



HomeOwnership Announcement

COMING IN OCTOBER

August 16, 2022

HomeOwnership MassDREAMS Grant (Delivering Real Equity And Mortgage Stability)

Coming in October, MassHousing will fund MassDREAMS grants to eligible first-time homebuyers who currently reside in a Disproportionately Impacted Community for the purchase of a primary residence anywhere in the Commonwealth of Massachusetts. The purpose of the MassDREAMS grant is to provide expanded down payment assistance, as well as other support, for people and places that have been disproportionately impacted by COVID-19.

MassDREAMS grants will be a forgivable grant up to \$50,000 to cover the cost of a 5% down payment and closing costs customarily paid by the borrower(s) associated with the mortgage transaction. Since this is a grant, it will not be included in the CLTV. MassHousing will make available the funds from the grant for the loan closing.

For additional information on the MassDREAMS grant, Lenders may navigate to a specific eligibility requirement below:

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Borrower Eligibility Requirements

- Residents of Disproportionately Impacted Communities with a borrower annualized income not to exceed 135% of AMI of the subject property.
- All borrower(s) must be first-time homebuyers.
- Borrower(s) must occupy the property as their primary residence.
- Borrower(s) must be receiving a MassHousing first mortgage in conjunction with the MassDREAMS grant. Qualified borrowers may also receive additional DPA assistance from other MassHousing products. (The eligibility for a MassDREAMS grant does not supersede the requirements of the first or other DPA provided by MassHousing.)

Disproportionately Impacted Communities

The Massachusetts Executive Office for Administration and Finance determined the following communities as a Disproportionately Impacted Community: Attleboro, Barnstable, Boston, Brockton, Chelsea, Chicopee, Everett, Fall River, Fitchburg, Framingham, Haverhill, Holyoke, Lawrence, Leominster, Lowell, Lynn, Malden, Methuen, New Bedford, Peabody, Pittsfield, Quincy, Randolph, Revere, Salem, Springfield, Taunton, Westfield, and Worcester.

Eligible Property Types

Condominiums or 1-4-family homes located anywhere in the Commonwealth of Massachusetts.

Eligible Uses of Funds

Subject to the maximum assistance noted below, funding may be used in the following ways, aimed at improving the ability of potential borrowers to qualify for a mortgage:

1. Down payment assistance for up to 5% of the purchase price or appraised value, whichever is less, of the home.
2. Remaining funds, up to the maximum assistance level, may be used for the following expenses:
 - 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
 - Appraisal and credit report fees
 - Prepaids/Escrows
 - Legal services, settlement or escrow services, survey, title insurance, transfer taxes and tax stamps
 - Prepayment of Mortgage Insurance premiums
 - Discount points with evidence of a commensurate reduction in interest rate
 - Prepayment of Mortgage Insurance single premiums or Upfront FHA MIP

Maximum Assistance

Borrower(s) may receive up to:

- Up to \$50,000 if their annualized income is at or below 100% AMI
- Up to \$35,000 if their annualized income is greater than 100% up to 135% AMI

An additional announcement, with program and policy details will be coming out shortly.