

August 9, 2023

Directive 2023-09
REVISED

TO: ALL PARTICIPATING LENDERS

**SUBJECT: LAUNCH OF THE MONTGOMERY HOMEOWNERSHIP PROGRAM –
PHASE VIII**

The Maryland Mortgage Program is pleased to continue our collaboration with Montgomery County by launching Phase VIII of the Montgomery Homeownership Program. Reservations will be accepted until the funds are fully committed; as the end of the program nears, status will be posted weekly on the rate sheet and a flashing bulletin will be posted on Lender Online. The Montgomery Homeownership Program is designed to assist eligible homebuyers who purchase a home in Montgomery County by combining a Maryland Mortgage Program (MMP) first loan with a generous Down Payment Assistance (DPA) second loan.

Highlights of the Montgomery Homeownership Program include:

- Montgomery Homeownership Program second lien will be a zero percent deferred DPA loan which becomes repayable upon refinance, transfer or sale of the home, or other payoff of the first mortgage.
- Maximum DPA loan will be 40% of **borrower 1003 income**, up to a maximum of \$25,000.00.
- DPA funds may be used for down payment and/or closing costs.
- Partner Match Programs – No matching funds provided. External assistance (such as other partner funds that don't require a match) may be utilized as long as it meets insurer/investor/servicer guidelines.
- The fact sheet is listed with the other program fact sheets on this page: <https://mmp.maryland.gov/Lenders/Pages/Fact-Sheets.aspx>
- This product is different from the current MEDPAL product. A comparison of the two MMP Montgomery County products is on the Montgomery County page: <https://mmp.maryland.gov/Montgomery/Pages/default.aspx>

As always, 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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Maddy Ciulu
Director
Single Family Housing

