



AMENDED

**Request for
Associated Lenders:
Moderately Priced Dwelling Unit (MPDU) Program**

October 14, 2025

**Arundel Community Development Services, Inc.
2666 Riva Road Suite 210
Annapolis, MD 21401**

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MPDU ASSOCIATED LENDERS

This Request is an amendment to a previous Solicitation initially offered on September 13, 2025. Lenders who submitted responses to the previous Solicitation do not need to re-submit and their submissions will be reviewed in accordance with the standards provided in this Request.

Arundel Community Development Services, Inc. (ACDS) is seeking proposals from qualified mortgage lending professionals to provide mortgage pre-approvals and mortgage loans to first-time homebuyers interested in purchasing a Moderately Priced Dwelling Unit (MPDU) home in Anne Arundel County. ACDS intends to provide contact information of approximately three lenders with the highest-ranked responses to this Request - hereafter referred to as "MPDU Associated Lenders" - to MPDU applicants in need of mortgage financing.

ACDS **will not** be entering into a contractual agreement with the MPDU Associated Lenders. All pre-approval and lending services will be provided directly between the MPDU Associated Lenders and the MPDU applicants, and payment for such services will be the sole responsibility of the applicants. ACDS shall not bear any costs relating to services provided by MPDU Associated Lenders.

SECTION 1: MPDU PROGRAM SUMMARY AND SCOPE OF SERVICES

Arundel Community Development Services, Inc. (ACDS) is a private, nonprofit corporation established by Anne Arundel County to create and retain affordable housing opportunities, as well as ensure the efficient delivery of community development services to those most in need. ACDS oversees and manages the expenditure of federal, State and local housing and community development funds on behalf of Anne Arundel County and provides gap financing for affordable rental developments. As part of its role, ACDS serves as the administrator of Anne Arundel County's MPDU For-Sale Program.

ACDS is seeking Lenders who are responsible, mission-driven, and committed to expanding access to affordable homeownership. MPDU Associated Lenders will work collaboratively with MPDU applicants who request letters of pre-approval and assist eligible buyers in navigating the mortgage loan process. The lenders should also be knowledgeable about and, if needed, able to offer homebuyers financial assistance, such as down payment or closing cost support, to help make homeownership attainable for low- and moderate-income households.

Further information on the MPDU Program is available on the ACDS website:
<https://acdsinc.org/moderately-priced-dwelling-unit-mpdu-program/>

Description of MPDU For-Sale Program - Process and Applicant Flow:

- **Initial Eligibility Form:** ACDS will provide an online Initial Eligibility Form on its website and accept submissions exclusively through online submissions. Assistance will be given to individuals who require help completing the form.

- **Pre-Approval Letter:** If an MPDU applicant meets initial MPDU program eligibility, they will be instructed to obtain a pre-approval letter (see requirements below) from either an MPDU Associated Lender or a lender of their choice.
- **Waitlist Placement:** Upon receipt of the pre-approval letter, ACDS will place the applicant on the ACDS MPDU For-Sale Waitlist by geographic preference.
- **Notice of Availability:** When a developer or home builder has a For-Sale MPDU available, they will provide ACDS with a formal Notice of Availability.
- **Applicant Outreach:** ACDS will contact MPDU applicants in the order of their position on the ACDS MPDU For-Sale Waitlist to ascertain their interest in the available home.
- **Certificate of Eligibility:** If the MPDU applicant expresses an interest in purchasing the home, ACDS will confirm their MPDU program eligibility and issue a Certificate of Eligibility.
- **Purchase Agreement:** Upon receipt of the Certificate of Eligibility, the MPDU applicant may enter into a purchase agreement with the developer/home builder and work with their chosen lender to obtain a mortgage loan.

Lender Qualifications

Experience with First-time Homebuyers and Commitment to Responsible Lending:

The MPDU program requires applicants to be first-time homebuyers who are often unfamiliar with the home purchase process and may require additional guidance and support. To safeguard MPDU applicants from predatory lending, the following practices will be strictly prohibited:

- *No predatory lending:* Loans with excessive fees, prepayment penalties, balloon payments, or other abusive terms that place an undue burden on the borrower will be strictly prohibited.
- *Adherence to industry best practices:* MPDU Associated Lenders must comply with recognized industry standards such as those outlined by the Consumer Financial Protection Bureau (CFPB), Federal Housing Finance Agency (FHFA), or similar regulatory bodies.
- *Strong fiscal indicators:* MPDU Associated Lenders must demonstrate financial strength, stability, and a history of sound underwriting. A record of working with mission-driven affordable housing projects is a plus.
- *Transparency and disclosure:* All loan terms, fees, and conditions must be fully disclosed in writing and must be reasonable and competitive within the affordable housing finance market.

Respondents should demonstrate experience supporting first-time homebuyers. Respondents must also show a strong alignment with the principles outlined in this Request, including a commitment to ethical lending, financial transparency, and borrower protection.

Pre-Approval Methodology and Collaboration with Applicants:

In issuing pre-approval letters, MPDU Associated Lenders must confirm that they have conducted a thorough review of the MPDU applicant's ability to purchase a home at the maximum MPDU purchase price, as periodically updated on ACDS' website. The determination must confirm the MPDU applicant's potential eligibility to purchase at that price level.

At a minimum, the pre-approval letter must utilize the following criteria in confirming the MPDU applicant's ability to purchase the home: MPDU applicant income and credit score and debt to income ratio assuming a full housing payment of principal, interest, estimated taxes insurance and HOA, and mortgage insurance premium, if applicable.

While the pre-approval letters should be based on a thorough review of the MPDU applicant's financial standing, the MPDU Associated Lender's review process should aim to minimize any negative impact to applicant's credit or overall financial health.

The pre-approval letters must clearly indicate that the applicant is not required to obtain a mortgage with the MPDU Associated Lender should they proceed with purchase of a home.

ACDS is seeking qualified lenders who will apply clear, consistent criteria to issue the pre-approval letters, ensuring the review process is both comprehensive and sensitive to the applicant's long-term financial health.

Financial Assistance for First-Time Homebuyers:

First-time homebuyers often require financial assistance to make homeownership more attainable. This support may come in various forms, including down payment assistance programs, such as grants or forgivable loans that help cover the initial cost of purchasing a home.

Closing cost assistance can also help buyers cover expenses like title fees, appraisal costs, and loan origination charges. Additionally, interest rate reductions can significantly lower monthly mortgage payments and overall loan costs.

Other homebuyer incentives may include matched savings programs and employer-assisted housing benefits, where local employers provide financial support or incentives to employees purchasing homes in targeted areas.

These tools are especially critical for low- and moderate-income buyers who may have stable incomes but lack sufficient savings or face barriers to traditional lending.

ACDS is seeking Lenders who are knowledgeable about or, if needed, able to offer a diverse range of financial assistance options to help make homeownership more accessible and

sustainable for first-time buyers. Any special discounts, rates or other incentives for Anne Arundel MPDU applicants should be included in your response.

SECTION 2: SUBMISSION REQUIREMENTS

- A. ACDS is not responsible for any expenses which lenders may incur in preparing and submitting a response to this Request. By submitting a response, lenders certify they have fully read and understand the Request and have full knowledge of the scope, nature and quality of work to be performed.
- B. All questions regarding this Request must be submitted in writing to Erin Karpewicz, Chief Executive Officer, at ekarpewicz@acdsinc.org. The deadline for questions is **Wednesday, October 22, 2025**. Answers will not be given to verbal questions. All answers will be given to interested lenders who have requested a copy of the Request.

- C. Responses are to be addressed as follows:

ACDS Associated Lender Solicitation
c/o Erin Karpewicz, Chief Executive Officer
Arundel Community Development Services, Inc.
2666 Riva Road, Suite 210
Annapolis, MD 21401

Responses are due by **12:00pm on Wednesday, October 29, 2025**. Responses may be delivered to the office of ACDS, placed in the ACDS drop box located at the side entrance of the 2666 Riva Road building or submitted electronically at info@acdsinc.org. Responses not received by this deadline will not be considered. ACDS reserves the right to extend the deadline for responses and will notify all Lenders who submit a Request of receipt of their submission.

- D. Request responses shall include the following information:

- 1) Background information on the firm, including its history, relevant experience, number of staff, and current financial capacity. Additionally, responses must identify the principal supervisory and management staff, as well as other key personnel who would be assigned to this engagement. Please include brief biographies or summaries of qualifications for each individual, highlighting their relevant experience and roles within the firm.

- 2) Responses to the following requirements:

- (a) Experience with First-time Homebuyers and Commitment to Responsible Lending:

Responses must include:

- A description of the lender's experience working with first-time homebuyers;
- A proven track record of success in assisting first-time homebuyers; and
- An overview of the education, counseling, and support services provided to borrowers throughout the homebuying process.

Respondents must clearly demonstrate their commitment to responsible lending practices and their ability to support first-time homebuyers in achieving homeownership.

(b) Pre-Approval Methodology and Collaboration with Applicants:

Responses must include:

A description of the criteria and methodology used to assess an applicant's ability to purchase a home for the purpose of issuing a pre-approval letter. This should include any costs to the applicants in issuing the letter. This description should also include:

- Specific thresholds or acceptable ranges for credit scores;
- Allowable debt-to-income (DTI) ratios;
- Any additional financial metrics or considerations used in the evaluation process.

Emphasis should be placed on practices that minimize potential harm to the applicant's credit score or overall financial standing.

If selected, prior to becoming an MPDU Associated Lender, the lender must submit a sample preapproval letter that reflects the expected format and contents of Section 2. D (2)(b) of this Request. This letter will be reviewed by ACDS and must be approved before a lender is accepted as an MPDU Associated Lender.

(c) Financial Assistance for First-Time Homebuyers:

Responses must include:

A detailed description of the financial assistance programs available to homebuyers seeking mortgage loans, including:

- Types of assistance offered (e.g., down payment assistance, closing cost assistance, interest rate reductions, grants, forgivable loans, etc.);
- Eligibility criteria for each program;

- Application procedures; and
- Any income, geographic, or program-specific restrictions.

Lenders are also encouraged to highlight programs that support the goals of expanding access to affordable homeownership for low- and moderate-income households.

SECTION 3: SELECTION CRITERIA AND PROCESS

- Responses will be evaluated by ACDS staff on the criteria outlined in this Request.
- It is ACDS' intent to select approximately three lenders to serve as MPDU Associated Lenders.
- ACDS staff will meet promptly following receipt of the responses to review and rank them in terms of the criteria listed below. The selection committee may or may not conduct interviews with the prospective lenders.
- Points will be awarded as follows:

	<i>Maximum Points</i>
Experience with First-time Homebuyers and Commitment to Responsible Lending	50 points
Pre-Approval Methodology and Collaboration with Applicants	25 points
Financial Assistance for First-time Homebuyers	<u>25 points</u>
TOTAL POINTS	100 points

- ACDS reserves the right to waive any informality in responses, to accept any response or portion thereof, and, to reject any and all responses, should it be in the best interest of ACDS to do so. Furthermore, ACDS reserves the right to substantiate any lender's qualifications, capability to perform, availability, past performance records and to verify that the lender is current in its financial obligations to Anne Arundel County.
- Based on the above points system, ACDS will select approximately three lenders with the highest cumulative points to have their information provided as MPDU Associated Lenders.

SECTION 4: ASSUMPTION OF RISK AND INDEMNIFICATION

The MPDU Associated Lenders shall agree to indemnify and save harmless ACDS, their officers and employees, from any liability for any injury (including death), loss or damage to any

property or to any person in any manner arising out of or incident to the performance relating to the MPDU For-Sale program.