



WHEDA

Home Improvement Advantage Origination Guide

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1.00 Introduction

This guide provides our lending partners with the information needed to understand WHEDA's underwriting requirements for its Home Improvement Advantage loan program.

Lenders should also refer to the [Policy and Procedures Guide](#) for additional guidance on, but not limited to:

- Registering, Locking and Submitting loans through WHEDA-Connect.
- Settlement procedures.
- Post – Closing procedures.
- Home Improvement Escrow Procedures.

2.00 Underwriting Philosophy

Underwriting decisions should be based on the evaluation of all the layers of risk using common sense, experience and sound judgment. The presence of individual risk factors found in the loan file do not necessarily threaten the borrower's ability to obtain a home improvement loan. However, when multiple layers of risks are present, and there are no compensating factors or positive offsets to the risks, their cumulative effect could dramatically increase the likelihood of default and foreclosure. Each borrower deserves an equal and fair consideration based on their unique circumstances provided the loan as a whole presents an acceptable risk.

With the exception of the policies established in in this Home Improvement Underwriting Guide, and the Home Improvement Matrix, WHEDA will follow underwriting principles outlined in the Fannie Mae Selling Guide for the purposes of determining:

- a stable employment history.
- qualifying income.
- credit worthiness.
- acceptable funds to close, when applicable.
- acceptability of the Appraisal and the appraised value.

WHEDA will first follow, Fannie Mae HomeReady® requirements, and then the standard underwriting requirements.

All WHEDA, State and Federal regulatory compliance requirements must be met.

3.00 Mortgage Eligibility

WHEDA provides junior lien home improvement loans for properties that are a borrower's principal residence. The first mortgage, if applicable, does not need to be a WHEDA mortgage. Refer to [Section 10.02](#) for eligible property types.

3.01 Home Equity Combined Loan-to-Value (HCLTV)

For first mortgages that have subordinate financing, the lender must calculate the HCLTV ratio. This is determined by dividing the sum of the items listed below by the appraised value of the property. See [Section 11.01-Appraisal Report](#) for additional guidance.

- the unpaid principal balance of the first mortgage
- the full amount of any Home Equity Lines of Credit (HELOCs) whether or not funds have been drawn, and
- the unpaid principal balance of all closed-end subordinate financing includes but is not limited to forgivable down payment assistance (DPA) and a zero percent interest deferred DPA program.
 - Subordinate financing that is recorded with a retention agreement, and includes an automatic subordination provision, are not required to be included in the HCLTV calculation.

See the [Home Improvement Matrix](#) for maximum HCLTV requirements.

3.02 Lien Position

The Home Improvement loan must be in 1st or 2nd lien position.

- May be in a more subordinate position if all existing liens are WHEDA loans.

3.03 Prohibited Mortgage Transactions

- High Priced Mortgage Loan (HPML) under the Truth in Lending Act (TILA)
- High Cost Mortgage Loan (HCML) under the Home Owners and Equity Protection Act (HOEPA)
- Refer to the [Policy and Procedures Guide](#) Section 4.05-Higher Priced Mortgage Loans for additional guidance.

4.00 Borrower Eligibility

This Chapter provides guidance on determining a borrower's eligibility for a WHEDA Home Improvement Advantage loan.

4.01 Income Limits

Income Limits are based on household size and property location.

The combined gross annual income of all persons who occupy the subject property cannot exceed the Home Improvement Advantage Income Limit for the household size and county in which the property is located.

The borrowers must complete a Home Improvement Borrower's Affidavit ([HI Form 2](#)) listing all persons that will occupy or intend to occupy the subject property, their names, age and relationship to each borrower.

Refer to the [Home Improvement Advantage Income Limit Chart](#) and [Section 6.0 – Determining Household Size](#) and [Section 7.0 – Calculating Compliance Income](#) for additional guidance.

Good to Know

The number of household occupants may be different than the number of loan applicants.

4.02 Citizenship

All borrowers must have a valid Social Security Number and be one of the following:

- U.S. citizen
- Permanent resident alien (I-551)
- Temporary resident alien (I-766, I-94 or I-551 temporary stamp) with a card issued by the Department of Homeland Security U.S. Citizenship and Immigration Services. Include a copy of the card in the application package

If the validity of the Social Security Number is in question, the lender must verify and validate the Social Security Number through one of the following:

- Social Security Administration
- Acceptable third-party vendor

4.03 Child Support/Maintenance

Arrearages reported on the [State of Wisconsin Support Lien Docket](#) must be paid in full prior to closing or the borrower must provide a payment agreement that has been approved by the county child support agency with a 6 month satisfactory payment history.

4.04 Occupancy

A borrower must occupy the subject property as their primary residence.

4.05 Ownership of Other Property

A borrower may own other real estate.

4.06 Guarantors and Co-Signors

A guarantor or co-signor is not allowed.

4.07 Non-Occupant Co-Borrowers

Non-occupant Co-Borrowers are not allowed.

5.00 Income and Employment Documentation

The lender is required to document a 2-year history of stable employment and a reliable stream of income.

Income and employment documentation must be no more than 30 days old from the application date. The lender must update the documentation if it has expired.

5.01 Paystub

The paystub must be dated no earlier than 30 days prior to the initial loan application date, reflect a minimum 30 days of income, identify the name of the employer and the borrower, and include all year-to-date earnings. The paystub must include sufficient information to appropriately calculate income. If the borrower has been on the job for less than one year, the lender must obtain a Verbal Verification of Employment confirming the borrower's "start date" so that credit and compliance income can be calculated.

5.02 Request for Verification of Employment (VOE)

The lender may use the Request for Verification of Employment (Form 1005 or Form 1005(S)) to document income from a salaried or commissioned borrower. The date of the document must meet the Allowable Age of Credit Documents requirement. The information on the VOE must be legible. The following fields on the form are optional:

- Probability of Continued Employment
- If overtime or bonus is applicable, is its continuance likely?
- Date of Applicant's next pay increase
- Projected amount of next pay increase
- Date of applicant's last pay increase
- Amount of last pay increase
- Reason for leaving (Part III – Verification Previous Employment)

The remaining fields on the form must be completed as applicable to the borrower.

Lender must obtain a blanket authorization from the borrower to request the information or the borrower must sign Form 1005 or Form 1005(S).

5.03 W-2 Forms

IRS W-2 forms must cover the most recent two year period and clearly identify the borrower as the employee. The sum of the W-2's should match the wages earned on the borrower's federal tax transcripts.

5.04 Tax Return Transcripts

The lender must obtain signed Federal Income Tax Return transcripts for the most recent two year period.

If the source of income for a borrower is self-employment or commission income that represents more than 25% or more of the borrower's total annual income, the lender must provide a fully executed IRS Form 4506-C.

Tax Returns will be reviewed for compliance income, self-employment activity, unreimbursed employee expenses, income from assets and claimed mortgage interest.

5.05 Verbal Verification of Employment (VVOE) Requirements

A VVOE for all active employment for each borrower must be obtained and dated within 10 business days prior to the Note date.

Hourly, salary and commission income employees

Verify and document the employer's phone number, and if possible, their address, independently through the phone book, the internet, directory assistance, or by contacting the applicable licensing bureau.

The VVOE should include:

- The name and title of the person who confirmed the employment,
- The date of the call, and
- The source of the phone number, if the internet – provide the website address
- Employment status

If a VVOE cannot be obtained, one of the following methods may be used:

- The Work Number Website - If the verification is obtained from [The Work Number](#) website, the 10-day business period is measured from the date of the Client's request to the vendor, not the date the information was updated in the vendor's database.
- A written verification of employment sent directly to the employer

Self-employed borrowers

Verify the existence of the borrower's business within 30 calendar days prior to the Note Date through one of the following methods:

- From a third-party such as a CPA, regulatory agency, or the applicable licensing bureau, if possible
- By a phone listing and address for the borrower's business using a telephone book, internet, or directory assistance
- By verbal contact: Document the source of the information, and document the name and title of the lender's employee who obtained the information

Seasonal employment

If verbal verification occurs during the off season and the borrower is currently not working for that business, independent verification that the business exists and that the borrower previously worked for that business as stated on the loan application is required.

6.00 Determining Household Size

Total Household Size includes all persons who will occupy the subject property. Occupants include but are not limited to the following:

- Adults age 18 or older
- Children
 - If a borrower shares custody of a minor child, a copy of the final divorce decree and marital settlement agreement or any other type of written legal agreement or court decree is required to determine if the borrower has at least 50/50 custody.
- Partner, companion
- Parent, Grandparent
- Niece, nephew
- Aunt, uncle
- Boarder, Renter (2 - 4 unit property)

The borrower is required to complete the Home Improvement Borrower's Affidavit ([HI Form 2](#)) listing the names, ages, relationship to each borrower and the amount of income earned or received on behalf of each household occupant.

7.00 Calculating Compliance Income

Compliance income is the anticipated gross income of all persons who will occupy the subject property. Calculating total gross household income is key to determining if the borrowers are income compliant for the Home Improvement Advantage loan.

When calculating compliance income, it is important to ensure that the outcome is fair and reasonable. Certain types of incomes will, at times, warrant a different approach and/or averaging. This chapter will discuss income inclusions and exclusions, periodic vs variable income, and a couple of examples of how to approach variable income.

Good to Know

Compliance income is not the same as qualifying income.
Submit Form 29 - Compliance Income Evaluation for a WHEDA compliance income review.

7.01 Calculating the Household Compliance Income

Compliance income includes all earned and unearned income of all persons occupying the subject property. Lenders should review and compare information on the loan application to other documents in the loan file such as, the borrower's affidavit, paystubs, asset documentation, and tax returns to identify other potential occupants.

Refer to [Section 4.1-Income Limits](#) for additional guidance.

For each source of income, Compliance income is generally calculated using the greater of:

- ***Current gross income projected 12 months forward, or***
- ***Gross income in the last tax year.***

All sources of income must be included into the household compliance income calculation regardless of its consideration for use in the qualifying income.

7.02 Compliance Income Inclusions and Exclusions

Income Inclusions	
<ul style="list-style-type: none"> • Earned income of all occupants over the age of 18 • Unearned income of all occupants under the age of 18 • Social Security • Social Security Disability Income (SSI) • Child support • Alimony • Pension/retirement • Disability Income • Public Assistance • Interest and dividend income on funds retained after closing 	<ul style="list-style-type: none"> • Re-occurring capital gain income • Self-employment income (adding back depreciation, depletion, meals and entertainment, and business use of home). If a business is operated at a loss, such loss may not be used to offset income generated from other sources. • Rental income from the subject property, being used to qualify • Rental income from other investment properties as reported on a Schedule E.

Income Exclusions	
<ul style="list-style-type: none"> • Earned income from a child under the age of 18 • Foster care income • Food Share Wisconsin • Rental income, from the subject property, not being used to qualify 	<ul style="list-style-type: none"> • Non-recurring payments from: <ul style="list-style-type: none"> ○ Inheritances ○ Insurance settlements ○ Lottery winnings ○ Gambling winnings ○ Capital gains ○ Settlements for personal loss

Good to Know

Re-occurring non-payroll deposits may indicate additional undisclosed sources of income that may be required to be documented for household income compliance.

7.03 Base Pay or Periodic Payment Income

Base income is defined as:

- a base wage multiplied by a predetermined number of hours per week, per pay-period, or
- a base salary.

Periodic Payments are defined as predetermined set dollar amount and can be paid monthly, bi-weekly, semi-monthly, etc.

Generally base pay and periodic pay is straight forward and must not be modified.

Examples of Base Pay or Periodic Payments may include, but are not limited to:	
<ul style="list-style-type: none">• Hourly Wages with a predetermined number of hours• Salary Wages• Child Support• Long-Term Disability• Automobile Allowance	<ul style="list-style-type: none">• Supplemental Social Security Payments• Retirement payments (Pension, 401K etc)• Social Security Payments• Housing Vouchers (Section 8)

7.04 Variable Income

Variable income is defined as income that fluctuates from pay period to pay period. Variable income can be a result of fluctuating hours, multiple types of pay based on a specific job duty, different shifts worked, or business structures that base certain income from profits and losses.

Examples of Variable income may include, but are not limited to:	
<ul style="list-style-type: none">• Hourly Wages with fluctuating hours• Commission• Bonus• Tips• Self-employment, business income• Secondary employment• Interest / dividend income	<ul style="list-style-type: none">• Capital Gains• Shift differential• Per Piece• Per mile• Seasonal employment, or seasonal unemployment• Rental income (see inclusions and exclusions)

Things to consider when analyzing variable income include:

- Seasonal peaks and lows
- Lump-sum payments

Examples:

Construction Workers

Construction workers tend to see higher income from late spring through the summer months. If you are reviewing this type of income at the end of August, chances are the projected income would be higher than expected since it is towards the end of the peak season. Therefore, it may be reasonable to average the year-to-date income with the previous year's income.

Tipped Employees

Tipped employees tend to see higher income during the months of November and December due to the holidays. If you are reviewing this type of income during the month of September, chances are the projected income would be less than expected. Therefore, higher total income from the previous year may be more reasonable to use.

Bonuses

It is important to understand the frequency of when bonuses are paid. For example, if you are reviewing a paystub in March, and the borrower just received an annual bonus, it is likely the projected income would be higher than expected. Therefore, it is reasonable to exclude the bonus income from the total gross income to make the "projected" annual calculation. Then add back the annual bonus to the tail end of the calculation.

8.00 Credit

A borrower's credit history is an account of how well the borrower handled credit in the past and it is a good indicator of how the borrower is likely to handle their credit in the future.

8.01 Credit Report

Obtain a tri-merged credit report for all borrowers, including a non-applicant spouse, if applicable.

The credit report must be no more than 90 days old and dated no earlier than 30 days from the application date. If the credit report is stale dated, the lender must provide an updated report.

8.02 Credit Scores

The minimum credit score requirement for each borrower is 620.

The credit report should include a minimum of one credit score for each borrower.

8.03 Analysis of Credit Report

Credit history within the past 12 months will be a strong factor in the underwriting decision.

Borrowers must exhibit none of the following derogatory events within the last 12 months:

- judgments, or
- new collections.

8.04 Analysis of Mortgage Payment History

The mortgage payment history must reflect 0 x 30 days late within the last 12 months. Or 0 x 30 if less than a 12 month history is available.

9.00 Debt Analysis

The debt-to-income ratio impacts the borrower's ability to repay the mortgage loan. Generally, the lower the borrower's total debt-to-income (DTI) ratio, the lower the risk. As the ratio increases, so does the level of risk.

9.01 Ratios

The maximum total debt-to-income ratio limit is 45%.

9.02 Housing Payment

The monthly housing expense is the sum of the following:

- Principal and interest (P&I)
- Real estate taxes
- Hazard insurance
- Flood Insurance premium, if applicable,
- Private Mortgage Insurance premium, if applicable
- Special Assessments
- Second Mortgages
 - WHEDA Home Improvement Loans
 - Hard Seconds: Home Equity Line of Credit (HELOC)
 - Soft Seconds: Community Seconds as defined by Fannie Mae

If the first mortgage is not a WHEDA loan, the Lender must provide proof of the principal, interest, taxes and insurance (PITI) payment. The mortgage payment reflected on the credit report in itself is not verification of the total PITI amount.

10.00 Property Eligibility

This Section provides Lenders guidance on the property eligibility requirements for the program.

10.01 Location

The property must be located in Wisconsin.

10.02 Eligible Property Types

- Single Family Residence
- 2-unit property
- Condominiums
- Double-wide manufactured homes

10.03 Ineligible Property Types

- Commercially used properties
- Time share units
- Single-wide manufactured homes

10.04 Property Use

If a borrower claims a deduction for “Business Use of Home” on their federal income tax return, then no more than 15% of the total square footage of finished space of the home including finished space in the basement can be used for trade or business purposes.

The property cannot be subdivided, farmed, or used commercially.

10.05 Code Requirements

The property should meet state and local code compliance requirements. If code violations are noted in documentation through the course of the normal standard underwriting review, bids must be obtained to correct the violations.

10.06 Property Condition

The property must be in average or better condition.

11.00 Determining Property Value

The borrower must obtain a new appraisal report at the borrower's expense.

11.01 Appraisal Report

The appraisal report should be dated within 60 days of the loan application.

All appraisals must be ordered by WHEDA to comply with Appraisal Independence Requirements (AIR).

At a minimum, a loan must be in registered status to request an appraisal. To submit a request for WHEDA's staff to order an appraisal, the lender must:

- Comply with any and all applicable rules and regulations, including AIR and TRID, as appropriate;
- Collect payment from the borrower to cover the cost of the appraisal;
- Upload all required documentation as listed on Form 48 Appraisal Order Request Form into WHEDA Connect; and
- Email a completed Form 48 Appraisal Order Request Form to underwriting@wheda.com.
- Based on the "Subject to" value of the property

Upon receipt of the necessary documentation, WHEDA will send a confirmation email to the lender and submit the order to our third-party vendor. Lenders will receive status update emails to track the appraisal progress. Any delays will be communicated with the lender to ensure a timely closing. Following review of a completed appraisal, a WHEDA underwriter will update the conditions list and send out an updated approval certificate, notifying the lender that the appraisal is ready to be sent to the borrower. The Appraisal will be in e-Docs within WHEDA Connect and can be sent to the borrower using the lender's method of delivery. Lender's will be required to ensure the appraisal is delivered to the borrower in accordance with all applicable rules and regulations.

WHEDA will net the cost of the appraisal at the time the loan is funded. (If a loan does not close, WHEDA will work directly with the lender partner to collect the borrower's payment from the lender.) In the event a re-inspection or completion certificate is required, the lender must notify the WHEDA underwriter when all required repairs have been completed (including sending in any required documents such as lien waivers). WHEDA will then coordinate internally to submit an order for a 1004D as needed. Lenders will be notified via email as the order progresses. Any delays will be communicated

with the lender to ensure a timely closing. WHEDA will make every effort to ensure that appraisals are ordered and obtained to meet estimated closing dates; however, from time-to-time delays may occur that will impact a closing date. WHEDA will communicate with our lending partner as appropriate to mitigate the impacts to mutual borrower.

The following exhibits must accompany the appraisal:

- Exterior building sketch with dimensions
- Street map that shows the location of the property and comparable properties
- Original photographs showing the front, back, and street scene of the subject property and the front of each comparable
- Interior photographs of the kitchen, all bathrooms, main living area, examples of physical deterioration, examples of recent updates

Acceptable Forms

- Uniform Residential Appraisal Report (Form 1004)
- Small Residential Income Property Appraisal Report (Form 1025)
- Condominium Appraisal Report (Form 1073)
- Manufactured Housing Appraisal Report (Form 1004C)

12.00 Determining Improvement and Repair Costs

Lenders should encourage borrowers to visit the National Association of the Remodeling Industry website (www.nari.org) for important information on remodeling tips.

Best practice is to encourage the borrower to obtain multiple bids from qualified contractors or to research multiple retail stores for the cost of material goods to ensure the borrower is obtaining a fair and equitable cost for the improvement. Once the borrower has chosen a contractor, the bid must be converted to a specific scope of work.

Contractor Requirements

- If the borrower is utilizing a Dwelling Contractor, they are subject to WHEDA/Lender's determination that the dwelling contractor is [licensed by the State of Wisconsin](#).
 - The easiest way to search for a Dwelling Contractor is by using their License Number
- Any individual contractor (Non Dwelling Contractors) that are being utilized are subject to WHEDA/Lender's determination that the individual is [licensed by the State of Wisconsin](#).

Documentation requirements

The application package must include the following documentation for review of the renovation:

- Scope of Work:
 - Must include a breakdown of materials and labor
 - Must be specific to the work being done. A general scope of work, bid or estimate is not acceptable. Examples:
 - hardwood flooring vs. flooring;
 - install granite counter tops vs. install counter tops;
 - all components of a gut rehab to a bathroom, type of vanity, type of bathtub and/or shower, type of flooring, electrical or plumbing needs, etc., vs. remodel of bathroom .
- [Renovation Contract Agreement \(Form 38\)](#) - signed/dated by the borrower(s) and ANY/ALL contractor(s)
 - Each dwelling contractor, business entity and individual providing contracted work on the renovation project MUST execute and be - co-signed by borrower(s)
 - Provide borrower(s) with the contract fully executed by both contractor and borrower(s).
 - Fully describe the work to be completed.
 - State the agreed upon cost.
 - Identify any sub-contractors.
 - Indicate when various stages of the work will be completed including start date and completion date. (Completion date not to exceed 6 months from the date of closing)
- [Renovation Loan Agreement \(Form 39\)](#) - signed/dated by the borrower(s) and lender, at closing.
- [Renovation Multi-disbursement \(Form 40\)](#) -For title company to send draw requests to WHEDA post-closing.
- [Home Improvement Maximum Mortgage Worksheet \(HI Form 5\)](#) - Completed by Originating Lender to determine maximum allowed renovations.
- [HomeStyle® Renovation Mortgage Consumer Tips \(Form 1204\)](#) - signed/dated by the borrower(s).

Certified HUD Consultant

A Certified HUD Consultant may be required to help homeowners have an expert available through the renovation process. The HUD Consultant may be waived if the scope of work is limited.

The roles of the consultant are to assist with:

- determining both required and desired repairs;
- preparing the detailed Scope of Work;
- obtaining inspection reports to approve disbursements; and
- evaluating the merit of offers submitted by contractors.

A list of certified HUD Consultants can be found by visiting:

<https://entp.hud.gov/idapp/html/f17cnsldata.cfm>

A [Scope of Work Evaluation \(HI Form 6\)](#) will be required to determine if a HUD consultant is necessary.

Below are some repairs that may require a consultant. Any changes to the scope of work must be reviewed by underwriter.

- Major rehab
- Structural changes
- Electrical modifications
- Plumbing modifications

Contingency Reserve

A 15% contingency reserve for cost overruns is required on all Homestyle renovation loans. This is based on the “hard costs” of materials and labor as determined by the final scope of work.

The contingency reserve may be funded by:

- financing it into the loan;
- use of the borrower’s own funds; or
- documented gift funds from an acceptable gift donor.

Title Company

The use of a title company for the renovation process is required. The role of the title company during the renovation period is to:

- order inspections for work completed;
- collect lien waivers;
- process draw requests from WHEDA;
- disburse funds to contractor; and
- provide a title update ensuring no mechanics liens filed.

Renovation-Related Costs

Renovation-related and closing costs that may be considered part of the total renovation costs include:

- 15% contingency reserves
- Appraisal
- Property inspection fees
- Certified HUD Consultant fees, if applicable
- Permit fees, if not included in the contractor bid
- Title company fees, such as:
 - Closing Fee, Post-closing draw handling fees, inspection fees

Work may not begin prior to loan approval.

12.01 Eligible Improvements/Repairs

Eligible improvements/repairs include but are not limited to:

- Air Conditioner
- Energy Star Appliances
- Floor Covering
- Furnace
- Roof
- Room Remodel
- New Addition (excluding manufactured housing)
- Siding
- Water Heater
- Windows

12.02 Ineligible Improvements/Repairs

Ineligible improvements/repairs include but are not limited to:

- High-end products and finishes
- Fireplace
- Structural Additions for manufactured housing
- Hot Tub
- Swimming pool

13.00 Disclosures, Fees and Title

Upload all required documentation on the Home Improvement Application Package Checklist ([HI Form 1](#)) to [WHEDA-Connect](#).

13.01 Disclosures

The lender is responsible for all regulatory compliance disclosures, including but not limited to the Loan Estimate, Closing Disclosure and Right of Rescission.

13.02 Fees Charged to the Borrower

The following allowable fees may be financed or paid in cash:

- Credit report
- Appraisal Report
- Title company fee, such as:
 - Closing Fee
 - Title Policy
 - Renovation Escrow Draw/inspection handling fees
- Standard Flood Hazard Determination (FEMA) – life of loan
- Recording fees
- Permit fees
- Any State, County or Local municipal code(s) inspection fees
- HUD Consultant, if required

13.03 Closing Cost Credit

The WHEDA \$500 closing cost credit must be reflected on the Closing Disclosure.

13.04 Title Commitment

Obtain a written title commitment, and review the following:

- Title should be held in fee simple and all borrower(s) should be titleholder(s). The borrower(s) must have at least 50% ownership.
- Any outstanding liens or mortgages against the property should have been disclosed in the debt section of the application for consideration in underwriting. Verify actual balances and payment status on the credit report or by the creditor in writing. If previously undisclosed debts are found, verify them in writing and contact WHEDA.
- Verify any judgments against the borrower(s) are satisfied.
- Verify any property taxes due are paid. If the title search does not indicate the status of the prior years' taxes, obtain a copy of the paid taxbill.

14.00 Completion of Home Improvements

Repairs must be completed, and all escrowed funds disbursed, within 180 days after closing. Upon completion of improvements/repairs provide the following:

- Proof of satisfactory completion of repairs, such as signed lien waivers and paid invoices from applicable contractors, or
- Evidence of escrow account closure, if applicable.
 - Any remaining amount of funds in the escrow account will be applied to the mortgage loan's outstanding principal balance, or
 - Additional improvements can be made with the remaining balance subject to:
 - Receipt of bid(s), and
 - Written approval from WHEDA

15.00 Closing, Funding and Post-Closing of Home Improvement Loans

Lenders must reference of the [Process and Procedure Manual](#) for guidance on the closing, funding, post-closing and draw process of the loan