



## 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               <ul style="list-style-type: none"> <li>Applicants under the Deferred Action for Childhood Arrivals (DACA), reflecting a category 33 on the residency card are not eligible</li> </ul> </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><br/><i>Refer to the <a href="#">Advantage Conventional Underwriting Guide</a>, Section 6.0 Calculating Compliance Income for additional guidance.</i></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>   |
|            | Interested Party Contributions (IPC)           | <ul style="list-style-type: none"> <li>For loans greater than 90% CLTV and receiving an Approve/Eligible recommendation, IPC's may not exceed 4% of the purchase price for the borrower's closing cost and pre-paid escrows.</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>   |

### 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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|   |  |  |
|---|--|--|
| <b>OTHER</b>  | Products                               | Refer to <a href="#">WHEDA Advantage Conventional Products Matrix</a> for eligible products and transaction types  |
|   | Home Buyer Education<br>(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 eligible in transactions involving a WHEDA-owned property</li> </ul>   |
| <b>Category                      WHEDA Requirements</b> |  |  |
| <b>FIRST-TIME<br/>HOME BUYER<br/>(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></li> </ul> <i>Refer to <a href="#">Advantage Conventional Underwriting Guide</a>, Section 6.0 Calculating Compliance Income for additional guidance</i>   |
|   | 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>                            |

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