

MODERATELY PRICED DWELLING UNIT (MPDU) PURCHASE PROGRAM ORIENTATION SEMINAR – MPDU CLASS #2

Welcome

Please mute your microphone on Zoom.

Please put your questions in Chat.

**Please stay until the end of the seminar to
obtain your code to get credit for the class.**

WE WILL DISCUSS

1

MPDU Program Description

2

MPDU Program Eligibility

3

How to Buy an MPDU

4

Selling or Refinancing Your MPDU

5

How to Apply to the MPDU Program

6

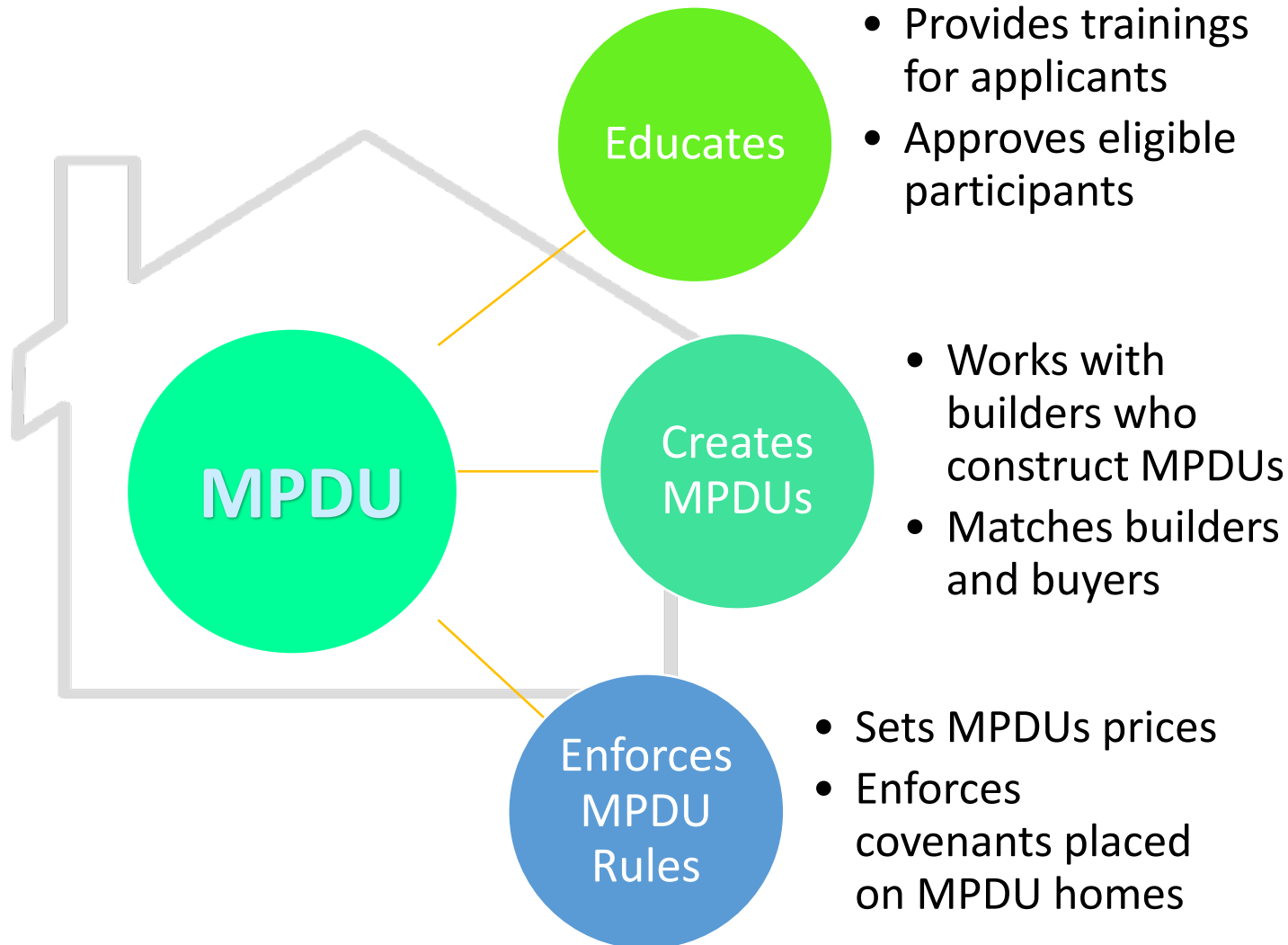
What to Do Next



A Moderately Priced Dwelling Unit is a home you can buy at a lower price than a market priced home.

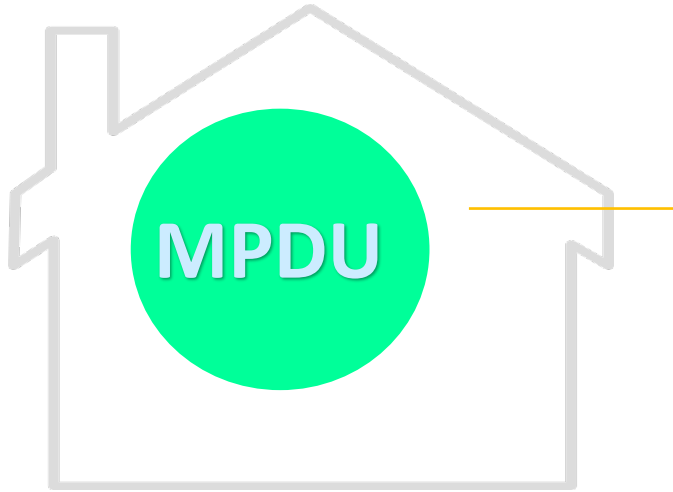
- MPDUs have a lower sales price in order to provide affordable housing in Montgomery County.
- For example, a property that would sell on the market at \$300,000 would typically sell at about \$175,000 in the MPDU program.
- Later, when you sell your MPDU, it will be at a lower price as well to keep the home affordable for other first-time homebuyers.
- The Montgomery County MPDU Program is run by the Department of Housing and Community Affairs (DHCA).

WHAT DOES THE MPDU PROGRAM DO?





HOW ARE MPDUs CREATED?



The Moderately Priced Housing law, called Chapter 25A, requires all developers and builders to provide MPDUs in every new subdivision that has 20 or more housing units.



At least 12.5% of the homes in each subdivision must be MPDUs.

TYPES OF MPDU DWELLINGS



Duplexes



Townhouses



TYPES OF MPDU DWELLINGS

Condominiums



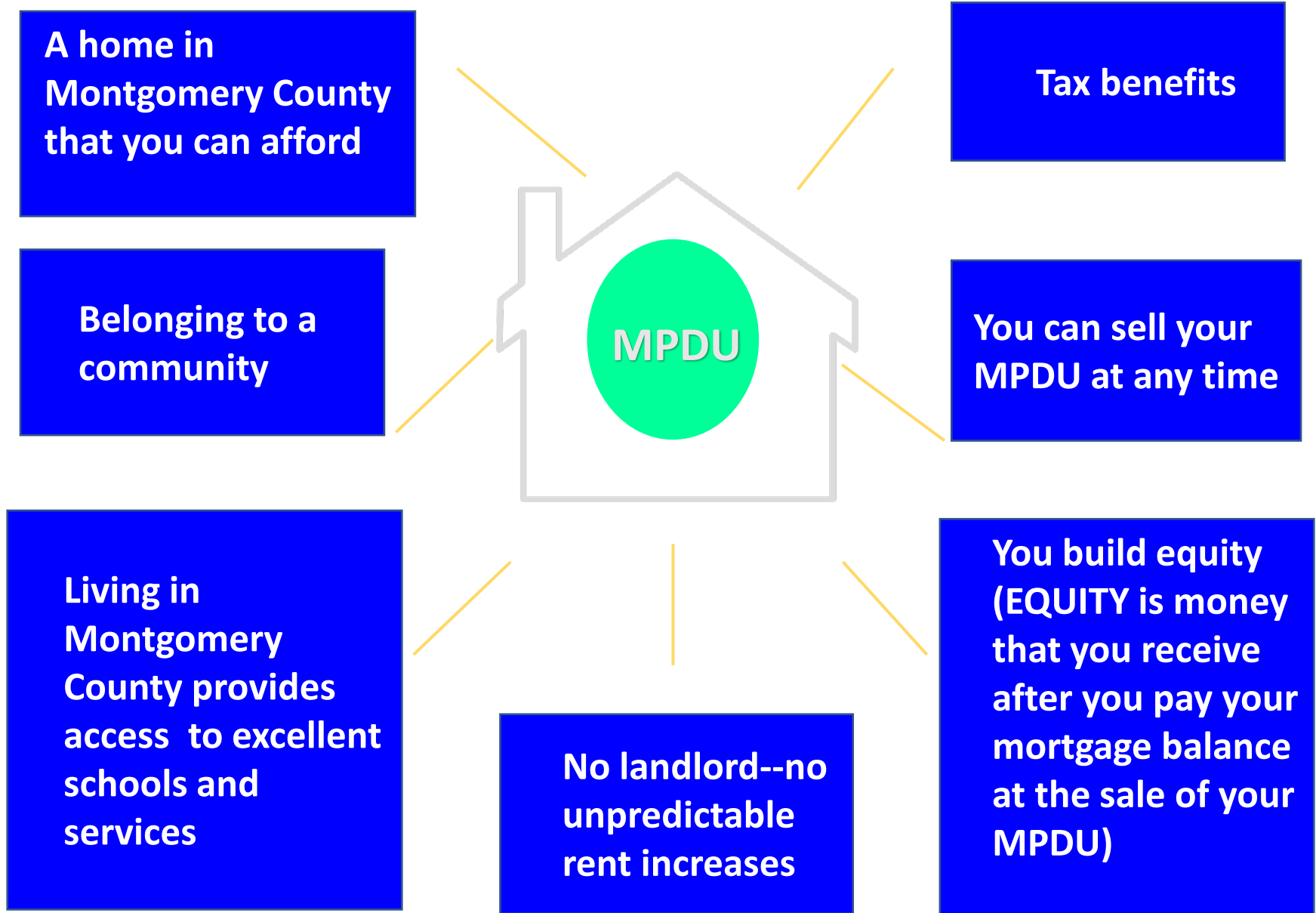
High Rise



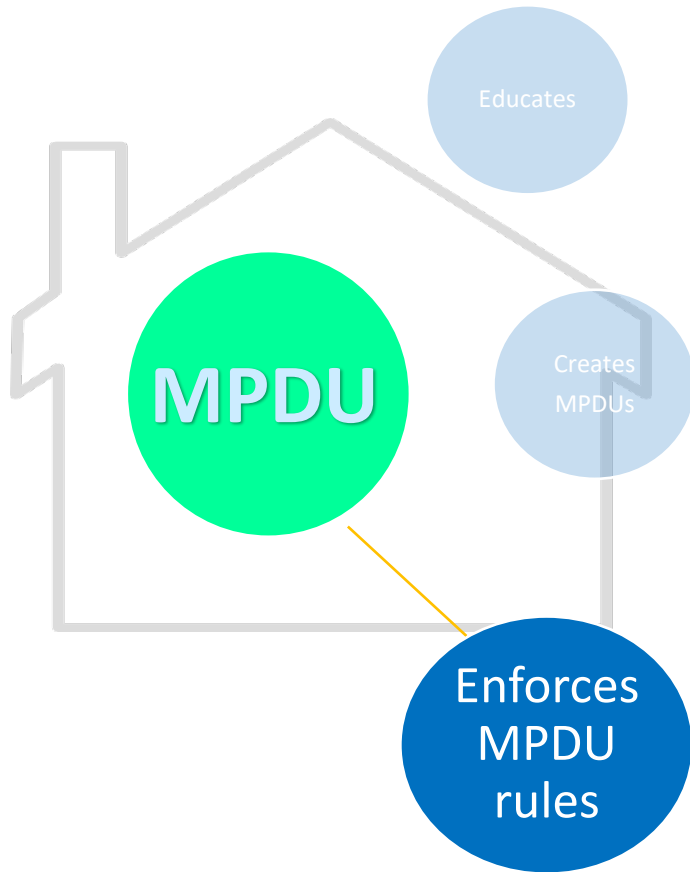
Garden



BENEFITS OF BUYING AN MPDU



ARE THERE ANY RESTRICTIONS ON MPDUs?



YES. The MPDU Program enforces covenants placed on the MPDUs.



What is a **Covenant**?

- A legal agreement or contract between two parties to do or refrain from doing something.

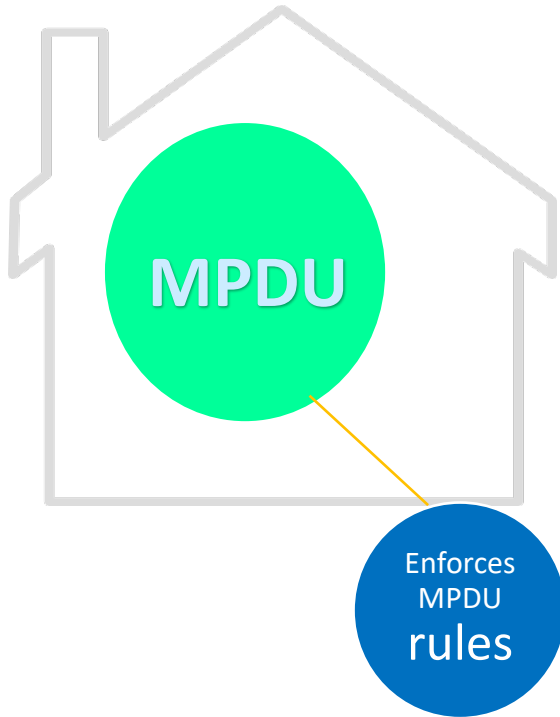
MPDUs have a 30-year "**CONTROL PERIOD.**"

What is a **Control Period**?

- A time during which you need to follow certain rules.

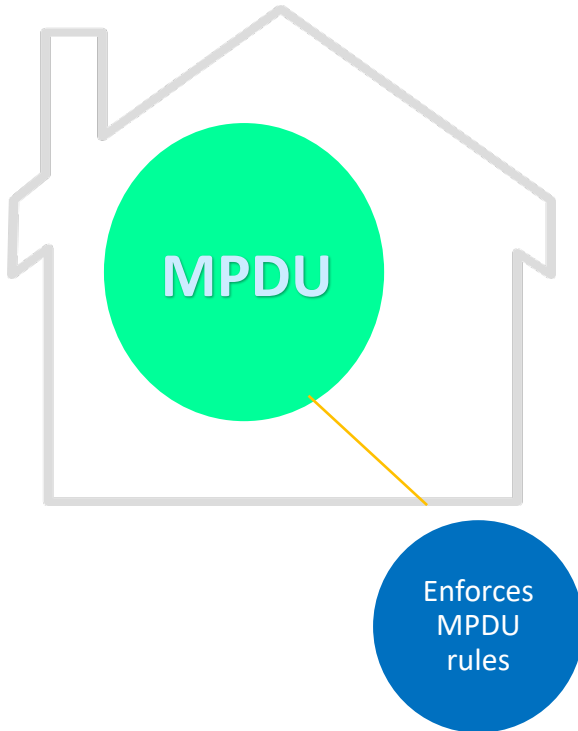


RULES OF THE MPDU PROGRAM



- 1 PRIMARY RESIDENCE
- 2 FULL-TIME OCCUPANCY
- 3 YOU CANNOT BUY A SECOND HOME
- 4 YOU MUST SHARE PROFIT WITH THE COUNTY WHEN YOU SELL THE MPDU AFTER THE CONTROL PERIOD
- 5 YOU CAN ONLY BUY AN MPDU ONCE IN A LIFETIME

RULES OF THE MPDU PROGRAM



1

PRIMARY RESIDENCE

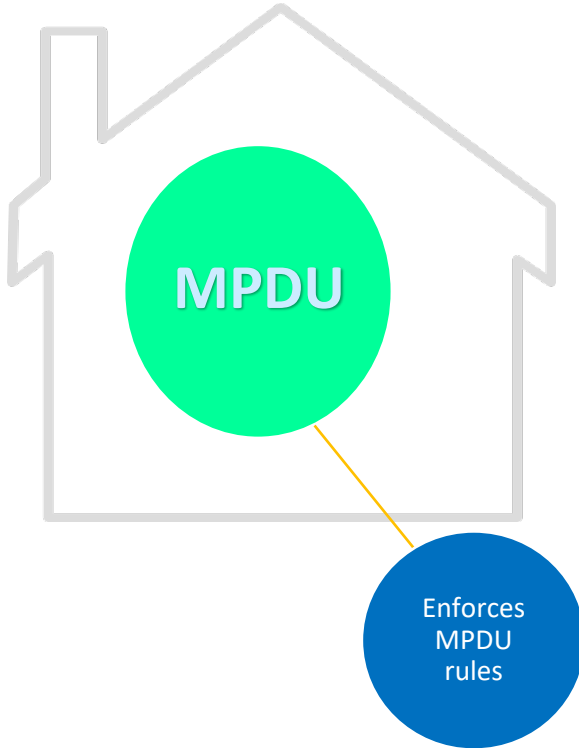
- You and all adults who signed the contract must live in the MPDU as your primary residence.
- If you need to move, you must sell your MPDU.
- When you decide to sell your MPDU, you must sell it through the MPDU program.
- You can only sell your MPDU at the MPDU resale price, not the market price.

2

FULL-TIME OCCUPANCY

- Your MPDU cannot be rented, except in special circumstances. Permission from the MPDU Office is required.
- Your MPDU cannot be left vacant.

RULES OF THE MPDU PROGRAM



3 YOU CANNOT BUY A SECOND HOME

- If you must move, or if you wish to purchase another home anywhere while your MPDU is still within the 30-year control period, you must sell your MPDU.
- If you inherit a second home, you must still occupy your MPDU as your primary residence. If you want to move to your inherited property, you must sell your MPDU.

4 YOU MUST SHARE PROFIT WITH THE COUNTY

- At the end of the 30-year control period, you may sell your MPDU at market price. When you sell, you must share the profit with the County.

5 YOU CAN ONLY BUY AN MPDU ONCE IN A LIFETIME

- After you sell your MPDU, you cannot buy another MPDU.



QUALIFYING FOR THE MPDU PROGRAM

2

MPDU Program Eligibility

All adults listed as applicants **must not have owned a home** or been on the title for a home *anywhere* in the United States or outside the country within the last 5 years.

First Time Homebuyer



Your household must **be within the program's income limits**. There are minimum and maximum income limits depending on household size.

Income Limits



You must qualify for a **mortgage loan amount of at least \$150,000**.

The loan prequalification must be from an HOC approved lender.

Qualify for a Loan



You must be able to **pay** a down payment, settlement fees and other **closing costs**, and to afford the monthly mortgage and **other expenses** such as condo and homeowners association (HOA) fees.

Pay Closing Costs and Other Expenses





HOUSEHOLD INCOME LIMITS

MINIMUM INCOME : \$40,000*

*If you have less than \$40,000 gross income, but you have a lot of savings, you may be still able to qualify. The lender will determine if you can get a loan of at least \$150,000 with your income and savings.



WHAT IS CONSIDERED INCOME?

Income is defined as the gross income received annually from all sources by all wage earners in a household.

Sources of Income include:

- Wages and salary
- Child support
- Alimony
- Dividends from stocks and bonds
- Overtime pay
- Social Security benefits
- Veterans Administration benefits
- Pension and retirement payments
- Other





HOUSEHOLD INCOME LIMITS

HOUSEHOLD SIZE	MAXIMUM TOTAL HOUSEHOLD INCOME
One (1) Person	\$63,000
Two (2) People	\$ 72,000
Three (3) People	\$81,500
Four (4) People	\$ 90,500
Five (5) People	\$ 97,500
Six (6) People	\$ 104,500

Effective 4/14/2021. Income limits change annually, usually in April. Please check the MPDU website for updates.



WHAT SIZE MPDU DO I QUALIFY FOR?

HOUSEHOLD SIZE

NUMBER OF BEDROOMS

One (1) Person

1 or 2 Bedrooms

Two (2) People

1 or 2 Bedrooms

Three (3) People

2 or 3 Bedrooms

Four (4) People

2, 3 or 4 Bedrooms

Five (5) People

3 or More Bedrooms

Six (6) People

3 or More Bedrooms

Household Size Waiver

If a large MPDU (3 or 4 bedrooms) is not purchased by a household of 3 or more, the MPDU Office may allow a smaller household to purchase the MPDU.



WHO IS CONSIDERED PART OF MY HOUSEHOLD?



Any person who will live with you in the MPDU *AND*

- **has their own income** (which must also be counted as part of the total household income) such as a spouse, fiancé, sister/brother, *OR*
- **is claimed as a dependent** on your Federal tax return, such as your children or elderly parents. (Older children attending school full time *AND* parents without income are considered dependents).

REQUIREMENTS FOR CERTIFICATE OF ELIGIBILITY

MUST COMPLETE ALL 3 REQUIRED TRAININGS



1

Attend a First
Time
Homebuyer
Class



2

Attend an
Orientation
Seminar



3

Attend an
Application
Tutorial

Certificate of Eligibility



WHAT HAPPENS AFTER I APPLY TO THE MPDU PROGRAM?

If you are found eligible, you will be issued a

CERTIFICATE OF ELIGIBILITY

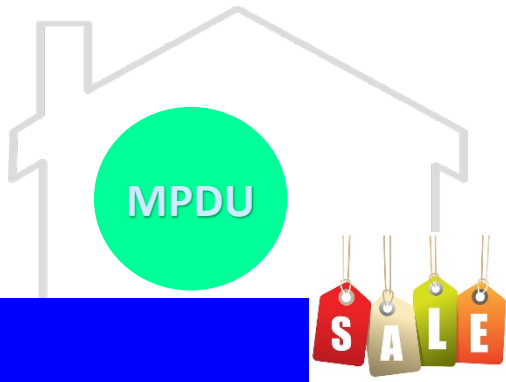
Your certificate is valid for one year. You must renew it within 60 days of the expiration date.

**Your name and
household members will be listed on certificate**



This certificate is proof of your household's eligibility to participate in the MPDU Program. It will be mailed to your home. It may take up to 14 days.

After you receive your approval confirmation, you may enter the Random Selection Drawings for MPDUs for sale.



Montgomery County's MPDU Program offers affordably priced townhomes and condominiums - **both new and resale** - to eligible and certified participants. Your MPDU Certificate of Eligibility must be current.

Participants who want to buy an MPDU enter an online drawing and are randomly selected and listed in the order of selection. This is what is known as a **Random Selection Drawing**. The first person on the list will be offered the MPDU first, and so on down the list.





FACTORS CONSIDERED IN THE RANDOM SELECTION DRAWINGS



MPDU

Current MPDU Certificate

- Your MPDU certificate is valid for one year. You must renew it each year.

Lender Letter

- You must be pre-qualified for a mortgage loan for an amount that is equal to or greater than the MPDU sales price.

Household size

- Your household size must be appropriate for the number of bedrooms of the MPDU for sale.

Priority Points

- Households with the most priority points will be selected first.



PRIORITY POINTS SYSTEM

- One point for living in Montgomery County
- One point for working in Montgomery County
- One point for each year that you are in the MPDU program (up to three years).



Condition	Year One	Year Two	Year Three (maximum is 5 points)	Year Four
Living and Working in the County	3	4	5	5
Living or Working in the County	2	3	4	4
NOT Living or Working in the County	1	2	3	3



WHERE TO FIND MPDUs FOR SALE

Check the MPDU website regularly:

www.montgomerycountymd.gov/mpdu

c. For Approved MPDU Sales Program Certificate Holders

1. Program Rules
2. Random Selection Drawings (formerly known as the Lottery process)
3. **View MPDUs for Sale**

Go to Section C – Click on “View MPDUs for Sale.”

Sign up online with your certificate number for the Random Selection Drawings for MPDUs in which you are interested.

You must **enter the drawing** by the Random Selection Entry Deadline.

The **Results** of the Random Selection Drawing are **posted on the MPDU website** within one day of the date of the drawing. ONLY certificate numbers are listed to protect your privacy.



Note: You will **NOT** receive a call from the MPDU Office about any available MPDUs or the results of the drawing. Please visit the MPDU webpage for the results.



THE RESULTS OF THE RANDOM SELECTION DRAWINGS ARE PUBLISHED ON THE MPDU WEBSITE

Within a week or two:

- The **builder will contact** selected households **depending on the MPDUs available.** Households will be contacted by phone and/or e-mail to set up an appointment. **The first person on the list will be offered the MPDU first, and so on down the list.**
- If you are contacted, you will meet with the builder to see floor plans and choose options or upgrades that the builder may offer. (Examples: carpet upgrade; finishing a basement.) The maximum price for options is 10% of the MPDU sales price.
- If you wish to buy the MPDU, you must sign a contract (you have 48 hours after the meeting to decide). Any adult listed as a participant on your MPDU certificate must sign the required sales documents.

IF YOU ARE CONTACTED, BE PREPARED!

BRING with you:

1. **Your original MPDU Certificate of Eligibility** signed by all adults in the household.
2. **A check or money order** for a deposit of 1% of the purchase price.

YOU WILL SIGN:



- ✓ Sales contract.
- ✓ Purchaser's Agreement Form, by which you promise to follow the MPDU rules.
- ✓ Receipt of MPDU Covenants* – a form that says you have received the MPDU rules that apply to your property and a copy of the current MPDU law.

(*The MPDU Covenants define the MPDU rules for a development.)

WHAT HAPPENS AFTER I SIGN THE CONTRACT?



Meet with a lender to get a final loan approval (it does not have to be builder's lender).

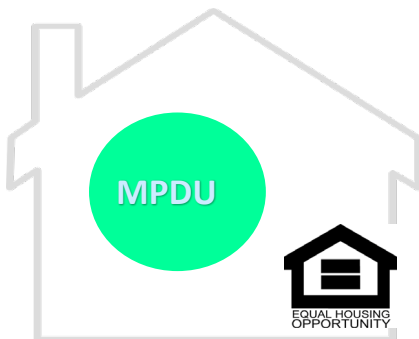
❌ Note: No ARMS (Adjustable Rate Mortgage) or Interest Only loans are accepted.

Keep your documents up-to-date to take to the lender. (All adults who will be on the loan must provide all their financial documents).

Maintain good credit:

❌ Do not buy a car or make other expensive purchases before you buy your MPDU.

❌ Avoid new credit cards.



WHEN CAN I MOVE TO MY MPDU?

When you sign your contract, your MPDU will probably not be built yet. It may take several months to build. The builder will contact you to let you know when the MPDU is ready.

You can move in after:



- ✓ **The MPDU has been built**
- ✓ **Your final loan has been approved**
- ✓ **Settlement has occurred***

*(*Settlement is an appointment at which you sign the legal sales documents and get the keys)*



Do **NOT** breach your rental lease if you are uncertain of your move-in date for your MPDU. Tenants are responsible for any remaining monthly rent expenses if the lease term has not expired. If you have questions about rental lease requirements contact the Office of Landlord-Tenant Affairs at **240-777-0311.**

HOW DO I PAY FOR MY MPDU?

- The MPDU Program does not offer financing or financial assistance to help you purchase an MPDU. However, loans with favorable terms are available from the Housing Opportunities Commission (HOC).
- You must get a **Mortgage Loan** from a lender.
- You will need **savings** for a deposit, down payment and closing costs.
- MPDU owners are **responsible** for all **home maintenance**, home improvements, condo and homeowner association (HOA) fees (if applicable).





SAVE MONEY FOR YOUR MPDU PURCHASE

MPDU Sales Price:

\$165,000

Down Payment (about 5%):

+ 8,250

Closing Costs (about 4%):

+ 6,600

Seller Contribution (about 3%)

- 4,950

Savings Needed:

\$9,900



ESTIMATE OF HOW MUCH MONEY YOU WOULD YOU
NEED TO PURCHASE AN MPDU



Some Years Have Gone By Since You Purchased Your MPDU...

You are thinking about moving because:

- Your household size has increased or decreased.
- You have changed jobs and/or want a shorter commute.
- You want to live in another community, city, or state.
- You want your children to attend another school.
- Any other reason.

The MPDU Program allows you to SELL YOUR MPDU at ANY TIME

Remember, the longer you live in your MPDU, the more benefits you will receive.

- **A larger increase in your MPDU price**
- **Tax advantages for a longer period**
- **The money you get at the resale of your MPDU (equity) represents savings that you can use to purchase your next home.**





RESALE PRICE CALCULATION FOR MPDUs

When you want to sell your MPDU during the 30-year control period, the MPDU Office will calculate the price at which you may sell your MPDU, as follows:

Original Purchase Price in 2010		\$ 160,000
Inflation (2010 – 2020) = 16.3%	+	\$ 26,000
Eligible Improvements* (up to 10%)	+	\$ 4,000
MPDU Resale Price	=	\$190,000



*Save your contracts, permits and receipts for improvements





MONEY YOU GET AT RESALE

MPDU Resale Price: \$ 190,000

Pay your Loan Balance: (\$ 120,000)

You Get (Equity): \$ 70,000

You can use this equity to buy your next home.





SELLING AFTER THE CONTROL PERIOD





30 Years Have Gone By Since You Purchased Your MPDU...

As part of the agreement with the MPDU Program, the MPDU owner is required to share one-half of the “Excess Windfall Profit” with Montgomery County.

The payment made to Montgomery County is called the Shared Profit. This money is used to finance and produce new affordable housing in Montgomery County for other low- and moderate-income households.

SHARED PROFIT CALCULATION AFTER 30 YEARS

MPDU Purchase Price in 2010:		\$ 160,000
Market Sales Price in 2040:		\$ 550,000
MPDU Price in 2040:	-	<u>\$ 350,000</u>
Profit:		\$ 200,000
		
County Share of Profit (50%):	=	\$ 100,000
		
For the Owner:		
One-Half of Profit		\$ 100,000
Plus Amount of MPDU Price	+	<u>\$ 350,000</u>
Seller Receives :		\$ 450,000

Seller's Profit

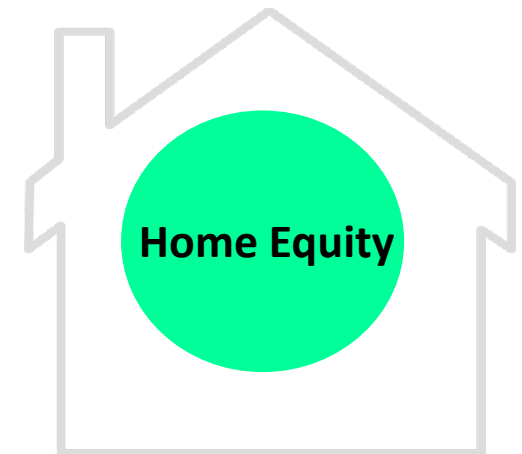


EQUITY FOR YOUR NEXT HOME

From the amount you get at your resale, you must pay your loan balance.

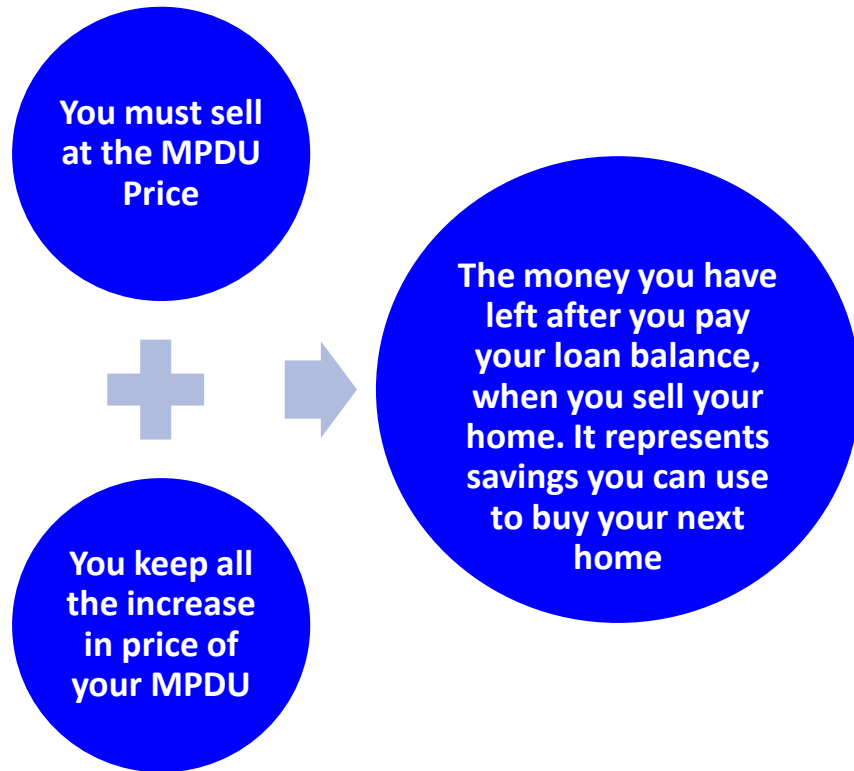
Seller Receives:	\$ 450,000
Pay your loan balance:	(\$ 120,000)
You get to keep (Equity):	\$ 330,000

Use this equity to buy your next home.
(You will also have to pay sales costs, such as realtor's fees and closing costs).

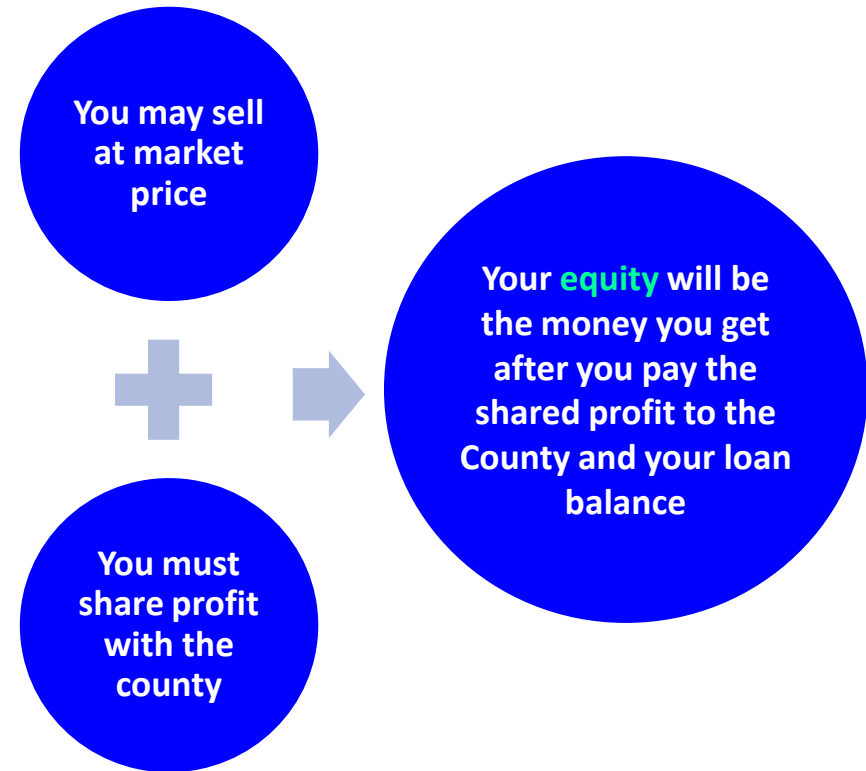


IMAGINARY 30 YEAR CONTROL LINE

Before 30 Years



After 30 Years



CAN I REFINANCE MY MPDU?

What is refinancing?

- Changing your first loan for a new loan.

Why would I want to refinance my loan?

- You might get a better interest rate.
- Your monthly payments might be lower.



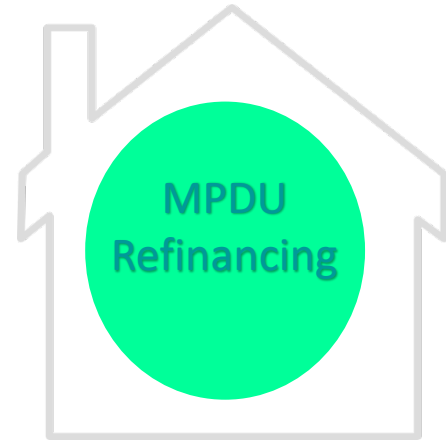
IMPORTANT It will cost you some money to refinance.

- Refinancing can cost between 2% and 5% of a loan's principal.
- You will start a new mortgage, which in many cases requires an appraisal, title search, and application fees.



BEFORE YOU REFINANCE YOUR MPDU

Facts you need to know ...



- You cannot refinance your MPDU for more than the MPDU price at the time of the refinance.
- The 30-year control period does not start again.
- You must request an MPDU Price from the MPDU Office before you go to the bank. The lender will ask you for a refinance letter from the MPDU Office.
- You cannot owe more money on your MPDU than the MPDU price at any time.



IMPORTANT

- MPDU Owners Are Not Permitted to Refinance an MPDU with a Reverse Mortgage.
 - The reverse mortgage program assumes that a housing unit has a "fair market" value (FMV). **MPDUs Do Not Have a Fair Market Value (FMV) During the Resale Price Control Period.**

SELLING OR REFINANCING YOUR MPDU



KNOW THE RULES!



Inform the MPDU Office if you decide to sell or refinance

- For MPDUs **under controls**: Request a resale/refinance price from the MPDU office.
- For MPDUs **out of controls**: Request a shared profit calculation from the MPDU office.

There is a limit to how much you can sell or refinance for

- For MPDUs **under controls**: The MPDU sale/refinance price is determined by the MPDU Office.
- For MPDUs **out of controls**: The MPDU may be sold at market price. The MPDU office sends the shared profit calculation.



Submit your request to the MPDU office at least 21 days in advance.

WHAT HAPPENS WHEN SOMEONE DOES NOT FOLLOW THE MPDU RULES?



Legal action by County:

- Fines
- Required repayment of illegally collected rent
- Forced sale of your MPDU

MOST IMPORTANT THINGS TO REMEMBER



When you buy an MPDU, the MPDU must be your permanent residence and the unit cannot be left vacant.



You may sell your MPDU whenever you want.



When you sell your MPDU during the 30-year control period, you must request the resale price from the MPDU office.



When you sell your MPDU during the 30-year control period, you keep all the equity, but you must sell at the MPDU Price.



When you sell your MPDU after the 30-year control period, you must share profit with the County. You can sell the MPDU at market price..



To apply : 2 key factors

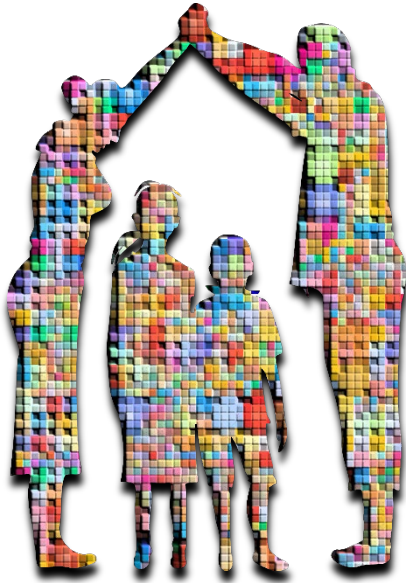


1. Get all your **financial documents** ready for **all adults** in your **household**. Each adult must have the required documents to submit.



2. Become familiar with the MPDU application. Read it carefully before you submit your application. Must complete all sections. **Incomplete applications will not be accepted.**

WHO MUST BE LISTED IN MY APPLICATION?



Anyone who will be living in the MPDU: spouse, fiancé, children, parents, brother, sister or adoptive child.



- Children older than 18 years old are considered dependents if they are full time students.
- Adults who are not working and do not receive income are considered dependents.



Each adult (including elderly parents) must be listed on the household's Federal income taxes, **UNLESS** they have their own income and tax returns.

BECOME FAMILIAR WITH THE MPDU APPLICATION

Montgomery County, Maryland
Moderately Priced Dwelling Unit (MPDU)
Purchase Program Application Form
www.montgomerycountymd.gov/mpdu

Please read the instructions carefully. Complete ALL applicable blanks. This information will be used to determine your eligibility for the program; it will not be used to qualify you for mortgage financing. All information will be kept confidential.

THIS APPLICATION MUST HAVE THE FOLLOWING ITEMS ATTACHED (please check off each attachment - incomplete applications will not be accepted):

- ☐ First Time Homebuyer Certificate (COPY)
- ☐ Lender Pre-Qualification Letter: You must bring an original up-to-date, signed Pre-Qualification Letter from an HOC participating mortgage lender showing you pre-qualify for a mortgage amount of no less than \$150,000.
- ☐ Tax Returns: COPY of the most recent Federal income tax return(s) for all adults in the household, with all schedules and W-2 forms. (Electronic Summary, e-File, or fax copies are not acceptable)
- ☐ Paystubs: Copies of the two (2) most recent pay stubs showing GROSS income for every wage earner in the household. List all current jobs held by adults in your household.

APPLICANT		Social Security Number	
Name			
Current Address			
Home Phone		Cell Phone	
E-mail			
Employer			
Employer City/State		Work Ph.	
Base Salary	\$	Overtime	\$
		Bonuses	\$

FAMILY INFORMATION: Provide the requested information for each household member who will be living with you. Include yourself and the co-applicant (if applicable) in this section.

Name	Relationship	Gender	Date of Birth	Working
				Yes No
1	Head of Household	<input type="checkbox"/> Male <input type="checkbox"/> Female		<input type="checkbox"/> <input type="checkbox"/>
2		<input type="checkbox"/> Male <input type="checkbox"/> Female		<input type="checkbox"/> <input type="checkbox"/>
3		<input type="checkbox"/> Male <input type="checkbox"/> Female		<input type="checkbox"/> <input type="checkbox"/>
4		<input type="checkbox"/> Male <input type="checkbox"/> Female		<input type="checkbox"/> <input type="checkbox"/>
5		<input type="checkbox"/> Male <input type="checkbox"/> Female		<input type="checkbox"/> <input type="checkbox"/>
6		<input type="checkbox"/> Male <input type="checkbox"/> Female		<input type="checkbox"/> <input type="checkbox"/>
7		<input type="checkbox"/> Male <input type="checkbox"/> Female		<input type="checkbox"/> <input type="checkbox"/>

(Any dependent listed above who is 18 years of age or older must document if he/she is employed or a student)

Please complete the following to assist in the analysis of your application:

Race: ☐ Asian ☐ Black ☐ White ☐ Other

☐ At least one household member has a mortgage

Please include pay stubs and income taxes for each adult wages earner. School transcript for any adult that is enrolled in school.

CERTIFICATIONS (signatures required from Head of Household, Co-Applicant and all adult Household Members):

Have the listed information available when you fill out your MPDU application online.

1. Complete Names
2. Social Security Numbers (for adults only)
3. Date of Birth for Each Household Member
4. Employment Information
5. Pay Stubs
6. Income Taxes (most recent)
7. Benefit Statements
8. School Transcripts
9. FTHB Certificate
10. Lender Pre-Qualification Letter



APPLICATION SUBMISSION DOCUMENTS

FTHB Certificate

- Your First Time Homebuyer (FTHB) certificate must be **no older than two years**
- Your FTHB certificate **must list all adults qualifying for a mortgage.**

Lender Letter

- Your **Lender Pre-Qualification Letter** must be from an HOC participating lender
- The mortgage **amount** should be no less than **\$150,000**

Proof of Income

- Two most recent paystubs showing **Gross Income**
- Or
- Year to date statement of income and expenses

Tax Returns

- **Federal** income taxes **with all pages**
 - W-2 form
- And Or
- 1099 M form
- Note: Self-prepared taxes are not acceptable. Provide IRS transcript instead.**

PROOF OF INCOME

Pay stubs showing Gross Income

Two most recent **Pay stubs** or four if paid weekly from **all adult wage earners**

If Self Employed:

Notarized **Year to Date Statement** of income and expenses



If Retired:

Proof of **Pension Income** and **Social Security Income**

Other sources of income:

Child Support
statement

Alimony
court order

Social Security Income (SSI)

If New Employment:

Letter on company letterhead verifying new employment and salary

SAMPLE PAY STUB

SAM'S APPLIANCE STORE
123 Main Street
Rockville, Maryland 20850
(301) 555-2790

Employee Name: James Woods
Employee ID # 12345



Pay Period: 6/1/2020 – 6/12/2020

Number of Hours Worked	Pay Rate	Total Gross Income
80 regular hours	\$16.22	\$1,297.60

Taxes:

State Withholding	\$182.00
County Withholding	\$87.68
Insurance:	\$62.00
Credit Union:	\$50.00
Net Pay:	\$915.92



SAMPLE YEAR TO DATE STATEMENT OF INCOME AND EXPENSES

Business Name:

For the Period:
January _____ to _____present

Income:

Sales

Services

Other Income

Total Income \$ _____

Expenses:

Salaries

Rent

Insurance

Other Expenses

Total Expenses \$ _____

Net Income: (Total Income less Total Expenses)

\$



SAMPLE YEAR TO DATE STATEMENT OF INCOME AND EXPENSES (continued)

The Year-to-Date statement needs to be notarized and must include the following:



I hereby attest by my signature below that the information above is true and accurate and represents the current status of my income and expenses.

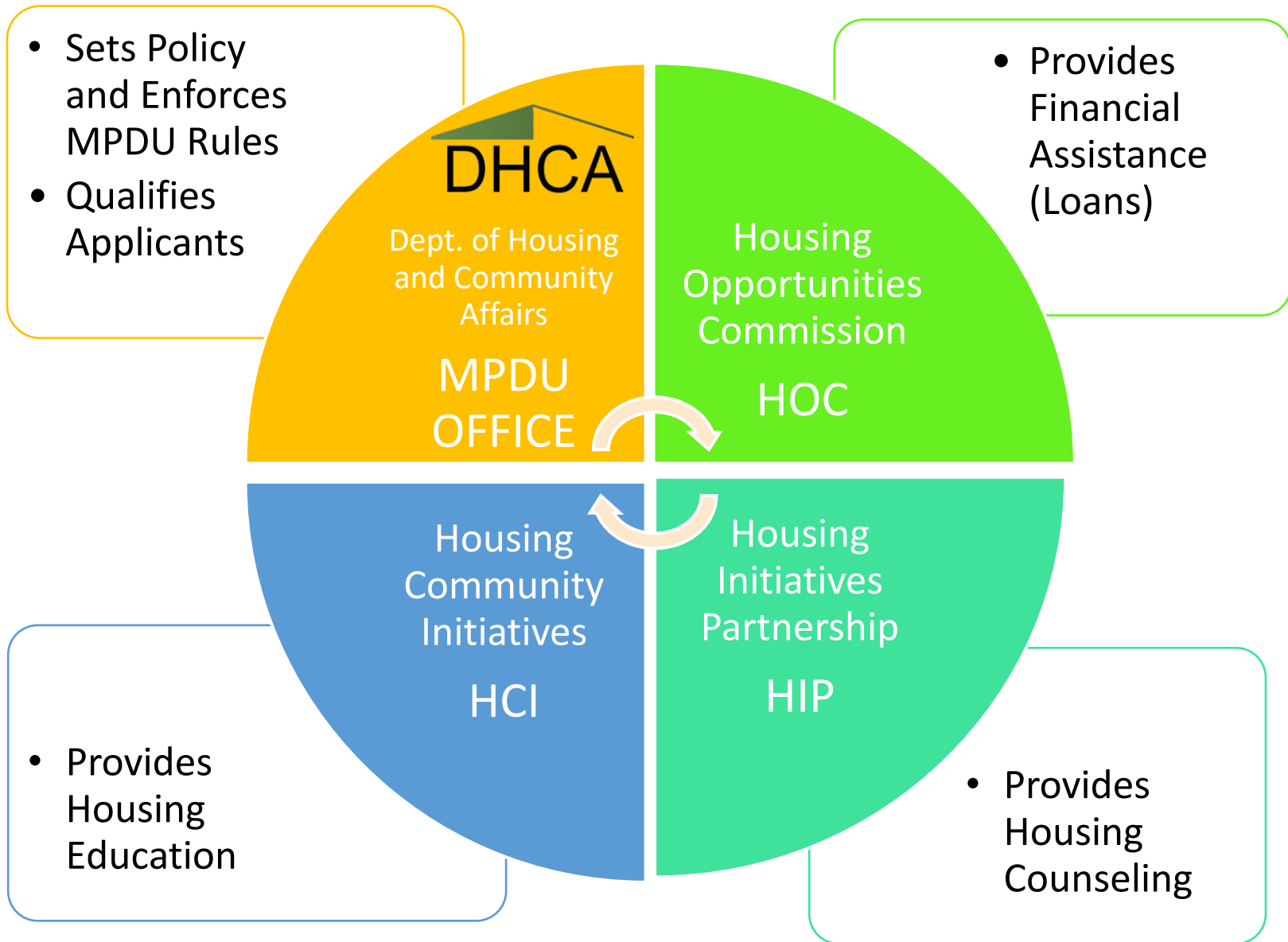
Business owner signature

Date

Notary signature

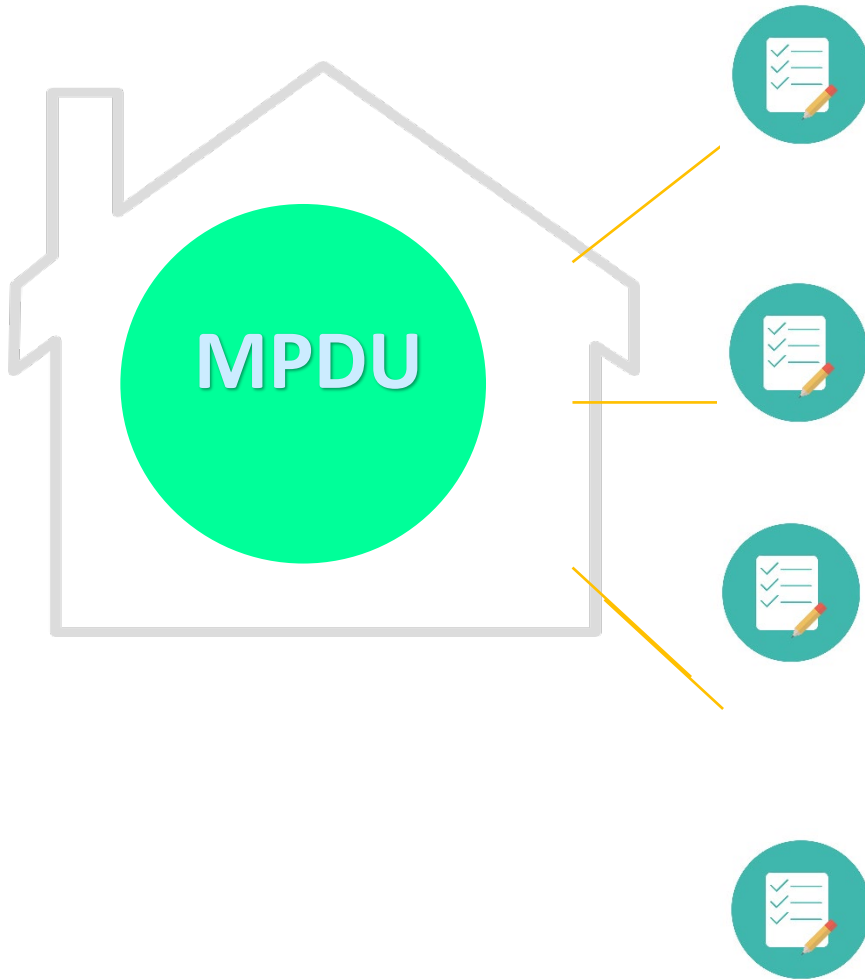
Date

ORGANIZATIONS INVOLVED IN THE MPDU PROGRAM



THE MPDU PROGRAM AND HOC ARE NOT THE SAME THING

MPDU PROGRAM:



- Provides educational materials, reviews applications and gives MPDU Certificates to households that are eligible to purchase an MPDU.
- Runs Random Selection Drawings to select certificate holders to purchase MPDUs.
- Works with the builders who construct new homes. The builders determine where they are building new homes, what type of homes and how many homes.
- Ensures that at least 12.5% of the homes that are built are sold at an affordable price through the MPDU Program.

HOUSING OPPORTUNITIES COMMISSION (HOC)

The Role of HOC in the MPDU Program

An HOC approved lender pre-qualifies applicants to the MPDU Program, giving them a pre-qualification letter.

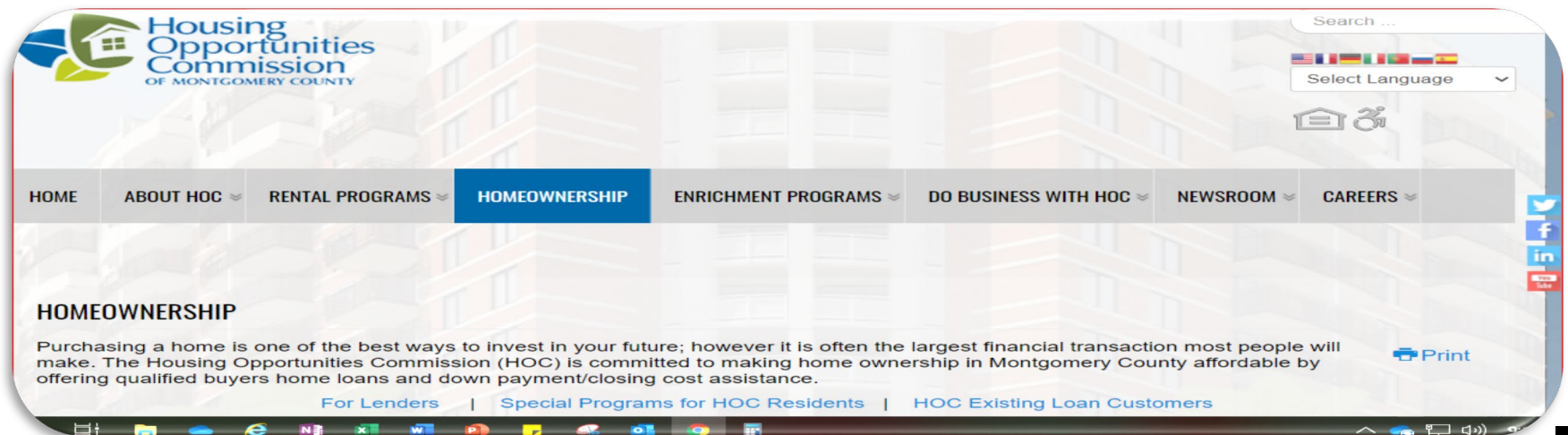
HOC provides mortgage loans with favorable terms to purchase MPDUs.

HOC is not the only lender that can give you a loan to purchase an MPDU.

Housing Opportunities Commission: 10400 Detrick Avenue, Kensington, MD 20895

(240) 627-9400

<https://www.hocmc.org/homeownership.html>



ARE YOU READY TO APPLY TO THE MPDU PROGRAM?

Let's Go Through A Checklist Together

YES



- ☐ I am a first-time homebuyer
- ☐ I am income-eligible
- ☐ I have good credit
- ☐ I can get a pre-qualification letter for a loan of at least \$150,000
- ☐ I have enough savings
- ☐ I can get all the documents I need in order to apply
- ☐ I understand the MPDU program well

You are ready to apply!

NO



- ☐ I am not a first-time home buyer
- ☐ My income is too low/too high
- ☐ I have credit problems
- ☐ I do not know if I can get a loan
- ☐ I do not have enough savings
- ☐ I cannot get all the documents I need to apply
- ☐ I do not understand the MPDU Program well enough

You are not ready. You need more time and assistance.

HELP IS AVAILABLE

If you are not ready to apply yet because you have credit problems or need financial coaching, you can get individual assistance from a Housing Counselor free of charge.



**Call for an appointment:
Housing Initiatives Partnership, Inc.
(HIP)**

Main Office:

6525 Belcrest Road, Suite 555
Hyattsville, MD 20782
301-699-3835

• **Montgomery County – Housing Counseling Offices**

12900 Middlebrook Road, Suite 1500
Germantown, MD 20874
301-916-5946

640 East Diamond Avenue, Suite C
Gaithersburg, MD 20877
301-916-5946

<https://hiphomes.org/>

OTHER AFFORDABLE HOUSING PROGRAMS



City of Rockville MPDU Program:
(240) 314-8200

<https://www.rockvillemd.gov/194/Affordable-Housing>



City of Gaithersburg MPDU Program:
(240) 805-1119

<https://www.gaithersburgmd.gov/services/housing-services>



Montgomery County's Moderately Priced Dwelling Unit (MPDU) Program offers affordable rents at several MPDU apartment complexes located throughout the County.



<https://www.montgomerycountymd.gov/DHCA/housing/singlefamily/mpdu/programrental.html>



READY TO APPLY? WHAT TO DO NEXT:

6

What to Do Next



1. Get all your **financial documents** ready for **all adults** in your household.



2. Make an **appointment** to obtain a pre-qualification lender letter from one of the **HOC approved lenders**.

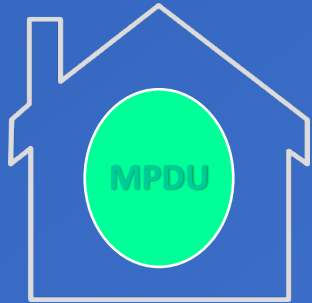


3. **Two weeks after** you confirm your attendance at this Orientation Seminar, go to **Step 3** of the [MPDU How to Apply webpage](#). You will need your Orientation ID.



4. Follow the directions on the website to create an account in the MPDU Application Portal, take the online Application Tutorial and submit your application.

TO APPLY YOU MUST TAKE THE APPLICATION TUTORIAL



The MPDU Office no longer accepts paper applications. In order to apply you will need to create an online account in the MPDU Application Portal. The MPDU office will need to confirm your attendance at tonight's Orientation Seminar before you will be able to access the portal, which will be approximately **two weeks after you confirm your attendance at tonight's class**. Instructions for accessing the portal are available in Step 3 of the [How to Apply](#) web page of the MPDU website.

After you create your account, you will be able to take the Application Tutorial, complete the online application form, and upload **all the required documents**. The Application Tutorial is an online training that includes tests that you must pass with a score of at least 80%. You will be able to review the tutorial and re-take the tests as many times as you wish.

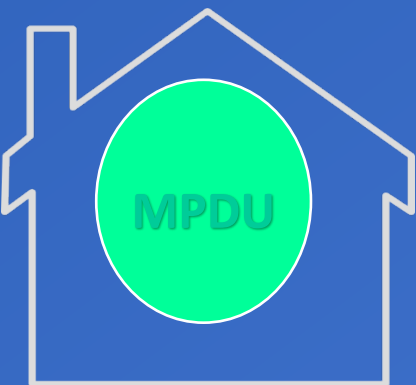
IMPORTANT THINGS TO REMEMBER

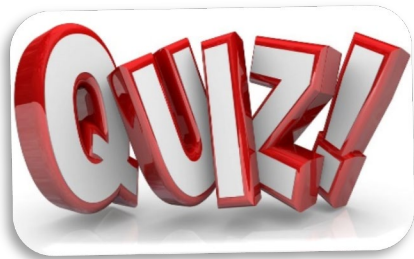
- Before you will be able to create an account in the MPDU Application Portal, our system will need to confirm that you have taken **both** the First Time Homebuyer class and the Orientation Seminar **within the past two years**. You will need your Orientation ID.
- You must wait for **two weeks** after you confirm your attendance at the Orientation Seminar before you will be able to create an account in the MPDU Application Portal.
- Use the **same name and email** as you did when you signed up for the First Time Homebuyer class and the Orientation Seminar, and make sure to spell your name and email correctly.
- Only one person per household will be able to sign up for the MPDU Application Portal. That person will be the primary applicant and **must be an adult**. However, all adults listed on the application must watch the Application Tutorial and Acknowledge the rules of the program before submitting the application.

APPLICATION DOCUMENTS

You will receive the following PDF documents after this session:

1. Facts You Need to Understand Before You Participate in Montgomery County's MPDU Purchase Program. (Please read and make sure you understand it.)
2. Summary of Next Steps to Apply to the MPDU program.
3. Instructions for getting a pre-qualification lender letter from an HOC approved lender.
4. The HOC Approved Lenders List.
5. Sample of the MPDU Application.





HOW MUCH DO YOU KNOW ABOUT MPDUs?



Please answer T (True) or F (False) in the following statements:

The purpose of the MPDU program is to provide affordable housing in Montgomery County.

True False

☐ ☐

I sold my home in Texas two years ago. I can now buy an MPDU.

☐ ☐

I never owned a home, but my spouse has. We can buy an MPDU.

☐ ☐

The control period for MPDUs is 30 years from the date of settlement.

☐ ☐

The MPDU Program will give me a loan to pay for my MPDU.

☐ ☐

The MPDU Random Selection Drawing establishes a priority list for selling new and resale MPDUs.

☐ ☐

I applied for the MPDU Program, but my certificate is expired. I can still participate in the Random Selection Drawing.

☐ ☐

The MPDU and HOC programs are the same.

☐ ☐

My household size is one person. I can't buy a 3-bedroom townhouse, unless it is a resale and no other certificate holder wants to buy it.

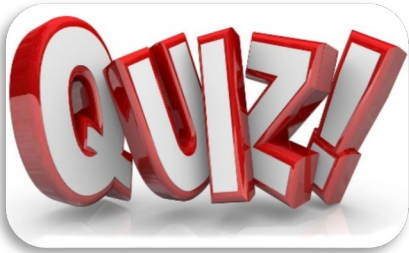
☐ ☐

If I decide to buy another home, I can rent out my MPDU.

☐ ☐

I am applying to the MPDU Program with my Aunt Sally. She is not working, but she is listed on my income taxes as my dependent. I can count her as part of my household.

☐ ☐



HOW MUCH DO YOU KNOW ABOUT MPDUs? Continues...



I bought an MPDU and I need to add or delete a name on the deed. The MPDU staff will do it for me.

☐☐

I can sell my MPDU to my adult daughter/son without contacting the MPDU office.

☐☐

Once the control period expires, I can sell my MPDU at market price. I will have to give the County 50% of the extra profit so that the County can use the funds to provide more affordable housing in Montgomery County.

☐☐

I bought an MPDU eight years ago as a single parent. Now I am getting married and buying a house with my husband. My son is an adult now and is still living in the MPDU, so I am fulfilling the "Owner Occupancy" rule for the MPDU.

☐☐

My husband and I bought an MPDU together, but we are now getting divorced. I can continue to live there with my children, if he agrees to leave the home to me.

☐☐

I can refinance my MPDU for the appraised market value.

☐☐

I can sell my MPDU that is still under control period, to anyone I want at the price I want.

☐☐

Montgomery County 311 or 240-777-0311 is the designated number for the MPDU office if I have a question that is not covered in my class material or I cannot find the answer on the MPDU website.

☐☐

MPDU PROGRAM CONTACT INFORMATION



Department of Housing and Community Affairs

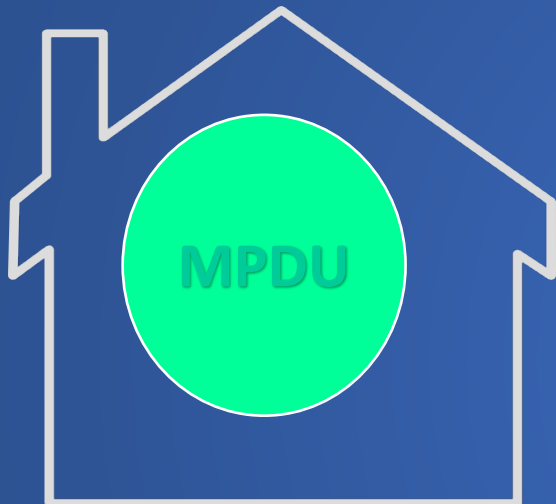
Contact Us | Locations & Hours

Website: www.montgomerycountymd.gov/mpdu

Phone: 311 - Ask to speak to someone in the MPDU Office. You will be called back within 48 hours.

MPDU Office Address: 1401 Rockville Pike, 4th Floor,
Rockville, MD 20852

THE MPDU PROGRAM



THANK YOU!

If you are seeing this slide you have completed the entire training.

CONGRATULATIONS! However, this is not the end... You will need to take down the **CODE** that will appear on the Zoom screen and send an e-mail with the code to HCI in order to validate your attendance.



Partners with HCI (a non-profit agency) to provide MPDU training sessions.

Housing & Community Initiatives, Inc.
301-590-2765 info@hcii.org