

PURPOSE

To help Maryland homebuyers purchase a home in Montgomery County by offering a deferred Down Payment and Closing Cost Assistance loan in conjunction with the Housing Opportunities Commission of Montgomery County's ("HOC") Mortgage Purchase Program's ("MPP") first mortgage loan. The Montgomery County Homeownership Assistance Fund ("McHAF") in combination with HOC's MPP will provide substantial down payment and closing cost assistance granting up to 40% of the household's qualifying income for a maximum of \$25,000.

RESERVATION OF FUNDS

Lenders may reserve **Montgomery County Homeownership Assistance Funds Program** loans until the funds are expended.

McHAF DOWNPAYMENT AND CLOSING COST ASSISTANCE

The McHAF will be a down payment and closing cost assistance loan in the form of a zero percent deferred loan. The maximum McHAF loan will be 40% of the **total qualifying household income with a maximum total of \$25,000**.

The McHAF loan funds are from Montgomery County, Maryland and are distributed by HOC. The McHAF lien will be in the name of HOC. The McHAF loan will be table funded by HOC.

TERMS:

- Zero percent (0%) per annum.
- Ten (10) year deferred loan. No interest shall accrue on the loan and no monthly installments shall be due. Pro rata due upon sale or refinance during first 10 years. The loan will be forgiven after 10 years.
- **Must be used with HOC's MPP's first mortgage, OPTION 1 product – ONLY.**
- Cannot be used in conjunction with the HOC Option 2 first mortgage product.

OTHER CLOSING COST PROGRAMS:

- Can be combined with MPP's Revolving Closing Cost Assistance Program (RCCAP/"5 for 5") but the borrower must work in Montgomery County, Maryland to combine both.
- Can be combined with any approved external assistance (i.e. FHLB of Atlanta).

ELIGIBLE REQUIREMENTS

All other rules relating to HOC's MPP loans apply except where specifically noted in this document.

- Borrowers must meet all eligibility requirements established for HOC's MPP.
- Must be a first-time homebuyer.
- Homebuyer education is required dated no more than two (2) years from settlement date.

MAXIMUM LOAN TO VALUE/COMBINED LOAN TO VALUE:

- LTV/CLTV requirements are the same as for the regular MPP products.
 - Not to exceed 104.5% for FHA financing
 - Not to exceed 105% for Conventional financing

LIEN POSITION:

- Second or third position depending on combination of closing cost programs.

OTHER:

- No manual underwriting allowed.
- This product follows all underwriting overlays of HFA, US Bank, Fannie Mae, Freddie Mac, FHA and PMIs.

INTEREST RATES

Rates for the first mortgage are published daily. <http://www.hocmc.org/homeownership>

Disclaimer: The terms and conditions are subject to change until the lender locks the loan in eHousingPlus, Inc. A potential borrower should contact an approved lender for further loan information (see www.hocmc.org for a list of approved lenders). In connection with the Mortgage Purchase Program, the Housing Opportunities Commission makes no promises, representations or warranties to any party, including any borrower, about the actual benefit a Montgomery County 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.