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SECRETARY

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February 27, 2009

Directive 2009-3

MEMORANDUM: ALL PARTICIPATING LENDERS

SUBJECT: Government Loans (FHA-insured and VA- and RHS-guaranteed loans) - only eligible loans for our programs

The purpose of this Directive is to inform you that effective for any loan reserved on or after 5:00 p.m. on Friday, February 27, 2009 and until further notice, only government loans (FHA-insured and VA- and RHS-guaranteed loans) will be eligible for our Maryland Mortgage Program, the Lifeline Refinance Mortgage Program and the Homesaver Refinance Mortgage Program. As stated in Directive 2008-10 dated April 25, 2008, MI Companies must have a rating acceptable to the rating agencies for the bonds that fund the CDA single family program. This new policy is a result of the mortgage insurance companies ceasing to have acceptable ratings. Please note: the maximum term for government loans is 30 years; therefore, until further notice, the 30-year term will be the only permitted term for our programs.

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,

*William J. Manahan*

William J. Manahan  
Assistant Director, Homeownership Programs  
Single Family Housing

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