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Lender Update 2017-11

May 19, 2017

In this Update:

- **NEW INCOME LIMITS**
- **CLOSING INTEREST ON THE FIRST MORTGAGE AND EASY CLOSE LOANS**

New Income Limits

The IRS recently approved the use of the 2017 HUD Household Income Limits. As a result, WHEDA has revised the Income Limits for the following programs:

- First Time Home Buyer (FTHB) Conventional, VALOR Conventional and Mortgage Credit Certificate (MCC)
- Conventional and FHA
- Home Improvement

The revised Income Limits for all programs are effective for all new loan registrations received on or after the date of this announcement.

The revised limits are available on WHEDA.com under each loan product and on the Lender Toolkit page: <https://www.wheda.com/Lender-Toolkit/>

Closing Interest on the First Mortgage and Easy Close Loans

In order to mirror industry standards, on March 10, 2017, we informed our lender partners that changes were being made to the Policy and Procedures Guide, Section 9.11 – Closing Interest on the First Mortgage and Easy Close Loans. At the same time we also modified [Form 7-Funding Request](#) to mirror industry standards.

Please take note of the following important change:

- Prepaid closing interest should be calculated on a 365-day basis using 4 decimal places

In order to allow our lending partners ample time to update their LOS to reflect this change, we will continue to accept Funding Requests reflecting a 360-day pre-paid interest calculation until June 30, 2017. Use of Form 7 – Funding Request (rev 4/24/17) will be mandatory for funding requests received on or after July 1, 2017.