Appendix C

1. Form C1 – Hazard Claim Report
2. Form C2 – Post Foreclosure Report
3. Form C3 – Subordination Instructions
4. Form C4 – DHCD Loss Mitigation Letter
5. Form C5 – Statement of Mortgage Debt
6. Form C6 – Delinquency Status and Recommendation
7. Form C7 – Request for Original Documents After Payoff
8. Form C8 – Loan assumption Transmittal Checklist
9. Form C9 – Closing Instructions Letter for Assumption
10. Form C10 – Annual Notice of Homeowner’s Protection Act of 1998
Deferred Loans

The Department will not permit subordination of deferred loans when the applicant is requesting the payoff of unsecured debt(s) be included in the refinance. In such instances the deferred debt must be paid off.

The Department will consider subordinating to the refinance of superior lien(s) only when the new loan amount does not exceed the amount of the original superior lien(s). To request approval of these refinances the Department must receive a written request from the originating lender to subordinate the Department's loan that includes the following:

1. Name & address of the lender actually making the loan
2. New loan amount
3. Term
4. Interest rate
5. Monthly payment
6. Which lien(s) and their amount(s) are to be paid off
7. Closing costs (dollar amount)
8. HUD1/Good Faith estimate

Please note that the Department will not agree to subordinate to transactions that provide cash to the borrower. In addition the request should include a copy of the complete appraisal (Fannie Mae, Freddie Mac) done within the last (90) days, completed and executed loan application, current Property and Judgment Report and/or Title Search/abstract, the department's Note and Deed of Trust (with a legible Libor/Folio number) and a check, made payable to DHCD, for the $50.00 non-refundable application fee, unless the Department's loan was made from the SHRP, STAR or HOME programs. These programs are exempted from the application fee. Please note the Underwriter may request additional information and/or forms.

* Maximum loan to value is 85% including new loans and liens.

Forgiven Loans

The Department will consider subordination of forgiven loans. To request approval of the subordination the Department must receive a written request from the originating lender to subordinate the Department's loan that includes the following:

1. Name & address of the lender actually making the loan
2. New loan amount
3. Term
4. Interest rate
5. Monthly payment
6. Which lien(s) and their amount(s) are to be paid off
7. Closing costs (dollar amount)
8. Which debts and their amount(s) are to be paid off
9. What settlement costs and expenses are to be paid (with total dollar amount)
10. HUD1/Good Faith estimate

Please note that the Department will not agree to subordinate to transactions that provide cash to the borrower. A list of the current and proposed lender's name, position and dollar amount (original and current principal balance) for each mortgage must be provided. Current property and judgment report and/or title search/abstract.

In addition the request should include a copy of the complete property appraisal (Fannie Mae/Freddie Mac) approved done within the last (90) days, completed and executed loan application, the Department's Note and Deed of Trust (with a legible Libor/Folio number) and a check, made payable to DHCD, for the $50.00 non-refundable application fee, unless the Department's loan was made from the SHRP, STAR or HOME programs. These programs are exempted from the application fee. Please note the Underwriter may request additional information and/or forms.

* Maximum loan to value is 95% including new loans and liens.
Interest only/Escrow only loans

Please see instructions for the deferred loans.

Amortized Loans (Principal and Interest payments)

The Department will consider subordination of amortized loans. To request approval of the subordination the Department must receive the following information. (Incomplete packages will be returned.)

1. A written request from the originating lender to subordinate the Department’s loan that includes the following:
   - Name & address of the lender actually making the loan
   - New loan amount
   - Term
   - Interest rate
   - Monthly payment
   - Which lien(s) and their amount(s) are to be paid off
   - Closing costs (dollar amount)
   - Which debts and their amount(s) are to be paid off
   - What settlement costs and expenses are to be paid (with total dollar amount)

Please note that the Department will not agree to subordinate to transactions that provide cash to the borrower. A list of the current and proposed lender’s name, position and dollar amount (original and current principal balance) for each mortgage must be provided.

2. A Complete Appraisal (Fannie Mae, Freddie Mac approved) done within the past 90 days. The only exception is refinance of an existing loan and does not increase the debt to which we are already subordinate.

3. Completed and Executed Loan Application.

4. Credit Report as defined by FNMA, FHLMC and FHA/VA guidelines.

5. VOE’s (Paystubs and W2’s)

6. Current Property and Judgment Report and/or Title Search (not a title insurance commitment/binder).

7. Copy of Note and Deed of Trust with the Liber/Folio number at the top of the first page.

8. A check, made payable to DHCD, for the $50.00 non-refundable application fee, unless the Department’s loan was made from the SHRP, STAR or HOME programs. These programs are exempted from the application fee $50.00 non-refundable processing fee. Make check payable to DHCD. Please note the Underwriter may request additional information and/or forms.

   In situations where the new loan being requested does not exceed the original principal balance and the borrower is only refinancing to lower their monthly mortgage payment, less documentation is normally required. Items 2, 4, and 5 (which are described above) need not be submitted with the application.

9. Good faith estimate

   * Maximum loan to value is 95% including new loans and liens.
HURRICANE ISABEL LOANS

The Department will not permit the subordination of Hurricane Isabel loans unless the following criteria are met:

1. No cash out
2. Only to reduce the interest rate with no increases in the principal and interest payment
3. LTV may not exceed 115%
4. No change in secure position of the Hurricane Isabel loan unless it is to improve that position
5. Critical emergencies will only be considered on a case by case basis with appropriate documentation.

To request approval of this subordination the Department must receive a written request from the originating lender that includes the following:

1. Name and address of lender actually making the loan
2. New loan amount
3. Term
4. Interest rate
5. Monthly payment
6. Closings costs (dollar amount)
7. HUD1/Good Faith estimate

In addition the request should include a copy of the complete appraisal (Fannie Mae or Freddie Mac) done within the last (90 days), completed and executed loan Application, current Property and Judgment Report and or Title Search/abstract, A copy of the department's Note and Deed of Trust (with a legible Liber/Folio number)

Please note the Underwriter may request additional information and/or forms.
Dear:

THIS IS AN ATTEMPT TO COLLECT A DEBT. ANY INFORMATION RECEIVED CAN AND WILL BE USED FOR THAT PURPOSE.

You obtained a mortgage loan form the (INSERT IF MMP LOAN: Community Development Administration (CDA) of the) Maryland Department of Housing and Community Development. Your loan payments are seriously delinquent.

IF YOU HAVE ALREADY REINSTATED YOUR ACCOUNT OR MADE A PAYMENT ARRANGEMENT, PLEASE DISREGARD THIS NOTICE AND THANK YOU.

If the loan is not brought current, legal action will be initiated. Under the terms of your loan, legal action can begin at any time now that you have failed to make payments. If legal action is started, you will also be responsible for the attorney fees and foreclosure costs which usually add up to several thousands of dollars.

Foreclosure proceedings will result in your home being sold at public auction and your family being forced to vacate the premises. If the property does not sell for an amount sufficient to pay back the loan, a personal judgment may be entered against you, which can result in a lien against other assets such as paychecks, bank accounts, cars, etc. This delinquency will be noted on your credit records and will affect your ability to obtain future loans. Your home cannot be sold by you unless the entire amount of this debt is paid.

If you would like to save your home but cannot bring the loan current, we strongly suggest you seek professional housing counseling. A list of HUD-approved housing counseling agencies is enclosed.

If you are unable to bring your loan current, it may be possible to delay or even alleviate the need for foreclosure legal action if you choose and are eligible for one of the following alternatives:

1. Repayment plan — As your loan servicer, we may be able to make arrangements with you to collect regular monthly payments and a portion of the back amount owed. If your circumstances warrant a more lenient plan, a more lengthy term for repayment of the back amount
owed may be considered. **Special consideration will be given for a repayment plan if you are agree to work with a professional housing Counselor.**

2. **Loan Modification** – You may be eligible for a loan modification to bring your account current and extend the maturity date of the loan. Approval of the loan modification will be based on your current household income.

3. **Refinance and pay off your loan in full** – You may be able to refinance your current loan with another lending institution.

4. **Sell your home and pay off your loan in full** – It may be possible to delay legal action if you list your home for sale with a realtor. We can also negotiate accepting partial payments on the delinquency if additional time is needed to sell the home.

5. **Request approval for a “short Payoff”** – If you are unable to sell your home for the full amount of the mortgage debt because there is little equity in your home, it may be possible that a payoff for less than the full amount owed would be accepted.

5. **Request a Deed in Lieu of Foreclosure** - If you choose this option and meet the requirements, foreclosure legal action will not be initiated; and a personal judgment will not be entered against you for any loss incurred on the loan.

Please contact ________________, immediately at ________________, if we do not hear from you by ________________, we will have to assume that you do not intend to pursue any of the loss mitigation options offered above or otherwise meet the financial obligations of your mortgage loan. **Legal proceedings may then begin at any time without further notice to you.**

Sincerely,

Servicer Representative Name
Servicer Company Name

Enclosure: HUD Housing Counseling Agency List
STATEMENT OF MORTGAGE DEBT

ORIGINAL AMOUNT OF INDEBTEDNESS $ __________
PAID ON PRINCIPAL $ __________
PRINCIPAL BALANCE $ __________
INTEREST $ __________
FROM _________ thru _________
DELINQUENT CHARGES $ -0- PER MONTH From
CORPORATE ADVANCES $ __________
ESCROW ACCOUNT-(BALANCE)/OVERDRAFT $ __________
TOTAL MORTGAGE DEBT $ __________

SERVICING AGENT FOR MARYLAND CDA/DHCD
Maryland Dept. of Housing and Community Development

STATE OF Maryland, COUNTY OF
I HEREBY CERTIFY, that on the _______ day of __________, 2019, before me, a
Notary Public of the State of Maryland, in and for _______ County, personally appeared _______, Authorized Agent, Maryland Dept. of Housing and Community Development (DHCD), the holder of the indebtedness and made oath that the foregoing is a true statement the amount of the mortgage claim under the mortgage filed in the said cause now remaining due and unpaid.

As witness my hand & Notarial Seal:

Notary Public,
My Commission Expires
**FORM C6 - Delinquent Status and Recommendation Form**  
(Revised 11/01/01)

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (DHCD)**  
**DELINQUENCY STATUS AND RECOMMENDATION**

**ACTION (Circle One):**  
- FORECLOSURE  
- DEED IN LIEU  
- BANKRUPTCY LSM  
- SHORT SALE  
- HOLD/FORECLOSURE  
- HOLD/REFINANCE  
- LOAN MODIFICATION  
- OTHER (list)  

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<th>Borrower:</th>
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<td>Address:</td>
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<td>Borrower Home Phone #:</td>
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<td>Borrower Work #:</td>
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<td>DHCD/CDA Loan Number:</td>
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<td>Servicer #:</td>
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**Loan Type:**  
- CDA/BOND  
- DHCD/STATE FUNDED

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<tr>
<th>Prim Insurer:</th>
<th>FHA VA RHS MHI PMI/other</th>
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<th>Pool Insurer:</th>
<th>MHI GE/VEREX MGIC None</th>
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<td>Ins. No. :</td>
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| Original Loan Amt.: | $ |  |  |  |  |  |  |
|---------------------|---|---|---|---|---|---|
| Closing Date:       |  |  |
| 1st Legal Deadline: |  |  |  |
| Principal Balance:  | $ |  |  |  |  |  |  |
| Mortgage Pymnt:     |  |  |  |  |  |  |
| Interest Rate:      | % |  |  |  |  |  |
| Late Charge:        | $ |  |  |  |  |  |
| Escrow Balance:     | $ |  |  |  |  |  |
| ( - )              |  |  |  |  |  |  |
| Suspense Balance:   | $ |  |  |  |  |  |
| Ground Rent:        | /mo. |  |  |  |  |
| Last Paid:          |  |  |  |  |  |  |
| Taxes:              | $ |  |  |  |  |  |
| /yr. Tax Year:      |  |  |  |  |  |  |
| Ground Rent Holder Name: |  |  |  |  |  |  |
| Address:            |  |  |  |  |  |  |

**Cause of Default:**  
- Yes  
- No  

**Lost Mitigation options considered with borrower:**  
- Yes  
- No

**Short Sale:**  
- Refinance  
- Deed In Lieu  
- Loan Mod

**Borrower made offer to cure/payment proposal?**  
- Yes (attach copy)  
- No

**Date last mitigation letters sent:**  
-  

**Date Acceleration Letter Sent:**  
-  

**Borrower response:**  
-  

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<tr>
<th>Property Inspection Date:</th>
<th>Prop. Value:</th>
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<td>Boarded?:</td>
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<td>Realtor Name/Phone:</td>
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<td>Total post-petition due $</td>
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**Servicer Evaluation of Account and Borrower's Reason for Default (attach additional sheets if needed):**

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<tr>
<th>Servicer Contact Person:</th>
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**BELOW FOR DHCD USE ONLY**

**Recommendation Approved By:**  
- SFC Asset Management Officer

**Date:**  
-  

**Case Assigned to (Circle One):**  
- Curran & O'Sullivan  
- Shulman/Rogers/Gandul  
- Hucman/Jones/Miles

**Date Assigned:**  
-  

---
Re: Request for Release of Original Documents on Paid Off Loans

LOAN IDENTIFICATION

Borrower's Name: __________________________

Servicer Loan Number: ____________________

Servicer Name: ___________________________

Property Street Address: ____________________

Servicer Address Documents are to Be sent: 

Zip Code: _________________________________

CDA 11 Digit Loan Number: __________________

Attn: _________________________________

Loan Date: _______________________________

CDA Payoff Date: _________________________

Original Loan Amount: 1st Mtg. ____________

1. Forward this request within five (5) Days after receipt of settlement funds.

Original Loan Amount 2nd Mtg. ____________

2. Documents may not be directly Requested from the Trustee.

Requested By: __________________________

3. If documents have not been rec'd 30 days from the request date, e-mail loss_mitigation@dhcd.md.gov Attn: payoff release department.

(Authorized Signature)

Telephone Number: ______________________

Notes:
Lender
Mortgagor(s)

Property Address

County
Previous Mortgagor(s)

Loan Type Conv FHA VA

Interest Rate
Outstanding Mortgage Amount
Principal & Interest Payment
Taxes
Hazard Insurance MIP
Ground Rent
Condo/HOA
Other
Gross Annual Income
Borrower #1
Borrower #2
Borrower #3
Total

Settlement Expense Loan Yes No
If yes, paid off? Yes No

Primary Insurer
CDA Loan #

1. Buyer’s Affidavit (Original)
   ___ Signed, Dated
   ___ Address Correct
   ___ Names of Title Holders
   ___ Acquisition Completed
   ___ Household Income Completed

2. Seller’s Affidavit (Original)
   ___ Name/Signed/Dated

3. Compliance Package
   ___ Income certification worksheet
   ___ Tax returns (3 years)
   ___ Income documentation
   ___ Residential loan application (1003)
   ___ Assumption agreement/Contract

4. Letter from previous mortgagor requesting release from liability (if applicable)

5. Credit package when Maryland Housing Fund (MHF) is primary insurer

6. Package when MHF pool insurance only:
   ___ Credit Package
   ___ PMI’s approval of the assumption
   ___ FHA Approval from (221D)
   ___ VA approval of assumption
   ___ release of liability approval
   ___ by primary insurer (if applicable)

DHCD USE ONLY

HOMEOWNERSHIP PROGRAM (HP) ELIGIBILITY COMPLIANCE APPROVAL:

BY ____________________________ DATE _________________________

RELEASE FROM LIABILITY OF PREVIOUS MORTGAGOR APPROVED BY:

HP YES NO
MHF YES NO

APPROVED FOR ASSUMPTION BY MHF FOR PRIMARY INSURANCE

BY ____________________________ POOL INSURANCE DATE _________________________

APPROVAL LETTER SENT ____________________________
DHCD FORM C9 – Closing Instruction Letter for MMP Assumptions

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 Appendix C, Form #C8 as a cover checklist should be sent to DCA 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 approval from Single Family Programs. DCA will inform the servicer of their decision and will provide documents for the title company/settlement officer.

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

DOCUMENTS

2. MMP Servicing Manual (MMP SM) (Section ZR)
3. Loan Assumption Checklist - Appendix C, Form #C8
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 #44
4. Buyer’s Confirming Affidavit
5. Seller’s Confirming Affidavit
6. As applicable with standard Notes, Deeds of Trust, and Condominium Riders for FHA, VA, or USDA/RD (RHS):
   a. Tax-exempt Financing Rider for FHA, VA, USDA/RD (RHS) loans **
   b. Supplemental Buyer’s Affidavit **
   c. Notice to Buyers **
7. Notice to Borrower With Info. for Calculating Potential Recapture Tax **

**Electronic copies are available online at DHCD’s website: dhcd.state.md.us under Buying a home, CDA Maryland Mortgage Program, Program Loan Documents
Form C10 - Notice of Automatic Cancellation and Right to Cancel
Private Mortgage Insurance
Under The Homeowners Protection Act

Background. On July 29, 1998, Congress enacted the Homeowners Protection Act (HPA) to require lenders to cancel mandatory private mortgage insurance (PMI) on residential mortgage loans under certain circumstances. The Act’s provisions took effect July 29, 1999 and apply to loans closed on or after that date. Since your residential mortgage loan, which is owned by the Community Development Administration, was made after July 29, 1999 and is insured with PMI, the HPA provides you with the following rights:

(1) You have a right to cancel the PMI when the principal balance of your loan reaches 80% of the original value of the property securing your loan.

Your right to cancel may be exercised on either of the following cancellation dates:

- The date on which the principal balance of the mortgage, based solely on the amortization schedule for the mortgage loan and irrespective of the outstanding balance on that date, is first scheduled to reach 80% of the original value of the property securing the loan; or

- The date on which the principal balance of the mortgage, based solely on actual payments, reaches 80% of the original value of the property securing the loan.

To exercise this right to cancel you must satisfy the following requirements:

- You must submit a written request for cancellation to the servicer of the loan.

- You must have a “good payment history” on the mortgage loan. This means that you have not made any mortgage payment 60 days or more past due during the 24-month period preceding the cancellation date. In addition, it means that you have not made any mortgage payments 30 days or more past due during the 12-month period preceding the cancellation date.

- You must satisfy any requirement of the holder of the mortgage, as of the date of the written cancellation request, for: (a) evidence that the value of the property has not declined below the original value of the property; and (b) certification that the equity of the mortgagor in the residence securing the mortgage is not encumbered by a subordinate lien.

(2) The PMI for your loan will automatically terminate when the principal balance of your loan reaches 78% of the original value of the property securing the loan.

- On that date you must be current on the payments required by the terms of the loan. If you are not current on that date, then the PMI will automatically terminate when you become current on the payments required by the terms of the loan.

(3) An automatic termination when the loan reaches the scheduled midpoint of the amortization period.

- On that date you must be current on the payments required by the terms of the loan. If you are not current on that date, then the PMI requirement will automatically terminate when you become current on the payments required by the terms of the loan.

If you have any questions or would like additional information on the cancellation of PMI, please contact: Servicer contact info.
The Community Development Administration's Policy on Cancellation

In addition to termination and cancellation rights available to the you under the HPA described above, CDA will permit you to request cancellation of private mortgage insurance or insurance through the Maryland Housing Fund if your loan was made after January 1, 2005, provided that:

1. Your loan balance is 75% or less of the current value of your home as established by a new appraisal acceptable to CDA;

2. None of your payments were 30 days or more past due within the 12-month period before the mortgage insurance will be cancelled;

3. None of your payments were 60 days or more past due during the 24-month period before the mortgage insurance will be cancelled; and

4. Your loan is between two and five years old. If your loan is more than five years old, the loan balance may be 80% (instead of 75%) or less of the current value of the home as established by a new appraisal acceptable to DHCD; conditions (2) and (3) also apply.

To request a cancellation or if you would like additional information, please contact ____________. Please be advised that if you request a cancellation that ____________ Servicer will order the appraisal and you will be responsible to pay the costs of the appraisal.