

# FREQUENTLY ASKED QUESTIONS



Montgomery County, Maryland  
**MODERATELY PRICED  
DWELLING UNIT (MPDU) PROGRAM**  
[www.montgomerycountymd.gov/mpdu](http://www.montgomerycountymd.gov/mpdu)



## **MPDU HOMEOWNERSHIP PROGRAM** *For Persons Interested in Applying to Purchase an MPDU*

### **1. Q. Who may apply for this program?**

A. Any person or household who meets the minimum program requirements may apply for the MPDU program:

- You must be a first-time homebuyer;
- Your income must not exceed the maximum income limits;
- You must have a good credit history to obtain a mortgage for your MPDU;
- You must document that you can afford the mortgage loan amount and utilities; and,
- You do not have to be a resident of Montgomery County, but preference is given in the application process to people who live and/or work in Montgomery County.

### **2. Q. What are the income limits for the homeownership program?**

A. At a minimum, you must earn at least \$40,000 and be able to qualify for a mortgage loan of at least \$150,000 and have savings for a down payment and closing costs. The amount of money that you can borrow to buy a home will depend on several factors, including your credit history, your savings, job stability, etc.

The maximum income limits change annually, usually in April. For current income limits, go to the MPDU homepage at [www.montgomerycountymd.gov/mpdu](http://www.montgomerycountymd.gov/mpdu).

### **3. Q. What is meant by "first-time homebuyer"?**

A. Under the MPDU program, a "first-time homebuyer" is someone who has either never previously owned a home, or who has not owned a home or been on the deed to a home in the past five years. Even if the home you owned was in another state or country, you are not eligible to participate in the MPDU homeownership program.

### **4. Q. I have never owned a home, but my spouse has. Can we buy an MPDU?**

A. If your spouse previously owned a home, you are not eligible to participate in the homeownership program, because your spouse must be listed on the deed as a co-owner. Both of you must be first-time homebuyers.

### **5. Q. Is this a subsidized program?**

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A. No. Private developers are required by Montgomery County law to provide a certain number of affordable units within most developments. Neither Montgomery County nor the developer provide any subsidy to renters or buyers.

### **6. Q. What do you mean by moderately priced housing – is this low-income housing?**

A. No. In order to afford a home under this program, a household must earn at least \$40,000 in a year to qualify to purchase an MPDU. The maximum income limits change annually, usually in the spring. For current income limits, go to the MPDU homepage at [www.montgomerycountymd.gov/mpdu](http://www.montgomerycountymd.gov/mpdu).

### **7. Q. Are HOC and MPDU the same thing?**

A. No. HOC (the Housing Opportunities Commission) is an agency not directly related to the MPDU program. HOC mainly works with lower income households. HOC may also provide financing for the purchase of homes, including MPDUs. The MPDU program is a County-run program that assists households deemed to be of “moderate income” in the purchase of properties located throughout Montgomery County.

### **8. Q. But I do not earn that much – where can I find a place to live in Montgomery County?**

A. It is true that households with incomes lower than shown above might not be able to afford to purchase a home under the MPDU program. Another option is the MPDU Rental Program (see For Existing MPDU Renters or Persons Seeking to Rent an MPDU, below). An additional housing resource for households with lower incomes is the Housing Opportunities Commission (HOC); they can be reached at (240) 627-9400 or at [www.hocmc.org](http://www.hocmc.org).

### **9. Q. This is an emergency – can you find me another place to live right now?**

A. The MPDU program is not an emergency housing program. Persons seeking emergency housing should call the Montgomery County Crisis Center at 240-777-4000.

### **10. Q. What classes do I need to take before I can apply for a certificate to purchase an MPDU?**

A. You need to take the following online classes that are offered throughout the year:

- 1) An online First-Time Homebuyer Class
- 2) An online MPDU Orientation Seminar
- 3) An online self-administered Application Tutorial

### **11. Q. How do I sign up for these classes?**

A. Information about required classes, and the opportunity to sign up for these classes, can be found on the MPDU Program webpage at [www.montgomerycountymd.gov/mpdu](http://www.montgomerycountymd.gov/mpdu).

### **12. Q. I need to take one of the online MPDU classes, but I need special accommodations. How can I request them?**

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A. Hearing-impaired individuals who need accommodations must call (240) 777-0311 at least two weeks prior to the seminar they wish to attend. However, if the class that you plan to attend is the First-Time Homebuyer class, please contact HCI, the organization that conducts the class, at [www.hcii.org](http://www.hcii.org) or call (301) 590-2765.

### **13. Q. Do I have to take the First-Time Homebuyer class first, or can I take the MPDU Orientation Seminar first?**

A. You must take the First-Time Homebuyer class before you take the MPDU Orientation Seminar. Additionally, these classes must be taken within two years of applying to the sales program. You must validate your attendance at each class before you move to the next one.

### **14. Q. What do I do after I take the First-Time Homebuyer class?**

A. At the end of the First-Time Homebuyer class, which is conducted by the County's contractor Housing and Community Initiatives (HCI), you will be given a certificate of completion and instructions to sign up for the next class, the MPDU Orientation Seminar. However, if you have taken a first-time homebuyer class from a different agency, you must contact the MPDU office and request validation of the other agency's certificate at least two weeks prior to the date when the Orientation Seminar opens for registration.

### **15. Q. What do I do after I take the Orientation Seminar?**

A. At the end of the Orientation Seminar, which is also conducted by the County's contractor Housing and Community Initiatives (HCI), you will be provided with instructions to validate your attendance at the first two required classes in order to take the Application Tutorial and submit your application, and you will also receive a list of documents that you will need to submit with your MPDU application. Please refer to the Next Steps to Apply document provided to you at the end of the Orientation Seminar.

### **16. Q. What must be included with the application?**

A. With your application you must include:

- A copy of the First-Time Homebuyer Class Certificate of Completion (not required if you are renewing your certificate);
- A pre-qualification letter from an HOC approved lender (choose one of the lenders from the approved HOC lender list provided at your online Orientation Seminar and schedule an appointment to get the letter);
- A copy of the most recent federal income tax return for each adult in the household. Electronic summary, e-File, and fax are not acceptable. You must get an IRS transcript. If any adults in the household did not file taxes, you must also include a letter from the IRS certifying that they have no record that you filed a tax return (Form 4506-T). Obtain this form and all other tax-related transcripts at no cost from the Internal Revenue Service (IRS) at <https://www.irs.gov/individuals/get-transcript> or call 800-908-9946.;
- Copies of the two (2) most recent pay stubs for every wage earner in the household;
- If you are self-employed, a notarized Year to Date Statement of Income and Expenses and a copy of Schedule C from your federal income tax return;
- If you are retired, proof of pension income and/or social security income; and

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- Proof of all other sources of income such as SSI, child support or alimony.

Note: To submit your application documents, you will need to upload them as pdfs, jpgs, jpegs or pngs from an electronic device. (Most smart phones use the jpg or jpeg format to take photos.)

### **17. Q. If I rent an MPDU, can I still apply for a certificate to purchase an MPDU?**

- A. Yes, you may apply for an MPDU certificate to purchase if you are renting an MPDU. You will need to follow the same application procedure as everyone else. It is important to note that the length of time you have rented an MPDU does not count towards the length of time you have been in the program for the purpose of purchasing an MPDU.

### **18. Q. Will you check my credit history?**

- A. No, but your credit history will be reviewed by the HOC lender to verify whether you would qualify for a mortgage loan of at least \$150,000. If you qualify, the lender will give you a prequalification letter to include with your application.

### **19. Q. I applied three years ago and received a certificate – do you still have my file?**

- A. No, files are only kept for 90 days beyond the expiration date of the certificate unless you applied for renewal. You will need to apply again.

### **20. Q. I do not have a job; can I still apply?**

- A. Buyers of an MPDU must be able to pay a monthly mortgage payment. If you are not employed, you likely will not qualify for a mortgage. However, your source of income may be from retirement benefits, which may enable you to qualify for a mortgage (subject to the MPDU income maximums).

### **21. Q. If I am self-employed, what will you accept in the place of a pay stub?**

- A. If you are self-employed, you must submit a copy of Schedule C from your federal income tax return, and a year-to-date income and expense statement prepared by either you or your accountant. The statement must be notarized, and you must include this statement with your signature: “Under the penalty of perjury, by signing this statement I acknowledge that the information presented herein is a true and accurate accounting of my income and expenses.”

### **22. Q. I lost last year’s tax return – do you really need it?**

- A. Yes, incomplete applications will not be processed. You must contact the IRS to request a summary statement of your previously filed tax return. Obtain all tax-related transcripts at no cost from the IRS at <https://www.irs.gov/individuals/get-transcript> or call 800-908-9946.

### **23. Q. My last tax return shows more income than I now make. Will this affect my eligibility for the program?**

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- A. Probably not; we use pay stubs to determine your current income. Your tax return is used to verify other information on your application.
- 24. Q. My former spouse is on my last tax return, but we are separated or divorced. I am not applying with my spouse; does this matter?**
- A. Yes. We need verification of your separation or divorce -- either a separation agreement, divorce agreement, a letter from your attorney verifying that you are seeking a separation, or evidence of separate residences.
- 25. Q. I do not receive a paycheck stub. What can I submit instead?**
- A. You can have your employer verify your annual income and year-to-date earnings on company letterhead or ask your employer to complete an Income Verification Form (available from our office).
- 26. Q. Do you provide financing for my home?**
- A. No, the MPDU Program does not provide financing to purchase MPDUs. Purchasers must obtain their own financing. The Housing Opportunities Commission (HOC) has special mortgage programs available through their lenders – you can ask the lender about the HOC mortgage and closing cost programs. A list of these lenders is on HOC’s website: [www.hocmc.org/homeownership](http://www.hocmc.org/homeownership). However, you may obtain your loan from any lender you choose.
- 27. Q. Can I come into your office to get more information?**
- A. Our offices are not open to the public during the pandemic. If you need further information, please call 311. However, most of the information you need can be found on this website: [www.montgomerycountymd.gov/mpdu](http://www.montgomerycountymd.gov/mpdu).
- 28. Q. Can I call the office to get more information?**
- A. You can call 311 and if an operator is not able to answer your question, the operator will create a service request for a return call, and you will be called by an MPDU staff person within 48 hours.
- 29. Q. I lost my First-Time Homebuyer class certificate. How can I get a copy?**
- A. If you cannot find the certificate you received when you attended the MPDU First-Time Homebuyer class, please contact HCI, the organization that conducted the class, at [www.hci.org](http://www.hci.org) or call (301) 590-2765. Please provide your name and the approximate date that you took the First-Time Homebuyer class. HCI will get a copy of the certificate to you. If you took this class from an agency other than HCI, please contact the agency that issued you the certificate.
- 30. Q. I am a certificate holder and I need a replacement of my MPDU certificate. How can I get a copy?**
- A. If you need a replacement for your MPDU certificate, please send an email to [mpdu.intake@montgomerycountymd.gov](mailto:mpdu.intake@montgomerycountymd.gov). Please provide your name and your certificate number. If

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you do not have your certificate number, please provide your phone number and email address and the reason you are requesting a replacement.

**31. Q. I am a certificate holder. I entered a Random Selection Drawing (RSD) and I am not on the list of MPDU certificate holders who entered the RSD, or I am on the disqualified list. Why?**

A. Check that your MPDU certificate is valid. Check that your approved loan amount is equal to or larger than the price of the MPDU for sale. Check that your household size qualifies you for the number of persons required or allowed in this RSD.

**32. Q. When a drawing is held and my certificate number is at the top of the list, should I call the MPDU Office?**

A. No, the builder contacts certificate holders directly. After the Random Selection Drawing is held, the MPDU Office sends the results of the Random Selection Drawing containing the contact information for the selected households to the builder. The builder will typically call the first households on the list within 3 weeks of receiving the list. Please also be aware that the builder will only call the number of households equal to the number of MPDUs available.

**33. Q. Can a person without an MPDU certificate purchase a resale MPDU under the control period?**

A. Occasionally. When an MPDU resale that has been offered to all MPDU certificate holders is not purchased by one of them, the MPDU resale is opened to the general public, and a person without a certificate may buy it. The buyer must be a first-time homebuyer and must attend a meeting with MPDU staff to review the MPDU rules before signing a purchase contract for the MPDU. The seller's listing agent will refer the buyer to the MPDU office.

**34. Q. How can the general public find these MPDUs?**

A. Resale MPDUs that are opened to the general public will be listed in the Multiple Listing Service (MLS). A buyer's real estate agent can assist interested buyers in finding listings in the MLS.

**35. Q. When I buy an MPDU will I have to pay monthly Homeownership Association (HOA) or Condominium Association fees?**

A. Yes, you will be responsible for any monthly fees assigned to your MPDU. The MPDU office does not get involved in disputes due to fees that may occur between you and your Homeownership Association (HOA) or Condominium Association. DHCA's [Office of Common Ownership Communities \(OCOC\)](#) can assist with these types of disputes.

**36. Q. Can I buy a single-family detached home in the MPDU program?**

A. Only townhouses and condominiums are generally available.

**37. Q. Are four- or five-bedroom MPDUs available to purchase?**

A. MPDUs for sale are almost always one-, two-, or three-bedrooms. Four-bedroom MPDUs are only available very infrequently.

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### **38. Q. My household size is one (or two). Can I buy a new or resale three-bedroom townhouse?**

A. New and resale three-bedroom townhouses and condos are available to households with three or more persons first. One- and two-person households that enter a drawing for a three-bedroom MPDU will be disqualified. New MPDU townhouses are in strong demand. However, if no three-bedroom households who entered a drawing for a resale townhouse want to purchase the townhouse, the real estate agent will contact smaller households that entered the drawing and were disqualified initially. This is more likely to happen with a resale piggyback townhouse (a four-story townhouse that contains two two-story living units, one on top of the other).

### **39. Q. I received my MPDU certificate – what happens next?**

A. When MPDUs are available for sale in a new development, or when resale MPDUs become available, the MPDU office holds a Random Selection Drawing to select certificate holders who will be provided the opportunity to purchase the MPDUs. You should check the MPDU website regularly to find out which MPDUs are available for sale and when drawings will be held. If you are interested in purchasing one of the MPDUs that are available in a new development, you must enter the online drawing for those MPDUs. You must provide your MPDU certificate number (the number on your MPDU certificate) in order to enter a drawing. If you are eligible to buy one of the MPDUs based on your income and household size, you will be entered in the drawing. If you are not eligible, your entry will be rejected when the drawing is held. The drawing will take place approximately two to three weeks after the information is posted on the MPDU website. Information about the rules on income and household size can be found on the MPDU Program webpage at [www.montgomerycountymd.gov/mpdu](http://www.montgomerycountymd.gov/mpdu) in the section entitled “For Approved MPDU Sales Program Certificate Holders.” Resale MPDUs are also listed on the MPDU website.

### **40. Q. I am not able to enter the drawing for an MPDU. The system asked me to provide an open house number. How can I get the open house number?**

A. When open house attendance is required, click on the development name on the MPDU Property Detail page, and check the flyer for the open house schedules and real estate agent information. Please contact the real estate agent for more information about the MPDU. The realtor will be able to provide the open house number. (Note: no open houses are being held during the pandemic, so you will need to call the real estate agent for the open house number.)

### **41. Q. My spouse and I are getting a divorce and my “ex” is getting the MPDU - can I buy another MPDU?**

A. You will need to request a waiver of the First-Time Homebuyer requirement from the MPDU office due to divorce. Please send an email to [mpdu.intake@montgomerycountymd.gov](mailto:mpdu.intake@montgomerycountymd.gov). Please provide your name and your certificate number. You will need to present documentation showing that your ex-spouse will be keeping the house.

### **42. Q. I attended the Orientation Seminar in 2017, and never applied to the MPDU program. Do I need to start the application process again?**



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A. The MPDU classes are valid for only two years. If you have not applied within two years of taking any of these classes, you must retake those classes before you apply to the program.

**43. Q. I applied to the MPDU sales program, but my certificate has expired. What can I do to renew it?**

A. If you were not able to renew your MPDU certificate, and your certificate expired more than 90 days ago, you will need to re-start the MPDU application process. The MPDU classes are valid for only two years. This means you will need to re-take the First -Time Homebuyer and the Orientation Seminar online classes if you did not take them within the past two years. Additionally, any points that were awarded when your certificate was still valid will be lost.