



HomeOwnership Announcement

September 3, 2020

Update on Temporary Flexibilities

Temporary Flexibilities availed by the GSEs and FHA

The COVID-19 flexibilities announced by the GSEs and FHA are due to expire for applications dated after September 30, 2020 and October 31, 2020 respectively. Lenders are encouraged to review the following announcements for the understanding of the availed flexibilities:

- [Fannie Mae LL 2020- 03/04](#) updated August 27, 2020;
- [Freddie Mac Bulletin 2020-27](#) dated July 9, 2020;
- [Freddie Mac Bulletin 2020-35](#) dated August 27, 2020;
- [FHFA News Release](#) dated August 25, 2020; and
- [FHA Mortgage Letter 2020-28](#) dated August 28, 2020.

The expiring temporary flexibilities that MassHousing aligned with include:

- Age of documentation; modifying the age of document requirements from 4 months to 2 months for most income and asset documentation announced in LL-2020-03
- Market-based assets; updating policies for use of stocks, stock options, and mutual funds for down payment, closing cost costs, and reserves
- Appraisal flexibilities; Alternatives to traditional property appraisals and interior inspections like exterior-only and desktop appraisals
- Condominium Project flexibilities; Appraisal flexibilities for condominium projects including the expansion of project eligibility waiver and project documentation





Lenders should note that MassHousing did not adopt the Power of Attorney flexibilities. Lenders should continue to follow our guidelines in Section 3.3.7 of our Seller Guide: The use of Power of Attorney is only allowed if the borrower is fulfilling a military obligation.

Expiration of the Temporary Flexibilities availed by MassHousing

Tax Transcripts:

- MassHousing will expire the flexibility to allow the use of alternative documentation in lieu of tax transcripts on September 30, 2020. The detail of this flexibility may be found in MassHousing Announcement 2020.05.

Extension of MassHousing's Temporary Overlays

Property Inspection Waivers:

- Until further notice, MassHousing will continue to allow for Property Inspection Waivers in accordance with GSE guidelines.

Verbal Verification of Employment:

- Until further notice, MassHousing will continue to enforce our temporary overlay on Conventional and FHA loans for the completion of a Verbal Verification of Employment within two (2) business days preceding the Note Date. Lenders are also to continue to verify that self-employed borrowers are operating and generating revenue within (5) business days of closing. (Announcement 2020.07).

With the fluidity of issues surrounding COVID-19, our Announcements will be updated as needed to communicate further instructions. Please contact us at 888- 843-6432 option 4, email homeownership@masshousing.com or contact your Relationship Manager for assistance.

