



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

June 14, 2001

Directive 2001-5

MEMORANDUM FOR: ALL PARTICIPATING LENDERS

SUBJECT: OPENING OF 2001 SERIES E & F BOND ISSUE

The purpose of this Directive is to announce the opening of the 2001 Series E & F Bond Issue, which closed on June 14, 2001. 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, the Highlight Sheet for the 2001 Series E & F Bond Issue, the Reservation of Maryland Mortgage Program (MMP) Funds form, Attachment I (revised 06/14/01) and the Pre-Closing Compliance Checklist (revised 06/14/01) are included as attachments and will also be posted on our website.

***REMINDER: The Lender on Line Reservation System Kickoff is scheduled for Thursday, June 21, 2001 from 2:00 p.m. to 4:30 p.m. in the Wye Room of the Sheraton-Barcelo Hotel (formerly the Wyndham). Please RSVP by June 18, 2001 to 410-514-7745 or by e-mail to [bryantd@dhcd.state.md.us](mailto:bryantd@dhcd.state.md.us). The Lender on Line Reservation System is a dynamic, web-based reservation system that will allow lenders to reserve funds, obtain the status of their loans, see what conditions are on a loan, monitor their pipeline, access the MMP Lender's Manual, Attachments, Program Loan Documents, glossary of terms - all via the internet!***

**General Program Information**

- Proceeds from this bond issue will be made available for reservations on Monday, June 18, 2001 at 8:00 a.m.
- This is an On-Behalf-Of Local Governments' (OBO) Bond Issue, which means each county has set their own maximum acquisition costs and income limits, as well as any specific area targeting. Please note that the majority of the Income Limits have been increased since the last bond issue. A total of approximately \$30.3 million will be made available for reservations for the OBO portion of this bond issue. These funds will be held for each individual jurisdiction's exclusive use for at least 90 days.

- A total of approximately \$47.4 million will be made available for reservations for the Statewide portion of this bond issue. Only existing or newly constructed homes that are located in Priority Funding Areas will be financed from the Statewide pool of funds.
- We will open the bond issue with an interest rate of 6.375 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 to lender contacts on Tuesday when the change is announced on the hotline.
- The Reservation of Maryland Mortgage Program (MMP) Funds form revised 06/14/01 should now be used to reserve funds because it is now necessary for the birthdate, sex, ethnicity and marital status to be completed before a loan can be reserved. Your cooperation regarding the use of this revised form will be greatly appreciated.
- Effective immediately, lenders who subscribe to VMP Mortgage Form's Electronic Forms Subscription Service may download our program documents and have them set up to populate from the lender's database. This should expedite the completion of the required documents and also improve the accuracy of these documents.

### **Highlight of Revisions**

#### MMP LENDER'S MANUAL

- The "**ATTACHMENTS**" list dated 06/14/01 on page v of the MMP Lender's Manual has been corrected to reflect the date (shaded) of the revised attachments.
- The "**APPROPRIATE CONTACT PERSONS**" list dated 06/14/01 on pages vi and vii of the MMP Lender's Manual has been updated to include deletions and additions of staff.
- Under "Underwriting Guidelines", Section 3.2, subsection B.1., the following was added to the end of the first paragraph: .....**,unless approved by Loan Prospector (LP) or Desktop Underwriter (DU) as a risk class "Accept-Eligible"** and the following was added to the end of the second and the fourth sentences of the second paragraph: .....**or risk class is "Refer" and DE signs and dates MCAW.**
- Under "Pre-Closing Compliance Review", Section 4.1, subsection C.1., the second and third bullets now read: MCAW included in file but lacking **Loan Prospector (LP)/Desktop Underwriter (DU) approval OR** the DE Underwriter's signature, date, and/or CHUMS ID No.; or MCAW included in file but ratios exceed 33.0/45.0, **unless approved by LP or DU as risk class "Accept-Eligible"**.

- Under "Post Closing Compliance and Purchase Review", Section 4.2, subsection A.4.b.(2)(a): date of CDA Tax-Exempt Financing Rider for FHA, VA and USDA/RD changed to **03/30/01**; and subsection A.4.b.(2)(b): date of CDA's Notice to Borrower with Information for Calculating Potential Recapture Tax changed to **04/16/01**.

#### ATTACHMENTS

- **Reservation of Maryland Mortgage Program (MMP) Funds form (Attachment I) dated 06/14/01** was revised as follows: the Property Tax I.D. # field was eliminated; and Date of Birth, Sex, Ethnicity, Marital Status and Reservation Expiration Date fields added.
- **Pre-Closing Compliance Checklist (Attachment K) dated 06/14/01** was revised on pages 1 and 2 to include text relating to the Department's acceptance of Desktop Underwriter (DP)/Loan Prospector (LP) on FHA-insured loans under certain circumstances and what additional documents are required.

It is anticipated that the MMP Lender's Manual dated June 14, 2001 will be uploaded to our website the week of June 18, 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](mailto:manahan@dhcd.state.md.us).

Sincerely,

William J. Manahan  
Deputy Director  
Homeownership Programs

Enclosures

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>