

**Queen Anne’s County Department of Community Services**  
**Housing and Community Services**  
**Moderately Priced Dwelling Unit (MPDU)**  
**Second Mortgage Financing Program**  
*Revision Date: April 2016*

Welcome to the Queen Anne’s County Moderately Priced Dwelling Unit (MPDU) Program. The information listed below has been prepared as a guide to answer questions with respect to eligibility, required documentation, selection and terms of the agreement. For your reference this is only an outline, a copy of the entire regulation is available upon request.

**Eligibility**

- An individual or family may not earn more than the maximum income allowed under the program.
- The maximum allowable income is based on the FY Income limits for the Baltimore Metropolitan Statistical Area (MSA) with adjustments for household size as reported by the United States Department of Housing and Urban Development (HUD). Income may not exceed 80% of the area median income.

The maximum allowable income for 2016

		1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Queen Anne's County	80%	46,000	52,600	59,150	65,700	71,100	76,250	81,500	86,750

- An individual or family may not currently own a home or have owned a home in the last five years.
- An individual or family must never have owned an MPDU in any state.
- An individual or family must have a good credit rating, a steady income, and the home must be affordable for their income.
- Eligible persons must be able to obtain a pre-qualification letter from a lending institution for an amount not less than the purchase price of the home minus the Second Mortgage financing, and must remain income eligible up to the time their mortgage loan is submitted for underwriting. A co-signer or guarantor is permitted with respect to the primary financing provide such person co-sign or guarantee the CWF loan.
- Each eligible person must provide a certificate showing they have completed home ownership counseling.

***Please Note: The demand for MPDUs is considerable and the availability of units is limited. Names are placed on the eligibility list in the order that they are certified, and according to the preference total.***

- 1) One (1) point for each consecutive year (12 month period) the person has been on the waiting list for the MPDU second mortgage financing program, up to a maximum of three (3) points;
- 2) One (1) point for living in the County at the time of application, for a maximum of one (1) point;
- 3) One (1) point for working in the County at the time of application, for a maximum of one (1) point; and
- 4) Two (2) points for Qualifying as a “Critical Work Force” Employee as defined by Q.A. County’s Critical Workforce Program for a maximum of two (2) points;
- 5) Points awarded under items (2), (3) and (4) will be revoked if the household does not meet the applicable criteria at the time of selection from the list.

**Required Documentation for Certification:**

An individual or family must submit an original signed application and provide photocopies of all other required documentation. Required documentation includes:

1. Completed application, signed and dated by all potential eligible applicants\*
2. Certified copies of most-recent income tax return\*
3. Pay stubs for the last 30 days for all wage earners aged 18 or older.
  - a. Completion of Employer Verification form for everyone on the mortgage.\*
4. A completed budget worksheet.\*

5. Copies of driver's licenses for everyone in the household.
6. A credit report with a credit score which is no more than 30 days old for all adult wage earners in the household. Credit reports can be obtained from one of the following: Equifax [www.Equifax.com](http://www.Equifax.com), or 1-800-685-1111 · Experian [www.experian.com](http://www.experian.com) , or 1-888-397-3742 · Trans Union, [www.transunion.com](http://www.transunion.com), or 1-800-991-8800.
7. Pre-qualification letter from a lending institution for an amount not less than the purchase price of the home minus the Second Mortgage Financing.
8. A certificate showing they have completed home ownership counseling.

\* **Forms provided by Queen Anne's County Department of Community Services, Housing and Community Services.**

**Additional information with respect to the MPDU Second Mortgage Financing Program:**

1. The maximum loan amount will be in an amount not to exceed \$50,000 or **33%** of the value of the purchase price of the property, whichever is less.
2. Loans are zero percent, deferred payment loans.
3. Home must be located in Queen Anne's County
4. The loans will be a second mortgage on the property.
5. The loan can be paid off or payments made to the principal with no penalty.
6. Home must be the applicant's primary residence and only property in Queen Anne's County in order to remain eligible for the program. The County reserves the right to verify this information through any means available, and the recipient of a loan is *required* to notify the County immediately if the mortgaged property ceases to be his/her principal residence or he/she acquires an interest in any other real property in Queen Anne's County.
7. A co-signer or guarantor is permitted with respect to the primary financing provide such person co-sign or guarantee the MPDU Loan.
8. If no longer eligible, the loan will cease to be interest free or deferred. Payments will commence 60 days after a determination of ineligibility. The outstanding balance will be repaid in 240 monthly payments of principal and interest and will be amortized over 20 years. Payment will be due the first of the month. Interest will be at a rate of 8 percent per annum.
9. Second Mortgage Financing cannot be used to purchase buildable lots unless the applicant is simultaneously applying for a construction loan which is going to convert to a long-term mortgage and the bank is going to be responsible for monitoring the project.
10. Assistance cannot be used "after the fact," it is only available at the original time of closing on the property.
11. In order to avoid a double benefit, loans may not be used to purchase a home along with the County's Critical Workforce Second Mortgage Financing Program.
12. The MPDU second mortgage is non-transferable to heirs.
13. MPDU program mortgages can only be subordinated to refinance the current mortgage to a lower interest rate. No "cash out" will be permitted with the exception of loan closing costs. In a refinancing, mortgagees will not be permitted to consolidate loans into a new mortgage even if the net amount is below the original loan amount.

**Program Administration:**

Persons seeking a loan will apply through the Queen Anne's County Department of Community Services, Division of Housing and Community Services. Loans will be approved in order of date **of qualification** until the funding runs out. The Executive Director will approve each loan once the applicant's eligibility is established.

Each loan will be secured by a second mortgage on the property being purchased. Mortgages will be recorded in the Queen Anne's County Land Records at the borrower's expense. A copy of the closing documents must be sent to the Department at least 14 days prior to closing.

All loan repayments will be placed in the Housing Revolving Fund.

***The MPDU CWF Down Payment Program is a loan, not a grant. It will not be forgiven for any reason.***