

Assumption Instruction Letter for MMP Loans

ASSUMPTION INSTRUCTIONS

Below is a list of items needed for Assumptions before and after closing.

New borrower applications for transfer of ownership to entirely new borrowers must meet the current CDA bond program requirements and mortgage insurer underwriting standards. The complete package with Form #12 as a cover checklist should be sent to CDA first. If FHA or VA insured, the servicer must provide evidence of their approval with the package. If MHF insured, we will forward the package to MHF for their approval after obtaining Homeownership Program approval. CDA will inform the servicer of their decision and will provide documents for the title company/settlement officer to prepare.

CDA charges a \$50.00 Non-Refundable processing fee but we permit the servicer to charge whatever FHA would allow.

DOCUMENTS

1. Current MD Lender's Manual for the Maryland Mortgage Program (MMP).
2. MMP Servicing Manual (MMP SM) (Assumptions VIII, 3, C Loan Assumption)
3. Loan Assumption Checklist - Appendix C, Form #12
4. Completed Buyers Affidavit
5. Completed Sellers Affidavit
6. Income eligibility Procedures Attachment D
7. Completed Uniform Residential Loan Application
8. MMP Highlight Sheet (current edition) *
*on our website at www.dhcd.state.md.us under "Homeownership Opportunities"

Note Appendix C includes, credit reports, VOE's, paystubs, W-2's, VOD's, Bank Statements and other income.

AFTER APPROVAL

1. Approval Letter
2. Closing instructions letter Appendix C, Form #15
3. Addendum to Deed Appendix C, Form #14
4. Buyer's Confirming Affidavit
5. Seller's Confirming Affidavit
6. As applicable with FHA standards, Notes, Deeds of Trust, and Condominium Riders:
 - a. FHA Tax-exempt financing rider
 - b. FHA Supplemental Buyer's Affidavit dated 8/21/97
 - c. FHA Notice to Buyers dated 8/21/97
7. Notice to borrower with info. for calculating potential recapture tax