



# HomeOwnership Announcement

June 14, 2019

## Seller Guide Updates

The Seller Guide will be updated effective June 14th to provide clarity around the following topics:

- Definition(s) and Remedies for Early Payment Defaults and Early Payoffs
- Maximum Origination Charges
- FHA Post Purchase and trailing Documents

### Definition(s) and Remedies for Early Payment Defaults and Early Payoffs (Section 2.3)

- **Early Payment Default (EPD)** exists when any of the first four (4) Monthly Payments due to MassHousing from the borrower becomes ninety (90) days or more delinquent.
  - MassHousing reserves the right to, in lieu of repurchase, recapture any premium above par or 100 basis points, whichever is greater from the Lender.
- **Early Pay Off (EPO)** exists when any first mortgage loan purchased by MassHousing is paid in full within the first 180 days following the purchase date of the loan.
  - The lender will have 10 days from receipt of notice from MassHousing to pay the greater of the full premium paid to the Lender, or 100 bps.

### Maximum Origination Charges (Section 4.1.1)

All charges and fees assessed by the lender to the borrower must be reasonable, usual, and customary. The maximum origination charges that can be paid by the borrower under all MassHousing mortgage programs is two points, which includes discount points and any application/processing/underwriting fees assessed by the lender.





## FHA Post Purchase and Trailing Documents

### MassHousing Mortgage with FHA MIP Requirements (Section 3.10.3.6):

- Lender to pay the upfront Mortgage Insurance Premium (MIP), and complete the assignment of the case for endorsement on FHA Connect within 10 days of loan closing.
- Lender to complete the Transfer of the Holder and Servicer of the loan to MassHousing within 10 calendar days of loan purchase.
- Lender to complete the submission of the loan to FHA for endorsement no later than 60 days from loan closing. Please note that the Mortgage Insurance Certificate "MIC" is due to MassHousing via MetaSource within 90 days of loan purchase.
- Lender to document all MIP payments remitted by the Lender to HUD with a current pay history prior to loan purchase.
- Lender is responsible to remit the MIP to HUD on all payments collected from the borrower. Lender is responsible for all penalties or interest charges incurred due to non-payment, or late payment of the MIP.

## Trailing Documents (Section 8.1)

Updated 02.06.2020

MassHousing appreciates your efforts to comply with our trailing document submission policy. However, in the case of non-compliance, we will seek remedies to enforce Seller Guide Section 8.4 to recover the outstanding documents. Lenders should ensure that all trailing documents are received by MetaWorx within 90 days of loan purchase. MassHousing considers trailing documents as:

### FHA

- Original recorded mortgage
- Original lender's title insurance policy with all applicable endorsements
- Recorded MLC in the case of purchase transactions
- Seller Power of Attorney, if applicable
- Mortgage Insurance Certificate "MIC"

### Conventional

- Original or Registry certified copy of the mortgage
- Original lender's title insurance policy with all applicable endorsements
- Recorded MLC in the case of purchase transactions
- Seller Power of Attorney, if applicable

### DPA

- The original or Registry Certified copy of MassHousing DPA Mortgage (B-005)





In the instance where trailing documents are outstanding beyond 90 days from loan purchase, MassHousing will assess a fee of \$75 per document, and the actual recovery cost and recording fees, if any. We also maintain the right to mandate repurchase of any mortgage loan that is not complete within the stated timeframe. MassHousing will bill lenders quarterly.

Please mail all trailing documents to:

MetaSource  
5353 West Dartmouth Ave  
50 – Lower Level  
Denver, CO 80227

Lenders may track all outstanding trailing documents via MetaSource's Worx System.

Questions? Lenders who have questions about this Announcement should email [c6@masshousing.com](mailto:c6@masshousing.com).

