



HomeOwnership Announcement

April 28, 2020

Early Payment Default Due to COVID-19

MassHousing recognizes the impact of COVID-19 on stability of income and the borrower's ability to repay. While Lenders have put in place additional due diligence, the mortgage industry is experiencing an increase in loans going into forbearance after loan closing. Due to this unique challenge, we have received numerous inquiries on purchasing of loans in forbearance, and our Early Payment Default provisions.

MassHousing considers loans in forbearance not current and are not eligible for purchase. After loan purchase, we consider a loan to be an Early Payment Default when any of the first four (4) Monthly Payments due to MassHousing from the borrower becomes ninety (90) days or more delinquent.

Due to Lender concerns of originating loans during this unprecedented time of COVID-19, MassHousing will **not** consider a loan that enters into forbearance **after** loan purchase, in which the borrower states the reason for forbearance is due to COVID-19, as an Early Payment Default when the Lender satisfies the following requirements:

- A verbal verification of employment (VVOE) no later than two days prior to closing in addition to documentation of employment income (e.g., most current pay stub and/or bank statement reflecting income) in accordance with GSE requirements;





- A Borrower(s) attestation signed at loan closing stating that COVID-19 has not impacted the employment status of the borrower(s) and/or the ability to make a mortgage loan payment in accordance with the Note. Lenders should utilize a Borrower COVID-19 Certification developed by the Lender's legal department that meets the intent noted above;
- A complete loan package uploaded to Metaworx within five (5) business days of the closing date of the mortgage loan; and
- The Lender submits all pre-purchase discrepancies within five (5) business days of the initial discrepancy report issued by MetaSource, which the submission satisfies all noted loan defect(s).

Please note that Lenders continue to be responsible for all remaining representations and warranties to MassHousing as described in our Master Purchase Agreement and Seller Guide. So, we encourage our Lenders to apply these requirements immediately.

MassHousing will continue to monitor market conditions and will communicate any future changes to the terms of this Announcement. Please contact us at 888-843-6432 option 4, and/or your Relationship Manager or email c6@masshousing.com for assistance.

