



WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

201 West Washington Avenue, Suite 700
Madison, Wisconsin 53703-2727

Post Office Box 1728
Madison, Wisconsin 53701-1728

Telephone: 608.266.7884 ■ 800.334.6873
Facsimile: 608.267.1099 ■ www.wheda.com

Lender Update 2015-05

May 22, 2015

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Conventional and FHA Overlay Grids

Effective immediately, WHEDA is amending the Credit Section of its Conventional and FHA Overlay Grids for loans that receive an Approve/Eligible recommendation through Desktop Underwriter® (DU), Desktop Originator® (DO) and Total Scorecard®. The amendments are as follows:

- **Credit History:** WHEDA will no longer require a minimum number of tradelines as long as at least one borrower has a credit score.
- **Collections:** WHEDA will no longer require that non-medical and medical collections be paid-in-full prior to or at closing.
 - For a one-unit, principal residence, borrowers are not required to payoff outstanding collections or non-mortgage charge-offs, regardless of the amount.
 - For a two-unit, owner occupied property, collections and non-mortgage charge-offs totaling more than \$5,000 must be paid-in-full prior to or at closing.
- **Revolving Debt:** WHEDA will no longer include a monthly payment in the borrower's total debt-to-income calculation on a revolving account that has been paid-in-full.
 - Payoff of revolving debt solely to qualify should be carefully evaluated and considered in the overall loan analysis. The borrower's history of credit use should be an important factor in determining whether to include or exclude the liability.
- **Student Loans:** WHEDA adheres to Fannie Mae's Selling Guide B3-6-05 and FHA's HUD Guide 4155.1 Chap 4, Section C, 6a requirements.

A Lender Update will be sent when the revisions have been updated in the Underwriting Guides and Overlay Grids on our website.

Policy and Procedure Guide Changes

Lender Credits

Lender credits are allowable only if the lender is not the property seller, or if they are not affiliated with the property seller or another interested party to the transaction.

Cash or cash like (e.g. a gift card) incentives that are not reflected on the HUD-1 Settlement Statement are allowed provided the amount of the incentive does not exceed \$500, and no repayment is required.

“No Cash Back”

The borrower may not receive cash back at closing on a WHEDA purchase loan transaction, however, principal balance reductions are acceptable up to the greater of \$500 or the earnest money deposit. The principal reduction must be reflected on the settlement statement.

The borrower may receive cash back on a WHEDA to WHEDA refinance in an amount that does not exceed the lesser of 2% of the new loan amount or \$2,000.

A Lender Update will be sent when the revisions have been updated in the Policy and Procedure Guide on our website.

New Account Executive

Please welcome the newest member of the Single Family Originations team, Marey Riemer, Account Executive.

Marey will be serving the following counties: Brown, Calumet, Dodge, Door, Fond du Lac, Jefferson, Kenosha, Kewaunee, Manitowoc, Milwaukee, Outagamie, Ozaukee, Racine, Rock, Sheboygan, Walworth, Washington, Waukesha and Winnebago.

Please feel free to contact her with your questions, concerns and issues about our programs. Marey can be reached at 414-520-2988.



Who to Contact – Your WHEDA Team

Management:

Dave Rouse, Director	(608) 266-2184	dave.rouse@wheda.com
Cindy Jenson, Manager – Quality Control	(608) 267-1093	cindy.jenson@wheda.com
Pat Multerer, Manager – Originations	(608) 266-3529	pat.multerer@wheda.com

Assistant Management:

Denise Jamison-Thums, Underwriting	(608) 266-2816	denise.jamison-thums@wheda.com
Cheryl Rogers, Secondary Marketing	(608) 267-9581	cheryl.rogers@wheda.com
Scott Phillips, Default Management	(608) 266-9991	scott.phillips@wheda.com
Gary Stiemke, Loan Servicing	(608) 267-1091	gary.stiemke@wheda.com

WHEDA-Connect:

Kari Becker	(608) 267-7746	kari.becker@wheda.com
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Loan Processing:

Rosie Beck	(608) 266-3528	rosie.beck@wheda.com
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***Underwriting:* underwriting@wheda.com**

Jane Alvis	(608) 267-1075	jane.alvis@wheda.com
Mike Maretta	(608) 267-9535	mike.maretta@wheda.com
Linda King	(608) 267-1083	linda.king@wheda.com
Laura Jacobson	(608) 267-2991	laura.jacobson@wheda.com

***Lock Desk:* lockdesk@wheda.com**

Wendy Schill	(608) 267-7746	wendy.schill@wheda.com
Cheryl Rogers	(608) 267-9581	cheryl.rogers@wheda.com

Funding:

Lisa Bollig	(608) 266-3528	lisa.bollig@wheda.com
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***Post-Closing:* SF.secondary.marketing@wheda.com**

Kristi Rickey	(608) 267-1458	kristi.rickey@wheda.com
Cheryl Rogers	(608) 267-9581	cheryl.rogers@wheda.com
Wendy Schill	(608) 267-1096	wendy.schill@wheda.com

***Compliance:* qualitycontrol@wheda.com**

Donna Boyes	(608) 267-1455	donna.boyes@wheda.com
Marty Maloney	(608) 266-2724	marty.maloney@wheda.com
Gene Weittenhiller	(608) 266-8675	gene.weittenhiller@wheda.com
Larry Blomberg	(608)267-4512	larry.blomberg@wheda.com

Sales & Training:

Arlene Scalzo	(608) 266-0191	arlene.scalzo@wheda.com
Marey Riemer	(414) 520-2988	marey.riemer@wheda.com

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