



## Correspondent Channel Advantage Conventional Overlay Grid

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



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

### 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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