

# Closing, Post-Closing and Best Practices

## MassHousing Overview

**MassHousing 2<sup>nd</sup> Mortgage Programs:  
Home Improvement, Septic Repair and Get the Lead Out**

Revised 04.05.2024

# Loan Requirements

## Prepaid Interest/Power of Attorney/ Right of Recission

### Prepaid Interest at Closing/Interest Credit

MassHousing **does not** allow interest credits.

Prepaid interest is calculated on a **365 day 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

### Right of Recission

Required by MassHousing on all owner-occupied properties.

# UPLOADING A CLOSED LOAN FOR REVIEW

## Step 1 – Choose the File Contact

1. Click on the "person" icon

2. Click on the "pencil" icon for user dropdown

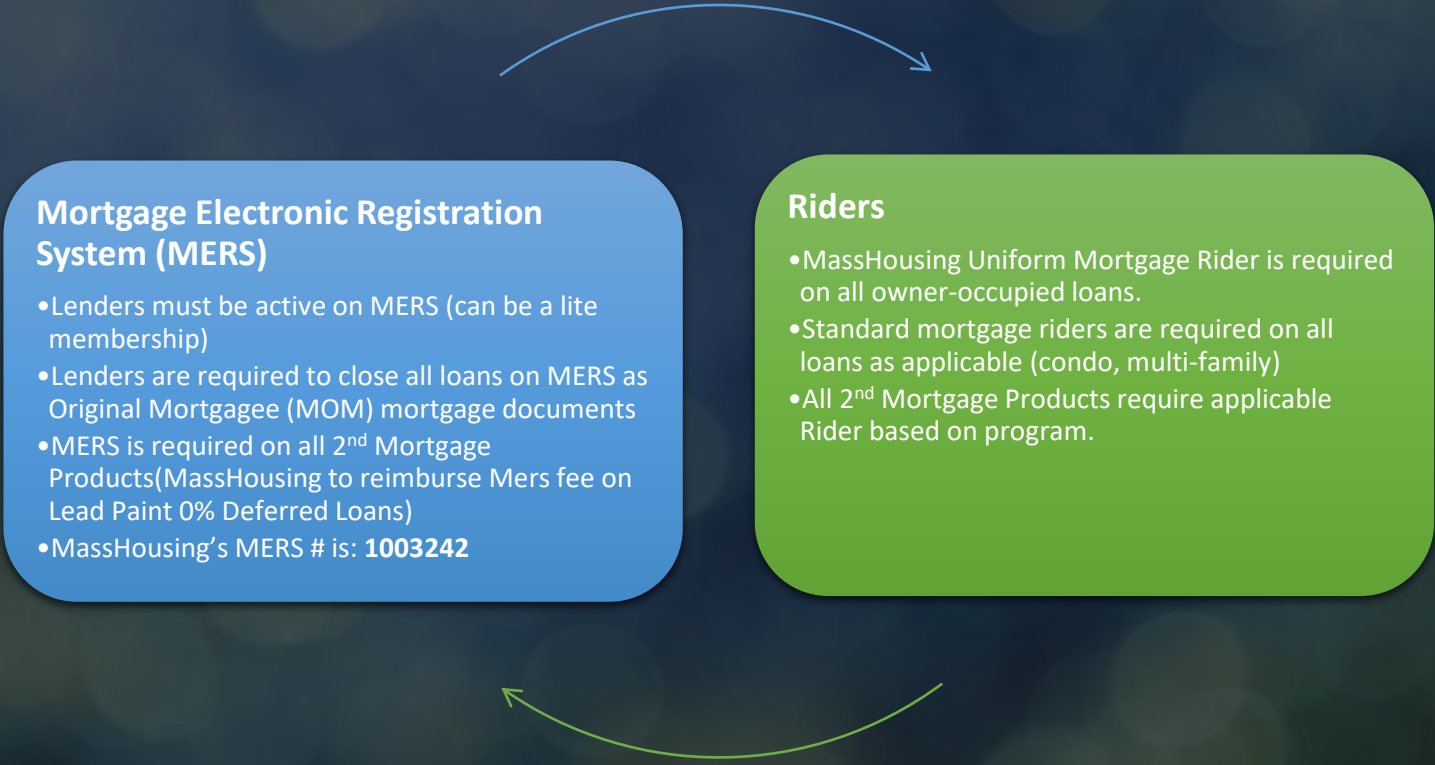
3. Choose user

There can only be one contact on a file at a time. You can change the File Contact at any time.

Follow items 1-4 in screenshots

4. This is the file contact for the loan

# Mortgage Standards



## Mortgage Electronic Registration System (MERS)

- Lenders must be active on MERS (can be a lite membership)
- Lenders are required to close all loans on MERS as Original Mortgagee (MOM) mortgage documents
- MERS is required on all 2<sup>nd</sup> Mortgage Products (MassHousing to reimburse Mers fee on Lead Paint 0% Deferred Loans)
- MassHousing's MERS # is: **1003242**

## Riders

- MassHousing Uniform Mortgage Rider is required on all owner-occupied loans.
- Standard mortgage riders are required on all loans as applicable (condo, multi-family)
- All 2<sup>nd</sup> Mortgage Products require applicable Rider based on program.

# \*REMINDER to add LRA, if not done during loan lock\*

If you are uploading documents for a **GET THE LEAD OUT** Loan, please add the LRA (Loan Rehab Agency). Choose URLA from the left hand side and **ADDITIONAL INFORMATION**. In the bottom right corner under **LOCAL REHAB AGENCY**, use the drop down to choose the LRA. Once the LRA has been selected click **SAVE**.

The screenshot displays the 'Additional Information' section of a loan application system. On the left, a dark sidebar contains navigation options: 'LOAN SUMMARY', 'URLA', 'Additional Information', 'Lender Loan Information', 'Borrower Information', 'Employment and Income', 'Assets and Liabilities', 'Real Estate', 'Loan and Property Information', 'Information for Government M...', 'URLA Continuation', 'PRODUCT PRICING & LOCK', 'DOCUMENTS', 'CONDITIONS', 'PURCHASE ADVICE', and 'LOAN ACTIONS'. A red arrow points to the 'URLA' option. The main content area is titled 'Additional Information' and includes a 'Select Borrower Pair' dropdown menu with 'Kallie Test' selected. Below this are three radio button options: 'CHOICEHome', 'GreenCHOICE', and 'GreenCHOICEToPayOffOutstandingEnergyDebt'. The 'Additional Fields' section contains several input fields: 'Annual Compliance Income' (80000), 'Compliance AMI %', 'Borrower Homeownership Counseling format' (Select an Option), 'Borrower Homeownership Counseling Agency Name' (Select an Option), 'Operation Welcome Home Credit' (Select an Option), and 'Local Rehab Agency' (Select an Option). A red arrow points to the 'Local Rehab Agency' dropdown. At the bottom right, there are 'Save' and 'Next' buttons, with a red arrow pointing to the 'Save' button.

# Step 2 – Data Confirmation

Please take a moment, before uploading closing documents, to review that your Closing Documents match the borrower information in [emasshousing.com](https://emasshousing.com). Please make all applicable changes.

## Important Items to review:

- All Deed holders are on [emasshousing.com](https://emasshousing.com)
- Loan Amount
- Program
- Address
- Payments (if applicable)
- Income

# Step 3 – Upload Loan Documents

Upload documents to emasshousing.com by selecting “DOCUMENTS” from left hand column. Upload all DOCUMENTS for review under “SUBORDINATE PREPURCHASE REVIEW”. You may either Browse and Upload or Drag and Drop your documents. This will show in our prepurchase view. You can find the required documents to be uploaded on the Document Loan Delivery Requirement Form for that Product at emasshousing.com. If a full copy of the note is not uploaded with the package, the package will not be considered a full file and will not be sent to MassHousing.

WELCOME PIPELINE ESIGN LOANS ADD NEW LOAN REPORTING SCENARIOS DOCUMENTS

**Benjamin Test**  
1435 Stafford Rd, Fall River, MA, 02721-3200  
01-Test Company

Loan Number	6015722	Note Rate	-	Total Monthly Income	\$8,967.36
Loan Purpose	Purchase	Program	Septic 0% Deferred 30 Year Fixed	LTV	3.056%
Total Loan Amount	\$12,500.00	Decision FICO	800	CLTV	6.724%

Started C 2nd

Max attachment size is 200 MB. [View Supported Files.](#) [Expand All](#) [Collapse All](#) [+ Add Document](#) [Print Fax Cover Sheet](#)

All Borrowers

Benjamin Test, Oscar Test

\*SUBORDINATE PREPURCHASE REVIEW

Comments Drag & Drop files here or [Browse files](#)

Goncalves Mortgage... 1.03 MB 100% Completed

[Close and Refresh](#)

Aayla CD.pdf	710 KB	03/23/2023 1:00 PM	Sherri Melvin	<a href="#">Download</a>	<a href="#">Copy</a>
Goncalves Mortgage.docx	1.05 MB	05/17/2023 11:16 AM	Sherri Melvin	<a href="#">Download</a>	<a href="#">Copy</a>

**IMPORTANT:** Please follow the Document Loan Delivery Requirement Form for that Product as close as you can. Please make sure to remove any cover pages or blank pages. When you upload, the system may take a few minutes. Please be patient and confirm the file has been uploaded before you try again to avoid uploading duplicates.

# Step 4 – Uploading Conditions

1. Upload Conditions in the same place that you uploaded the full package for delivery under **“DOCUMENTS”** on the Left-hand side.
2. Click on **“PURCHASE CONDITONS”**, left hand side under Loans Summary. Use the **“NOTIFY LENDER”** link to notify MassHousing that the Loan Conditions have been uploaded, and the file is ready for review. MassHousing will not begin reviewing the conditions until **“NOTIFY LENDER”** has been selected.

IF **“Notify Lender”** is greyed out, Masshousing has not yet reviewed the condition(s). Should MassHousing require additional documents the button will be activated, and all Users will be able to see the loan status in their **“Message Mailbox”**. If conditions need to be resubmitted click on the BLUE **“Notify Lender”** button, once uploaded and subsequent review process will begin. IF THIS STEP IS NOT COMPLETED, THE CONDITIONS WILL NOT BE CONSIDERED DELIVERED AND WILL NOT BE REVIEWED.

The screenshot displays the loan management interface. The top navigation bar includes: WELCOME, PIPELINE, ESIGN LOANS, ADD NEW LOAN, REPORTING, SCENARIOS, and DOCUMENTS. The main header shows loan details for Benjamin Test, including Loan Number (6015502), Note Rate (6.500%), Total Monthly Income (\$8,967.36), Loan Purpose (Purchase), Program (FNMA HFA), LTV (95.000%), and Total Loan Amount (\$388,850.00). The left sidebar contains menu items: LOAN SUMMARY, URLA, PRODUCT PRICING & LOCK, DOCUMENTS, PURCHASE CONDITIONS (highlighted with a red arrow), PURCHASE ADVICE, and LOAN ACTIONS. The main content area shows a table of 4 conditions, all with a status of 'Added' and a severity of 2. A 'Notify Lender' button is visible in the top right of the conditions section, highlighted with a red arrow.

PUBLISHED	STATUS	TYPE	DESCRIPTION			DISPOSITION
03/14/2023	Added	Severity 2	Lender to provide a copy of the executed and recorded De...	0	0	🕒
03/14/2023	Added	Severity 2	Lender provide an executed a Uniform Mortgage Rider reco...	0	0	🕒
03/14/2023	Added	Severity 2	Lender to provide the Initial Escrow Disclosure.	0	0	🕒
03/14/2023	Added	Severity 2	Lender to provide an executed Condominium Rider records...	0	0	🕒



# Loan Closing

## Loan Delivery to MassHousing

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

# Note Standards

## Original Note Instructions

- \* Send Original note Overnight to:  
MassHousing  
Atten: LockDesk  
One Beacon Street  
Boston, MA 02108
- \* Lenders to close in their own name and endorse Note to Massachusetts Housing Finance Agency
- \* Property Address must match on all documents.
- \* You may use NOTE ENDORSEMENT or ALLONGE TO NOTE

**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

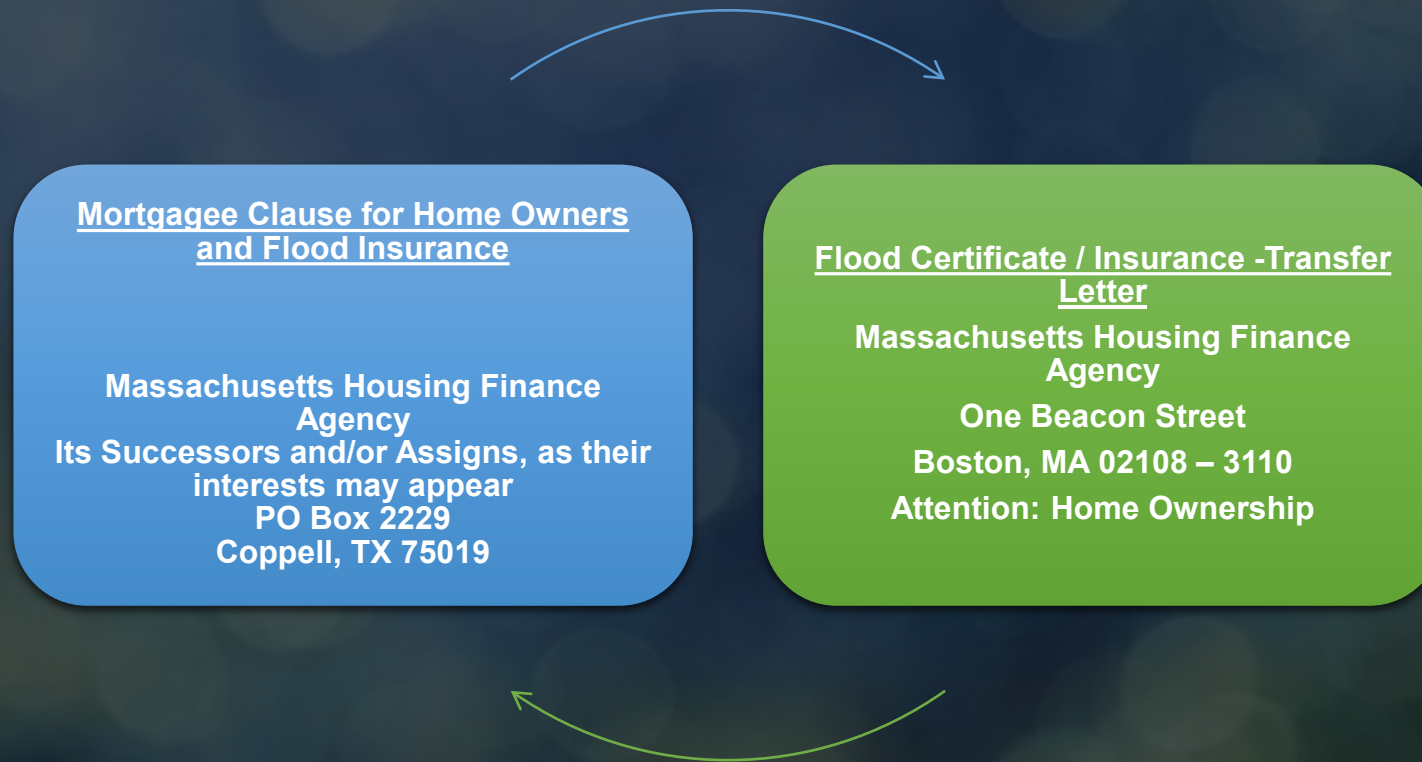
Allonges are acceptable

# Insurance

## 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,



# Funding Policy

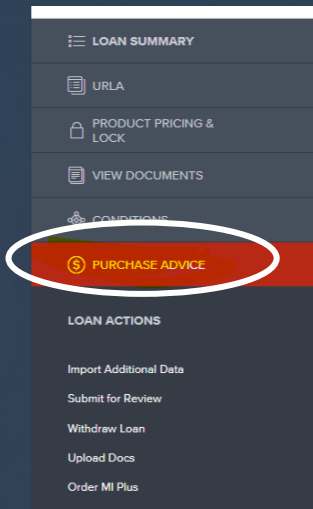
## Funding

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

All Loans funded prior to the 15th of any month will be funded at the current principal balance

### **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 (not applicable to 0% Deferred loans)



# Purchase Advice

## Purchase Advice Information

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

Per Diem Interest (where applicable)

Purchase Interest (where applicable)

Lender Fee = \$1,000 per loan on Septic & HILP

\$1,500 per loan on Lead

### **To Review and Print the Purchase Advice Form**

Under the Loan Summary options (top left):

- \*Click the **Purchase Advice\*** link.
- \*Click on printer icon on Purchase Advice title header.
- \*Printer tab will open, and you can print to PDF.
- \*You can save the document on your computer.

# MONTHLY REHAB MONITORING

For Get the Lead out Loans (**GTLO**), the Local Rehab Agency (**LRA**) is responsible for completing the Monitoring Spreadsheet and making sure compliance documents and borrower completion letter is either uploaded by the Lender or emailed to [rehabmonitoring@masshousing.com](mailto:rehabmonitoring@masshousing.com).

For Home Improvement Loan Program (**HILP**), Septic and Purchase & REHAB Loans, the **LENDER** is responsible for completing the Monitoring Spreadsheet and making sure the compliance documents and borrower completion letter have been uploaded to each borrower file.

# MONTHLY REHAB MONITORING

The project will remain on the Monitoring Spreadsheet until:

- The project is complete.
- All funds have been disbursed.
- The Escrow Account is closed.
- All Compliance Documents and the Borrower Letter of Completion have been uploaded to borrowers file on [emasshousing.com](https://emasshousing.com) and noted on Monitoring Spreadsheet. (The LRA will send all completion documents to the Lender to upload to [emasshousing.com](https://emasshousing.com) or email to [rehabmonitoring@masshousing.com](mailto:rehabmonitoring@masshousing.com).)

LETTER OF COMPLETION

<b>MassHousing Loan Number:</b>	
<b>Borrower Name:</b>	
<b>Property Address:</b>	

The rehabilitation construction and/or repair or improvements to the above-mentioned property have been completed in a workmanlike manner to my/our satisfaction.

I/We certify that:

1. The loan proceeds have been spent only on eligible property rehabilitation/repair/improvements.
2. The property rehabilitation/repair/improvements have been completed in accordance with the work estimate.
3. I am satisfied with the work.

I/We request that the final inspection by the inspector and the final release of funds from the Escrow Account be made to me/us and the contractor after you receive an acceptable Final Inspection Report\*

\_\_\_\_\_  
 Borrower Signature \_\_\_\_\_ Date

\_\_\_\_\_  
 Borrower Signature \_\_\_\_\_ Date

This request also directs you to properly distribute any funds remaining in the Escrow Account that represent the balance of the Rehab/Repair Costs, Contingency Reserve, inspection fees and other miscellaneous fees that were not used.

I, Escrow Agent (Lender or Local Rehab Agency (LRA)), confirm that all work has been completed per contract with contractor and to the satisfaction of Borrower(s). Upon final disbursement, and all parties are paid in full, any funds remaining in the escrow account will be sent to MassHousing and will be applied to either Borrower(s) principal or the pool of funds, depending on type of loan. I will upload the Final Completion Certificate\* upon receipt to emasshousing.com along with this fully executed Letter of Completion and any backup documents. (LRA will send final documents to the Lender to upload to emasshousing.com).

\_\_\_\_\_  
 Escrow Agent (Lender or LRA) \_\_\_\_\_ Date

*\*Renovation Loan requires a 1004D  
 Get The Lead Out requires a Certificate of Compliance  
 Sentic Repair Loan requires a Certificate of Completion*

# Monthly Rehab Monitoring

This is an example of the "Borrower letter of Completion." Every borrower and lender must sign when project is complete.

For document see: [MassHousing Lender Forms and Resources - Second Mortgage Programs](#) click on Program and "Borrower Letter of Completion"



# Monitoring Spreadsheet

This is an example of the spreadsheet that will be sent to Lender/LRA monthly to be filled out.

Project to remain on Monitoring Sheet until Borrower Cert. and Compliance has been uploaded/mailed. All green sections must be filled in. Once the Green Sections are complete and verified by MassHousing, the project will be removed from the spreadsheet.																		
If you have any questions regarding this template you can contact Sherri Melvin at 351-220-6521 or smelvin@masshousing.com																		
(THIS IS FOR DEFERRED PAINT LOANS ONLY)																		
*Please include any at closing disbursements, including any inspections																		
<div style="display: flex; justify-content: space-between;"> <span>D5 DATE</span> <span>D5 Amount (IF APPLICABLE)</span> <span>D7 Date</span> <span>D8 Date</span> </div>																		
<div style="display: flex; justify-content: space-between;"> <span>DATE EXCESS FUNDS RETURNED TO MASSHOUSING</span> <span>\$ EXCESS FUNDS RETURNED TO BORROWER APPLIED TO BORROWER PRINCIPAL</span> <span>DRAW &amp; EXCESS FUNDS TOTAL</span> <span>BORROWER COMPLETION CERT. UPLOADED or EMAILED DATE</span> <span>COMPLIANCE CERT UPLOADED or EMAILED DATE</span> <span>(INSPEC/CC RETURNED TO LP GENERAL ACCOUNT)</span> </div>																		
LOAN NUMBER	BORROWER NAME	PROPERTY STREET ADDRESS	PROPERTY CITY	PROGRAM: HILP/SEPTIC/ LEAD PAINT	TPO COMPANY	CLOSE DATE	LOCAL REHAB AGENCY	TOTAL ESCROW AMOUNT	*DRAW 1 AMOUNT	DRAW 2 AMOUNT	DRAW 3 AMOUNT	DRAW 4 AMOUNT	DATE EXCESS FUNDS RETURNED TO MASSHOUSING	\$ EXCESS FUNDS RETURNED TO BORROWER APPLIED TO BORROWER PRINCIPAL	DRAW & EXCESS FUNDS TOTAL AMOUNT	BORROWER COMPLETION CERT. UPLOADED or EMAILED DATE	COMPLIANCE CERT UPLOADED or EMAILED DATE	(INSPEC/CC RETURNED TO LP GENERAL ACCOUNT)
1768348	Jacques, Max	168 Weir Street	Taunton	Get The Lead	Neighborhood	3/19/2024	Neighborhood	0.00	0.00	0.00	0.00	0.00		0.00	0.00			
1748685	Ixcuna, Pedro	78 Nye St	New Bedford	Get The Lead	Neighborhood	11/29/2023	Neighborhood	17950.00	8975.00	5000.00	0.00	0.00		0.00	13975.00			
1748855	Vilme, Jean	3 Hammond St	Brockton	Get The Lead	Neighborhood	12/12/2023	Neighborhood	25875.00	12937.50	12937.50	0.00	0.00		0.00	25875.00	5/1/2024	5/15/2024	5/15/2024
1734488	Varela, Henrique	57 Stetson Street	Bridgewater	Get The Lead	Neighborhood	10/25/2023	Neighborhood	37450.00	12480.00	12480.00	0.00	0.00		0.00	24960.00			
1730030	Bates, Billie C	67 Pleasant St	South Chatham	Get The Lead	Neighborhood	9/14/2023	Neighborhood	41250.00	20525.00	16627.00	3998.00	0.00		0.00	41250.00	3/14/2023		4/9/2024
1717624	Rosa, Edgardo	7 Clark Lane	Sudbury	Get The Lead	Neighborhood	7/21/2023	Neighborhood	37640.00	12545.00	12545.00	12550.00	0.00		0.00	37640.00	3/4/2024		4/9/2024

## TRAILING DOCS

### Trailing Documents

- Recorded Mortgage (copy uploaded)
- L103 Notice of Service Transfer
- Letter of Completion
- Compliance Documents

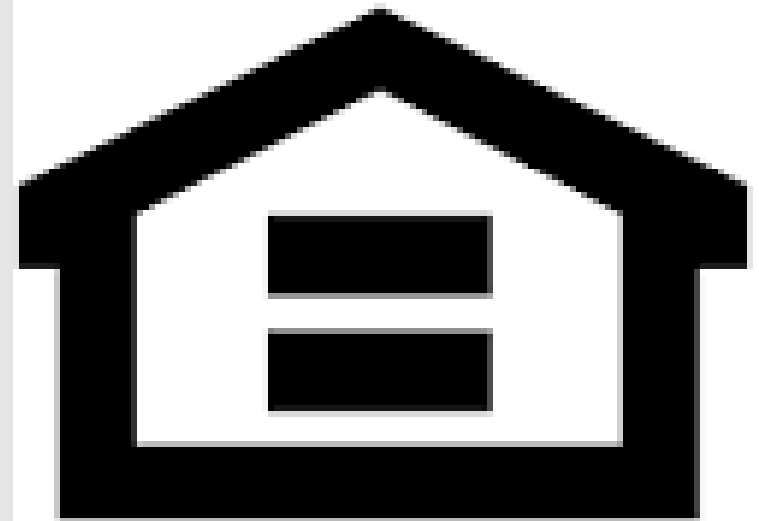
# Best Practices

## Best Practices

- Lenders should check loan package against the Product Document Loan Delivery Requirements available on <https://www.masshousing.com/home-ownership/lender-second-mortgage-forms>
- There must be full documentation of any changed circumstances that led to re-disclosure of CD and/or LE (if applicable). *This would not be applicable if you are using a TIL on the Get the Lead Out Program owner-occupied or have a LP Investment Loan.*
- 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)
- Right of Recission **IS REQUIRED** for all owner-occupied loans. Every borrower on the loan must sign a Right of Recission.

# 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
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**EQUAL HOUSING  
OPPORTUNITY**

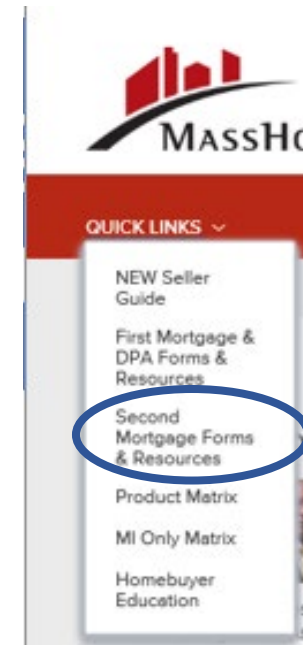
# Sign up for MassHousing Announcements

- **Subscribe for MassHousing's Homeownership Announcements**
- **For more information on our 2<sup>nd</sup> Mortgage Guidelines/Doc Sets/Forms and Product Matrix click Second Mortgage Forms & Resources under QUICK LINKS**

Sign Up for HomeOwnership  
Production Emails

MassHousing product news, updates, tips  
and information delivered right to your inbox.

 **SUBSCRIBE**



# Contacts

## ***MassHousing 2<sup>nd</sup> Mortgage Program Contacts:***

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***Sherri Melvin [smelvin@masshousing.com](mailto:smelvin@masshousing.com) - 351-220-6521***

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



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