



Martin O'Malley
GOVERNOR

Anthony G. Brown
LT. GOVERNOR

Raymond A. Skinner
SECRETARY

Clarence J. Snuggs
DEPUTY SECRETARY

November 27, 2007

Directive 2007-14

MEMORANDUM: ALL PARTICIPATING LENDERS
SUBJECT: CHANGES TO THE UNDERWRITING GUIDELINES

The purpose of this Directive is to inform you of the changes to the underwriting guidelines. For Maryland Mortgage Program (MMP) loans reserved on or after December 3, 2007, the changes outlined in this directive will become effective. Information relating to these changes to the underwriting guidelines will be updated on the website and Lender On-Line.

BORROWER WITH NO CREDIT SCORE

As stated in Directive 2007-12 and effective for any Maryland Mortgage Program loan reserved on or after October 15, 2007, the borrower's minimum credit score must be 620 or above. However, if the borrower does not have a credit score as evidenced by the credit score page of a credit report and the borrower's loan is manually underwritten, the loan will be eligible if the borrower has acceptable traditional or non-traditional qualifying credit as determined by the mortgage insurer.

MAXIMUM TOTAL DEBT-TO-INCOME RATIO

The borrower's total debt-to-income ratio may not exceed 45.0% for interest-only loans and 50.0% for 30- and 40-year amortizing loans.

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, Homeownership Programs
Single Family Housing

COMMUNITY DEVELOPMENT
ADMINISTRATION
DIVISION OF DEVELOPMENT FINANCE
100 Community Place
Crownsville, MD 21032

PHONE 410-514-7400
TOLL FREE 1-800-756-0119
TTY/RELAY 711 or 1-800-735-2258
WEB www.mdhousing.org

