

April 21, 2023

Client  
Xxxx Street  
City, MD 21144

Dear Client:

Based on review of the current income documentation submitted to our office and successful completion of our Homeownership Counseling Program, you are eligible to apply for a Mortgage Assistance Program (MAP) loan. This preliminary review of the documentation you have provided, together with consideration of your household size, shows that you are currently eligible to apply for a maximum loan of up to **\$50,000.00** in MAP funds, as needed. If you are approved for a MAP loan, the funds may be used to finance eligible down payment costs, closing costs and/or mortgage write-down for the purchase of a home. **Please note that this letter is not a commitment to lend you MAP funds, it is only a letter to state that you are currently eligible to apply for these funds. This eligibility letter is valid for one year from the date of this letter.** Approval of your MAP loan requires you to complete the application process, which includes providing additional **documentation as outlined below, in order to determine if you will be approved for a MAP loan.**

You are encouraged to begin shopping for a home when you are ready. You may apply for a MAP loan after you have executed a property Contract of Sale and you have applied for a first trust mortgage. Any property Contract of Sale you sign must contain contingencies for MAP loan funding and an inspection of the unit by ACDS staff.

Enclosed is a Seller Affidavit, certifying that the home you are purchasing is owner-occupied, vacant or rented by you and that it has a fair market value equal to the sales price. This form needs to be completed by the seller when the property Contract of Sale is executed.

Please remember, it is your responsibility to determine the condition of the house you are purchasing. We would encourage you to have a home inspection completed as a contingency on any property Contract of Sale you execute. In accordance with the federal requirement regulating the funding sources for the Mortgage Assistance Program, ACDS staff will inspect the property to be purchased to ensure that it meets the minimum property standards, as established by the United States Department of Housing and Urban Development (HUD). *This inspection is not to be considered a home inspection or a substitute for the home inspection.* The ACDS inspection will be limited to visual observations of apparent conditions existing at the time of the inspection only.

Latent and concealed defects and deficiencies are excluded from this inspection; equipment and systems will not be dismantled to determine operational capability. No guarantee or warranty of the adequacy, performance or condition of the structure, equipment or systems will be provided by ACDS.

MAP loan applications will be accepted on a first-come, first-served basis depending on availability of funds. The MAP loan amount will be based on demonstrated financial need as determined by comparing the gap between the total acquisition costs, the maximum first trust mortgage, your own funds and any other contributions.

The MAP loan has been approved by the Federal Housing Administration (FHA) and the Federal Home Loan Mortgage Corporation (Freddie Mac) for use with their mortgage programs. Enclosed are the letters of approval from both FHA and Freddie Mac.

Qualification for a MAP loan will depend on a successful application, which includes, at minimum, the following conditions:

1. the property must be located within Anne Arundel County or the City of Annapolis;
2. the property purchased must be a vacant, owner occupied, or borrower occupied single family, townhouse, or condominium;
3. the property must meet minimum property standards through inspection by ACDS staff and deficient items must be corrected prior to loan underwriting;
4. maximum purchase price is up to \$500,000, depending on affordability;
5. if the property is in a flood zone, flood insurance will be required;
6. all newly constructed properties must meet HUD cost effective energy conservation standards, as determined by ACDS staff;
7. on newly constructed homes, MAP loans may not be used for options over and above the base model of the home unless the option is for accessibility modifications to the home;
8. the property may be held in fee simple or leasehold;

9. title policy commitment, evidencing clear title, covering the full amount of the MAP loan and an endorsement to your homeowners insurance policy naming ACDS as an additionally insured mortgagee will be required;
10. the purchaser must contribute, from their own funds, at least one percent (1%) of the sale price toward costs associated with the purchase of the property;
11. the purchaser must show adequate affordability to meet the financial obligation of the first mortgage (Specifically, the total monthly debt including the first mortgage divided by the purchaser's total gross monthly income cannot exceed 45 percent (45%.));
12. MAP funds may not be used to purchase a property where the first mortgage has an adjustable rate or is an interest only product; and
13. MAP funds may only be used in transactions in which the Contract of Sale contains usual and customary inclusions (MAP funds will not be provided to a purchaser when the first mortgage appears to be a product of predatory lending practices.).

The MAP loan is offered at a zero percent (0%) interest rate for a period of thirty years and requires no monthly payment. The full amount of the loan is due and payable upon sale or transfer of the property or upon completion of the thirty-year mortgage term, and may be due and payable upon refinancing.

Once a Contract of Sale has been executed and you have made application for a first trust mortgage, you may apply for a MAP loan. When applying for a MAP loan, you will need to submit the following items:

1. MAP loan application (available from your Housing Financial Advisor);
2. signed Contract of Sale;
3. original Seller Affidavit letter;
4. copy of a completed first trust mortgage application;
5. copy of the first trust Good Faith Estimate;
6. Appraisal

7. commitment of first mortgage; and
8. additional verification of income and assets, to support the documentation provided through the Homeownership Counseling Program or pre-application process, to ensure compliance with eligibility requirements and to support first trust mortgage affordability, as well as any additional supporting information as may be required by ACDS polices and procedures for the Mortgage Assistance Program.

These documents will be reviewed for compliance with Mortgage Assistance Program Policies and Procedures. Additional documentation may be required prior to approval of your MAP loan.

This letter in no way constitutes approval of, or a reservation or commitment of MAP funds. Funds are reserved only upon approval of your MAP loan application and issuance of a formal commitment letter.

Should you have any questions about the program, please feel free to contact me at 410-222-7612.

Sincerely,

Chauncey A. Hall  
Program Director

CAH:cln

Enclosures: 

1. Seller Affidavit to be signed at contract execution
2. HUD's secondary financing approval of MAP
3. Freddie Mac Approval