



# Maryland Department of Housing and Community Development

Community Development Administration/Single Family Housing

August 18, 2004

Directive 2004-5

MEMORANDUM FOR: ALL PARTICIPATING LENDERS

SUBJECT: REVISED LOAN DOCUMENT FOR THE MARYLAND MORTGAGE PROGRAM

The purpose of this Directive is to provide you with a new Notice to Borrower with Information for Calculating Potential Recapture Tax. This Directive and the [Notice to Borrower with Information for Calculating Potential Recapture Tax \(08/09/04\)](#) will be posted on our website and Lender On-Line and should be read by all of your originating branches as well as your closing and shipping staff.

### **Highlight of Revisions to Program Loan Document**

- THE NOTICE TO BORROWER WITH INFORMATION FOR CALCULATING POTENTIAL RECAPTURE TAX

Because of recent changes under federal law to the purchase price limits and the income limits, Maryland now has several counties that qualify as “high cost housing areas” under federal tax law. When an area meets the definition of a “high cost housing area,” the federal income limits may be increased for non-targeted areas. The following counties qualify for increased income limits: Anne Arundel, Baltimore, Carroll, Harford, Howard, and Queen Anne Counties (Baltimore-Towson MSA). Therefore, the Notice to Borrower with Information for Calculating Potential Recapture Tax form has been updated. **The NEW form (copy enclosed) of the [Notice to Borrower with Information for Calculating Potential Recapture Tax \(08/09/04\)](#) must be used for all loans RESERVED ON OR AFTER Friday, August 27, 2004.**

Please note that the OLD form of the [Notice to Borrower with Information for Calculating Potential Recapture Tax \(03/09/04\)](#) must be used for all loans RESERVED PRIOR to Friday, August 27, 2004.

As always we appreciate your continued participation in MMP. If you have questions concerning this Directive or suggestions for improvement of our Program, please contact me directly at (410) 514-7508 or 1-800-638-7781 or by e-mail at [manahan@dhcd.state.md.us](mailto:manahan@dhcd.state.md.us).

Sincerely,

William J. Manahan  
Sr. Manager  
Single Family Housing

Enclosure: [Notice to Borrower with Information for Calculating Potential Recapture Tax \(08/09/04\)](#)