	\$82,800	\$95,220	\$180,807	\$182,305

\*a full listing of the Priority Funding Areas is on our website at <http://www.dhcd.state.md.us>

Cecil	\$66,900	\$76,935	\$137,919	\$146,473
Caroline**, Dorchester**,Garrett** Somerset**,Wicomico+,Worcester+	\$66,900	\$76,935	\$121,296	\$121,296
Kent**	\$66,900	\$76,935	\$130,625	\$130,625
St. Mary's	\$66,900	\$76,935	\$133,918	\$141,023
Talbot+	\$66,900	\$76,935	\$133,918	\$147,250
Washington+	\$66,900	\$76,935	\$133,918	\$142,500

\*\*Entire jurisdiction is targeted - buyers do not have to be first-time home buyers

+Contains certain targeted census tracts (refer to list on page 5) in which buyers do not have to be first-time home buyers

1. Income limits for an RHS-guaranteed loan are the lesser of the MMP Income Limits referenced above or the RHS Guaranteed Housing Program Income Limits

**Targeted Areas**

The prohibition against borrowers having had a "present ownership interest" in their principal residence does not apply to borrowers purchasing homes in the following federally designated targeted areas. They may no longer have title to the property or will divest themselves of the property before closing of the MMP loan.

ENTIRE COUNTIES/JURISDICTIONS OF:

Allegheny, Baltimore City, Caroline, Dorchester, Garrett, Kent and Somerset

**TARGETED CENSUS TRACTS/CITIES WITHIN NON-TARGETED COUNTIES**

Anne Arundel	7406.00		
Baltimore County	East Towson, Oella, West Catonsville, plus Census Tracts:		
	4016.01	4031.01	4084.00
	4507.00	4508.02	
Frederick	7501.00	7503.00	7509.00
Harford	3015.00	3029.01	
Montgomery	7025.00		
Prince George's	Brentwood, Capitol Heights, Colmar Manor, Fairmont Heights, Mt. Rainier, North Brentwood and Seat Pleasant, plus Census Tracts:		
	8003.00	8011.01	8029.03
	8035.09		
Talbot	9603.00		
Washington	All properties located within City limits of Hagerstown are considered targeted.		
Wicomico	0001.00	0003.00	0102.00
Worcester	9901.00	9905.00	9906.00
	9907.00		

**Lenders, please note the following:**

Lending Areas

Each participating lender is to make its best efforts to lend in the areas in which it has offices or loan officers to conveniently serve the public.

Origination Period

- You can reserve funds by faxing the "**Reservation of MMP Funds**" form (dated 12/20/00) with the first page and signature page of the ratified sales contract to (410) 987-3231. The reservation request will be reviewed for eligibility, and if approved, will be faxed back to the lender contact with a Reservation Number. Requests will be accepted on a first-come, first-served basis.
- A pre-closing compliance review of every loan is mandatory, and the pre-closing package must be received by the reservation expiration date or the funds will be canceled. Homeownership Programs performs this review. See MMP Lender's Manual for submission instructions.
- The FHA UFMIP and VA Funding Fee may be financed for all loans. The RHS Guarantee Fee may only be financed if the appraised value of the property supports it. Pool insurance is not required.
- All loans must be submitted for purchase by the pre-closing compliance expiration date (purchase deadline) or funds will be canceled. Extensions must be requested prior to expiration. Approval of extension requests is at the sole discretion of Homeownership Programs. See MMP Lender's Manual for instructions.

Asset Test Interest Rate = 7.00% - also subject to change

Ground Rent Factor = 172.91 (times the monthly ground rent)

	<u>Underwriting Ratios</u> <u>Acceptable</u>	<u>Maximum Acceptable with Significant</u> <u>Compensating Factors</u>
• FHA	29.0%/41.0%	33.0%/45.0%
• VA	41.0% ("back" ratio only)	45.0% ("back" ratio only)
• RHS	29.0%/41.0%	33.0%/41.0%

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