



Federal Government Shutdown

MassHousing is conducting business as usual while determining how the Federal Government shutdown may impact our business.

It is imperative for all of us to stay up to date with **GSE/FHA** bulletins and announcements throughout this process.

Please refer to recent Announcements below:

- [FNMA Lender Letter LL-2025-03 Impact of Federal Government Shutdown](#)
- [FHLMC Bulletin 2025-E](#)
- [MBA Government Shutdown Implications for the Mortgage Industry](#)

At this time, we would like to provide you with additional guidance for the potential impact. All loans must meet our requirements as outlined in our [Seller Guide](#) without exception unless noted below or in future Announcements.

FAQs

Please utilize these frequently asked questions for guidance during this time.

Q. What will be the possible impact of the shutdown on Participating Lenders?

A. Possible impacts will be:

- Obtaining 4506C transcripts from the IRS.
- Obtaining Verbal Verification of Employment (VVOE) for government employees and contractors.
- Obtaining Social Security Number (SSN) validations from the Social Security Administration.
- Obtaining a Standard Flood Insurance Policy guaranteed by the National Flood Insurance Policy (NFIP).

Q. What should I do for loans in process which require a processed 4506C?

A. MassHousing expects lenders to make a best effort to obtain 3 years of tax transcripts for all borrowers in accordance with Section 3.1 of our Seller Guide.

If you're unable to obtain tax transcripts due to the Government shut down, lenders may utilize the following flexibility during this period:

- Borrower(s) obtained 3 year transcripts or signed 3 years Federal Tax Returns for the preceding 3 years;
- Signed 4506-T at closing along with notice of "*no record found*".

Q. What should I do for loans in process which require SSN validations from the Social Security Administration?

A. The Social Security Administration may not be available to complete SSN validations. MassHousing will not purchase loans that require SSN validation where lenders are not able to obtain validation.

Q. How should I handle obtaining a VVOE for federal employees?

A. MassHousing will not purchase a loan without a VVOE for furloughed government employees and direct government contractors.

Q. How are Government Loans impacted?

A. MassHousing will continue to purchase FHA loans during this temporary government shutdown. FHA has advised that there may be delays in response times; however, FHA connection is operational and assigning Case numbers.

Q. What about flood insurance?

A. Funding for the National Flood Insurance Program (NFIP) could also be impacted. If a loan is in a Special Flood Hazard Area (SFHA), it cannot be purchased until adequate flood insurance is submitted. Borrowers have the option to purchase flood insurance on the private market, and this is an acceptable alternative to an NFIP policy, as long as the policy presented meets the standard criteria set forth in the guide.

Questions

Please email Richard Petisce: rpetisce@masshousing.com, with the subject line **Fed Gov Shutdown FAQs** with your questions regarding the Federal Government shutdown and how it affects your origination of a MassHousing loan.

As always, we are here to help you, and value our partnership and your business.