

WHEDA Advantage Conventional Eligibility Matrix

HFA Preferred™ (MI) Product

Includes HomeStyle® Renovation

***WHEDA Advantage Compliance requirements supersede Fannie Mae's Standard, HomeReady®, and HomeStyle® Renovation Guidelines.**

Underwriting

HFA Preferred™	
Community Lending Programs	<ul style="list-style-type: none"> • Total annual qualifying income: <ul style="list-style-type: none"> ▪ ≤ 80% AMI* may use Charter Level MI coverage ▪ > 80% AMI*: <ul style="list-style-type: none"> ❖ May be subject to higher interest rate ❖ Must use standard MI coverage <p>Loan amounts exceeding 80% LTV require mortgage insurance</p> <p style="text-align: center; font-size: small;">*Total Household Compliance Income must also meet the WHEDA Income Limits for the appropriate program.</p>
Desktop Originator® Desktop Underwriter®	<ul style="list-style-type: none"> • Desktop Originator® (DO®)/Desktop Underwriter® (DU®) submission is mandatory • NOTE: There may be exceptions to the requirements for certain transactions. Refer to the Notes section under each grid. • When combining HomeReady (HFA) and HomeStyle® Renovation, the more restrictive guideline must be applied.

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% contribution of borrower's own funds is required (5% if utilizing HomeStyle® Renovation); 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 Condominiums	FRM 95/105/105 ⁽⁵⁾	680 if > 75%	0	720 if > 75%	0
			640 if ≤ 75%		680 if ≤ 75%	
			620 if ≤ 75%	2	700 if > 75%	6
	660 if > 75%	6	660 if ≤ 75%			
	2 Unit ⁽⁷⁾	FRM 95/105/105	680 if > 75%	6	700 if > 75%	6
			640 if ≤ 75%		680 if ≤ 75%	
	3-4 Units ⁽⁷⁾	FRM 95/105/105	660	6	680	6

⁽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 (5% if utilizing HomeStyle® Renovation); property must be ≥ 5 years old

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Category		WHEDA Compliance Requirement		
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 Compliance Income	Anticipated income from all Household Occupants, age 18 or older. <ul style="list-style-type: none"> • Certification of Zero Income (Form 35) <ul style="list-style-type: none"> ○ Required for all Household Occupants age 18 or older, not receiving any income • Compliance Income Evaluation (Form 29) <ul style="list-style-type: none"> ○ Lenders may submit to WHEDA to have household income certified 		
	Household Occupants	All individuals who intend to occupy property as their primary residence, regardless of their relationship to the borrower or whether they are an applicant for the loan or not. <ul style="list-style-type: none"> • Borrower's Affidavit (Form 2) <ul style="list-style-type: none"> ○ Borrower required to complete this form disclosing all household occupants, etc 		
	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 <ul style="list-style-type: none"> • 2 years complete 1040s with all schedules, 1099s and W-2s 		
	Non-Borrowing Occupant	Age 18 or older Non-Borrowing Household Occupant(s) documentation requirements: <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: <ul style="list-style-type: none"> • 1 years complete 1040s with all schedules, 1099s & W-2s 		
	Inclusions	Compliance Income 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 • Child Support • Alimony • Pension/Retirement • Disability Income • Public Assistance 	<ul style="list-style-type: none"> • Interest and Dividend Income on funds retained after closing • Self-employment income • Rental income from the subject property being used for qualifying on a 2-4 unit purchase • Rental income from other Real Estate owned • Mortgage Credit Certificate income being used for qualifying income 	
	Exclusions	Compliance Income Exclusions		
<ul style="list-style-type: none"> • Earned income for all occupants under the age of 18 • Foster care income • Food Share Wisconsin • One-time signing bonus 		Non-recurring payments from: <ul style="list-style-type: none"> • Inheritance • Lottery winning • Insurance settlements <ul style="list-style-type: none"> • Capital gains • Gambling winning • Settlements for personal loss 		
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		

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Category		WHEDA Compliance Requirements Cont'd				
INCOME	Rental Income	Borrowers having less than one-year history of receiving rental income or documented property management experience, must have a minimum of a 6-month housing payment or expense history for rental income to be considered				
	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 				
CREDIT	Co-Signor, Guarantor, Non-Occupant Co-Borrower	Co-signors, Guarantors and Non-Occupant Co-Borrowers are not allowed				
	Deposits	<ul style="list-style-type: none"> Re-occurring non-payroll deposits should be explained and/or sourced to determine if there are other sources of income. 				
COLLATERAL	Property	Must be located in Wisconsin				
	Title	Only borrowers approved for the loan can take title, or a non-applicant spouse				
	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	Home Buyer Education	<p>Pre-Purchase Home Buyer Education (HBE) is required for:</p> <ul style="list-style-type: none"> First Time Home Buyer(s)⁽¹⁾ utilizing any WHEDA Advantage Conventional loan program. <ul style="list-style-type: none"> Waived if one borrower is NOT a First Time Home Buyer When all borrowers are relying solely on nontraditional credit to qualify, ALL borrowers must complete the education. <p>DU/DO findings will disclose the requirement based on the declarations from the loan application.</p> <p>Costs set by the Home Buyer Education provider must be included in disclosures</p> <p>See the WHEDA Advantage Conventional Underwriting Guide, Section 4.05 for acceptable education sources.</p> <p>⁽¹⁾A First- Time Home Buyer is defined as a person who has not had an ownership interest in a principal place of residence in the last three years.</p>				
	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) rates and pricing HomeStyle Renovation does not have separate pricing. 				
	Mortgage Insurance (MI)	<p>Loan amounts exceeding 80% LTV; MI company overlays apply</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Total annual qualifying income is ≤ 80% AMI = Charter Level Coverage</th> <th style="text-align: center;">Total annual qualifying income is > 80% AMI = Standard Coverage</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> 95.01 - 97% LTV = 18% coverage 90.01 - 95% LTV = 16% coverage 85.01 - 90% LTV = 12% coverage 80.01 - 85% LTV = 6% coverage 80% LTV and lower = Not required </td> <td> <ul style="list-style-type: none"> 95.01% - 97.00% = 35% coverage 90.01% - 95.00% = 30% coverage 85.01% - 90.00% = 25% coverage 80.01% - 85.00% = 12% coverage 80% LTV and lower = Not required </td> </tr> </tbody> </table>	Total annual qualifying income is ≤ 80% AMI = Charter Level Coverage	Total annual qualifying income is > 80% AMI = Standard Coverage	<ul style="list-style-type: none"> 95.01 - 97% LTV = 18% coverage 90.01 - 95% LTV = 16% coverage 85.01 - 90% LTV = 12% coverage 80.01 - 85% LTV = 6% coverage 80% LTV and lower = Not required 	<ul style="list-style-type: none"> 95.01% - 97.00% = 35% coverage 90.01% - 95.00% = 30% coverage 85.01% - 90.00% = 25% coverage 80.01% - 85.00% = 12% coverage 80% LTV and lower = Not required
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	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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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	Borrowers who finance their home using FTHB/VALOR pricing may be subject to a federal tax upon the sale of the property. WHEDA provides a reimbursement guaranty. <ul style="list-style-type: none"> Acknowledgement of Federal Recapture Tax Requirements (Form 4) <ul style="list-style-type: none"> Signed by Borrower(s) to inform them of tax and WHEDA guaranty
	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 First time Home Buyer defined as an individual who has not owned principal residence in the last 3 years. ALL borrowers and non-applicant spouses must meet definition <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
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 who served in active duty as evidenced by Form DD-214 indicating honorable discharge or release in the Charter of Service*. Only one Applicant must meet this definition <ul style="list-style-type: none"> <i>NOTE: VA Certificate of Eligibility does not replace form DD-214</i> First-time home buyer requirement is waived
HomeStyle Renovation		
HOMESTYLE RENOVATION	FTHB/VALOR/MCC	Purchase Price + Total Renovation Costs CANNOT exceed the purchase price limit
	General Requirements	See the WHEDA Advantage Conventional Guide, Section 3.04 and WHEDA Policy and Procedure Guide, Section 10.10 , for details
	Contractor Requirements	<ul style="list-style-type: none"> Dwelling Contractor (if used) must be licensed by the State of WI Non-dwelling contractors and/or individuals must be licensed by the State of WI HomeStyle Renovation Contract (Form 38) Executed and signed by each Contractor and the Borrower “Do It Yourself” option is not allowable – No exceptions
	Refinance	WHEDA to WHEDA only
	Renovation Period	Proposed work must be completed within 6 months of the closing date <ul style="list-style-type: none"> HomeStyle Renovation Loan Agreement (Form 39) Borrower to sign at closing
	Contingency Reserve	10% of the total renovation costs must be funded by <ul style="list-style-type: none"> Adding to the renovation costs, Additional funds from the borrower, or Gift from an eligible donor
	Renovation Escrow Account	Renovation funds to be held by WHEDA
	Draws	Draw requests to be submitted to WHEDA by Title Company
	Appraisal	Must be completed “subject to” the proposed scope of work
	Ineligible Improvements	<ul style="list-style-type: none"> Swimming pools Hot Tubs Appliances that are not a part of a substantial change or upgrade to the room in which the appliance would otherwise be placed. Structural changes to manufactured homes such as garages or additions



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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
Required Forms		
ALL LOANS	At application	<ul style="list-style-type: none"> Borrower's Affidavit (Form 2) Residential Loan Application Addendum (Form 3) Certification of Zero Income (form 35) – If applicable
FTHB/VALOR	At application	<ul style="list-style-type: none"> Acknowledgement of Federal Recapture Tax Requirements (Form 4)
HOMESTYLE RENOVATION	At application	<ul style="list-style-type: none"> HomeStyle Renovation Contract (Form 38) HomeStyle Renovation Loan Agreement (Form 39) HomeStyle Renovation Maximum Mortgage Worksheet PURCHASE (Form 41)
	During Renovation period	<ul style="list-style-type: none"> HomeStyle Renovation Multi Disbursement (Form 40)

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