



HomeOwnership Announcement

February 23, 2023

Accessory Dwelling Units (ADU's)

As a follow up to our [Announcement 2022.11](#), MassHousing has reviewed FreddieMac's [Bulletin 2022-11](#). We are now allowing ADU's on the following products:

Conventional

- Product 1002- FNMA HFA Preferred above 80
- Product 2002- FHLMC HFA Advantage above 80
- Product 1001- FNMA HFA Preferred up to 80
- Product 2001- FHLMC HFA Advantage up to 80

Underwriting Considerations for ADU's:

- **# Of Units:** FHLMC allows for one ADU on 2- and 3-unit properties, while FNMA only allows ADU's on 1-unit dwellings.
- **Rental income:** generated from an ADU on a subject 1-unit Primary Residence to be considered when qualifying a borrower for a purchase or a "no cash-out" refinance, provided the requirements in FHLMC's Selling Guide are met. FNMA requirements however state that a borrower must qualify for the mortgage without considering any rental income from the ADU.

Government

- Product 3003 – FHA
(FHA Single Family Housing Policy Handbook 4000.1 must be followed)

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

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