



## General Lender Eligibility Requirements

1. In order to apply and become a Seller of loans to MassHousing a lender must be either an approved seller of conventional mortgage loans to FNMA or FHLMC or be a member of a Federal Home Loan Bank.
2. A Seller may also be approved if it is a depository institution, the deposits of which are insured by the FDIC or the National Credit Union Administration.
3. All Sellers must have a fully functioning office in good standing in the Commonwealth of Massachusetts with adequate facilities and staff experienced in originating and selling the types of mortgages for which approval is being requested, and hold all legal authorizations required to originate, sell and also have the ability to service loans in the Commonwealth of Massachusetts.
4. Each Seller must maintain a minimum net worth of \$2,500,000, plus a dollar amount that represents one-quarter of one percent (0.25%) of the outstanding principal balance of its total portfolio of mortgage loans serviced for Fannie Mae. Please see the Home Ownership Seller Guide - Mortgage Lender Eligibility for capital requirements.
5. A Seller of loans to MassHousing must meet the eligibility criteria established by MassHousing and set forth in the Home Ownership Seller Guide - Mortgage Lender Eligibility, as the same may be modified from time to time.
6. MassHousing approved lenders must sell a minimum of 5 first mortgage loans during any rolling 12 month period starting from the date they are an approved Seller of MassHousing; and demonstrate a proficiency at processing, underwriting, packaging and delivering loans to MassHousing. The minimum could be modified from time to time.
7. MassHousing also requires that all lenders\*, have a rating of 125 or higher as published by IDC Financial Publishing, Inc. (IDC), or, for lenders not rated by IDC, an equivalent level of financial strength as determined by MassHousing. IDC issues ratings for all Banks, Credit Unions and Savings Banks on a quarterly basis.
8. Each Seller must maintain in effect at all times and at its expense, a Fidelity Bond (or Direct Surety Bond), and Errors and Omissions Policy (including Mortgage Impairment Coverage) issued by a company having a current rating in Best's Insurance Reports of B/IX or better and specifically licensed or authorized by law to transact business in the Commonwealth. Required coverage amounts are listed in the Home Ownership Seller Guide-Mortgage Lender Eligibility.
9. All Lender staff responsible for MassHousing loans must be trained prior to reserving funds from the Agency. You will need to contact your Relationship Manager to schedule training for you and your staff. For access to the Home Ownership Seller Guide please click on the following link:  
[https://www.emasshousing.com/portal/server.pt/community/global\\_pages/291](https://www.emasshousing.com/portal/server.pt/community/global_pages/291)
10. For lenders interested in being approved to sell FHA loans to MassHousing, the following additional requirements must be met:
  1. Be an FHA Direct Endorsement Mortgagee
  2. Be in good standing with HUD and maintain a HUD compare ratio of <=150% (Neighborhood Watch Ratio)
  3. Lenders, and each loan originator employed, or affiliated with lender, must obtain and maintain all federal and state government approvals, registrations, permits, and licenses to perform its obligations and conduct origination business with FHA. NOTE: If your organization falls under "Approved Small Supervised Lenders and Mortgagees" (HUD ML 2012-29), please attach a letter from your organization stating that you are exempt from additional HUD audit and executed by an authorized officer