



# HomeOwnership Announcement

February 14th, 2024 - ANN 2024.2

## **NEW** Down Payment Assistance, Product Updates, and Documents

Just in time for the Spring market, MassHousing is making available 3 new 1<sup>st</sup> mortgage products and 2 new down payment assistance products effective for registrations on or after March 18<sup>th</sup>, 2024.

- Expanding on WFA 3.0, the new [WFA 4.0](#) (Conventional and FHA) will replace the existing WFA 3.0 with added property types and higher LTV.
- The reintroduction of our [FTHB FHA](#) product that will feature DPA for eligible borrowers. Please note MassHousing will no longer offer [FHA 30-year](#) product on or after March 18<sup>th</sup>, 2024.
- New DPA products with [WFA 4.0 Deferred](#) and [DPA 2% Amortized](#) will feature a fixed dollar amount of **\$30,000 and \$25,000** respectively. The new DPA products are a fixed amount and no longer based on a percentage of the purchase price (*please refer to matrices below*).

**The fixed DPA dollar amount must be taken in FULL and may be used for the following expenses:**

- Down payment assistance
- Closing costs to include any fees customary paid by the borrower(s) associated with the real estate and/or Mortgage transaction including, but not limited to, the following:
  - Origination charges, and discount points\*\*
  - Appraisal and credit report fees,
  - Prepays/escrows,
  - Legal services,
  - Settlement or escrow services,
  - Survey,
  - Title insurance,
  - Transfer taxes and tax stamps
  - Prepayment of borrower paid single MI premium (refundable) or FHA's Upfront MIP.
  - Discount points with evidence of a commensurate reduction in interest rate\*\*.

*\* MASSHOUSING will not purchase or fund any loan which is determined to be a higher-priced mortgage loan ("HPML") or a high-cost mortgage ("HCM"). MASSHOUSING will not grant exceptions to this policy regardless of type of loan (e.g., Conventional, FHA)*

*\*\*All charges and fees assessed by the LENDER to the HOMEBUYER must be reasonable, usual, and customary. The maximum amount of origination charges that can be paid by the HOMEBUYER under all MassHousing mortgage programs are two points, which includes discount points and any application/processing/underwriting fees assessed by the LENDER.*

*For additional guidance please refer to section [5.4: QM Requirements of our Seller Guide](#).*

## New DPA Terms

<b>WFA 4.0 DPA Deferred 30 Year Fixed - 4005</b> <b>DPA is offered to FTHB's, purchasing a 1 Unit (SF/Condo/PUD) or 2-4 Unit properties in Massachusetts.</b>	
<b>Transaction Type</b>	Purchase
<b>Eligible Borrower</b>	First Time Homebuyers ONLY <ul style="list-style-type: none"> <li>• Must meet Household Income, and Acquisition Cost limit for eligible 1st mortgage product</li> </ul>
<b>Property Type</b>	<b>1-4 Unit/Condo/PUD</b>
<b>DPA Features</b>	<p><b>Loan Amount Statewide: Fixed \$30,000</b></p> <p><b>Property Location:</b> <i>Available in all cities/towns of the Commonwealth</i></p> <p><b>Terms:</b> Second Mortgage which is <b>0% deferred</b> and due upon Sale, Refinance or Payoff of the First Mortgage. (amortization 360 months)</p> <p style="text-align: center;"><i>Please note MassHousing will not subordinate the DPA mortgage.</i></p>
<b>Eligible 1<sup>st</sup> Mortgage Product Pairings</b>	<b>1006,2006,3005</b>

<b>DPA 2% 15 Year Amortized - 4004</b> <b>DPA is offered to FTHB's, purchasing a 1 Unit (SF/Condo/PUD) or 2-4 Unit properties in Massachusetts.</b>	
<b>Transaction Type</b>	Purchase
<b>Eligible Borrower</b>	First Time Homebuyers ONLY <ul style="list-style-type: none"> <li>• Must meet Income and Acquisition Cost Limit for eligible 1st mortgage product</li> </ul>
<b>Property Type</b>	<b>1-4 Unit/Condo/PUD</b>
<b>DPA Features</b>	<p><b>Loan Amount: Statewide – Fixed \$25,000</b></p> <p><b>Property Location:</b> <i>Available in all cities/towns of the Commonwealth</i></p> <p><b>Terms:</b> Second Mortgage at a <b>2% interest rate</b>, fully amortized <b>15 year-fixed rate</b> and is due upon sale or refinance of the property.</p> <p style="text-align: center;"><i>Please note MassHousing will not subordinate the DPA mortgage.</i></p>
<b>Eligible 1st Mortgage Product Pairings</b>	<b>1004,2004,3004</b>  <b>1001,2001,1002,2002 ONLY available in Gateway Communities, City of Boston including all sections, Framingham, and Randolph.</b>

# Summary of Product Changes

Below is a summary of the **notable product changes** as of **March 18, 2024**.  
Please refer to the [Product Matrix](#) for full product details.

## WFA 4.0

Current	NEW as of March 18th
Product Code: 1005,2005	Product Code: 1006, 2006
Eligible Property Type: 1-2 Unit Condo/PUD	Eligible Property type: <b>1-4 Unit, Condo/PUD</b>
Max LTV: 95% Single/Condo	Max LTV: <b>97% Single/Condo</b>
DPA: Based off 10% of purchase price	DPA \$ Amount: (Fixed 30k) STATEWIDE
Property location determined DPA \$ amount	Property location does not determine DPA \$ amount
MassHousing certified income	Lender responsible for income certification

## FHA WFA 4.0

Current	NEW as of March 18th
Product Code: 3003	Product Code: 3005
Property Type: 1-2 Unit Condo/PUD	Property Type: <b>1-4 Unit Condo/PUD</b>
DPA: Based off 10% of purchase price	DPA: (Fixed 30k) STATEWIDE
DPA \$: 50K, or 30k based on location	Property location does not determine DPA \$ amount
MassHousing paid for UFMIP	<b>MassHousing will no longer cover the cost of UFMIP</b>
MassHousing certified income	Lender responsible for Income Certification

## FTHB CONV

Current	NEW as of March 18th
DPA Product Code: 4001	DPA Product Code: 4004
DPA: Based off 5% of purchase price	DPA: <b>(Fixed 25k) STATEWIDE</b>
Income Certification not required	Lender responsible for Income Certification

## FTHB FHA (NEW PRODUCT please refer to [MATRIX](#))

NEW as of March 18th
Product Code: 3004
DPA: <b>(Fixed 25k) STATEWIDE</b>
Lender responsible for Income Certification

## FNMA HFA Preferred and FHLMC HFA Advantage Up To 80% AMI

Current	NEW as of March 18th
DPA Product Code: 4001	DPA Product Code: 4004
DPA: Based off 5% of purchase price	DPA: <b>(Fixed 25k)</b>
DPA: Available Statewide	Available in Gateway Communities, City of Boston, Framingham, and Randolph. <b>NOT AVAILABLE STATEWIDE.</b>
Income Certification not required	Lender responsible for Income Certification

**FNMA HFA Preferred and FHLMC HFA Advantage Above 80% AMI**

Current	NEW as of March 18th
DPA Product Code: 4001	DPA Product Code: 4004
DPA: Based off 5% of purchase price	DPA: <b>(Fixed 25k)</b>
Income Certification not required	Lender responsible for Income Certification

**FHA 30 Yr.**

- **FHA 30 Yr. will be discontinued, and no longer offered on or after March 18, 2024.**

## Updated DPA Document Sets

Doc sets for DPA Product Codes 4004 and 4005 have been created to reflect the new DPA Product changes.

Please note we will now utilize the Freddie Mac/Fannie Mae Standardized Subordinate Mortgage and Note for all DPA Products. Freddie Mac/Fannie Mae Form 3295: Multistate Subordinate Standardized Amortizing Note now replaces the B-006DPA MH Form (Note).

These documents will be available on [emasshousing.com](https://emasshousing.com) on **March 18, 2024**. You can access these documents now by clicking on the links below.



<p><b>DPA*</b> <i>DPA Product Code: 4004</i></p> <p><b>Borrower Forms</b>  <a href="#">Freddie Mac/Fannie Mae Form 3800.22:</a>                      Standardized Subordinate Security Instrument  <b>10/2021 (rev. 10/23)</b>  <a href="#">Freddie Mac/Fannie Mae Form 3295:</a>                      Multistate Subordinate Standardized Amortizing                      Note <b>10/2021 (rev. 10/23)</b> <b>(Replacing MH Form B-006DPA)</b></p> <p><b>Lender Forms</b>  <b>Down Payment Assistance (DPA) <a href="#">Instructions</a></b>                      (rev. 3/18/24)  <a href="#">L-101HFA Advantage/HFA Preferred</a> Income                      Limits: <a href="#">Word</a>   <a href="#">PDF</a>  <a href="#">L-101FTHB</a> Income Limits: <a href="#">Word</a>   <a href="#">PDF</a>  <a href="#">L-103</a> Notice of Servicing Transfer</p> <p><b>Eligible 1st Mortgage Product</b>  <b>Pairing:</b> 1001FTHB,1002FTHB,1004, 2004,                      2001FTHB, 2002FTHB, 1001FTHBREHAB,                      1002FTHBREHAB, 1004REHAB, 2001FTHBREHAB,                      2002FTHBREHAB, 2004REHAB, 3004FTHB</p> <p><i>*(including rehab)</i></p>	<p><b>WFA DPA (including FHA)</b> <i>DPA Product Code: 4005</i></p> <p><b>Borrower Forms</b>  <a href="#">Freddie Mac/Fannie Mae Form 3800.22:</a>                      Standardized Subordinate Security Instrument  <b>10/2021 (rev. 10/23)</b>  <a href="#">Freddie Mac/Fannie Mae Form 3297:</a> Multistate                      Subordinate Standardized Deferred Payment Note                      (Simple Interest - Zero) <b>10/2021 (rev. 10/23)</b>  <b>B-008WFA</b> DPA Mortgage Repayment Terms (rev.  <b>3/18/24)</b>  <b>B-009WFA</b> DPA Truth in Lending (an LE/CD can be                      used in lieu of) (rev. 3/18/24)</p> <p><b>Lender Forms</b>  <b>WFA/WFA FHA DPA <a href="#">Instructions</a></b> (rev. 3/18/24)  <a href="#">L-101 WFA &amp; WFA/FHA</a> Income Limits: <a href="#">Microsoft</a>  <a href="#">Word</a>   <a href="#">PDF</a>  <a href="#">L-103</a> Notice of Servicing Transfer</p> <p><b>Eligible 1st Mortgage Product Pairing:</b> 1006, 2006,                      3005</p>
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## Upcoming Trainings on New Products

- **Register here for Training:** <https://www.masshousing.com/home-ownership/lender-training>

Please contact us at 888- 843-6432 option 1, 4, email [homeownership@masshousing.com](mailto:homeownership@masshousing.com) or contact your Relationship manager for assistance.