



HomeOwnership Announcement

July 15, 2021

Correction to Reimbursement Policy for lender paid Upfront MIP on the WFA 2.0 FHA Product

Please note this Announcement serves as a correction to MassHousing's UFMIP Reimbursement Policy outlined in [Announcement 2021.09](#) released on June 29th.

The “*NOTE:” paragraph is hereby replaced with the following:

*NOTE: In our opinion, the lender credit is best disclosed by listing the cost of the UFMIP as a line item in Section B on Page 2 of the CD and including the amount in the “Paid by Others” column.

Please check with your compliance department for further guidance.

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



ANN 2021.10

NEW WFA 2.0 FHA with DPA			
WFA 2.0 FHA offers an affordable first mortgage with a required DPA Second Mortgage*			
Transaction Type	Purchase		
Occupancy	Owner Occupied/Primary Residence for the Life of the Mortgage		
Income/Loan Limit	Household Income Limit/Lesser of FHA or Conventional Loan Limits - see Form L-101WFA2.0		
Eligible Borrower	First Time Homebuyers ONLY		
LLPA	N/A		
Mortgage Insurance	<p>MassHousing to reimburse for lender paid Upfront MIP NOTE: <u>In our opinion, the lender credit is best disclosed by listing the cost of the UFMIP as a line item in Section B on Page 2 of the CD and including the amount in the "Paid by Others" column.</u></p> <p><u>Please check with your compliance department for further guidance.</u></p>		
Property Type	1 Unit (SF/Condo/PUD) and 2 Unit		
Maximum LTV/CLTV	96.5%/105%		
Underwriting with <u>required</u> DPA <u>1 Unit</u> <u>2 Unit</u>	LTV	Credit	DTI
	96.5%	660	45%
	96.5%	680	45%
AUS Findings	Approve/Eligible & Eligible/Accept		
Borrower Contribution	Follow FHA Requirements		
Eligible Cites/Towns	Statewide		
Feature Codes	<ul style="list-style-type: none"> • DO®/DU® – Loan Type: FHA • LPA® - Loan Type: FHA 		
Homebuyer Counseling	Homebuyer Education must be completed with a MassHousing approved Counseling Agency . Landlord Counseling on 2 Unit properties by a MassHousing approved Agency		
Specific Origination Documents Required			
Subject to Household Income and Acquisition Cost Limits			

***DPA Second Mortgage**

Loan Amount

- Statewide – 5% of the sales price or \$15k, whichever is less.
- Gateway Cities and City of Boston – 5% of the sales price or \$25k, whichever is less.

DPA Terms

- **0% deferred mortgage** amortized for 30 years – due upon Sale, Refinance or Payoff of the First Mortgage.
- DPA is required when utilizing WFA 2.0 FHA.