



Transform Advantage Product Matrix

(First and Second Mortgage Loan Product)

General Loan Limits and Terms				
DU/DO Approve/Ineligible Recommendation			Maximum DTI ≤ 45%	
Transaction Type	Number of Units	Maximum LTV/CLTV	Credit Score	Minimum Reserves
Acquisition/Rehab	1-Unit	FRM 100/150	620	0
	2-Unit (5+ years old)	FRM 100/150	620	0
			620	3 (If using rental income to qualify)
New Construction	1-Unit	FRM 100/150	620	0
	2-Unit (5+ years old)	FRM 100/150	620	0
			620	3 (If using rental income to qualify)

WHEDA Manual Underwrite			Maximum DTI ≤ 40%	
Transaction Type	Number of Units	Maximum LTV/CLTV	Credit Score	Minimum Reserves
Acquisition/Rehab	1-Unit	FRM 100/150	680	0
	2-Unit (5+ years old)	FRM 100/150	680	0
			680	3 (If using rental income to qualify)
New Construction	1-Unit	FRM 100/150	680	0
	2-Unit (5+ years old)	FRM 100/150	680	0
			680	3 (If using rental income to qualify)

General Product Information	
Loan Limit	Standard Conventional Advantage
Income Limit	Standard Conventional Advantage
Loan Term	<ul style="list-style-type: none"> First Mortgage - Up to 30 years Second Mortgage – 10 years
Interest Rate	<ul style="list-style-type: none"> Interest rate on the first and the second mortgage will be the same WHEDA Advantage Conventional (No MI) Interest Rate 0% Interest rate for 12 months during the Construction or Rehab period
Loan Proceeds	<p><u>New Construction</u></p> <ul style="list-style-type: none"> 1st Mortgage up to 100% LTV 2nd Mortgage up to 150% CLTV <p><u>Acquisition/Rehab</u></p> <ul style="list-style-type: none"> 1st Mortgage up to 100% LTV 2nd Mortgage up to 150% CLTV, includes Closing Costs, Pre-Paid and 12 months escrow payments
Underwriting Requirements	<p>WHEDA Conventional Advantage Selling Guide</p> <p>Good to Know:</p> <ul style="list-style-type: none"> Home Buyer Education is required (See Guide for approved providers) <i>Costs set by the Home Buyer Education provider must be included in the Loan Estimate disclosure</i> A credit report is required for a non-applicant spouse An appraisal must verify an “as is value” and a “subject to completion value”



Transform Advantage Product Matrix

(First and Second Mortgage Loan Product)

Special Initiative Areas (Refer to Map & Census Tract List)	Designated Neighborhoods within the Transform Milwaukee Initiative (TMI) Target Area <ul style="list-style-type: none"> • Clarke Square • Garden Homes • Josey Heights Subdivision • Near West Side • River West • Walnut Circle Subdivision
Disclosures and Fees	For the purposes of HCM compliance, total fees may not exceed: <ul style="list-style-type: none"> • Loan Amount \$21,017 and greater – 5% of the loan amount • Loan Amount less than \$21,017 – lesser of 8% or \$1,000 WHEDA fees: <ul style="list-style-type: none"> • \$500 Purchase Review Fee • \$65 Tax Service Fee
Locking and Funding	WHEDA Policy and Procedures Guide Good to Know: Available Daily Rate = Conventional No MI
Servicing	WHEDA services both the 1 st and 2 nd mortgage loans
Lender Compensation	2% of total combined 1 st and 2 nd mortgage loan amounts
Exclusions	<ul style="list-style-type: none"> • High Cost Mortgage (HCM) • High Priced Mortgage Loan (HPML) http://www.ffiec.gov/ratespread/newcalc.aspx • Condo's • 3-4 Unit • WHEDA Easy Close DPA
Construction and Rehab Management	
Builder General Contractor Construction Management Agency	<p>Projects require a Builder or General Contractor/Construction Management Agency (“GC Agency”) to oversee the project. The GC Agency must be:</p> <ul style="list-style-type: none"> • State licensed and in good standing as a Builder / Dwelling Contractor. • Have an employee state-licensed and in good standing as a Dwelling Contractor Qualifier. • In good standing as recognized by the Wisconsin Department of Financial Institutions (DFI) Corporations Division. • Approved by WHEDA <p>Lender must provide the GC Agency with the Information for Construction Management Agencies (Exhibit B)</p>
Current Approved Contractors	<ul style="list-style-type: none"> • ACTS Housing, 2414 W Vilet Street, Milwaukee, WI 53005 • Community First, Inc., 3940 W. Lisbon Avenue, Milwaukee, WI 53209 • Land Quest Construction, LLC 4419 Washington Rd, Kenosha, WI 53144
Scope of Work	
Acquisition/Rehab	<p>GC Agency must meet with the home owner to determine the scope of work to be performed. The scope must include:</p> <ul style="list-style-type: none"> • A list of local code compliance violations that must be corrected • Preparation of a detailed cost estimate • Verification building permits have been obtained • At the time of each draw request, the GC Agency will obtain lien waivers, final invoices and have the borrower sign the Completion Attestation (Form 5) and submit the documentation to the Title Company.
Cost Overrun Allowance	<p>A 10% cost overrun allowance is required on Acquisition/Rehab.</p> <ul style="list-style-type: none"> • The allowance will be financed into the second mortgage loan. • Any excess funds, upon completion of the scope of work may be used for additional repairs or must be applied as a principal reduction.



Transform Advantage Product Matrix

(First and Second Mortgage Loan Product)

New Construction	<ul style="list-style-type: none"> • Accepted Offer to Purchase (Land) • Accepted Construction Contract • Plans and Specs
Inspections	Once work has begun, the Title Company will perform regular inspections on the quality of work, make escrow disbursements and reconcile any problems that may arise.
Project Completion	<ul style="list-style-type: none"> • Project must be completed within 12 months from the date of loan closing. • The GC Agency will submit all documentation relating to draws and project completion to the Title Company. • Title Company to obtain a Completion Certificate from the appraiser
Required Forms	<ul style="list-style-type: none"> • Rate Lock Management (Form 1) • Borrower's Affidavit (Form 2) • Residential Loan Application Addendum (Form 3) • Application Package Checklist (Form 6) • Funding Certificate (Form 7) • Closing Package Checklist (Form 12) • Home Owners Completion Attestation (TMI Form 1) • Multi-disbursement Tracking Sheet (TMI Form 2) • Draw Request (TMI Form 3) • Information for Construction Management Agencies (see Exhibit B), if applicable

Refer to the Conventional Advantage and Policy and Procedure Guides for additional underwriting and procedure guidance.