FREQUENTLY ASKED QUESTIONS

Montgomery County, Maryland

MODERATELY PRICED DWELLING UNIT (MPDU) PROGRAM

www.montgomerycountymd.gov/mpdu

For Existing MPDU Owners

1. Q. May I rent out my MPDU?

A. No. You must live in the MPDU as your primary residence, or you must sell it back through the MPDU program. If you are required to temporarily relocate due to your job, you may ask permission from Montgomery County to temporarily rent your unit. Send a letter to the MPDU Office to make such a request. If you are granted permission, you must get a rental license from Montgomery County.

2. Q. What is the inflation index you use to calculate the new value of my MPDU?

A. The MPDU law requires that the Consumer Price Index for all Urban Wage Earners (CPI-U) for the Washington Metropolitan Area All Items Category be used to calculate the rise in the resale value of an MPDU which is still under MPDU controls at the time of resale or refinance.

3. Q. Will I get credit for the improvements I make to my home when I ask for a letter of value for resale or refinance?

A. Yes, for qualified improvements. The cost of the improvement is credited to the resale/refinance price, but only if a valid receipt is provided to the MPDU office and only if the improvement is eligible for credit. It is important to keep your receipts because no credit can be given without receipts. Information about credits for improvements can be found on the MPDU Program webpage at www.montgomerycountymd.gov/mpdu.

4. Q. How long do I have to own my MPDU before selling it?

A. There is no minimum amount of time required to own your MPDU before you can put it up for sale. However, the longer you keep your MPDU, the more equity you will get.

5. Q. How much of my profit does Montgomery County get if I sell during the control period?

A. None. Any profit from the sale of an MPDU sold during the control period is retained by the owner.

6. Q. If I pay off my mortgage, does my obligation to the MPDU program still remain in effect?

A. Yes, the covenants on your MPDU are not tied to your mortgage. The covenants are tied to the property itself. Therefore, paying off your mortgage does not relieve you of your obligation to follow the MPDU rules you agreed to when you purchased your property.