



# HomeOwnership Announcement

March 30, 2020

## Tax Transcript Temporary Flexibilities

### Tax Transcripts

Effective immediately, MassHousing is providing temporary flexibilities to our requirement for lender obtained tax transcripts for all transactions. We expect lenders to make a best effort to obtain 3 years of tax transcripts for all borrowers in accordance with **Section 3.1** of our Seller Guide. However, we will allow the following flexibilities for loans locked on or after March 11, 2020.

Purchase Transactions	<ul style="list-style-type: none"><li>• Borrower(s) obtained 3 year transcripts or signed 3 years Federal Tax Returns for the preceding 3 years; and</li><li>• Signed 4506-T at closing.</li></ul>
Refinance Transactions	<ul style="list-style-type: none"><li>• Signed 4506-T at closing.</li></ul>

### Purpose of Tax Transcripts

MassHousing's policy regarding the use of the IRS Form 4506-T is to validate FTHB status, borrower income and stability of income for underwriting and QC purposes. The tax transcript examination is to verify if the borrower has not claimed deductions for property taxes or for interest on debt with respect to a principal residence in the past 3 years. In the event that there is more than one borrower on a loan, each borrower must meet the three-year requirement.

MassHousing also encourages lenders to closely review the tax transcripts and all income documentation from all income sources in determination of household income and the borrower's ongoing stable income. Borrowers working in industries impacted the most by the current conditions (e.g. service, travel, etc.) should be given additional scrutiny to determine if this income will continue and at the same or similar levels.





## Completing the 4506-T

It has been our understanding that the IRS is not currently accepting the “new” (June 2019) 4506-T form yet. The new form does not contain space for a third party name and address. The IRS has reverted to the previous 4506-T form (March 2019) that contains the line 5a for the third party name and address. Therefore, Adfitech’s name and address should be included on line 5a on the 4506-T form (March 2019) as follows:

Adfitech c/o Universal Credit Services, 370 Reed Rd, Suite 100, Broomall, PA 19008, RANDAK1968, 800-358-8915

To enroll in our updated training sessions, please see our training calendar on [emasshousing.com](http://emasshousing.com). Please contact us at 888-843-6432 option 4, and/or your Relationship Manager or email [c6@masshousing.com](mailto:c6@masshousing.com) for assistance.



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