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October 5, 2007

Directive 2007-12

MEMORANDUM: ALL PARTICIPATING LENDERS

SUBJECT: NEW MINIMUM CREDIT SCORE POLICY

The purpose of this Directive is to inform you of a new policy regarding minimum credit score. Effective for Maryland Mortgage Program (MMP) loans reserved on or after October 15, 2007, the primary borrower must have a credit score at or above 620. If the primary borrower's credit score is below 620, the borrowers are not eligible for an MMP loan. The lender must now include a copy of the "Credit Scores" page from the credit report in the Pre-Closing Compliance Submission or the "Quick Close" Post-Closing Compliance and Purchase Submission. The Lender's Manual, Attachment K and Attachment Q dated 10/15/07 incorporate this new policy and will be updated on the website and Lender On-Line.

The following is used to determine the primary borrower's credit score:

- If three credit scores are reported on the credit report, the middle score is to be used;
- If two credit scores are reported on the credit report, the lower score is to be used; and
- If one or no credit scores are reported on the credit report, the credit score is considered to be below 620 and the borrower is not eligible for an MMP loan.

Please note: A "primary" borrower is defined as the borrower with the greater income.



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

William J. Manahan
Assistant Director
Single Family Housing

Enclosures: Excerpt relating to new minimum credit score policy from Lender's Manual
Attachment K
Attachment Q

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