



Maryland Department of Housing
and Community Development

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GOVERNOR

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September 13, 2006

Directive 2006-13

MEMORANDUM: ALL PARTICIPATING LENDERS

SUBJECT: GUIDELINES FOR REVIEWING CREDIT SCORES BELOW 575

The purpose of this Directive is to advise you of our new [Guidelines for Reviewing Credit Scores Below 575](#). A revised [Pre-Closing Compliance Submission \(Attachment K\) dated 09/12/06](#) and a revised [“Quick Close” Lender Pilot Program Post-Closing Compliance and Purchase Submission \(Attachment Q\) dated 09/12/06](#) (for the lenders approved to use the “Quick Close” process) incorporates this new policy. This Directive will be uploaded to our website (access [Just for Lenders](#) and then click on Single Family Housing Directives) and also to Lender On-Line (enter User Name and Password on [Lender On-Line](#), click on Program Documents and then click on Single Family Housing Directives).

Effective for all loans *reserved on or after September 18, 2006*, the lender must disclose the middle credit score of the primary borrower on the “Representative Credit/Indicator Score” line of the Uniform Underwriting and Transmittal Summary (Fannie Mae Form 1008) if the loan is insured by a private mortgage insurer or guaranteed by RHS; or circled and placed at the top of either the Mortgage Credit Analysis Worksheet if the loan is insured by FHA or the VA Loan Analysis Worksheet if the loan is guaranteed by VA. If the middle credit score of the primary borrower is below 575, the lender must also provide a copy of the credit bureau report, including the three credit scores, and a rental reference, if the rental reference is not included on the credit report, in the Pre-Closing Compliance Submission unless the loan was underwritten using LP or DU and received one of the following risk classifications:

- Fannie Mae Desktop Underwriter (DU) Expanded Approval Level I, II, III /Eligible;
- Freddie Mac Loan Prospector (LP) Caution 500 Freddie Mac/Eligible; or
- Freddie Mac Loan Prospector (LP) A-Minus/Expanded Criteria Offering

As always, we appreciate your continued participation in MMP. If you have any questions concerning this Directive or suggestions for improving our Program, please contact me directly at (410) 514-7508 or 1-800-638-7781 or by e-mail at manahan@mdhousing.org.

Sincerely,

William J. Manahan

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Single Family Housing

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