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October 22, 2010

Directive 2010-22

TO: ALL PARTICIPATING LENDERS

SUBJECT: BRAC MATCH PROGRAM

The purpose of this Directive is to clarify how the BRAC (Base Realignment and Closure) Match Program works. This Directive will be uploaded to our website at: <http://www.mmprogram.com/SnglFamHsgDir.aspx> and also to Lender On-Line (under Program Documents/Single Family Housing Directives).

### **BRAC Match Program**

The BRAC Match Program is a new program that enables eligible BRAC homebuyers to receive \$2,500 in downpayment and/or closing cost assistance. BRAC Match Program assistance is provided through a zero percent deferred loan repayable at the earlier of maturity or prepayment of the first mortgage, or sale or transfer of the property and can be combined with other downpayment and closing cost assistance programs such as the \$5,000 currently available to all borrowers through the Downpayment and Settlement Expense Loan Program (DSELP).

The BRAC Match Program is available to civilian and military employees of the federal defense agencies that are relocating to Maryland due to the 2005 BRAC decisions and other relocation activities. The program is also open to the employees of the defense contractors who support those agencies. The BRAC Match is only available to borrowers requesting a Maryland Mortgage Program (MMP) loan.

***Eligible federal agency employees*** can access the BRAC Match Program by presenting a copy of their relocation orders, such as Permanent Change of Station Orders – DD1614, to their lender when they apply for an MMP loan to indicate that they are eligible for the \$2,500 in BRAC Match Program assistance. The Permanent Change of Station documentation is the only documentation required to reserve BRAC Match funds. For relocating employees that do not have Permanent Change of Station orders, other official forms documenting both their employer's relocation to Maryland from another state and the employee's entitlement to relocation costs or expenses will also be accepted.

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**Defense contractor employees** must provide a letter from their employer stating that the employee's move is due to 2005 BRAC decisions or the relocation of other defense agency activities to Maryland. The letter must describe the type of relocation or home buying assistance the employee is entitled to receive from their employer as a result of this move. The employee then provides the "Contractor's Letter" to their lender when they apply for the MMP loan to show their eligibility for the BRAC Match Program assistance.

□ If a borrower is receiving a DSELP loan in addition to the BRAC Match funds, the BRAC Match funds are added to the DSELP loan amount and the total is listed on the "Borrower's Application and Affidavit". To reserve this loan, the lender accesses the "New Reservation" screen in Lender On-Line, selects the appropriate first mortgage program, for example "A01 – MMP/3PT 30 YR", selects "902 – DSELP" on the "Select a Second Mortgage Program" screen and then completes the Sub-program code of "821 – DSELP+BRAC" in the "Second Mortgage" section of the "New Reservation Form"

○ Example: BRAC Match funds in addition to \$5,000 DSELP loan

DSELP loan	\$5,000
BRAC Match funds	<u>\$2,500</u>
Total Downpayment and Closing Cost Assistance:	\$7,500

**PLEASE NOTE:** BRAC home buyers must also meet all federal, State and program requirements such as first-time homebuyer requirement, Income and Purchase Price Limits, asset test, lot size limitations, no other real property owned at time of closing of MMP loan, etc.

As always, we appreciate your continued participation in MMP. If you have any questions concerning this Directive or suggestions for improving our Program, please contact me directly at (410) 514-7508 or 1-800-638-7781 or by e-mail at [manahan@mdhousing.org](mailto:manahan@mdhousing.org).

Sincerely,  
*William J. Manahan*  
William J. Manahan  
Assistant Director  
Single Family Housing