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Lender Update 2018-16

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Annual Real Estate Taxes

For all loan closings on or after *December 1, 2018*, the Closing Disclosure must reflect the payment of the estimated annual real estate taxes.

Principal Reductions and New Funding Request (Form 7)

Effective immediately, principal reductions noted on the Closing Disclosure will be netted out of funding. It will no longer be necessary for lenders to forward a check to WHEDA!

Sections 5.08, 6.13 and 7.08 of the [Policies and Procedures Guide](#), and the [Funding Request \(Form 7\)](#) have been updated to reflect this change.

- Note: additional fields have also been added to the Funding Request for the HomeStyle® Renovation program.

Rental Income from Other Real Estate Owned

This is to clarify that rental income from other real estate owned:

- can be used for qualifying income, and
- **must** be included in compliance income calculation

Lenders should use standard GSE guidelines for calculating this income.

The [WHEDA Advantage Conventional Guide](#) and [WHEDA Advantage FHA Guide](#) have been updated to reflect this clarification.

Uniform Closing Dataset (UCD)

For manually underwritten loans, the UCD summary must have its own unique Case File ID number. It must not be linked to any previously scored DU®/DO® Case File ID number.

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