



MASSHousing PROGRAM FAQs

Please see the following questions raised by MassHousing Lenders and our responses. If you have further questions after review of this document, please send inquiries to: C6@masshousing.com.

Employment:

Q1: *My borrower(s) is employed in the service, entertainment, or other highly impacted industry, how should I qualify my borrower?*

A1: The Lender is responsible for ensuring the borrower is accurately qualified. If the borrower's income has been adversely impacted, then the stability of the income may be in question and may render the income ineligible for qualification.

Q2: *Does MassHousing have an overlay for the Verbal Verification of Employment (VVOE)?*

A2: Yes; Effective for all loans closed after April 13, 2020, a VVOE must be completed 2 business days preceding the Note Date. Lenders are to verify that self-employed borrowers are operating and generating revenue within 5 business days of closing. Please see [Announcement 2020.07](#) for additional detail on our temporary overlays related to employment.



Q3: I am having difficulty in obtaining a VVOE. Will MassHousing be waiving VVOE requirements?

A3: No; MassHousing is aligning with most of the temporary flexibility that Fannie Mae and Freddie Mac announced in Fannie Mae's [LL-2020-03](#) and [LL-2020-04](#) and Freddie Mac's [Bulletin 2020-5](#). In addition to the GSE's temporary flexibilities, we have our own temporary overlays as outlined in [Announcement 2020.07](#).

E-notaries and Recordings:

Q4: Will MassHousing accept e-notaries or remote online notaries (RON) or other distance notarizations?

A4: Yes; Lender must comply with State and GSE guidelines.

Q5: What happens if the recorder's office is closed? Will MassHousing accept title gap insurance?

A5: MassHousing follows Fannie Mae/Freddie Mac and FHA guidelines. We will accept a loan in which the lender has gap insurance, but we will not fund until the mortgage is on record and verified to be in first lien position (DPA 2nd). Our Reps and Warranties require clear title. Gap insurance is not a substitute for actual recording of the mortgage.

Appraisals:

Q6: Will MassHousing be revising appraisal requirements? My borrower doesn't want to let in a stranger to their house.

A6: Yes; MassHousing is following the appraisal requirements per the GSE. On conventional loans, Lenders may want to review for eligibility under the appraisal waiver offers from Fannie Mae and Freddie Mac, or the additional appraisal flexibilities announced in our [Announcement 2020.04](#). Eligibility requirements can be found In Fannie Mae's Selling Guide B4-1.4-10 and Freddie Mac's Selling Guide 5601.9. MassHousing is following the appraisal requirements

per FHA. Please see [FHA ML 2020-05 | Policy Updates](#) regarding appraisal requirements for FHA loans.

Q7: My appraisal was done “subject to” and the appraiser is refusing to complete an inspection. What will MassHousing accept?

A7: MassHousing is aligning with the temporary flexibility that Fannie Mae and Freddie Mac announced in Fannie Mae’s [LL-2020-03](#) and [LL-2020-04](#) and Freddie Mac’s [Bulletin 2020-5](#). Please see [FHA ML 2020-05 | Policy Updates](#) regarding appraisal requirements for FHA loans.

Q8: Can an exterior only Limited Appraisal (Form 2055) be utilized in lieu of a full appraisal?

A8: MassHousing follows the applicable GSE or FHA guideline and their temporary flexibility as it relates to Covid-19.

Q9: Are Property Inspection Waivers allowed – with DPA?

A9: Yes, must be on the AUS findings.

Q10: Will you see the exterior appraisal recommendation on your AUS findings?

A10: No, DU or LPA will not be updating their messages at this time to reflect any of these recent changes on their findings.

Condominiums:

Q11: Is MassHousing aligning with the updates released by Fannie Mae in **the LL-2020-04** revised Lender Letter and Freddie Mac **Bulletin 2020-11**?

A11: Yes, except for the updates related to Remote Online Notarization.

MassHousing is not accepting Remote Online Notarizations. Please see our [Announcement 2020.08](#) for additional details on our alignment with the GSE’s flexibilities on condominium project eligibility waivers, project documentation and budget requirements.

Tax Transcripts:

Q12: Will MassHousing be adjusting the tax transcript policy during this period?

A12: Yes, MassHousing introduced some temporary flexibilities presented in [Announcement 2020.05](#). The temporary flexibilities are introduced due to the inability to obtain tax transcripts from the IRS at this current time and are subject to change as their operational capacities improve.

Q13: How does the TAX FILING / PAYMENT DEADLINE EXTENSION effect MassHousing loans?

A13: The IRS moved the national income tax filing day ahead to July 15, three months after the normal deadline for Americans to send in their returns. All taxpayers and businesses will have this additional time to file and make payments without interest or penalties.

Q14: What is the Impact of the Tax Filing and Payment deadline extension on your underwriting guidelines?

A14: Underwriters will need to carefully review each situation and require documentation as appropriate. In general, this should be treated as a valid filing of an extension and individual program guidelines adhered to.

Smoke Detector Inspections

Q15: Will MassHousing be requiring any post closing conditions regarding smoke detector inspections?

A15: No; MassHousing will not be requiring any post closing conditions while the Governors temporary conditional deferral is in place.

MassHousing Mortgage Products:

Q16: Is MassHousing temporarily expiring their DPA on all products?

A16: No; MassHousing has temporarily suspended DPA on all FHA insured loan products: FTHB FHA, WFA FTHB FHA and MHM FHA. However, we continue to offer DPA on our Conventional Products.

Q17: Is MassHousing still offering an FHA product?

A17: Yes, the MHM FHA

Q18: Are you allowing Streamlined Refinances?

A18: No; MassHousing is not allowing for Streamlined Refinances currently.

Forbearance

Q19: Will MassHousing purchase loans in forbearance or for which forbearance has been requested?

A19: No; Any loan in forbearance or for which forbearance has been requested is not eligible for purchase by MassHousing.

Q20: Does MassHousing consider a loan in forbearance after loan purchase an Early Payment Default?

A20: Not if the loan satisfies certain requirements. As outlined in [Announcement 2020.09](#), MassHousing will not consider a loan that enters 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).

Lock Desk

Q21: Will MassHousing be adjusting their extension policies?

A21: No; MassHousing will maintain its current pricing and extension policies.

Q22: What if a property falls through after locked?

A22: MassHousing requires lenders to withdraw any locks as soon as the lender has knowledge the borrower is not proceeding with the property.

Q23: Outside of CU risk scores greater than or equal to 4.0, what other types of risk characteristics are reasons for locks being referred on emasshousing.com?

A23: Please see our [Lender Aid](#) that describes the other reasons for "Refers" as well as required documentation for submission to MassHousing.

Additional FAQ's

Fannie Mae-

[https://singlefamily.fanniemae.com/search#q=covid-19%20faq&sort=relevancy&f:@tags=\[single%20family\]](https://singlefamily.fanniemae.com/search#q=covid-19%20faq&sort=relevancy&f:@tags=[single%20family])

Freddie Mac-

<https://sf.freddiemac.com/faqs/covid-19-selling-related-frequently-asked-questions>

FHA-

<https://www.hud.gov/FHAFAQ>