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June 16, 2010

Directive 2010-6

MEMORANDUM: ALL PARTICIPATING LENDERS

SUBJECT: UPDATED LENDER'S MANUAL AND CHECKLISTS

The purpose of this Directive is to inform you that the Lender's Manual and Attachments K, L, M, Q and R have been updated. The Lender's Manual dated 06/09/10 and the Attachments are now on the website and Lender On-line. The changes in the Lender's Manual and the Attachments are effective immediately.

### **Highlights of the changes to the Lender's Manual**

- "Information – Websites" added (page 10)
- Lifeline and Homesaver sections deleted
- Language relating to spouse/non-borrower retaining ownership of current residence and spouse/borrower not being permitted to own residence financed by a CDA loan (page 21)
- "The City Limits of" added to the names of cities listed as Targeted Areas (page 22)
- Home inspector must be licensed in the State of Maryland (page 37)
- Language added regarding the requirements for a DSELP loan in the City of Baltimore when borrower receiving funds from the City of Baltimore (page 43)
- MERS lenders (page 48 & 49):
  - Are to register all loans with MERS and print out a "MIN Summary" and include it in the Post Closing Compliance and Purchase Submission or the Quick Close Post Closing Compliance and Purchase Submission
  - If the Deed of Trust is not executed as a MOM loan, an assignment must be completed changing the name of the beneficiary from the Lender's name to MERS

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- Title may not be held in the name of a Revocable Trust (page 50)
- Gap insurance requirements for title insurance (page 51)
- For ALTA 06 policies, exceptions will be deleted from the final title policy must be noted on the title insurance binder or by a separate endorsement (page 51)
- For condos with 20 or more units, fidelity insurance is required to ensure that homeowner association funds are protected (page 53)
- “Walls-in” (HO-6) insurance policy required for a condo unit, if master policy does not cover the interior of the unit (page 53)

### **Highlights of the changes to the Attachments**

- Attachment K
  - Current Real Estate Tax Bill required
- Attachment L & Q
  - Breakdown of fees on line 803 of the HUD-1 settlement sheet include with the HUD-1 settlement sheet

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  
Assistant Director  
Single Family Housing