



## MORTGAGE CREDIT CERTIFICATE

### PROGRAM BULLETIN #59

**Date:** June 9, 2020

**To:** Participating Lenders and Servicers

**From:** Betty Temple, Sr. Vice President  
Single Family Program Operations

**Re:** Who Signs Which Documents

For purposes of this Program (MCC), MHC has received further clarification on certain issues that have arisen in the past pertaining to the signing of documents, Co-Signors, permanent resident alien's, etc. Below are guidelines to be followed under the Mortgage Credit Certificate program.

Any person who signs the Mortgage Note, Deed of Trust and/or takes title to the property is considered a "Mortgagor/Co-mortgagor". Mortgagor/Co-mortgagor also means owner/co-owner.

- All Mortgagors must be named on and sign all documents.
- All Mortgagors' & household income from all sources must be reflected in the Borrower's Certification, regardless of whether such income was used to underwrite the credit transaction.
- All Mortgagors' & applicable household members most recent federal tax return(s)/transcript(s) must be submitted or two years if self-employed must be included.

*Example: Husband and wife are taking title to the property, wife works temporary, part-time jobs and her income is not used to qualify on the credit side. Both must appear on and sign all documents. Her income must be included in the MCC documents.*

Any person who **does not reside** in the property **cannot** take title to the property because the Program has a residency requirement for all owners. Co-signors/guarantors and non-occupant co-borrowers must meet the following guidelines:

- They cannot be named on any of the MCC Program documents, unless required by state law, i.e. Security documents.
- Their income is not includable in the total qualifying household income.
- They cannot be counted in household size.
- Their most recent federal tax return(s)/transcript(s) are not to be submitted or two years if self-employed must be included.
- They cannot take title to the property.

*Example: Husband and wife are taking title to the property. Employment and credit histories require a guarantor on the debt. Wife's parents will cosign the loan. Wife's parents cannot sign any of the MCC documents. Wife's parents' income is not included in the MCC program qualifying income. Wife's parents' federal tax return(s)/transcript(s) are not required. Wife's parents cannot occupy the property.*

Any adult person (18 years of age or over) who intends to live in the household (but is not taking title to the property or signing the Mortgage as a Borrower) is considered a “Resident” and “Other Wage Earner”.

- The total qualifying income under the MCC program must include the total annual income from all sources of all resident other wage earners unless an occupant of the household is a full-time student and school transcripts are submitted.

*Example: Unmarried male taking title to the property. Household consists of himself, a 67- year old retired parent and a 19- year old sibling who is a full-time student and part-time worker. Household size is 3, Mortgagor is the unmarried male individually. MCC program income must include wages from Mortgagor’s employment plus parent’s retirement and social security benefits, plus sibling’s wages from part-time employment, if not a full-time student..*

The spouse of a Mortgagor if not on the loan does not have to take title to the property. However:

- The spouse’s income must be included.
- The spouse’s most recent federal tax return(s)/transcript(s) or two years if self-employed must be included.
- The spouse cannot sign any of the MCC Program documents unless required by state law, i.e. security documents.

*Example: House being purchased in husband’s name only. Husband is taking title individually. Wife’s income and assets not included on the credit underwriting side. Wife does not sign the MCC documents and does not appear on any of the transaction documents, unless required by state law; i.e. security documents. However, wife’s income is included in the total household income for MCC program eligibility. Wife’s most recent federal tax return(s)/transcript(s) must be submitted or two years if self-employed must be included.*

All Mortgagors are required to permanently reside in the household and to make it their permanent residence therein within 60 days of closing. Therefore, in order to be a Mortgagor (as defined above), persons must legally be able to reside in the United States.

*Example: House being purchased by a married couple. Wife has a social security number, is a permanent resident alien of the US. Husband will petition for permanent residency status, his income and/or assets abroad, his income and assets are being used to qualify on the credit side. Husband cannot take title to the property. Husband’s income must be included in the total household income (see “resident & other wage earner”). Husband cannot sign MCC Program document unless required by state law, i.e. security documents.*

**Please keep this as a part of the Eligibility Section of your MCC manual for future reference.**