

WHEDA Advantage Home Improvement Eligibility Matrix

| WHEDA Manual Underwrite | | | Maximum DTI ≤ 45% | |
|-----------------------------|---|---------------|---|------------------|
| Transaction Type | Property Type | Maximum HCLTV | Credit Score | Minimum Reserves |
| Home Improvement Mortgage | SFR, 2-Unit Condominiums | 125% | 620 | 0 |
| | Manufactured | 100% | | |
| General Product Information | | | | |
| Loan Term | 15 years | | | |
| Loan Limit | \$10,000 to \$50,000 <ul style="list-style-type: none">Allowable closing costs can be financed | | | |
| | 15% Contingency Reserve Requirement must be funded by: <ul style="list-style-type: none">Financed into the loanAdditional funds from the borrower, orGift from an eligible donor | | | |
| First Mortgage | If there is a first mortgage, it does not have to be a WHEDA loan | | | |
| First Mortgage Requirement | Must be a Fixed-Rate Mortgage | | | |
| Lien Position | Must be in 1st or 2nd lien position <ul style="list-style-type: none">May be in lower than 2nd lien position if all preceding liens are WHEDA financed | | | |
| Interest Rate | Fixed Rate Mortgage (FRM) <i>(Refer to Daily Pricing Grids)</i> | | | |
| Occupancy | Owner-occupied, primary residence | | | |
| Credit | <ul style="list-style-type: none">Tri-merged credit report, including non-applicant spouseMinimum 620 credit score0 X 30 on 1st Mortgage in last 12 months, as reflected on the credit report | | | |
| Ineligible Transactions | <ul style="list-style-type: none">HPMLHOEPA1st Mortgage Acquisition financingPayoff of existing mortgage(s)Also see Eligible & Ineligible Improvements | | | |
| Servicing | All loans sold servicing-released to WHEDA | | | |
| Lender Compensation | WHEDA paid compensation only <ul style="list-style-type: none">\$1,000Borrower-paid compensation is prohibited | | | |
| Allowable Fees | <ul style="list-style-type: none">AppraisalCredit ReportLife of Loan Flood Determination CertificationTitle Company Fees:<ul style="list-style-type: none">Closing fee, Title policy and draw/inspection handling fees | | <ul style="list-style-type: none">Recording feesPermit feesHUD Consultant Fees, if applicableState, county or local code(s) inspection fees, if applicable | |
| Closing Cost Credit | Up to \$500, paid by WHEDA | | | |
| Delivery Channel | <ul style="list-style-type: none">Broker Channel Only<ul style="list-style-type: none">Refer to the WHEDA Home Improvement Advantage Origination Guide | | | |
| Policy and Procedures | <ul style="list-style-type: none">Refer WHEDA Policy and Procedures Guide | | | |

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| Category | | WHEDA Compliance Requirement | |
|------------------------|-------------------------------|---|---|
| Compliance Requirement | Income Limits | Home Improvement Income Limits | |
| | Household 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 (HI Form 2) <ul style="list-style-type: none"> ○ Borrower required to complete this form disclosing all household occupants, etc | |
| | Required Income Documentation | All Borrowers | All Additional Household Occupants, 18 years or older |
| | | 2 years tax transcripts Additional requirements as applicable: <ul style="list-style-type: none"> • Paystubs, or Verification of Employment, with year-to-date earnings and a minimum of 30 days of income • 2 years W-2s & 1099's for all income reflected on transcripts • If self-employed, 2 years complete returns with all schedules • Child Support • Pension • Disability • Social Security Award Letter • Certification of Zero Income (Form 35), if applicable | 1 year complete 1040s with all required schedules Additional requirements as applicable: <ul style="list-style-type: none"> • Paystubs, or Verification of Employment, with year-to-date earnings and a minimum of 30 days of income • 1 year W-2s & 1099's for all income reflected on returns • Child Support • Pension • Disability • Social Security Award Letter • Certification of Zero Income (Form 35), if applicable |
| | 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-unit purchase • Rental income from other Real Estate owned |
| | 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 • Capital gains • Gambling winning • Settlements for personal loss |
| | 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 | |

WHEDA Advantage Home Improvement Eligibility Matrix

| Renovation Requirements | | |
|-------------------------|-------------------------|--|
| Renovation Requirements | HUD Consultant | <p>May be required, at WHEDA's discretion based on Scope of Work</p> <ul style="list-style-type: none"> • Scope of Work Evaluation (HI Form 6) <ul style="list-style-type: none"> ○ Lender must submit to WHEDA to determine requirements for HUD Consultant |
| | Contractor Requirements | <ul style="list-style-type: none"> • General Contractor (if used) must be licensed by the State of WI • Must follow State of Wisconsin licensing requirements for specific work. • Renovation Contract (Form 38) Executed and signed by each Contractor and the Borrower • "Sweat Equity" is not allowed • "Do It Yourself" option may be allowed on an exception basis |
| | Renovation Period | <p>Proposed work must be completed within 180 days of the closing date</p> <ul style="list-style-type: none"> • Renovation Loan Agreement (Form 39) Borrower and Lender to sign at closing |
| | Contingency Reserve | <p>15% of the total renovation costs must be funded by:</p> <ul style="list-style-type: none"> • Adding to the renovation costs, • Additional funds from the borrower, or • Gift from an eligible donor |
| | Escrow Account | <p>Renovation and contingency reserve funds to be held by Title Company</p> |
| | Inspections and Draws | <ul style="list-style-type: none"> • The use of a Title Company for progress inspections, draws, and collection of lien waivers is required. • All Renovation Draw documentation must be submitted to WHEDA following completion of work. |
| | Appraisal | <p>Full Uniform Appraisal, must be ordered by WHEDA</p> |
| | Eligible Improvements | <ul style="list-style-type: none"> • Exterior Improvements: <ul style="list-style-type: none"> ❖ Roofing ❖ Siding ❖ Windows • Floor coverings • Water Heater • Furnace or Air Conditioning • Energy Star Appliances • Structural Repairs • Remodeling Rooms, new additions (see exclusions) |
| | Ineligible Improvements | <ul style="list-style-type: none"> • Luxury Items • Swimming pools • Hot Tubs • Structural Additions to Manufactured Homes |
| Required Forms | | |
| Forms | At application | <ul style="list-style-type: none"> • Home Improvement Registration and Lock Request (Form 1a) • Home Improvement Application Package Checklist (HI Form 1) • Home Improvement Borrower's Affidavit (HI Form 2) • Home Improvement Maximum Mortgage Worksheet (HI Form 5) • Renovation Contract (Form 38) • Tax Payor Consent (Form 47) • Appraisal Order Request (Form 48) • Homestyle Renovation Mortgage Consumer Tips (Form 1204) |

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| | At Closing | <ul style="list-style-type: none"> • Home Improvement Funding Certificate (HI Form 3) • Home Improvement Closing Package Checklist (HI Form 4) • Renovation Loan Agreement (Form 39) • Closing Instructions |
| | During Renovation | <ul style="list-style-type: none"> • Multi-disbursement Draw Request (Form 40) |