



HomeOwnership Notice

February 1, 2019

MassHousing is providing this notice as a friendly reminder regarding changes to our loan funding policies effective February 1, 2019. We have also updated our [FAQ's](#) to provide further clarification to these changes. We have also updated our Forms [L102](#) and [L103](#) for your immediate use.

Loan Funding

- Loans funded prior to the 15th of any month will be funded at the current principal balance and escrow balance MINUS any amounts for any escrowed items which become due within 30 days after funding. The Lender shall be responsible for payment of such items in a timely and accurate manner, except for mortgage insurance premiums to the Mortgage Insurance Fund (MIF). All MIF premiums will be paid by MassHousing post-purchase. (See below examples)
- Loans funded on or after the 15th of the month will be funded at the principal balance after the amortization of the next scheduled payment due and the escrow balance from closing PLUS escrow funds from borrower payments collected by the Lender; MINUS amounts for any escrowed items which become due within 30 days after funding. The Lender shall be responsible for payment of such items in a timely and accurate manner, except for mortgage insurance premiums to the Mortgage Insurance Fund (MIF). All MIF premiums will be paid by MassHousing post-purchase. (See below examples)

Loan Funding Examples				
	Loan Close Date	1st Pmt Due	Funding Date	Effective Purchase Due Date
Loan A - Purchased Prior to the 15th	1/6/2019	3/1/2019	2/1-2/14/2019	3/1/2019
Loan B - Purchased On or After the 15th	1/6/2019	3/1/2019	2/15-End of Month	4/1/2019
Loan C - Purchased Months after closing	1/6/2019	3/1/2019	4/10/2019	5/1/2019

- Lender shall pay all property taxes, FHA monthly premiums and annual premiums for property and/or flood insurance due within thirty (30) days after the funding date. The exception is mortgage insurance premiums to the Mortgage Insurance Fund. All MIF premiums will be paid by MassHousing post-purchase.
- Lenders are required to send the combined RESPA Notice of Servicing Transfer upon receipt of the funding proceeds. 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.





Loan Funding cont.

- Lenders are responsible for the timely addition of each Case to FHA Connection, obtaining Endorsement and effecting the Servicing and Holder Record Changes to MassHousing. All Servicing Record transfers must be completed within 15 days of the funding date to ensure that the FHA premium billings are processed accurately and timely. The Holder Record change must be completed no later than 15 days of the funding date, or 15 days from Endorsement of the case for FHA insurance, whichever is later.

Miscellaneous Reminders

Effective for all loans locked on or after February 1st, 2019 MassHousing has updated our Seller Guide to include the following changes and requirements:

- Lender Eligibility (Section 2)- Minimum Production Requirement
- Underwriting Changes (Section 3)
 - Maximum Debt to Income Ratio
 - Treatment of Past Due, Collections, and Judgements
- Loan Closing Instructions (Section 6)
- Loan Funding (Section 7)- Calculation of the purchase principal balance and servicing transfer date

Questions? Lenders who have questions about this UPDATE should email c6@masshousing.com

