

September 26, 2023

DIRECTIVE 2023-13

TO: ALL PARTICIPATING LENDERS
SUBJECT: SMARTBUY 3.0 PRODUCT UPDATE

This Directive announces an update to the Maryland Mortgage Program SmartBuy 3.0 loan product effective for loans reserved on or after Monday, October 2, 2023. In order to manage the high volume of SmartBuy reservations, the maximum limit of the student debt payoff amount (unsecured loan) will be \$20,000 or 15% of the purchase price, whichever is less. SmartBuy loans reserved before that date will align with the terms active at that time.

SmartBuy 3.0 down payment assistance (DPA) options have not changed. There are still three options: 1) No DPA mortgage; 2) a flat \$6,000; OR 3) 6% of the first mortgage (this option is only available for borrowers whose qualifying income is 50% or less of the Area Median Income—limits are posted here: <https://mmp.maryland.gov/Lenders/Pages/Income-and-Purchase-Limits.aspx>. Options 2 and 3 are second mortgages with a 0% interest rate, and are due and payable upon sale, refinance, or other payoff of the first mortgage.

As always, the loan must meet the most restrictive guidelines of MMP, US Bank, and the insurer.

The updated SmartBuy 3.0 fact sheet will be published on October 2nd with the other program fact sheets on our website:
<https://mmp.maryland.gov/Lenders/Pages/Fact-Sheets.aspx>

We appreciate your continued participation in our programs. If you have any questions concerning this Directive or suggestions for improvements, please email singlefamilyhousing.dhcd@maryland.gov.

Sincerely,

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Director
Single Family Housing

