



WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

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Lender Update 2019-03

March 8, 2019

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WHEDA Advantage Conventional HomeStyle® Renovation

Pre-Close Review Process & Request Form

Correspondent lenders can now submit HomeStyle® Renovation documentation for a WHEDA underwriter to review for project eligibility requirements.

STEP 1 - Collect the following required documentation

- HomeStyle® Renovation Pre-Closing Review Request Form ([WHEDA form 44](#)) - fully completed,
- HomeStyle® Renovation Contract Agreement ([WHEDA Form 38](#)) -fully executed for each Contractor/Entity,
 - Scope of Work (includes bids, contractor licenses, time frame for work to be completed, etc.),
- HomeStyle® Renovation Maximum Mortgage Worksheet ([WHEDA Form 41](#)) - fully completed,
- Fully executed Offer to Purchase and all addendums,
- “Subject to” Property Appraisal, - if available⁽¹⁾,
- TRID Disclosures⁽²⁾,
- HomeStyle® Renovation Loan Agreement ([WHEDA Form 39](#)) - draft of the document to be signed at closing.

STEP 2 - Upload all required documentation to [WHEDA-Connect](#)

- The loan must be registered with WHEDA
- Choose the “***5 HomeStyle® Renovation Review” folder, and then the “Pre-Close Review” doc type.

STEP 3: - All required documentation will be reviewed by WHEDA underwriting. If/when WHEDA determines all documents are satisfactory, Lender will receive a HomeStyle® Renovation Certification certifying the following:

- The maximum mortgage amount⁽¹⁾
- The scope of work/bids meets HomeStyle® Renovation eligibility requirements
 - HomeStyle® Renovation Contract Agreement (WHEDA Form 38) & HomeStyle® Renovation Loan Agreement (WHEDA Form 39) are correct.

⁽¹⁾If the “subject to” appraisal is not available at the time of the review, the certification may be affected.

⁽²⁾WHEDA will not certify the TRID Disclosures meet regulatory requirements, but will review and provide guidance to the lender for any items needing curative action prior to closing.

[Section 6.11 of the Policy and Procedures Manual](#) has been revised to reflect this change.

**HomeStyle is a registered trademark of Fannie Mae.*

New Net-worth Requirements for WHEDA Approved Lenders

Effective July 1, 2019, WHEDA will increase the minimum tangible net worth requirement from \$250,000 to \$1,000,000 for WHEDA Approved Lenders.

Wholesale lenders, or those that have Third Party Originators, must still meet the tangible net worth requirement of \$3,000,000.

[Section 2.01 of the Policies and Procedures Manual](#) has been revised to reflect this change.

Mini-Correspondent Channel requirements

This is to clarify lenders participating in the mini-correspondent delivery channel must be in receipt of a “*Clear to Close*” prior to closing a loan.

[Section 7.09 of the Policies and Procedures Manual](#) has been revised to reflect this change.

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