

FACT SHEET:
CREDIT 640
-FHA loans only-



MARYLAND MORTGAGE
Making Homeownership Affordable

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| PURPOSE | To assist homebuyers with middle FICO scores in the 640-659 range with purchasing a home in Maryland using the Maryland Mortgage Program (MMP) for FHA mortgages. Each MMP FHA product has a Credit 640 version which must be utilized for borrowers with scores in that range. This is a first mortgage product. |
| DATE | Reservations opened on January 22, 2018. Guidelines were amended 1/6/2021. |
| CLOSING COST & DOWN PAYMENT ASSISTANCE | DPA loans or grants may be part of Credit 640; it depends on which product is selected. |
| PARTNER MATCH PROGRAM | May be layered with the 1 st Time Advantage 5000 Credit 640 or the Flex 5000 Credit 640. |
| MARYLAND HOMECREDIT PROGRAM | N/A - the Maryland HomeCredit Program closed for new reservations on 6/19/2020. |
| INTEREST RATE | Interest rates for the various Credit 640 options will be identified separately on the rate sheet published by the Department for the first lien. |
| ELIGIBLE BORROWERS | <ul style="list-style-type: none"> o Middle credit score of 640-659. o Borrowers must meet all eligibility requirements established for the FHA, Maryland Mortgage Program and U.S. Bank overlays. (For more information on MMP requirements, go online to http://mmp.maryland.gov/Lenders/Pages/Fact-Sheets.aspx or browse the website at www.mmp.maryland.gov.) o 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. (http://mmp.maryland.gov/Pages/Homebuyer-Education.aspx). |
| FIRST TIME HOMEBUYER REQUIREMENT: | <p>MMP FLEX loans can be available to REPEAT homebuyers. 1ST TIME ADVANTAGE are limited to first-time homebuyers unless:</p> <ul style="list-style-type: none"> o Borrower is purchasing in a targeted area (see http://mmp.maryland.gov/Pages/Targeted-Areas.aspx for more information on targeted areas); or o It has been more than three years since the borrower has owned a principal residence; or o 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 http://mmp.maryland.gov/Lenders/Pages/Loan-Documentation.aspx under First Mortgage Pre-Closing/Documents That Are Sometimes Required) must be completed. <p>Regardless of the waiving of the first-time homebuyer requirement, a Maryland Mortgage borrower cannot own any other real property at time of closing.</p> |
| OTHER | This product follows all underwriting overlays of FHA and US Bank. All other rules relating to Maryland Mortgage Program loans apply except where specifically noted in this document. |

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 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

Single Family Housing - Community Development Administration
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