



**MARYLAND MORTGAGE**  
*Making Homeownership Affordable*

## FACT SHEET: MARYLAND 4% GRANT ASSIST

<b>PURPOSE</b>	To assist homebuyers with down payment and closing costs associated with purchasing a home in Maryland using the Maryland Mortgage Program (MMP) for government or conventionally insured or uninsured (LTV below 80%) loans. The Maryland Department of Housing and Community Development ("the Department") offers a first mortgage loan that is accompanied by a grant of 4% for down payment and/or closing costs.
<b>DATE</b>	January 22, 2018
<b>CLOSING COST AND DOWN PAYMENT ASSISTANCE</b>	4% Grant Assist includes an outright grant of 4% of the MMP loan amount (first lien). The grant is to be used for the down payment and/or closing costs of the mortgage loan and home purchase at closing. If the 4% exceeds the total down payment and closing costs needed for the transaction, the excess funds will be applied by the lender to a principal curtailment. <b>The grant available for this product is strictly 4% and no higher or lower percentages are allowed.</b> Under the 4% Grant Assist product, the lender will advance the grant funds at closing and the Community Development Administration (CDA) will reimburse the lender after the loan is post-closing approved by CDA (see Directive 2014-34). <b>(Reminder: CDA assistance programs cannot be used with conventional financing for purchase of a DHCD-owned REO.)</b>
<b>DOWN PAYMENT REQUIRED FROM THE BORROWER:</b>	The borrower will bring the minimum down payment required by Fannie Mae/Freddie Mac or FHA/RHS/VA for a conventional or government insured loan as stated in their guidelines. <b>GRANT ASSIST FUNDS CANNOT BE COMBINED WITH OTHER DOWN PAYMENT ASSISTANCE PRODUCTS OFFERED BY CDA UNLESS SPECIFICALLY REFERENCED IN THE PRODUCT FACT SHEET.</b>
<b>PARTNER MATCH PROGRAM</b>	Not available with this product. Assistance from employers, builders, non-profits, etc. may be utilized by the borrower in combination with this product but will not be matched by the Department's funds.
<b>MARYLAND HOME CREDIT PROGRAM</b>	May be available with this product. The Maryland HomeCredit Program (offering mortgage credit certificates) is subject to federal regulations and availability of funds, and may be discontinued at any time in the Department's sole discretion.
<b>INTEREST RATE</b>	Rates are published daily by the Department for the first lien. The grant does not carry any interest.
<b>ELIGIBLE BORROWERS</b>	<ul style="list-style-type: none"> <li>Borrowers must meet all eligibility requirements established for the Maryland Mortgage Program. For more information on MMP requirements, go online to <a href="http://mmp.maryland.gov/Lenders/Pages/Fact-Sheets.aspx">http://mmp.maryland.gov/Lenders/Pages/Fact-Sheets.aspx</a> or browse the website at <a href="http://www.mmp.maryland.gov">www.mmp.maryland.gov</a>.</li> <li>All Maryland Mortgage Program purchase products require homebuyers to take a Homebuyer Education class. An education class may be any class approved by HUD, Fannie Mae or Freddie Mac, including an online class. (<a href="http://mmp.maryland.gov/Pages/Homebuyer-Education.aspx">http://mmp.maryland.gov/Pages/Homebuyer-Education.aspx</a>).</li> </ul>
<b>FIRST TIME HOME BUYER REQUIREMENT:</b>	While Maryland Mortgage program loans generally are limited to first-time homebuyers, the requirement is waived if: <ul style="list-style-type: none"> <li>Borrower is purchasing in a targeted area (see <a href="http://mmp.maryland.gov/Pages/Targeted-Areas.aspx">http://mmp.maryland.gov/Pages/Targeted-Areas.aspx</a> for more information on targeted areas);</li> <li>It has been more than three years since the borrower has owned a principal residence;</li> <li>Borrower is an honorably discharged veteran who has not previously used the first-time homebuyer exemption. This is in accordance with the Heroes Earnings Assistance and Relief Tax Act of 2008, as amended. A DD-214 form must be submitted to document veteran status, and an Attachment V - Veteran First Time Homebuyer Exemption form (located at <a href="http://mmp.maryland.gov/Lenders/Pages/Loan-Documentation.aspx">http://mmp.maryland.gov/Lenders/Pages/Loan-Documentation.aspx</a> under First Mortgage Pre-Closing/Documents That Are Sometimes Required) must be completed; OR</li> <li>Borrower is using the Maryland 4% Grant Assist without a Maryland HomeCredit (MCC).</li> </ul> Regardless of the waiving of the first-time homebuyer requirement, a Maryland Mortgage borrower cannot own any other real property at time of closing.
<b>OTHER</b>	The 4% Grant Assist product follows all underwriting overlays of US Bank, Fannie Mae, Freddie Mac, FHA/VA/RHS and PMIs, as applicable. Except where specifically noted, all rules relating to Maryland Mortgage Program loans apply. <b>4% Grant Assist cannot be used in conjunction with any other MMP products unless specified in the product fact sheet.</b>

*Disclaimer: The terms and conditions are subject to change until the lender locks the loan in Lender Online. A potential borrower should contact an approved lender for further loan information (see [mmp.maryland.gov](http://mmp.maryland.gov) for a list of approved lenders). In connection with the Maryland Mortgage Program, the Maryland Department of Housing & Community Development makes no promises, representations or warranties to any party, including any borrower, about the actual benefit a Maryland Mortgage loan might provide in specific situations. Each borrower's situation is different, and potential borrowers should seek the advice of a financial advisor, attorney or housing counselor before entering into any loan transaction.*

For more information, please visit:

**MMP.Maryland.gov**

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