



FHA Overlay Grid

Category		WHEDA Requirements
AUS	Total Scorecard	<ul style="list-style-type: none"> Desktop Underwriter® (DU®)/Desktop Originator® (DO®) Loan Prospector® (LP®)
	Recommendations	<ul style="list-style-type: none"> DU®/DO® Approve/Eligible LP® Accept/Eligible
COMPLIANCE	Borrower	<ul style="list-style-type: none"> Must be legal U.S. resident with a valid Social Security Number Name cannot be listed on the State of Wisconsin Support Lien Docket Borrower with a previous WHEDA loan that was subject to foreclosure, deed-in-lieu, or short sale is not eligible
	Income	<ul style="list-style-type: none"> Must meet WHEDA Income Limits <i>Refer to the FHA Advantage Underwriting Guide Section 6.0 Calculating Compliance Income for additional guidance</i> Determine all large deposits and reoccurring non-payroll deposits are not a source of income. 2 years tax transcripts required
	Loan Amount	Must meet WHEDA Loan Limits
CREDIT	FICO	Minimum 620
	Co-Signor	Co-signors, Guarantors, and non-occupant co-borrowers are not allowed
COLLATERAL	Property	Must be located in Wisconsin
	Ineligible Property Type	<ul style="list-style-type: none"> 2 unit properties less than 5 years old 3-4 unit properties DELRAP condominiums Manufactured Homes Community Land Trusts
	Title	Only borrowers approved for the loan can take title
OTHER	Products	Refer to WHEDA Advantage FHA Products Matrix for eligible products and transaction types
	LTV/CLTV	96.5% / 105%
	DTI	Maximum 45%
	Home Buyer Education (Pre-purchase)	Required for first-time homebuyers only: <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>



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OTHER (continued)	Landlord Training	For 2-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"> WHEDA DPA Second Mortgages are eligible WHEDA is a Section 115 entity, eligible to fund DPA Second Mortgages in FHA transactions WHEDA directly funds all DPA Second Mortgages in FHA transactions Must meet Secondary Financing and Minimum Require Investment (MRI) requirements <i>Refer to HUD Handbook 4000.1 for further guidance.</i>

IMPORTANT

WHEDA's FHA Advantage overlays supersede FHA Guidelines.

Refer to the HUD Handbook 4000.1 and subsequent applicable Mortgagee Letters for additional underwriting guidance.

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