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May 10, 2006

Directive 2006-8

MEMORANDUM: ALL PARTICIPATING LENDERS

SUBJECT: INTEREST RATE INCREASES AND REPLACING THE 4-POINT PROGRAM WITH THE 3-POINT PROGRAM

The purpose of this Directive is to inform you of the impending interest rate increases. The interest rate increases outlined below will be **effective for any loan reserved on or after the close of business on Thursday, May 11, 2006. The 3-point program replaced the 4-point program and all other interest rates are being increased by 1/4%.** The interest rates will be updated on our website and Lender On-Line. This Directive will be uploaded to our website (under [Just for Lenders/Single Family Housing Directives](#)) and also to Lender On-Line (under [Program Documents/Single Family Housing Directives](#)).

For our 30- and 35-year fixed rate mortgage products the new interest rates are:

|         |         |         |         |                    |
|---------|---------|---------|---------|--------------------|
| 3 POINT | 2 POINT | 1 POINT | 0 POINT | 0 POINT + 2% GRANT |
| 5.500%  | 5.750%  | 6.000%  | 6.250%  | 6.625%             |

For our 40-year fixed rate mortgage products the new interest rates are:

|         |         |         |         |                    |
|---------|---------|---------|---------|--------------------|
| 3 POINT | 2 POINT | 1 POINT | 0 POINT | 0 POINT + 2% GRANT |
| 5.625%  | 5.875%  | 6.125%  | 6.375%  | 6.750%             |

**Please note: if the update of the “new” interest rates fails, any loan reserved on or after Friday, May 12, 2006 will have its interest rate changed to the applicable “new” interest rate.**

As always, we appreciate your continued participation in MMP. If you have any questions concerning this Directive or suggestions for improving our Program, please contact me directly at (410) 514-7508 or 1-800-638-7781 or by e-mail at [manahan@mdhousing.org](mailto:manahan@mdhousing.org).

Sincerely,

*William J. Manahan*

William J. Manahan  
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