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May 4, 2007

Directive 2007-8

MEMORANDUM: ALL PARTICIPATING LENDERS

SUBJECT: NEW MINIMUM CREDIT SCORE THAT REQUIRES REVIEW

The purpose of this Directive is to advise you of the new minimum credit score that requires a review. A revised [Pre-Closing Compliance Submission \(Attachment K\) dated 05/04/07](#) and a revised ["Quick Close" Lender Pilot Program Post-Closing Compliance and Purchase Submission \(Attachment Q\) dated 05/04/07](#) (for the lenders approved to use the "Quick Close" process) and the [Lender's Manual dated 05/04/07](#) incorporate this new policy. This Directive, along with the Attachments and Lender's Manual, will be uploaded to our website (access Lenders Only) and also to Lender On-Line (access Lender On-Line and then click on Program Documents).

Effective for all loans reserved on or after May 7, 2007, the lender must continue to disclose the primary borrower's middle credit score, if the credit report lists three credit scores; the lower credit score, if the credit report only lists two credit scores; or state "below 600", if the credit report lists one or no credit scores 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 primary borrower's credit score is less than 600 (if loan reserved on or before May 6, 2007, a credit score below 575 must be reviewed), the lender must also provide a copy of the credit bureau report, including the credit scores, and a rental reference, if the rental reference is not included on the credit report, in the Pre-Closing Compliance Submission. **It is highly recommended that Quick Close lenders not submit loans for borrowers with credit scores below 600 as Quick Close submissions.**

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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Assistant Director, Homeownership Programs

Single Family Housing

