

HomeOwnership Announcement

July 15, 2021

Correction to Reimbursement Policy for lender paid Upfront MIP on the WFA 2.0 FHA Product

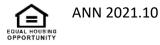
Please note this Announcement serves as a correction to MassHousing's UFMIP Reimbursement Policy outlined in <u>Announcement 2021.09</u> released on June 29th.

The "*NOTE:" paragraph is hereby replaced with the following:

*NOTE: In our opinion, the lender credit is best disclosed by listing the cost of the UFMIP as a line item in Section B on Page 2 of the CD and including the amount in the "Paid by Others" column.

Please check with your compliance department for further guidance.

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



NEW WFA 2.0 FHA with DPA			
WFA 2.0 FHA offers an affordable first mortgage with a required DPA Second Mortgage*			
Transaction Type	Purchase		
Occupancy	Owner Occupied/Primary Residence for the Life of the Mortgage		
Income/Loan Limit	Household Income Limit/Lesser of FHA or Conventional Loan Limits		
	- see <u>Form L-101WFA2.0</u>		
Eligible Borrower	First Time Homebuyers ONLY		
LLPA	N/A		
Mortgage Insurance	MassHousing to reimburse for lender paid Upfront MIP NOTE: In our opinion, the lender credit is best disclosed by listing the cost of the		
	UFMIP as a line item in Section B on Page 2 of the CD and including the amount		
	in the "Paid by Others" column.		
	Please check with your compliance department for further guidance.		
Property Type	1 Unit (SF/Condo/PUD) and 2 Unit		
Maximum LTV/CLTV	96.5%/105%		
Underwriting with	LTV	Credit	DTI
required DPA	0.0 50/	660	450/
<u>1 Unit</u>	96.5%	660	45%
<u>2 Unit</u>	96.5%	680	45%
AUS Findings	Approve/Eligible & Eligible/Accept		
Borrower Contribution	Follow FHA Requirements		
Eligible Cites/Towns	Statewide		
Feature Codes	DO [®] /DU [®] – Loan Type: FHA		
	LPA [®] - Loan Type: FHA		
Homebuyer	Homebuyer Education <u>must</u> be completed with a <u>MassHousing approved</u>		
Counseling	<u>Counseling Agency</u> . Landlord Counseling on 2 Unit properties by a MassHousing approved Agency		
Specific Origination Documents Required			
	Subject to <u>Household Inc</u>	come and Acquisition Cost Li	<u>mits</u>

*DPA Second Mortgage

Loan Amount

- Statewide 5% of the sales price or \$15k, whichever is less.
- Gateway Cities and City of Boston 5% of the sales price or \$25k, whichever is less.

DPA Terms

- **0% deferred mortgage** amortized for 30 years due upon Sale, Refinance or Payoff of the First Mortgage.
- DPA is required when utilizing WFA 2.0 FHA.