



MassHousing Program FAQ's

Please see the following questions raised by MassHousing Lenders and our responses. If you have further questions after review of this document, please send inquiries to: c6@masshousing.com

Loan Funding Requirements

- 1. Payment of MI premiums to MIF and FHA – now that MassHousing is purchasing FHA loans, is there a difference in whether we should pay the first month's premium between MIF and FHA insured loans?**
 - A.** Yes.
 - **MIF loans:** do not make any payments to the Mortgage Insurance Fund on MIF insured loans.
 - **FHA loans:** The first premium is due to FHA the same month as the first mortgage payment is due. If MassHousing has not purchased the loan before the first month's premium is due on the 10th of each month, then you must pay that premium and any subsequent until such time as the loan is purchased.
- 2. Boarding of FHA loans on FHA Connection – now that MassHousing is purchasing FHA loans, should we board the loan to FHA Connection if MassHousing is purchasing it?**
 - A.** Yes. The Lender is responsible for the timely addition of each Case to FHA Connection, obtaining Endorsement and effecting the Mortgage Record Changes to MassHousing. All Mortgage Record transfers must be complete within 15 days of loan funding to ensure that the FHA premium billings are processed accurately and timely.
- 3. Lenders now must send the combined RESPA Notice of Servicing Transfer upon receipt of the funding proceeds. What form of Notice are we to use?**
 - A.** We have updated MassHousing Form L-103 – Notice of Assignment, Sale or Transfer of Servicing Rights and its Instructions to reflect that the Notice will be mailed to the borrower(s) after MassHousing funds the purchase of the loan rather than at the loan closing (Seller Guide § 7.13.1). We require a combined notice, because it must contain the accurate information about the prior servicer. Once you have mailed the Notice to the borrower, please upload it to MetaSource so it can be cleared from your trailing documents list. We have also updated our Form L-102, First Mortgage Programs Document Checklist to reflect this change. This Checklist is a great way for lenders to make sure all MassHousing requirements are met!

