



Updated Jan.19, 2021
Updated Dec. 23, 2020

HomeOwnership Announcement

December 15, 2020

This Announcement will cover the following topics:

- **NEW Streamlined Loan Review Process for Affordable Deed Riders**
- **CU Risk Score Reviews on 5's only**
- **MERS DPA Fee**
- **Trailing Doc Follow up Reminder**
- **EXTENSION of GSE and FHA Flexibilities**

NEW Streamlined Loan Review Process:

Effective for applications dated on or after January 4, 2021, MassHousing will be streamlining the review of affordable deed riders, covenants or restrictions along with the elimination of our review of appraisals with CU Risk scores below 5.

Affordable Deed Riders:

MassHousing will no longer review the affordable deed riders, covenants or restrictions associated with loans sold to us. The delegation of the review includes:

- Affordable Deed Riders that match the Universal Deed Rider, version dated September 9, 2019, which may be found on the emasshousing.com website as Form B-010.
- Affordable deed riders, covenants or restrictions that do **not survive a deed in lieu of foreclosure or foreclosure.**

A Lender may request our review of an affordable deed rider, covenant or restriction, which the lender has determined not warrantable to Fannie or Freddie. A request for our review will apply to Conventional mortgage products only and will be treated as an exception. All exception requests may be sent via email to holoanreview@masshousing.com containing the lock number, a copy of a blank Deed Rider, the City/Town where the property is located and the condo project name (if Condo) or street address (if SFR) in your request.

- If the Monitoring Agent confirms that the deed rider has not been modified since the last transaction, then the recorded deed rider may be submitted for review.



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Lenders must follow the requirements of Fannie, Freddie or FHA for Deed Restricted properties, depending on which AUS was used to underwrite the loan. Lenders must have an internal process for the review and approval of all affordable deed riders, covenants or restrictions, and utilize appraisers with experience in appraising properties with affordable restrictions.

Lenders may review our updated guidelines in [Section 3.8.6](#) of our Seller Guide as well as our [Instructional Video](#) on Deed Riders under Lender Resources and Information on emasshousing.com. Additional resources include:

- Fannie Mae [B5-5.2-03](#) Loans with Resale Restrictions
- Freddie Mac [4201.17](#) Purchase Requirements for Mortgages Secured by Properties with Resale Restrictions
- FHA [Chapter 4 Section B](#) Property Ownership Requirements and Restrictions

Collateral Underwriter (CU) Risk Score Reviews:

MassHousing will no longer require our prior review of appraisals with CU risk scores below 5. Lenders must continue to review the UCDP messages and address any material warnings with the appraiser.

All loans with CU risk score of 5 will continue to receive a “Refer” recommendation in emasshousing.com and will continue to be reviewed pre-closing by MassHousing. Lenders shall submit a copy of the appraisal and the Fannie/Freddie UCDP findings to holoanreview@masshousing.com for our approval. Please review our updated guideline specifics in [Section 3.8.2](#) of our Seller Guide.

MERS DPA Fee:

For applications taken on or after January 4, 2021, MassHousing will reimburse lenders the \$11.95 MERS fee on all DPA mortgages. This fee will be included in the wire at funding. This is strictly for DPA second mortgages only. The fee does not cover the MERS fee for the first mortgage.





TRAILING DOC Follow Up Reminder:

Lenders are **reminded** to comply with our trailing document requirements found in [Section 8 of our Seller Guide](#). While MassHousing does allow for the purchase of loans with missing trailing documents, it is critical for our lenders to deliver all trailing documents to MetaSource 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 the trailing documents have been outstanding for more than 90 days from the purchase date, MassHousing will;

- Assess the lender a fee of \$75, per trailing document and the actual recovery cost and recording costs, if any
- Maintain the right to mandate repurchase of any mortgage loan that is not complete within the stated timeframe.

MassHousing will bill lenders quarterly in arrears for outstanding final documents. All final documents should be mailed to MetaSource's address listed in the [Quick Reference Guide](#).

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





EXTENSION of GSE and FHA Flexibilities:

The COVID-19 temporary flexibilities announced by the GSEs and FHA are due to expire for applications dated after February 28, 2021. The extension of these flexibilities was previously outlined in our [Announcement 2020.15](#) and will be updated to reflect the new expiration dates.

Should you have any questions, please contact us at 888-843-6432 option 4 or email homeownership@masshousing.com.



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