



Correspondent Channel Advantage Conventional Overlay Grid

Category		WHEDA Requirements
AUS	Submission	<ul style="list-style-type: none"> Desktop Underwriter® (DU®) /Desktop Originator® (DO®) HFA Preferred (reduced MI coverage) OR HFA Preferred Risk Sharing (no MI required)
	Recommendations	DU®/DO® Approve/Eligible
COMPLIANCE	Borrower	<ul style="list-style-type: none"> Must be legal U.S. resident with a valid Social Security Number Cannot be listed on the Wisconsin Child Support Lien Docket
	Income	<ul style="list-style-type: none"> Must meet WHEDA Conventional Income Limits Refer to the Advantage Conventional Underwriting Guide, Section 6.0 Calculating Compliance Income for additional guidance. 2 years tax transcripts required
	Loan Amount	Must meet Conventional Conforming Loan Limit
	HPML	Ineligible
CREDIT	FICO	Minimum 620
	Credit History	<ul style="list-style-type: none"> Non-applicant spouse's credit history is required – All outstanding debts must be included in the total debt-to-income ratio and any outstanding judgments incurred in the interest of the marriage must be paid-in-full.
	Co-Signor, Guarantor, Non-Occupant Co-Borrower	Co-signors, Guarantors and Non-Occupant Co-Borrowers are not allowed
ASSETS	Large Deposits	<ul style="list-style-type: none"> Deposits exceeding 25% of the total monthly qualifying income must be sourced. Re-occurring non-payroll deposits should be explained and/or sourced as this may be an indication of other sources of income.
COLLATERAL	Property	<ul style="list-style-type: none"> Must be located in Wisconsin
	Ineligible Properties Types	<ul style="list-style-type: none"> Condos 2 – 4 unit properties less than 5 years old Manufactured Homes
OTHER	Products	Refer to WHEDA Advantage Conventional Products Matrix for eligible products and transaction types
	Home Buyer Education (Pre-purchase)	Required for first-time homebuyers only: <ul style="list-style-type: none"> Approved Mortgage Insurance (MI) Company eHomeAmerica Framework HUD-approved counseling agency Costs set by the Home Buyer Education provider must be included in disclosures
	Landlord Training	For 2 – 4 unit purchases only: <ul style="list-style-type: none"> Landlord training must be provided through the Fannie Mae Self Study Module, an Approved Mortgage Insurance (MI) Company or a HUD-approved counseling agency.
	Subordinate Financing	<ul style="list-style-type: none"> Must meet Fannie Mae Community Seconds requirements WHEDA-funded subordinate financing is not eligible in transactions involving a WHEDA-owned property



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FIRST-TIME HOME BUYER (FTHB)	FTHB Income and Purchase Price Limits	<ul style="list-style-type: none"> Must meet current FTHB Advantage Income and Purchase Price limits Refer to Advantage Conventional Underwriting Guide, Section 6.0 Calculating Compliance Income for additional guidance
	Borrower	<ul style="list-style-type: none"> Must meet FTHB Advantage requirements Must meet Advantage Conventional Underwriting requirements
	Mortgage Credit Certificate (MCC)	<ul style="list-style-type: none"> A borrower receiving the benefit of the MCC is not eligible
	Federal Recapture Tax	<ul style="list-style-type: none"> Borrower must sign the Federal Recapture Tax Acknowledgement (Form 4)
REFINANCE	Limited Cash Out Refinance (LCOR)	<ul style="list-style-type: none"> WHEDA to WHEDA Closing costs and payoff of mortgages used solely for the acquisition of the property
	Subordination	<ul style="list-style-type: none"> Existing Community Seconds used in the original purchase transaction may be subordinated up to 105% CLTV Approve/Ineligible is permitted when the loan purpose is "LCOR" and the sole reason for ineligibility is due to a Non-Community Second, subject to a maximum 95% LTV/CLTV/HCLTV

IMPORTANT

*WHEDA's Advantage Conventional overlays supersede Fannie Mae's Standard and HomeReady Guidelines.
Refer to the Fannie Mae Single Family Selling Guide and subsequent applicable Announcements, Letters and Notices for additional underwriting guidance.*

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