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April 18, 2006

Directive 2006-5

MEMORANDUM: ALL PARTICIPATING LENDERS

SUBJECT: INTEREST RATE INCREASES AND REPLACING OF THE 3-POINT PROGRAM WITH A 4-POINT PROGRAM

The purpose of this Directive is to inform you of the impending interest rate increases. The interest rate increases outlined below will be **effective for any loan reserved on or after the close of business on Thursday, April 20, 2006**. A new 4 point interest rate was created and replaced the 3-point program and all other interest rates were increased by 1/4%. The interest rates will be updated on our website and Lender On-Line. This Directive will be uploaded to our website (under [Just for Lenders/Single Family Housing Directives](#)) and also to Lender On-Line (under [Program Documents/Single Family Housing Directives](#)).

For our 30- and 35-year fixed rate mortgage products the new interest rates are:

NEW

4 POINT	2 POINT	1 POINT	0 POINT	0 POINT + 2% GRANT
4.950%	5.500%	5.750%	6.000%	6.375%

For our 40-year fixed rate mortgage products the new interest rates are:

NEW

4 POINT	2 POINT	1 POINT	0 POINT	0 POINT + 2% GRANT
5.075%	5.625%	5.875%	6.125%	6.500%

Please note: if the update of the “new” interest rates fails, any loan reserved on or after Friday, April 21, 2006 will have its interest rate changed to the applicable “new” interest rate.

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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