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May 5, 2006

Directive 2006-7

MEMORANDUM: ALL PARTICIPATING LENDERS

SUBJECT: NEW INCOME LIMITS FOR 2006

The purpose of this Directive is to inform you that the new Income Limits for 2006 became effective Monday, March 27, 2006 and to provide you with a revised "Notice to Borrower with Information for Calculating Potential Recapture Tax (03/21/06)". This Directive will be uploaded to our morehouse4less.com website (under Just for Lenders/Single Family Housing Directives) and also to Lender On-Line (under Program Documents/Single Family Housing Directives).

**New Income Limits for 2006**

In 2006, the Non-Targeted Areas of the Baltimore-Towson MSA (the counties of Anne Arundel, Baltimore, Carroll, Harford, Howard and Queen Anne's) and the Washington, D.C. PMSA (the counties of Calvert, Charles, Frederick, Montgomery and Prince George's) were considered "high cost housing areas" and their Income Limits were increased accordingly. The remaining 13 counties also had their Income Limits increased. Refer to the *Income and Purchase Price Limits* chart on the morehouse4less.com website (under Just for Lenders/Income & Purchase Price Limits) or Lender On-Line (under Program Documents/Income and Purchase Price Limits) for the new Income Limits.

**The Notice to Borrower with Information for Calculating Potential Recapture Tax (03/21/06)**

The Department of Housing and Urban Development (HUD) has released new area and statewide median income figures for Maryland which affect threshold incomes under the Program, and in particular affect the recapture tax notice to buyers. Therefore, the Notice to Borrower with Information for Calculating Potential Recapture Tax form has been updated. Please make sure this document is incorporated into your systems for immediate use. This new form is dated 03/21/06 and must be used for all loans reserved on or after April 17, 2006. Refer to the *Notice to Borrower with Information for Calculating Potential Recapture Tax (03/21/06)* on the morehouse4less.com website (under Just for Lenders/Program Loan Documents) or Lender On-Line (under Program Documents/Select Loan Document Form).

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](mailto:manahan@mdhousing.org).

Sincerely,  
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