



HomeOwnership Announcement

October 11, 2018

Underwriting Guideline Change & Post-Closing Reminder

Underwriting Guideline Change

Effective November 1st- Regardless of the AUS findings, any liens (including tax, mechanics', betterments or materialmen's), that may or may not have the potential to affect MassHousing's lien position or diminish the borrower's equity—must be paid off at or prior to closing.

Post-Closing Reminder

Our post-closing quality control vendor has alerted us to an issue which affects loans where a separate Seller-only CD is issued. In such cases, all items paid by the Seller which would appear on Page 2 of the CD are also required to appear on the Borrower's CD.

While Regulation Z provides some exceptions for Borrower's financial information to be excluded from a Seller-only CD (*see* §1026.38(t)(5)(v-vi)), there is no similar exception to providing all of the Loan Costs and Other Costs paid by the Seller on the Borrower's CD. (*See also* TILA-RESPA Integrated Disclosure rule Small entity compliance guide, v 5.2, May 2018, which states: "Seller-paid Loan Costs and Other Costs are required to be disclosed on the consumer's Closing Disclosure, regardless of whether a separate Closing Disclosure is provided to the seller." p. 80)

Therefore, if you issue a separate Seller's CD, please make sure that all Seller's Loan Costs and Other Costs are also included on the Borrower's CD.

Please contact us at 888-843-6432, and/or your Relationship Manager with your questions.

