



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

May 14, 2001

Directive 2001-4

MEMORANDUM FOR: ALL PARTICIPATING LENDERS

SUBJECT: REVISED LOAN DOCUMENTS FOR THE MARYLAND MORTGAGE PROGRAM

The purpose of this Directive is to provide you with the following revised loan documents: the Notice to Borrower with Information for Calculating Potential Recapture Tax and the Tax-Exempt Financing Rider for FHA, VA, and USDA/RD (RHS) Loans. This Directive will be posted on our website and should be read by all of your originating branches as well as your closing and shipping staff. In addition, these documents will be posted on our website.

Highlights of Revisions to Program Loan Documents

- THE NOTICE TO BORROWER WITH INFORMATION FOR CALCULATING POTENTIAL RECAPTURE TAX

The Department of Housing and Urban Development has released new area and statewide median income figures for Maryland which affect threshold incomes under the Program, and in particular affect the recapture tax notice to buyers. Therefore, the "Notice to Borrower with Information for Calculating Potential Recapture Tax" form has been updated. Please make sure this document is incorporated into your systems for immediate use. **The new form (copy enclosed) is dated 04/16/01 and must be used for all loans closing on or after Monday, June 11, 2001.**

- THE TAX-EXEMPT FINANCING RIDER FOR FHA, VA, AND USDA/RD (RHS) LOANS

The notary section was removed from this document. It is no longer necessary to have the signature(s) of the borrower(s) notarized for this document. Please make sure this document is incorporated into your systems for immediate use. **The new form (copy enclosed) is dated 03/30/01 and must be used for all loans closing on or after Monday, June 11, 2001.**

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.

Sincerely,

William J. Manahan
Deputy Director
Homeownership Programs

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>