



U.S. Department of Housing and Urban Development

Homeownership Center
The Strawbridge Building
801 Market Street
Philadelphia, Pennsylvania 19107

Approved for the following areas:

**City and/or County, State
Zip Codes: or Enclosure 2**

Approved Date: 05/31/2023
Expiration Date: 02/01/2024

Revised - (Original Approval ltr. dated 02/01/2022)

Erin Karpewicz
Executive Director
Arundel Community Development Services
2666 Riva Road – Suite 210
Annapolis, MD 21401

Dear Ms. Karpewicz:

The Philadelphia Homeownership Center is pleased to advise you that **Arundel Community Development Services (ACDS)** has been recertified as a nonprofit instrumentality of government (NPIOG) participant in the following activities:

- **Provide Down Payment or Closing Cost Assistance with a Second Lien.**

We have reviewed your application for re-approval as an NPIOG secondary financing provider. ACDS's housing development program as described meets HUD guidelines. ACDS may provide secondary financing assistance in conjunction with an FHA insured first mortgage, provided the following guidelines are met:

1. the secondary financing is disclosed at the time of application;
2. no costs associated with the secondary financing are financed into the FHA-insured first Mortgage;
3. the secondary financing payments must be included in the total Mortgage Payment;
4. the secondary financing must not result in cash back to the Borrower except for refund of earnest money deposit or other Borrower costs paid outside of closing;
5. the NPIOG may provide secondary financing for as much as 100 percent of the Borrower's Minimum Required Investment (MRI);
6. there is no maximum Combined Loan to Value (CLTV) for secondary financing loans provided by HUD-approved Nonprofits; and
7. the second lien may not provide for a balloon payment within 10 years from the date of execution.

Please be advised that a nonprofit organization that is assisting a government entity in the operation of its secondary financing program is not required to obtain approval or be placed on

the Approved Nonprofit Organization Roster so long as it meets the underwriting requirements of HUD Handbook 4000.1 II.A.4.d.iii.(J)(1)(b) when underwriting through TOTAL or HUD Handbook 4000.1 II.A.5.c.iii.(J)(1)(b) for Manual underwriting.

Please provide a copy of this letter to any lender providing FHA financing in conjunction with ACDS secondary financing program. This approval is limited to the geographic areas listed above and the secondary financing documents enclosed. Should you wish to expand into other areas please contact the individual listed below for the area expansion requirements.

Although your nonprofit agency has been approved and other HOCs will recognize this approval, the **affordable housing program** approval is limited to the geographic areas listed above. Should you wish to expand into other areas, please contact the individual listed below for expansion requirements. You must notify the Philadelphia Homeownership Center **immediately** of any proposed changes to your approved Affordable Housing Program. All proposed changes must be approved by HUD prior to implementation.

Your nonprofit approval will expire February 1, 2024. Please submit a request for recertification a minimum of 90 days prior to the expiration of this approval. Recertification packages must be submitted through our Nonprofit Data Management System (NPDMS) in accordance with the instructions provided in *Single Family Housing Policy Handbook 4000.1* (SF Handbook). **Failure to complete the recertification process and obtain re-approval prior to the two-year expiration of this approval letter will result in your removal from the HUD-Approved Nonprofit Organization Roster effective on the date of the approval expiration.**

It is the nonprofit agency's responsibility to be aware of guidelines and procedures relative to nonprofit participation in FHA programs and to maintain knowledge of any updates that relate to these guidelines and procedures. The enclosed list of guidance letters and handbooks will provide a baseline of information. However, future guidance and information will be made available on the HUD website located at <http://www.hud.gov>. Those agencies that do not adhere to Departmental guidelines and procedures are subject to possible suspension and/or removal from the HUD-Approved Nonprofit Organization Roster. You can receive notification of any new Mortgage Letters, training and other program updates by registering at the following website:

https://www.hud.gov/program_offices/housing/sfh/FHA_INFO_subscribe.

We appreciate your interest in the Department's programs and your assistance to low and moderate-income individuals. ACDS will provide an excellent opportunity for affordable

housing in your community. If we can be of further assistance, please contact Janice Skinner via email at janice.skinner@hud.gov.

Sincerely,

5/31/2023

X Elizabeth M. Cahall

Elizabeth M. Cahall
Director, Program Support Division
Signed by: Office of Administration

**Elizabeth M. Cahall
Director
Program Support Division**

**Enclosures: #1 List of Reference Documents
#2 Approved Zip Codes
#3 Legal Documents**

Enclosure 1

LIST OF REFERENCE DOCUMENTS

The following list of documents applies to qualified nonprofit agencies that have been pre-approved to participate in HUD's Single Family Housing Programs. Nonprofit organizations must have knowledge of, and comply with, the instructions contained in these documents, any amendments to these documents, and any future documents issued.

HUD periodically publishes new documents relating to the activities of nonprofit agencies and government entities. Nonprofit agencies and government entities can obtain new HUD, mortgagee letters and housing notices on the Internet at:

https://www.hud.gov/program_offices/housing/sfh/FHA_INFO_subscribe

All documents listed herein may be accessed online at:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips

NATIONAL HOUSING ACT

National Housing Act Sections 203(g) and 203(r) and 24 CFR Parts 203.41, 203.258, 203.510 and 203.512:

<http://www.gpo.gov/fdsys/pkg/CFR-2012-title24-vol2/pdf/CFR-2012-title24-vol2-subtitleB.pdf>

HUD REGULATIONS

24 CFR Part 291, governs the sales of HUD Homes

24 CFR Part 203, governs HUD's Single Family Mortgage Insurance programs

24 CFR Part 200, governs Nonprofit Placement and Removal Procedures for Participation in FHA Programs

HUD MORTGAGEE LETTERS

ML 96-21 203(k) w/Participation by State & Local Housing Agencies

ML 96-59 Moratorium on Investor Loans in Conjunction with the 203(k)

ML 02-02 Credit Policy Issues – Payment of Borrower Obligations by Non-profits

ML 02-22 Down payment Assistance Programs Operated by Governmental Agencies and Nonprofits Using Subordinate Financing

ML 03-07 Prohibition of Property Flipping

ML 11-36 Elimination of HQ Concurrence

ML 12-24 Secondary Financing Eligibility Requirements for Internal Revenue Code (IRC) Section 115 Entities

ML 19-06 Downpayment Assistance and Operating in a Governmental Capacity

HOUSING NOTICES

Housing Notice 05-09: Revitalization Areas

HUD HANDBOOKS

HUD Handbook 4000.1: Single Family Housing Policy Handbook - Doing Business with FHA, Origination through Post-Closing/Endorsement, Servicing and Loss Mitigation, and Quality Control, Oversight and Compliance

NP Participant Areas Screen			
Zip	City	County	State
20701	ANNAPOLIS JUNCTION	ANNE ARUNDEL COUNTY	MD
20711	LOTHIAN	ANNE ARUNDEL COUNTY	MD
20714	NORTH BEACH	CALVERT COUNTY	MD
20724	LAUREL	ANNE ARUNDEL COUNTY	MD
20733	CHURCHTON	ANNE ARUNDEL COUNTY	MD
20736	OWINGS	CALVERT COUNTY	MD
20751	DEALE	ANNE ARUNDEL COUNTY	MD
20754	DUNKIRK	CALVERT COUNTY	MD
20755	FORT GEORGE G MEADE	ANNE ARUNDEL COUNTY	MD
20758	FRIENDSHIP	ANNE ARUNDEL COUNTY	MD
20764	SHADY SIDE	ANNE ARUNDEL COUNTY	MD
20765	GALESVILLE	ANNE ARUNDEL COUNTY	MD
20776	HARWOOD	ANNE ARUNDEL COUNTY	MD
20778	WEST RIVER	ANNE ARUNDEL COUNTY	MD
20779	TRACYS LANDING	ANNE ARUNDEL COUNTY	MD
21012	ARNOLD	ANNE ARUNDEL COUNTY	MD
21032	CROWNSVILLE	ANNE ARUNDEL COUNTY	MD
21035	DAVIDSONVILLE	ANNE ARUNDEL COUNTY	MD
21037	EDGEWATER	ANNE ARUNDEL COUNTY	MD
21054	GAMBRILLS	ANNE ARUNDEL COUNTY	MD
21056	GIBSON ISLAND	ANNE ARUNDEL COUNTY	MD
21060	GLEN BURNIE	ANNE ARUNDEL COUNTY	MD
21061	GLEN BURNIE	ANNE ARUNDEL COUNTY	MD
21076	HANOVER	ANNE ARUNDEL COUNTY	MD
21077	HARMANS	ANNE ARUNDEL COUNTY	MD
21090	LINTHICUM HEIGHTS	ANNE ARUNDEL COUNTY	MD
21106	MAYO	ANNE ARUNDEL COUNTY	MD
21108	MILLERSVILLE	ANNE ARUNDEL COUNTY	MD
21113	ODENTON	ANNE ARUNDEL COUNTY	MD
21114	CROFTON	ANNE ARUNDEL COUNTY	MD
21122	PASADENA	ANNE ARUNDEL COUNTY	MD
21123	PASADENA	ANNE ARUNDEL COUNTY	MD
21140	RIVA	ANNE ARUNDEL COUNTY	MD
21144	SEVERN	ANNE ARUNDEL COUNTY	MD

NP Participant Areas Screen			
Zip	City	County	State
21146	SEVERNA PARK	ANNE ARUNDEL COUNTY	MD
21401	ANNAPOLIS	ANNE ARUNDEL COUNTY	MD
21402	ANNAPOLIS	ANNE ARUNDEL COUNTY	MD
21403	ANNAPOLIS	ANNE ARUNDEL COUNTY	MD
21405	ANNAPOLIS	ANNE ARUNDEL COUNTY	MD
21409	ANNAPOLIS	ANNE ARUNDEL COUNTY	MD