

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

Delaware-Maryland
STATE PROCEDURE NOTICE

TO: S, F, A

ISSUE NO. 1

DISTRIBUTION CODE:

“S” STATE OFFICE
“F” FIELD OFFICE
“A” AREA OFFICE

DELAWARE-MARYLAND STATE SUPPLEMENT

This Procedure Notice (PN) establishes the area minimum loan amounts for each county in Delaware and Maryland. This information will be used to inform staff and the public of the minimum amount the Rural Development State Office has determined is required to purchase a decent, safe and sanitary dwelling. The effective date of these changes is for new Certificates of Eligibility issued after March 1, 2019.

As outlined in 7 CFR Part 3550, Handbook 1, (HB-1-3550) Paragraph 3550.2 and Chapter 4, Section 4.24, each Field Office should set, following the methodology provided by their State Office, a minimum loan amount in each area that is “clearly less than” the amount needed to purchase a decent, safe, and sanitary dwelling in that area.

Loans may be originated for less than the established area minimums when there are enough leveraged sources, combined with our eligibility determination, to bring the purchase price/value above these standards. Based on our research, including all loan making activity during Fiscal Year 2017 and 2018, and discussions, input, and data reviewed by state Single Family Housing staff the following determinations for minimum area loan limits were made.

\$30,000 **Maryland Counties:** Allegany

\$60,000 **Maryland Counties:** Caroline, Dorchester, Garrett, Kent, Somerset, Wicomico, & Worcester
Delaware Counties: Kent & Sussex

\$100,000 **Maryland Counties:** Anne Arundel, Calvert, Carroll, Cecil, Charles, Frederick, Harford, Queen Anne’s, St. Mary’s, Talbot, & Washington
Delaware Counties: New Castle

\$150,000 **Maryland Counties:** Baltimore, Howard, Montgomery, & Prince George’s

These limits will remain in effect until our periodic reviews deem a change is necessary.

Loan Approval Officials will send Handbook Letter 15, Standardized Adverse Decision Letter with Attachment 1-B when an applicant’s qualifying loan amount does not meet the minimum and the additional considerations listed in the Chapter 4.24 of HB-1-3550 are not viable.

If you have questions regarding this notice, please contact the Single-Family Housing Program Director, Brad King at: (3001) 797-0500 ext. 108.