



**WHEDA**

**WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY**

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**Lender Update 2018-03**

*March 13, 2018*

**In this Update:**

- **Policy and Procedure Updates**
  - Schedule of Fees
  - Clarification of Principal Reductions & Cash Back at closing
- **Preapproval Certificates now available**
- **Updated Single Family Staff Roster**
- **Tips and Tricks**
  - Finalizing DO

**Policy and Procedure Update**

- **Schedule of Fees**
  - Effective with newly Registered loans on, or after, April 1, 2018, the schedule of fees has changed as follows:

	Broker Channel Mini-Corr Channel	Correspondent Channel
Purchase Review Fee	\$500	N/A
Compliance Review Fee	N/A	\$350

The [Schedule of Fees](#) has been updated to reflect this change.

- **Principal Reductions and Cash Back at Closing**
  - Principal reductions and Cash Back at closing are allowable for the refund of overpayment of fees and costs, as long as any minimum borrower contributions have been verified.

Overpayment of fees and costs may include:

- Borrower fees and cost paid outside of closing
  - Earnest Money
  - Home Buyer Education, if fee based
  - Home Owners Insurance
  - Inspections
- Allowable prorated costs
- Pass-through costs on 2-4 unit properties
  - Deposits from current tenants

Minimum Borrower Contribution	1 Unit	2-4 Unit
Conventional	n/a	3%
FHA	n/a	n/a

- WHEDA strongly encourages lenders to consider the following alternatives to principal reductions:
  - Reducing the loan amount of any existing secondary financing, such as the Easy Close, or
  - Reducing the loan amount of the first mortgage
- All principal reductions checks must be submitted to WHEDA with the Original Note.

Sections 5.08 (Broker); 6.13 (Correspondent) and 7.08 (Mini-Correspondent) of the [WHEDA Policy and Procedures Guide](#) has been updated to clarify this policy.

### **Preapproval Certificates**

- For lenders in the Broker or Mini-Correspondent channels, underwriters will now upload a Preapproval Certificate to WHEDA-Connect for lenders to provide to their borrowers.

### **Updated Single Family Roster**

Please welcome the following new staff members to the Single Family Originations Team.

Christina Rauls	<a href="mailto:Christina.Rauls@wheda.com">Christina.Rauls@wheda.com</a>	Underwriter 1
Mark Auchtung	<a href="mailto:Mark.Auchtung@wheda.com">Mark.Auchtung@wheda.com</a>	Program Specialist

The [Single Family Roster](#) has been updated to reflect these changes.

### **Tips and Tricks**

- Finalizing Desktop Originator (DO)
  - In order to expedite files to underwriting quicker and more efficiently, remember to update and finalize the DO findings report to WHEDA when submitting loans files for review.

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