



WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

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Lender Update 2020-05

April 2, 2020

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WHEDA Advantage Conventional

Discontinuation of HFA Risk Sharing

Fannie Mae made a surprise decision to discontinue the HFA Risk Sharing program. Per an email WHEDA received late Tuesday March 31st, Fannie Mae stated the decision to discontinue the product at this time was primarily based on the following:

- Fannie Mae acquires loans with recourse (i.e., 12-month repurchase agreement in lieu of mortgage insurance) under an FHFA directive that requires us to transfer risk on these loans.
- Due to market conditions, Fannie Mae cannot guarantee that it can secure the required coverage after July 1, 2020.

After receiving this information, we had a conference call with Fannie Mae on Wednesday, April 1, 2020, to discuss their decision and the effects their abrupt termination of a popular program would have on all our Business partners and their WHEDA borrowers. Unfortunately, Fannie Mae was extremely resolute.

This abrupt decision made by Fannie Mae has put WHEDA and our Business Partners on a very short timeline. We will be updating all resources as soon as possible.

PLEASE NOTE: The HFA Preferred w/MI option remains unchanged!

Below are the timeline requirements for lenders to comply with Fannie Mae's decision:

New Registrations:

- Lenders may continue to register and lock new loans under the HFA Risk Sharing option until 5pm on Friday, April 3, 2020, excluding new pre-approval requests.

New Locks:

- Lenders may lock existing registered loans under the HFA Preferred Risk Sharing option until 5pm on Friday, April 3, 2020.

Closings:

- All loan closings under the HFA Preferred Risk Sharing option must take place on or before April 30, 2020.

Correspondent Purchases:

- Loans closed under the HFA Preferred Risk Sharing option with a Correspondent Lender must be **delivered AND purchased** on or before May 15, 2020. Any loans not purchased by this deadline may be considered a non-purchase.

Existing Pre-approvals:

- All existing Pre-approvals under the HFA Preferred Risk Sharing option must:
 - Convert to a full file with a fully executed Offer to Purchase by Friday, April 3, 2020 and follow all the other applicable requirements above, or
 - Work to convert the Pre-approval to the HFA Preferred w/MI option.

PLEASE NOTE: Fannie Mae's deadlines do not allow for any exceptions.

- If you have any concerns regarding these deadlines, we highly recommend shifting to the HFA Preferred w/MI option.

WHEDA apologizes for the inconvenience this will cause our lender partners and/or affected borrowers.

March 31st revisions to FNMA Lender letters

On Tuesday, March 31st, 2020, Fannie Mae announced additional temporary COVID-19 guidance in [Lender Letter 2020-03](#) and [Lender Letter 2020-04](#).

Effective immediately, WHEDA is aligning with the additional guidance outlined in the announcements. For loans closing under the HFA Preferred w/ MI option, lenders must follow all additional guidance from the applicable MI Company as it relates to these additional changes.

Resources and Important Numbers

Here is a link to our [Staff Roster](#) to give you the names, emails and phone numbers for all of WHEDA Single Family's staff by department.

To clarify where to send pertinent information or areas to reach out to with questions is:

- All underwriting conditions, pre-purchase and post-purchase, including trailing documents, should be uploaded via [WHEDA-Connect](#).
- For pre-closing or pre-purchase underwriting questions on conditions, email underwriting@wheda.com, or call 800-334-6873.
- To verify receipt of the **Original Note**, email capitalmarkets@wheda.com.
- For questions regarding trailing documents reflected on the Outstanding Document Report, email postclosing@wheda.com.

Receiving calls from existing WHEDA Borrowers with questions on how to make their payments, or payment options?

- They can reach our Servicing Department by:
 1. Emailing Servicing@wheda.com, or
 2. Calling 800-562-5546
- Refer them to [WHEDA's COVID FAQ's](#)

Lender Update Archive

