

Home R and R Loan Program Eligibility Matrix

WHEDA Manual Underwrite			Maximum DTI-50%	
Transaction Type	Property Type	Maximum HCLTV	Credit Score	Minimum Reserves
Home Improvement Mortgage	SFR 2-Unit Condominiums Manufactured	125%	No Minimum	0
General Product Information				
Loan Term	30-year amortization			
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 loan,Additional 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	No restriction			
Lien Position	<ul style="list-style-type: none">1st, 2nd, or 3rdNo judgments or non-mortgage liens allowed on title			
Interest Rate	3%			
Occupancy	Owner-occupied, primary residence			
Credit	<ul style="list-style-type: none">Credit report, including non-applicant spouse.No minimum credit score; must be current on 1st mortgage.Unpaid tax liens or judgments that may impact lien priority are not allowed.			
Ineligible Transactions	<ul style="list-style-type: none">HPMLHOEPA1st Mortgage Acquisition financingPayoff of existing mortgage(s)Also see Eligible & Ineligible ImprovementsMay not have another loan under this section pending with the authority at time of applicationOnly 1 Home R & R loan per borrow(s)/address			
Servicing	All loans sold servicing-released to WHEDA.			
Lender Compensation	WHEDA paid compensation only: <ul style="list-style-type: none">\$750Borrower-paid compensation is prohibited.			
Allowable Fees	<ul style="list-style-type: none">Credit ReportLife of Loan Flood Determination CertificationRecording feesPermit feesIncome/Employment verification fees payable to a third-party vendorOvernight mailing fee for Note	<ul style="list-style-type: none">State, county, or local code(s) inspection fees, if applicableTitle Company fees:<ul style="list-style-type: none">Closing fee, Letter Report or Title Policy and draw/inspection handling feesWire Fee		
Closing Cost Credit	None			
Hazard Insurance	Hazard insurance in an amount at least equal to all mortgage balances, which are secured by the property, is required.			
Delivery Channel	Broker Channel <ul style="list-style-type: none">Refer to the WHEDA Home R & R Origination Guide			

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Policy and Procedures	Refer to Home R & R Origination Guide and WHEDA Policy and Procedures Guide
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Category		WHEDA Compliance Requirement	
Compliance Requirement	Income Limits	Must meet Home R & R 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 (RR 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 signed tax returns or 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 (signed) 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 	

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Renovation Requirements		
Renovation Requirements	HUD Consultant	None required
	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 (HI Form 38) Executed and signed by each Contractor and the Borrower. Contractors responsible for applicable permits. "Sweat Equity" is not allowed "Do It Yourself" option may be allowed on an exception basis Cost of labor and materials must be detailed separately on the scope of work.
	Renovation Period	Proposed work must be completed within 180 days of the closing date <ul style="list-style-type: none"> Renovation Loan Agreement (RR Form 39) Borrower and Lender to sign at closing
	Contingency Reserve	15% of the total renovation costs must be funded by: <ul style="list-style-type: none"> Adding to the renovation costs, Additional funds from the borrower, or Gift from an eligible donor.
	Escrow Account	<ul style="list-style-type: none"> Renovation funds to be held by Title Company. Contingency reserve to be held by WHEDA.
	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. Maximum allowable draw at closing is 50% of cost of materials only.
	Appraisal/Property	<ul style="list-style-type: none"> AVM will be ordered and paid for by WHEDA. Home must be constructed at least 40 years prior to the date of the application. Property taxes must be paid current with no unpaid tax liens.
	Eligible Improvements	<ul style="list-style-type: none"> Exterior Improvements: <ul style="list-style-type: none"> Roofing Windows Exterior Door Interior Improvements: <ul style="list-style-type: none"> Floor coverings Water Heater Furnace or Air Conditioning Structural Repairs Internal Plumbing Electrical system <p>If a loan recipient's home contains lead paint, asbestos, or mold, the authority's loan agreement with the recipient shall require the recipient to remediate the hazardous material or condition as required by and in accordance with local, state, and federal laws or regulations.</p>
	Ineligible Improvements	<ul style="list-style-type: none"> Luxury Items Swimming pools Hot Tubs Structural Additions to Manufactured Homes Appliances

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Required Forms		
Forms	At application	<ul style="list-style-type: none"> • Home Improvement Registration and Lock Request (HI Form 1a) • Home Improvement Application Package Checklist (HI Form 1) • Home R & R Borrower's Affidavit (RR Form 2) • Home Improvement Maximum Mortgage Worksheet (HI Form 5) • Renovation Contract (HI Form 38) • Tax Payor Consent (Form 47) • Valuation Order Request (Form 48) • Homestyle Renovation Mortgage Consumer Tips (Form 1204)
	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 (RR Form 39) • Closing Instructions
	During Renovation	<ul style="list-style-type: none"> • Multi-disbursement Draw Request (Form 40)