



January 31, 2008

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GOVERNOR

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SECRETARY

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Directive 2008-3

MEMORANDUM: ALL PARTICIPATING LENDERS

SUBJECT: MHF – NOW INSURING LIFELINE REFINANCE PROGRAM LOANS

The purpose of this Directive is to inform you of a change to the Lifeline Refinance Program. For Lifeline Refinance Program loans reserved on or after February 1, 2008, the change outlined in this directive will become effective. This Directive will be uploaded to the website and Lender On-line and the Lifeline Refinance Program fact sheet will be updated on the website.

In addition to the reduction in the 2 point interest rate from 6.500% to 6.250% and the introduction of a 0 point interest rate of 6.500% (outlined in Directive 2008-1), the following change has been made to the Lifeline Refinance Program:

The **Maryland Housing Fund (MHF)**, the State's mortgage insurance agency operating under the direction of the Maryland Department of Housing and Community Development, is now an approved mortgage insurer of Lifeline Refinance Program loans and will insure loans up to a maximum loan-to-value ratio of 105%.

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.

Sincerely,

William J. Manahan

William J. Manahan

Assistant Director, Homeownership Programs

Single Family Housing

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