



HomeOwnership Announcement

July 15, 2019 (revised August 19, 2019)

New Products and Enhancements

In light of the contraction in mortgage affordability for LMI borrowers due to the recent changes made by FNMA and FHLMC, MassHousing remains steadfast to providing responsible and affordable lending products for Low and Moderate Income families of the Commonwealth. However, as the result of these changes, we will be offering new First Time Homebuyer "FTHB" mortgage products while adjusting the MassHousing Mortgage suite of products. In addition, we will be making changes to the following topics to be **effective for all loans locked on or after September 3rd, 2019**:

- New First Time Homebuyer Mortgage Products
- Modifications to MassHousing Mortgage Products and OWH
- New DPA Terms and Conditions
- Changes to Underwriting Overlays
- New LLPA for Property Type on MHM CONV
- New Income Limits
- New MI Coverage requirements and reduced MI Premiums

To assist you with your product roll out, below are product descriptions along with links to the above topics with an [updated training calendar](#).

New First Time Homebuyer Mortgage Products

NEW FTHB CONV: First-Time Homebuyer Conventional

MIF

First Time Homebuyer "FTHB" Conventional financing with Discounted Charter Level MI. Down Payment Assistance is available for all borrowers and all eligible property types. The FTHB CONV mortgage maintains its own Income limits and Acquisition Cost limits and requires a few additional MassHousing specific origination documents. There are no Loan Level Price Adjustments "LLPAs".

[-MassHousing Product Matrix and Underwriting Criteria](#)

[-L-102FTHB Document Requirements and Instructions \(effective 9/3/2019 with req forms\)](#)

[-L-101FTHB Income and Acquisition Cost Limits \(effective 9/3/2019\)](#)



NEW FTHB FHA: First-Time Homebuyer FHA Insured	FHA
<p>First Time Homebuyer “FTHB” financing with FHA Mortgage Insurance. Down Payment Assistance is available for all borrowers and all eligible property types. The FTHB FHA mortgage maintains its own Income limits and Acquisition Cost limits and requires a few additional MassHousing specific origination documents. There are no Loan Level Price Adjustments “LLPAs”.</p> <p>-MassHousing Product Matrix and Underwriting Criteria -L-102FTHB Document Requirements and Instructions (effective 9/3/2019 with req forms) -L-101FTHB Income and Acquisition Cost Limits (effective 9/3/2019)</p>	

Modifications to MassHousing Mortgage Products and OWH

MHM CONV: MassHousing Mortgage Conventional	MIF
<p>MHM CONV is Conventional financing for a home purchase or limited cash out refinance for households with incomes up to 135% AMI. MHM CONV carries Standard level MI Coverage. First Time Homebuyers “FTHBs” may access Down Payment Assistance for properties Statewide up to 100% of AMI, and properties located in Gateway Cities ** and City of Boston up to 135% of AMI. Down Payment Assistance may be used for all eligible property types. There are no MassHousing specific origination documents. MHM CONV carries a Loan Level Price Adjustment “LLPA” based on property type.</p> <p>-MassHousing Product Matrix and Underwriting Criteria -L-102MHM Document Requirements and Instructions (effective 9/3/2019 with req forms) -L-101MHM Income and Loan Limits (effective 9/3/2019)</p>	

MHM FHA: MassHousing Mortgage FHA Insured	FHA
<p>MHM FHA is an FHA insured loan for a home purchase or limited cash out refinance for households with incomes up to 135% AMI. First Time Homebuyers “FTHBs” may access Down Payment Assistance for properties Statewide up to 100% of AMI, and properties located in Gateway Cities ** and City of Boston up to 135% of AMI. There are no MassHousing specific origination documents. MHM FHA carries no Loan Level Price Adjustments “LLPAs”.</p> <p>-MassHousing Product Matrix and Underwriting Criteria -L-102MHM Document Requirements and Instructions (effective 9/3/2019 with req forms) -L-101MHM Income and Loan Limits (effective 9/3/2019)</p>	

MHM No MI: MassHousing Mortgage No MI Conventional
<p>MHM No MI is Conventional financing for a home purchase or limited cash out refinance for households with incomes up to 80% of AMI. First Time Homebuyers “FTHBs” may access Down Payment Assistance for properties Statewide. There are no MassHousing specific origination documents. There are no Loan Level Price Adjustments “LLPAs”.</p> <p>-MassHousing Product Matrix and Underwriting Criteria -L-102MHM Document Requirements and Instructions (effective 9/3/2019 with req forms) -L-101MHM Income and Loan Limits (effective 9/3/2019)</p>

OWH: Operation Welcome Home Conventional	MIF
<p>OWH is Conventional financing for First Time Homebuyer “FTHBs” with household incomes up to 135% of AMI. OWH is only available to active duty military, Veterans who served honorably, Reservists and National Guard, and Gold Star Family members. OWH carries Standard Level MI coverage. Down Payment Assistance is available for all borrowers and all eligible property types. There are no Loan Level Price Adjustments, and MassHousing will provide up to a \$2,500 closing cost credit.</p> <p>-MassHousing Product Matrix and Underwriting Criteria -L-102OWH Document Requirements and Instructions (effective 9/3/2019 with req forms) -L-101MHM Income and Loan Limits (effective 9/3/2019)</p>	

New DPA Terms and Conditions

Down payment assistance will be in the form of a Second Mortgage at a 2% interest rate, fully amortized 15 year-fixed rate, up to 5% of the purchase price or \$15K whichever is less and is due upon sale or refinance of the property. Applies to FTHB's earning up to 100% of AMI for all communities, and borrowers earning up to 135% in Gateway Cities or City of Boston. **** The current down payment assistance will expire with loans locked after August 30, 2019.**

**Gateway Cities = Attleboro, Barnstable, Brockton, Chelsea, Chicopee, Everett, Fall River, Fitchburg, Haverhill, Holyoke, Lawrence, Leominster, Lowell, Lynn, Malden, Methuen, New Bedford, Peabody, Pittsfield, Quincy, Revere, Salem, Springfield, Taunton, Westfield, and Worcester.

City of Boston = Boston including all sections

Underwriting Overlays

We have made a few changes to our credit overlays as noted below. Please see our complete list of overlays by going to our Seller Guide at www.emasshousing.com

- FHA Insured Product (with/without DPA)- Changes to all minimum credit score requirement on 2 to 4 family from 640 to 660
- Conventional Products (with/without DPA) see our new [Product Matrix and Underwriting Criteria](#)

Introduction of LLPA's for Property Type on MHM CONV

MassHousing has found it necessary to institute a LLPA for property type with our MHM CONV mortgage product.

Condominiums LTV > 75.00% LLPA = -75 bps

2-4 Family LLPA = -100 bps

We will replace the Product Descriptions (Section 3.10) and Product Matrix (Section 3.11) and MH Forms L-101, L-102 and B-005 found in our Seller Guide on September 3, 2019. To provide you with a preview of these documents prior to the effective date, please go to www.emasshousing.com

MassHousing understands the amount of work these changes will take, and we are here to support you through the transition. Please contact us at 888-843-6432 option 4, and/or your Relationship Manager or email c6@masshousing.com for assistance.