

August 10, 2023

**DIRECTIVE 2023-10**

**TO: ALL PARTICIPATING LENDERS**  
**SUBJECT: SMARTBUY 3.0 PRODUCT UPDATES**

This Directive is to announce updates to the Maryland Mortgage Program SmartBuy 3.0 loan product effective for loans reserved on or after Monday, August 14, 2023. In line with the average student debt payoff amount recorded under MMP SmartBuy product to date, the maximum limit of the student debt payoff amount (unsecured loan) will be \$40,000 or 15% of the purchase price, whichever is less.

SmartBuy 3.0 will have 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 is published 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](mailto:singlefamilyhousing.dhcd@maryland.gov).

Sincerely,

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Director  
Single Family Housing