



HomeOwnership Announcement

May 19, 2021

Tax Transcripts

This is a reminder of [Announcement 2020.15](#), in which MassHousing expired the flexibility to allow the use of alternative documentation in lieu of tax transcripts:

- Lenders must process the IRS Form 4506-C and **obtain tax transcripts for the three years preceding the closing date on all MassHousing loans (Conventional and FHA). Tax transcripts for the 2020 filing year must be provided with all loan applications on or after June 17, 2021.** Please note: Tax transcripts must be provided unless the file contains evidence an extension was filed along with a copy of the IRS notice for 2020 showing “no record of return filed”. In the event that there is more than one borrower on a loan, each borrower must meet the three-year requirement.
- MassHousing’s policy regarding the use of the IRS Form 4506-C 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 (as referenced in [Seller Guide Section 3.1.6](#)).
- 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.

Please contact us at 888- 843-6432 option 1, 4, email homeownership@masshousing.com or contact your Relationship Manager for assistance.

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