

# Closing & Post-Closing MassHousing Overview



# Agenda

**Today we will be covering Closing, Post-Closing and best practices of MassHousing Loans. We will cover those items that should be reviewed prior to closing through post-closing including MetaSource.**



The Closing (slides 1-11)



Post-Closing (starts on slides 12)



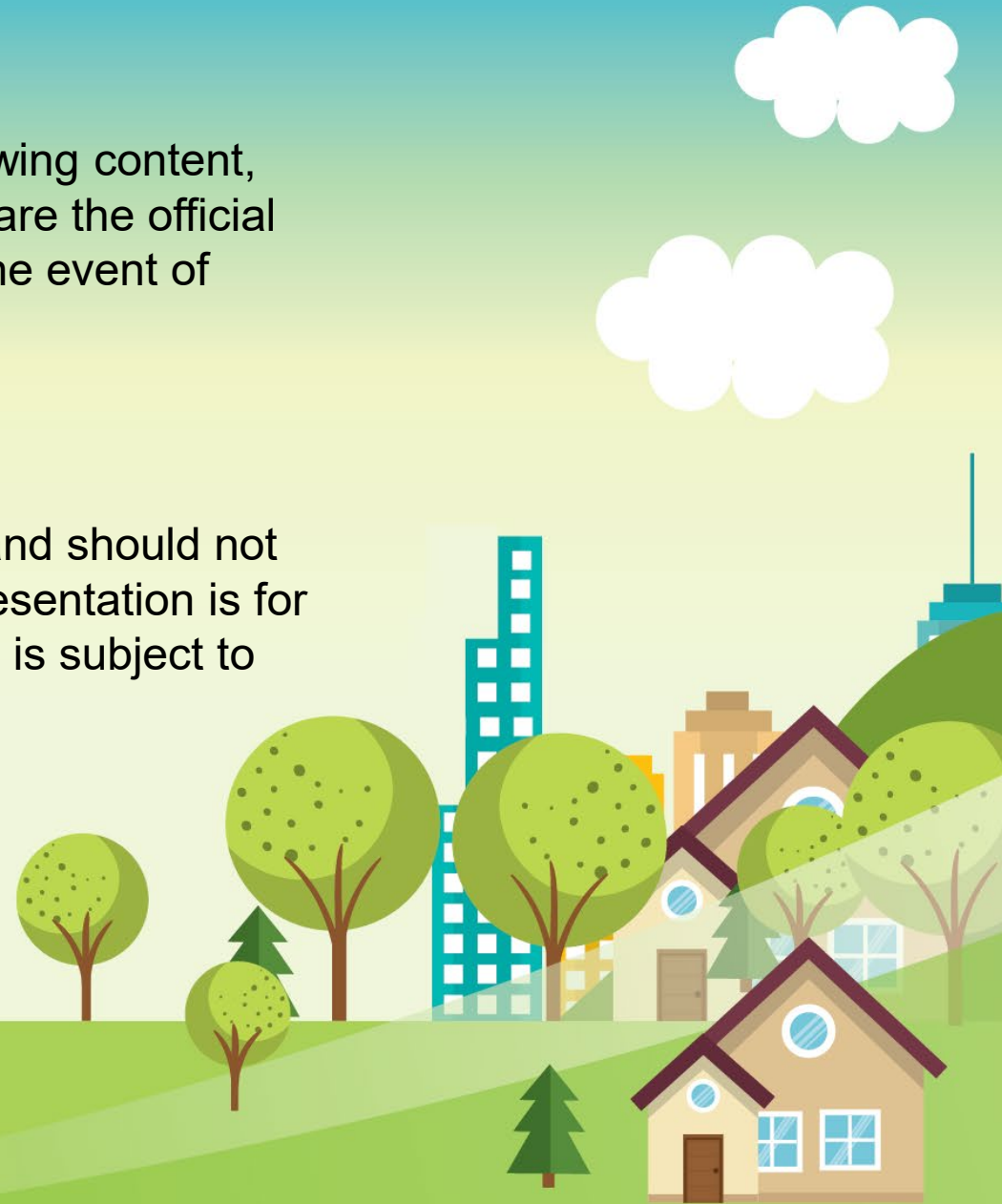
Best practices of MassHousing Loans

# Disclaimer

While every effort has been made to ensure the reliability of the following content, *MassHousing's Seller Guide*, posted updates, and *Announcements*, are the official statements of MassHousing policies and procedures and control in the event of discrepancies between the information herein and the Seller Guide

If further clarity is needed, please refer to GSE/FHA guidelines

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# Pre-Closing Requirements

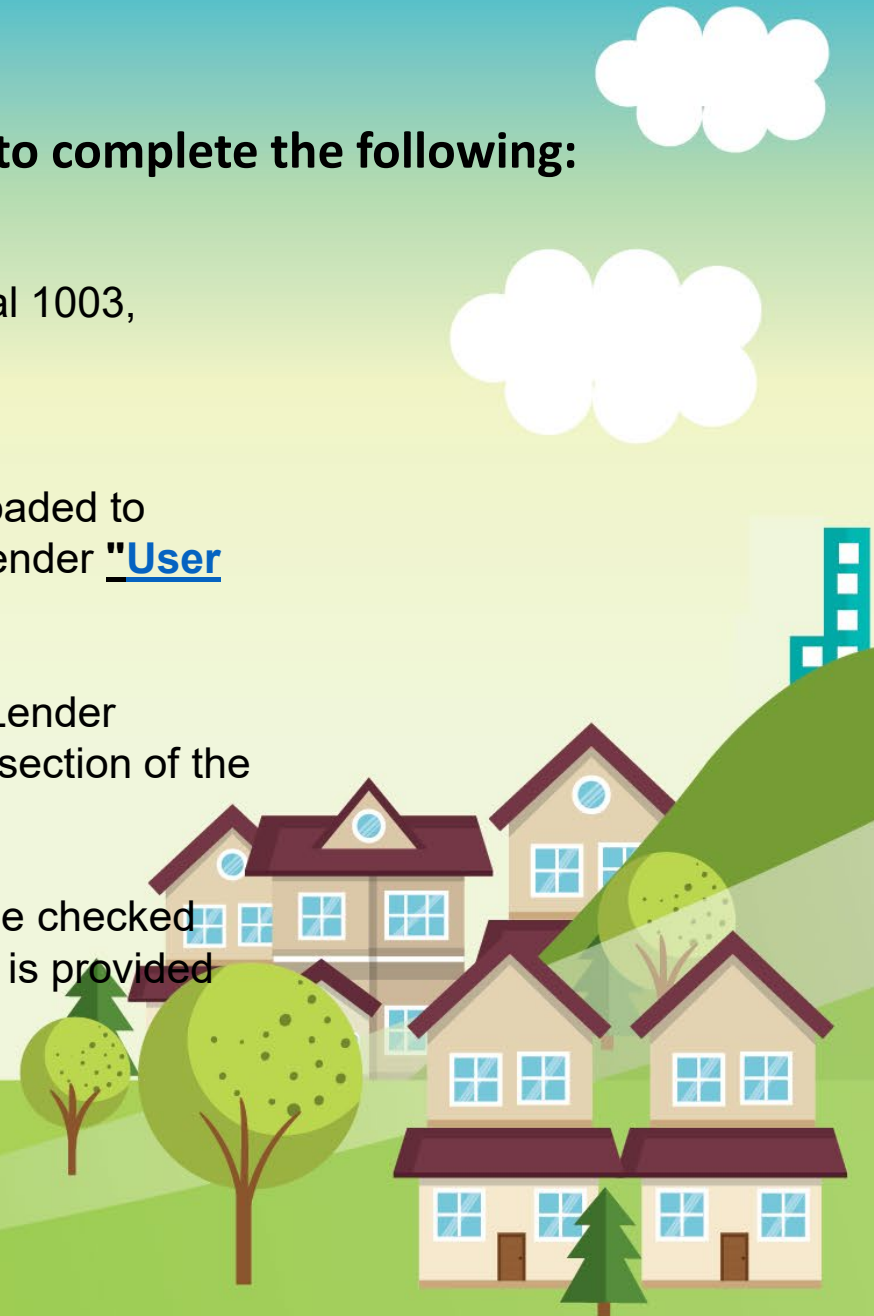
**Before you deliver a loan to MassHousing, we would like to remind you to complete the following:**

**Upload final 3.4 data file** to eMassHousing.com and verify data matches the final 1003, 1008, IED, Appraisal, UCD, UCDP and that the AUS is in final status (released to MassHousing)

**The main contact person** will be whoever was signed in when the loan was uploaded to eMassHousing. They will receive all update messages on the loan. Refer to our lender ["User Guide"](#) for instructions on how you can change the contact person.

**Verified Assets** should not differ from the stated assets on the 1003 and 1008. Lender should ensure that any earnest money deposit or gift funds stated on the Assets section of the 1003 is accounted for and appropriately reported on the 1008 and AUS finding

**1003 Declaration Section IV - Homebuyer Status:** First Time Homebuyer must be checked off under the Declarations Page in Section IV of the 1003 and must match what is provided in eMassHousing.com





# Submitting a Loan for Review

**To Submit a first or second mortgage for review:**

Step 1- Please Update your File Contact (by using the person icon in the top right-hand side- see page 10 below)

Step 2- Under Loan Actions – **Important Additional Data**

Step 3- Upload Loan Docs

Step 4-Complete pop-ups and validate

Step 5 -Click **Submit for Review**

NOTE: This step marks the loan as delivered and puts the loan in the queue for review. IF THIS STEP IS NOT COMPLETED, THE LOAN WILL NOT BE CONSIDERED DELIVERED AND WILL NOT BE IN THE REVIEW QUEUE)

- The steps outlined above should be taken for DPA loans as well as 2<sup>nd</sup> Mortgage Repair Loans HILP, Septic and Get the Lead Out.
- For loan submissions related to MassHousing's Income Certification Process for the WFA 3.0 products, please see our [Step-by-Step Instructions](#).
- Exception Requests on 1<sup>st</sup> Mtgs and DPA must follow additional documentation requests from our underwriters at [HOLoanreview@masshousing.com](mailto:HOLoanreview@masshousing.com) . Loans with any Exception Requests for 2<sup>nd</sup> Mortgage Repair HILP, Septic and Get the Lead Out must be submitted to [rehabmonitoring@masshousing.com](mailto:rehabmonitoring@masshousing.com) for consideration.



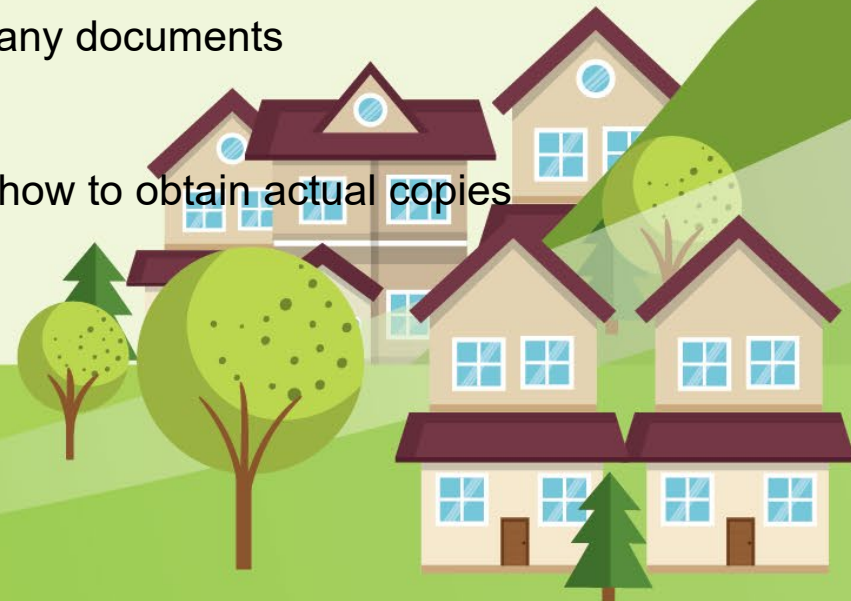
# Pre-Closing Requirements

**A list of MassHousing forms/disclosures required to complete a loan package may be found on the MH Forms Instruction Sheet and the Document Loan Delivery Requirements (Form L-102)**

- ✓ B Series forms are required on all FTHB transactions
  - ✓ B-001, B-003, etc..
- ✓ Documents Signed at Application –The Borrower's Affidavit (B-001) must be complete (no blanks allowed) and signed by all First-time buyers

**MassHousing's Policy Regarding E-SIGN - MassHousing accepts E-signatures on initial disclosures provided they meet the requirements set forth under E-SIGN and UETA, which requires in part that:**

- ✓ Lender obtains the proper consent from the borrower prior to disclosing on signing any documents electronically
- ✓ Borrower properly consents to conduct the transaction electronically
- ✓ Lender informs borrower of their right to receive physical copies of documents and how to obtain actual copies



# Pre-Closing Requirements

MassHousing Specific Documents				
Required at:	Form #	Form Name	Executed By	Product Code
Application	B-001	Borrowers Affidavit and Notice of Recapture	First-time buyers only	1001, 1002, 1004, 1005, 2001, 2002, 2005, 2004, 3001, 3003
	B-008 WFA	WFA Repayment Disclosure	First-time buyers only	4003
	4506C	Request for IRS Tax Transcripts (3 Years)	By all borrowers at application (obtained through 3 <sup>rd</sup> party vendor)	1001, 1002, 1004, 1005, 2001, 2002, 2005, 2004, 3001, 3003
	LPMI Disclosure	Lender Paid Mortgage Insurance Disclosure (only on LPMI Loans)	Borrowers at or before commitment when applicable	1001, 1002, 1004, 1005, 2001, 2002, 2005, 2004, 3001, 3003
Closing	B-003	Uniform Mortgage Rider	Borrowers in purchase transactions only; First-time buyers only	1001, 1002, 1004, 1005, 2001, 2002, 2005, 2004, 3001, 3003
	B-004	Rehabilitation Rider	Rehab loans only	1001, 1002, 1004, 2001, 2002, 2004
	Freddie Mac/Fannie Mae Form 3800.22 (Standardized Subordinate Security Instrument)	DPA Mortgage	Borrowers at closing	4001, 4003
	B-006DPA	DPA Note	Borrowers at closing	4001
	Freddie Mac/Fannie Mae Form 3297 (Multistate Subordinate Sandarized Deferred Payment Note-Simple Interest-Zero)	WFA DPA Note	Borrowers at closing	4003
	B-009 WFA	WFA 2nd DPA TIL	Borrowers at closing	4003
	B-011	MassHousing Homeowners Questionnaire	<i>All Borrowers (Completion of form optional; signature required)</i>	1001, 1002, 1004, 1005, 2001, 2002, 2005, 2004, 3001, 3003
	B-012	Appraisal Report, Borrower's Acknowledgement	Borrowers at closing	1001, 1002, 1004, 1005, 2001, 2002, 2005, 2004, 3001, 3003
	SS-89	SSN Verification Request	Lenders must verify SSN prior to closing by using this form or a third-party vendor	1001, 1002, 1004, 1005, 2001, 2002, 2005, 2004, 3001, 3003
	I-103	Notice of Servicing Transfer	Given to Borrower at closing	1001, 1002, 1004, 1005, 2001, 2002, 2005, 2004, 3001, 3003



# Pre-Closing Requirements

## **Condo Requirements**

- Master Policies evidencing walls-in or basic coverage are required on all condos
- If a master policy does not include walls-in and fixtures, HO-6 coverage is required and must be agreed upon by both the insurer and the insured
- Designated unit number must be included on the note, mortgage, and the AUS loan case file
  - Unit number should appear as it does on the deed
- 6D certificates are required on purchase transactions

## **Arbitration Agreement**

- Two-unit condos must have an arbitration agreement in the absence of by-laws

## **Plot Plans or Surveys**

- A plot plan or survey dated within 120 days of closing is required for purchase transactions
- A title policy insuring against survey defects may be used in lieu of a survey

## **Municipal Lien Certificate**

- A *recorded* MLC is required only on purchase transactions

*\*Indicates a MassHousing overlay*





# PMI Disclosure Requirements

HOEPA does not cover multi-family transactions  
**(Refer to 5/18/2018 announcement on AllRegs for more information)**

- If a disclosure is provided on a multi-family, it must show MI is required for the life of the loan, as indicated on the Mortgage Certificate
- While an Amortization Schedule is not required for multi-families, if it is provided, it must reflect MI for the life of the loan
- Initial PMI disclosures are required on Single Family and Condos with Conventional loans
- MI Cert is found in the View Documents page on MassHousing's portal (emasshousing)
- The LE and CD APR calculations are to include MI based on the 360 payments, in accordance with the MI Certificate

## **FHA MIP:**

- Initial PMI disclosures are not required, but the Mortgage Insurance Certificate "MIC" is due to MassHousing via MetaSource within 90 days of loan purchase
- Lender must document all MIP payments remitted to HUD with a current pay history prior to loan purchase. If two or more payments have come due at the time MassHousing purchases the loan, all MIP payments are to be remitted to HUD
- Lender is responsible for all penalties or interest charges incurred due to non-payment, or late payment of the MIP
- Lender to submit the loan for FHA endorsement no later than 60 days from loan closing



# Loan Requirements

## **Prepaid Interest at Closing/Interest Credit**

- MassHousing does not allow interest credits or long pays
- Prepaid interest is calculated on a 365 calendar and is collected through the last day of the month, including the day of disbursement, by the lender
- No prepaid interest is collected on loans disbursed on the first day of the month

## **Power of Attorney** may only be used by:

- A borrower fulfilling a military obligation
- The property seller

## **Title Policy and Title Commitment**

- Both required by MassHousing



# Escrow Requirements

## **Purchase and Refinance Transactions**

- Purchase transactions must close and fund the same day. MassHousing does not allow loans to be closed in escrow
- Escrow for taxes, property insurance, HO-6 policy (where applicable), flood insurance and mortgage insurance
- Apply 2 months escrow cushion. **No cushion on MI**

## **Property Insurance**

- Proof of property insurance payment is required either via paid-receipt or updated insurance binder showing “paid-in-full” status for the first year. **It may be paid at closing**

## **Real Estate Tax**

- New Construction/condo conversion: Borrower should be qualified and escrowed at the higher tax amount (**appraised value X tax rate**)

## **Residential Exemption**

- Lenders should underwrite at the full annual tax and not apply current seller’s exemption



# Appraisal and UCDP

## **Uniform Collateral Data Portal (UCDP)**

- All first mortgage lenders must be registered on the UCDP website in order to electronically submit the required appraisal reports
- The Lender or its agent must upload the appraisal into UCDP and ensure the appraisal's "Successful" submission before closing the loan
- Lender to submit revised appraisal when revisions are made to an appraisal report after initial submission
- Submission Summary Report (SSR) for both Freddie and Fannie must be in every loan package for our review





# Mortgage Standards

## **Mortgage Electronic Registration System (MERS)**

- Lenders must be active on MERS
- Lenders are required to close all loans on MERS as Original Mortgagee (MOM) mortgage documents
- For lender utilizing warehouse lines, MIN registration should reflect lender as Servicer/Investor and the warehouse lender as the Interim Funder
- MERS is required on all DPA product (MassHousing to reimburse fee on 2<sup>nd</sup> lien)
- MassHousing's MERS # is:1003242

## **Riders**

- B-003 Uniform Mortgage Rider is required on all loans in which all borrowers are First Time Home Buyers
- B-004 Rehabilitation Uniform Mortgage Rider is required on rehab loans
- All applicable standard mortgage riders are required (condo, multi-family)



# Note Standards

## Lender Reconciliation

- Send Original note to One Beacon Street, Boston, MA 02108, Attn: HomeOwnership Purchasing Department
- Lenders close in their own name and endorse Note to Massachusetts Housing Finance Agency
- Address must match on all documents

**Pay to the Order of:**  
**Massachusetts Housing Finance Agency**  
**Without recourse:**

\_\_\_\_\_  
**Authorized Agent**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Company Name**

\_\_\_\_\_  
**Date**

Use our FORMAL name!

Endorsements cannot be  
signed Attorney-In-Fact by  
warehouse lenders

Allonges are acceptable

**Bailee Agreement & Warehouse Lines** require a tri-party Bailee Agreement

- Lenders may only use ONE warehouse line (If you are going to change your warehouse line be sure to contact MassHousing immediately)
- Notes are to be delivered to MassHousing along with the Bailee letters
- Bailee changes can take time-if you are changing warehouse lines, please give adequate notice. Wires will not be sent to any unapproved instructions.



## National Mortgage Licensing System (NMLS)

- Information on NMLS must match that reflected on a loan file
- Name of loan originator on file, the lending institution, and their NMLS numbers must appear on all notes and mortgages below the signature lines
- All other name variations of the loan originator may be added to NMLS

If there is a misspelling or typo, the documents must be corrected

***DO NOT ADD INCORRECT NAMES TO NMLS!***

*ex. If name is Marianna Davis but was spelled incorrectly as Mary-Anne Davis, Mary-Anne should NOT be added to the NMLS*



# Lender Notifications

## **Insurance Carrier, Agent and Vendor Notification**

Copies of required notices mailed to insurance carriers/agents and related vendors must be submitted as a post-purchase requirement. The required notices must include the proper endorsement to MassHousing

Notices apply to initial primary mortgage insurance policies, property insurance, and any applicable unit certificates for condos of the master policy, HO-6 binder, and flood insurance (when required), and life-of-loan flood determination certificate,

## **Insurance Notifications**

**Property Insurance - Mortgagee Clause**  
**Massachusetts Housing Finance Agency**  
**Its Successors and/or Assigns, as their interests**  
**may appear**  
**PO Box 5271**  
**Norwell, MA 02061**

**Flood Certificate / Insurance -Transfer**  
**Letter**  
**Massachusetts Housing Finance Agency**  
**One Beacon Street**  
**Boston, MA 02108 – 3110**  
**Attention: Home Ownership**





# Loan Closing

## **Loan delivery to MassHousing**

- All loans must be closed, disbursed, and received by MassHousing on or before the rate lock expiration date

\*Timeframes may change due to volume



# Loan Audit

## Loan Package Requirements

- The documents outlined on the L-102 Document Checklist **must** be scanned and electronically uploaded to MassHousing
- *Please send the Original Promissory Note for the First lien and the DPA 2nd (if applicable) directly to:*  
*MassHousing, One Beacon Street, Boston, MA 02108*
- Original MOM Mortgage and all applicable riders must be sent to MetaSource
- Original FHA Mortgage from the Registry or a certified copy from Land Court is required

## Issuance of Conditions

- Upon receipt of the **Document and 3.4 file upload**, MassHousing will review and provide Conditions; Notification will be emailed to lender-provided contact.
- Lender can also obtain the report in the Conditions section of the loan in eMassHousing
- Lender will have seven calendar days from the issuance of Conditions to clear any discrepancies before fees are assessed.

## Incomplete Loans

Funded loans will remain incomplete until all documentation requirements and/or conditions are satisfied. If defects are not cured within 30 calendar days from the initial cure date, the loan is no longer eligible for sale to MassHousing and the loan may be repriced.

\*Timeframes may change due to volume



# Fees

## Standard Fees:

**\$300 Processing Fee, \$205 Mortgage Recording Fee \$85 Tax Service Fee and \$59 Hazard Insurance Tracking fee** to be disclosed at Application and collected at Closing. Fees on the 2<sup>nd</sup> DPA Lien is \$205 recording fee. Lender fronts \$24.95 MERS fee which is reimbursed at closing

## Late Delivery/Rate Extension Fees:

**Late Delivery Fee Schedule:** charged at loan purchase if not cured by:

- 1 – 7 days; no charge
- 8 – 30 days; 0.02pts/day

**Rate Lock Extension Fee Schedule:** deducted at time of loan funding from base price

- 1 – 3 days; no charge
- 4 – 30 days; 0.02pts/day



# Funding Policy

## **Prior to 15<sup>th</sup> of the month**

- Loans funded prior to the 15th of any month will be funded at the current principal balance and escrow balance MINUS any escrowed items which become due within 30 days after funding.
- The Lender shall be responsible for payment of escrowed items in a timely and accurate manner, except for MI premiums
- MassHousing remits MI premiums to the Mortgage Insurance Fund (MIF) post-purchase

## **On or after 15<sup>th</sup> of the month**

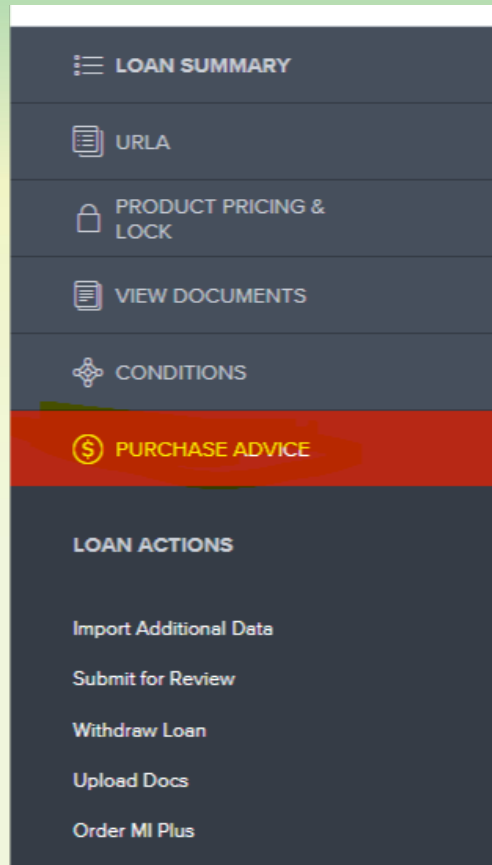
- Loans funded on or after the 15th of the month will be funded at the principal balance after the amortization of the next scheduled payment due.
- Escrow balance will include escrow funds from borrower's payments collected by the Lender.
- We will net back to the lender amounts for any escrowed items which become due within 30 days after funding.
- At time of funding, escrows will be netted from proceeds. There will be a line item for any escrow adjustments. e.g., RETAXADJ for taxes due within 30 days of funding.





# Purchase Advice

**Purchase Advice:** An itemized Purchase Advice will be available on eMassHousing.com under Loan Summary



## **Fees Adjusted from Wire:**

- Per Diem Interest (where applicable)
- Purchase Interest (where applicable)
- SRP (where applicable)
- Loan Premium (where applicable)
- Loan Discount (where applicable)
- Tax Service Fee = \$89 (First American Tax Service)
- Insurance Tracking Fee = \$59 (Miniter Group)
- MassHousing Processing Fee = \$300
- Escrows as detailed on the Initial Escrow Disclosure
- Any applicable late delivery and/or extension fees



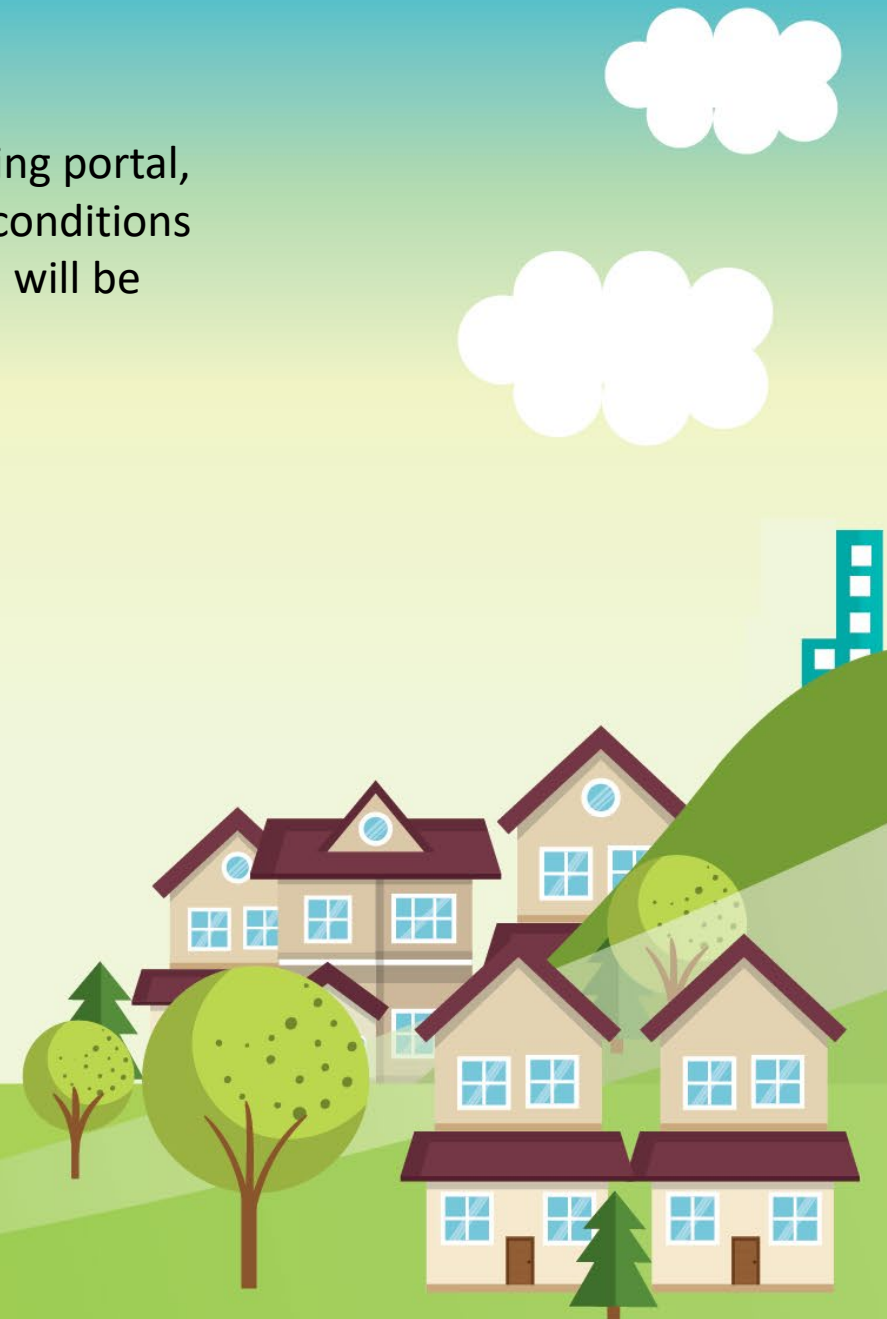
# Purchase Advice

## Purchase Advice Form

Once a loan has been submitted for review to MassHousing through the eMassHousing portal, MassHousing will complete their purchase review per our internal process. Once all conditions are cleared and the original Note is received and reviewed by MassHousing, the loan will be approved for purchase.

## To Review and Print the Purchase Advice Form

1. Under the Loan Summary options, click the **Purchase Advice** link.
2. Click on printer icon on Purchase Advice title header
3. Printer tab will open, and you can print to PDF:
4. You can save the document on your computer to send to your Warehouse Bank



# Post Purchase

## **Post-Purchase Documents**

Documents that are outstanding and appear as unresolved items in Conditions

## **Trailing Documents**

Trailing documents must be uploaded in eMassHousing. All original MOM Mortgage trailing documents must also be mailed to:

**MetaSource Lenders Corp.**  
**5353 West Dartmouth Avenue**  
**Suite 50, Lower Level**  
**Denver, CO 80277**



# Best Practices

- Lenders should check loan package against the L-102 Document checklist (available on <https://www.masshousing.com/home-ownership/lender-library> )
- There must be full documentation of any changed circumstances that led to re-disclosure of CD and/or LE
- Proof of payment for insurance either via paid-receipt or updated insurance binder showing “paid in full”
- Only applicants are allowed on MassHousing loans. Names and/or signature on loan documents of anyone not on the application is not acceptable (non-borrowers cannot appear on ANY documents not even the insurance binder)
- Non-borrowing individuals may not hold title





# Sign-up for MassHousing Announcements

**Subscribe for MassHousing's Homeownership announcements**

**For more information on our updated guidelines on Tax Transcripts, Smoke Certifications, Appraisals and much more, please visit [emasshousing.com](https://emasshousing.com)**

Sign Up for HomeOwnership  
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## QUICK LINKS ▾

NEW Seller  
Guide

Document  
Library

Product Matrix

MI Only Matrix

Homebuyer  
Education



# Contacts

## Purchasing Contacts:

### Purchasing Mailbox:

[holendingoperations@masshousing.com](mailto:holendingoperations@masshousing.com)

### *Senior Loan Operations Manager*

Alison Haskins

617-306-3752 | [ahaskins@masshousing.com](mailto:ahaskins@masshousing.com)

## Resources:

[Seller Guide](#)

[eMassHousing User Guide](#)

### Business Development Team



### Senior Relationship Managers

Goretti Joaquim | 617-283-7677 (Português)

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### Relationship Managers

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## MetaSource Contacts:

### Senior Manager, Mortgage Services

Jackie Prybella

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[support2@metasource.com](mailto:support2@metasource.com)

**Thank you for attending MassHousing's  
Closing & Post Closing training session.**



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