

Montgomery County Closing Cost Assistance Programs

Montgomery County provides a closing cost and down payment assistance program for eligible borrowers who work in Montgomery County and are purchasing their first home in the County. Borrowers who are employees of Montgomery County may also be eligible to apply for matching funds available through the State's assistance program. The Housing Opportunities Commission of Montgomery County (HOC) administers the closing cost assistance programs.

Montgomery County's Revolving Closing Cost Assistance Loan Program

The **Montgomery County Revolving Closing Cost Assistance Loan program** (the County's Closing Cost Assistance program) is available to first-time home buyers who lack funds for downpayment and/or closing costs. The maximum loan amount is 5% of the sales price not to exceed \$10,000.

Overview of Eligibility Guidelines:

- At least one applicant must work in Montgomery County
- The total household income of the applicant may not exceed the current maximum income limits established for the County:
 - *One person household:* \$ 82,650
 - *Two person:* \$118,080
 - *Three or more:* \$137,760
- The applicant must be a first-time homebuyer, which means the applicant may not have owned or co-owned any residential property in the previous 3 years.
- The applicant must purchase a house in Montgomery County.
Under the County's Closing Cost Assistance program, the purchase price may not exceed the maximum limit of \$429,619.
- The applicant must occupy the property as the applicant's principal residence; non-occupant co-borrowers are not permitted.
- Eligible houses include townhouses, detached or semi-detached homes, and condominium units.
- The applicant must be approved to receive a mortgage loan through an HOC-participating lender. A list of participating lenders may be obtained by contacting HOC or from the website: <http://www.hocmc.org/housing/mortfin/2008%20LENDERS%20LIST-%207-15-08.pdf>
-
- The applicant is required to complete homebuyer education classes/counseling prior to loan closure.

Terms of the Closing Cost Assistance Loan:

The County's Closing Cost Assistance program provides a secured second mortgage loan with a term of 10-years and an interest rate of 5%. Monthly payments are made through automatic deductions from the borrower's checking or savings account. The loan is repayable at the time of payoff and/or refinance of the principal mortgage or upon the sale and/or transfer of the house. An application fee of \$100 is charged at settlement.

For further information and to apply for the program, please contact:

Housing Opportunities Commission for Montgomery County

Main number: 240-773-9200 or the following website:

<http://www.hocmc.org/housing/mortfin/documents/RCCAP2008FLYERHOCFTandNOHOCFT10-2008-beg.pdf>

House Keys Matching Funds for Employees of Montgomery County

Montgomery County is a registered Participating Employer in the State's [House Keys 4 Employees \(HK4E\)](#) program. County employees who meet the eligibility guidelines of the HK4E program may be able to receive an additional matching contribution up to \$5,000 towards the purchase of a home in Montgomery County.

Overview of Eligibility Guidelines:

- At least one applicant must be an employee of Montgomery County.
An employee of Montgomery County means a merit-status employee of Montgomery County Government, which includes Executive departments (such as Recreation, Environmental Protection, Police, etc.) and offices (such as County Attorney), the County Council's legislative offices and boards, the Circuit Court, and Judicial offices.
- The total household income of the County employee may not exceed the income limits established by the State's MMP:
 - 1 or 2 person household: \$ 99,000
 - 3 or more: \$113,850
- The County employee must be a first-time homebuyer, which means the employee may not have owned or co-owned any residential property in the previous 3 years.
- The County employee must purchase a house in Montgomery County.
The purchase price may not exceed the maximum limit of \$429,620 as established by the State's MMP.
- The County employee must occupy the property as the employee's principal residence; non-occupant co-borrowers are not permitted.
- Eligible houses include townhouses, detached or semi-detached homes, and condominium units.
- The County employee is required to complete homebuyer education classes/counseling prior to loan closure.
- The County employee must be approved to receive a Maryland Mortgage Purchase loan through a State-approved MMP lender. County employees may obtain information about State-approved MMP lenders from HOC or directly from the State's Department of Housing and Community Development website: www.morehouse4less.com.

Terms of the Loan:

The HK4E program will match contributions dollar-for-dollar, up to \$5,000, toward the downpayment and closing costs of an eligible County employee who receives a loan from the County's Closing Cost Assistance program. The match is in the form of a secured 0% deferred mortgage loan that is repayable at the time of payoff or refinance, or upon the sale or transfer of the house.

For further information and to apply for the program, please contact:

Ms. Gabriela Merida, Single-family Underwriter
Housing Opportunities Commission
240-773-0194