



WHEDA Advantage Conventional Eligibility Matrix

HFA Preferred (MI) and HFA Preferred Risk Sharing (No MI) Products

***WHEDA Advantage Conventional requirements supersede Fannie Mae's Standard and HomeReady® Guidelines.**

Automated Underwriting

Desktop Originator Desktop Underwriter	<ul style="list-style-type: none"> Desktop Originator® (DO®)/Desktop Underwriter® (DU®) submission is mandatory Use HFA Preferred for MI loans (all loans requiring MI are subject to MI requirements) Use HFA Preferred Risk Sharing for No MI loans (LTV must exceed 80%) For Approve/Eligible recommendations, refer to "Approve/Eligible Recommendation" grid below For all other recommendations, refer to the WHEDA manual underwrite grid below <p>NOTE: There may be exceptions to the requirements for certain transactions. Refer to the Notes section under each grid.</p>
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Approve/Eligible Recommendation			Maximum DTI as determined by DU/DO	
Transaction Type	Number of Units	Maximum LTV /CLTV /HCLTV	Credit Score	Minimum Reserves
Purchase Limited Cash-Out Refinance (LCOR) ⁽²⁾	1 Unit Condominiums	FRM 97/105/105 ⁽¹⁾	620	As determined by DU/DO
	2 - 4 Units ⁽³⁾	FRM 95/105/105	620	6
	Manufactured	FRM 95/105/105	620	As determined by DU/DO
		FRM 90/105/105 ⁽²⁾ (LCOR)	620	As determined by DU/DO

⁽¹⁾No credit score, Maximum LTV/CLTV/HCLTV FRM 90/90/90, Maximum DTI ≤ 40%, Reserves determined by DU/DO
⁽²⁾Maximum LTV/CLTV/HCLTV FRM 95/95/95 with a non-Community Second; FRM 90/90/90 if manufactured housing;
⁽³⁾2-4 unit purchase transaction, a minimum 3% borrower contribution is required, property must be ≥ 5 years old

WHEDA Manual Underwrite ⁽⁴⁾			Maximum DTI ≤ 36%		Maximum DTI ≤ 45%	
Transaction Type	Number of Units	Maximum LTV/CLTV/HCLTV	Credit Score LTV	Minimum Reserves	Credit Score LTV	Minimum Reserves
Purchase Limited Cash-Out Refinance (LCOR) ⁽⁶⁾	1 Unit	FRM 95/105/105 ⁽⁵⁾	680 if > 75% 620 if ≤ 75%	0	700 if > 75% 640 if ≤ 75%	0
			660 if > 75%	6	680 if > 75% 620 if ≤ 75%	2
	2 Unit ⁽⁷⁾	FRM 95/105/105	680 if > 75% 640 if ≤ 75%	6	700 if > 75% 660 if ≤ 75%	6
			680 if > 75% 640 if ≤ 75%	6	680 if > 75% 640 if ≤ 75%	12
	3-4 Units ⁽⁷⁾	FRM 95/105/105	660	6	680	6
			660	6	660	12

⁽⁴⁾Loan must be submitted through the Broker or Mini-Corr channel
⁽⁵⁾No credit score, Maximum LTV/CLTV/HCLTV FRM 95/105/105, Maximum DTI < 36%, Minimum reserves per Fannie Mae Selling Guide B3-5.4-01 Eligibility requirements for loans with non-traditional credit
⁽⁶⁾Maximum LTV/CLTV/HCLTV FRM 95/95/95 with non-Community Seconds subordinate financing;
⁽⁷⁾2-4 unit purchase transaction, a minimum 3% borrower contribution is required, property must be ≥ 5 years old



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Category		WHEDA Compliance Requirements
GENERAL	Loan Term	30-year
	Amortization	Full, fixed rate mortgage (FRM)
	Occupancy	Owner-occupied, primary residence for the life of the loan
	Borrower	<ul style="list-style-type: none"> Cannot be listed on the Wisconsin Child Support Lien Docket Must be legal U.S. resident with a valid Social Security Number
	Servicing	All loans sold servicing-released to WHEDA
	Subordinate Financing	WHEDA-funded subordinate financing is eligible in transactions involving a WHEDA-owned property
	HPML	Ineligible
CREDIT	Non-Applicant Spouse	Non-applicant spouse's credit history is required <ul style="list-style-type: none"> All outstanding debts must be included in the total debt-to-income ratio 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 to determine if there are other sources of income.
	Interested Party Contributions (IPC's)	<ul style="list-style-type: none"> 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 costs and pre-paid escrows.
COLLATERAL	Property	Must be located in Wisconsin
	Manufactured Housing	An Approve/Ineligible recommendation is permitted on a Manufactured Home when the sole reason for ineligibility is due to the CLTV exceeding 95%.
OTHER	Landlord Training	<ul style="list-style-type: none"> 2-unit property, LTV/CLTV/HCLTV greater than 85% 3-4 unit property, LTV/CLTV/HCLTV greater than 75%
	Rates and Pricing	<ul style="list-style-type: none"> See WHEDA Rate Sheet for current Conventional and FTHB HFA Preferred (MI) and HFA Preferred Risk Sharing (No MI) rates and pricing
	Mortgage Insurance (MI)	Required on HFA Preferred: <ul style="list-style-type: none"> 97% LTV – 18% coverage 95% LTV – 16% coverage 90% LTV – 12% coverage 85% LTV – 6% coverage 80% LTV and lower – Not required <i>NOTE: MI company overlays apply</i>
	Lender Compensation	<ul style="list-style-type: none"> Broker Channel – WHEDA-paid compensation only. Borrower-paid compensation is prohibited. Mini-Corr and Correspondent Channel – Lender-paid or Borrower-paid compensation plans eligible, determined by WHEDA Participating Lender.
	Fees	<ul style="list-style-type: none"> \$350 WHEDA Compliance Review Fee - Correspondent \$500 WHEDA Purchase Review Fee – For Broker/Mini-Corr \$65 Tax Service Fee \$35 Wire Fee, if applicable (Note: No fee for funds transferred via ACH) \$50 Subordination Fee, Refinance Only



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Category		WHEDA Compliance Requirement Con't
COMPLIANCE INCOME	Income and Purchase Limits	Must meet WHEDA Income and Purchase Price Limits <i>Refer to the Advantage Conventional Underwriting Guide, Section 6.0 Calculating Compliance Income for additional guidance</i>
	Household Income	Anticipated income from all Household Occupants, age 18 or older.
	Household Occupants	Household occupants include all individuals who intend to occupy the property as their primary residence, regardless of their relationship to the borrower or whether they are an applicant for the loan or not
	Borrower	Borrower(s) Documentation Requirements <ul style="list-style-type: none"> • 2 years tax transcripts • 2 years W-2s • Paystubs, reflecting 30 days of income If self-employed, 2 years complete 1040s with all schedules, 1099s and W-2s
	Non-Borrowing Occupant	Non-Borrowing Occupant(s) documentation requirements, age 18 or older <ul style="list-style-type: none"> • 1 year tax transcripts or 1 year complete 1040s with all required schedules • 1 year W-2s required • Paystubs, reflecting 30 days of income If self-employed, 1 years complete 1040s with all schedules, 1099s & W-2s
	Inclusions	<ul style="list-style-type: none"> • Earned income for all occupants over the age of 18 • Unearned income for all occupants under the age of 18 • Social Security Income • Alimony • Child Support • Pension/Retirement • Disability Income • Public Assistance • Interest and Dividend Income on funds retained after closing • Rental income being used for qualifying on a 2-4 unit purchase • Income from other investment properties • Mortgage Credit Certificate income being used for qualifying income
	Exclusions	<ul style="list-style-type: none"> • Earned income for all occupants under the age of 18 • Foster care income • Food Share Wisconsin • Non-recurring payments from: <ul style="list-style-type: none"> ○ Inheritances ○ Insurance settlements ○ Lottery winnings ○ Gambling winnings ○ Capital gains ○ Settlements for personal loss • One-time signing bonus



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First Time Home Buyer (FTHB) and VALOR General Product Information		
FTHB/VALOR	Income and Purchase Price Limits	FTHB/VALOR Income and Purchase Price Limits
	Federal Recapture Tax	Borrower must sign the Federal Recapture Tax Acknowledgement (Form 4)
	Exclusions	Borrowers who qualify for FTHB or VALOR program are not eligible to receive both the benefit of the preferred interest rate and the Mortgage Credit Certificate (MCC) program.
FTHB	Borrower	<ul style="list-style-type: none"> Borrowers must qualify for a WHEDA Advantage Conventional loan Be a FTHB, defined as an individual who has not owned a principal place of residence or had the benefit of home ownership in the last three years. <ul style="list-style-type: none"> This requirement is waived if a borrower is a qualified military veteran (see VALOR loan guidelines), as defined in the Conventional Underwriting Guide or is purchasing a home in a federally designated Target Area
	Home Buyer Education	Home Buyer Education <ul style="list-style-type: none"> Approved Mortgage Insurance (MI) Company Framework eHomeAmerica HUD Approved Counseling Agency <i>Costs set by the Home Buyer Education provider must be included in disclosures</i>
VALOR	VALOR Eligibility requirements	<ul style="list-style-type: none"> Borrowers must qualify for a WHEDA Advantage Conventional loan Be a Qualified Veteran, defined as a military veteran with an honorable discharge or release as evidenced by Form DD-214 indicating honorable discharge or release in the Charter of Service* <p style="text-align: center;"><i>NOTE: VA Certificate of Eligibility does not replace form DD-214</i></p> First-time home buyer requirement is waived
Limited Cash out Refinance (LCOR)		
REFINANCE	Transaction Type	WHEDA to WHEDA only
	Closing Costs	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

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