



WHEDA Advantage FHA Eligibility Matrix

ELIGIBLE DIRECT ENDORSEMENT (DE) LENDERS and SPONSORED ORIGINATORS

***WHEDA Advantage FHA requirements supersede HUD's Guidelines. Anything not specifically addressed on matrix follows HUD guidelines.**

Automated Underwriting

Total Scorecard	<ul style="list-style-type: none"> Desktop Underwriter® (DU®)/Desktop Originator® (DO®) Loan Product Advisor® (LPA®) Correspondent only
Recommendations	<ul style="list-style-type: none"> DU®/DO® Approve/Eligible LPA® Accept/Eligible

Approve/Eligible or Accept Recommendation

Transaction Type	Number of Units	Maximum LTV /CLTV /HCLTV	Credit Score	Maximum DTI	Reserves
Purchase	1 Unit 2 Units (5+ years old)	FRM 96.5/105/105	640	45%	Per Total Scorecard

WHEDA Manual Underwrite (Broker & Mini Correspondent Channel Only)

Transaction Type	Number of Units	Maximum LTV /CLTV /HCLTV	Credit Score	Maximum DTI	Reserves
Purchase	1 Unit 2 Units (5+ years old)	FRM 96.5/105/105	640	45% ¹	Per HUD ¹

¹See HUD Handbook 4001.01 Section II.A.5.d.viii Approvable Ratio Requirement Chart for required compensating factors & reserves

Category

WHEDA Compliance Requirement

COMPLIANCE INCOME	Income and Purchase Limits	<ul style="list-style-type: none"> Must meet WHEDA Income and Purchase Price Limits Refer to the <i>FHA Advantage Underwriting Guide Section 6.0 Calculating Compliance Income</i> for additional guidance
	Household Income	Anticipated income from all Household Occupants, age 18 or older. <ul style="list-style-type: none"> Certification of Zero Income (Form 35) Required for all Household Occupants age 18 or older, not receiving any income Compliance Income Evaluation (Form 29) 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"> Borrowers Affidavit (Form 2) <ul style="list-style-type: none"> Borrower required to complete this form disclosing all household occupants, etc
	Borrower	Borrower(s) Documentation Requirements <ul style="list-style-type: none"> 2 years tax transcripts 2 years W-2s Paystubs, reflecting 30 days of income If self- employed: <ul style="list-style-type: none"> 2 years complete 1040s with all schedules, 1099s and W-2s
	Non-Borrowing Household Occupant	Age 18 or older Non-Borrowing Household Occupant(s) documentation requirements: <ul style="list-style-type: none"> 1 year tax transcripts or 1 year complete 1040s with all required schedules 1 year W-2s required Paystubs, reflecting 30 days of income If self-employed: <ul style="list-style-type: none"> 1 years complete 1040s with all schedules, 1099s & W-2s

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Category		WHEDA Compliance Requirement, continued			
COMPLIANCE INCOME, continued	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 2-4 unit purchase Rental income from other Real Estate owned Mortgage Credit Certificate income being used for qualifying income 	
	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 		<ul style="list-style-type: none"> Capital gains Gambling winning Settlements for personal loss 	
GENERAL	Loan Term	30-year			
	Amortization	Full, fixed rate mortgage (FRM)			
	Occupancy	Owner-occupied, primary residence for the life of the loan			
	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 Borrower with a previous WHEDA loan that was subject to foreclosure, deed-in-lieu, or short sale is not eligible 			
	Servicing	All loans sold servicing-released to WHEDA			
	Subordinate Financing	<ul style="list-style-type: none"> WHEDA DPA Second Mortgages are eligible WHEDA is a Section 115 entity, eligible to fund DPA Second Mortgages in FHA transactions WHEDA DPA must close in the name of “Wisconsin Housing and Economic Development Authority”. Must meet Secondary Financing and Minimum Require Investment (MRI) requirements <i>Refer to HUD Handbook 4000.1 for further guidance.</i> 			
CREDIT	Non-Applicant Spouse	Non-applicant spouse’s credit history is required <ul style="list-style-type: none"> All outstanding debts must be included in the total debt-to-income ratio Any outstanding judgments incurred in the interest of the marriage must be paid- in-full 			
	Co-Signor, Guarantor, Non-Occupant Co-Borrower	Co-signors, Guarantors and Non-Occupant Co-Borrowers are not allowed			
ASSETS	Deposits	Re-occurring non-payroll deposits should be explained and/or sourced to determine if there are other sources of income.			
COLLATERAL	Property	Must be located in Wisconsin			
	Title	Only borrowers approved for the loan can take title, or a non-applicant spouse. Only borrower(s) and a Non-applicant spouse, can be listed on the Offer to purchase, Mortgage, final title and Note			
	Property Types	Eligible Property Types		Ineligible Property Types	
<ul style="list-style-type: none"> 1 Unit 2 Units greater than 5 years old HRAP Condominiums Single Unit Approval Condominiums 		<ul style="list-style-type: none"> 2 Unit less than 5 years old 3-4 Units DELRAP Condominiums Manufactured Homes Community Land Trusts 			

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Category		WHEDA Compliance Requirement, continued
OTHER	Home Buyer Education	<p>Pre-Purchase Home Buyer Education (HBE) is required for First Time Home Buyer(s)⁽¹⁾</p> <ul style="list-style-type: none"> ○ Waived if one borrower is NOT a First Time Home Buyer ● When all borrowers are relying solely on nontraditional credit to qualify, ALL borrowers must complete the education. <p><i>Costs set by the Home Buyer Education provider must be included in disclosures</i></p> <p>See the WHEDA Advantage FHA Underwriting Guide, Section 4.05 WHEDA Advantage FHA Underwriting Guide, Section 4.05 for acceptable Home Buyer Education sources.</p> <p>⁽¹⁾A First- Time Home Buyer is defined as a person who has not had an ownership interest in a principal place of residence in the last three years.</p>
	Landlord Training	<ul style="list-style-type: none"> ● For 2-unit property purchases with LTV/CLTV/HCLTV greater than 85% <p><i>Costs set by the Landlord Education provider must be included in disclosures</i></p> <p>See the WHEDA Advantage FHA Underwriting Guide, Section 4.06 for acceptable Home Buyer Education sources.</p>
	Rates and Pricing	<ul style="list-style-type: none"> ● See WHEDA Rate Sheet for current FHA rates and pricing
	Upfront MIP & Monthly MIP	<ul style="list-style-type: none"> ● See HUD Handbook 4000.01 Section II.A.2.e.i MIP Chart ●
	Lender Compensation	<ul style="list-style-type: none"> ● Broker Channel – WHEDA-paid compensation only. Borrower-paid compensation is prohibited. ● Mini-Corr and Correspondent Channel – Lender-paid or Borrower-paid compensation plans eligible, determined by WHEDA Participating Lender
	Fees	<ul style="list-style-type: none"> ● \$350 WHEDA Compliance Review Fee - Correspondent ● \$500 WHEDA Purchase Review Fee – For Broker & Mini-Corr ● \$65 Tax Service Fee ● \$35 Wire Fee, if applicable (Note: No fee for funds transferred via ACH)
Required Forms		
ALL LOANS	At application	<ul style="list-style-type: none"> ● Borrowers Affidavit (Form 2) ● Residential Loan Application Addendum (Form 3) ● Certification of Zero Income (Form 35)
CONDOS	At application	<ul style="list-style-type: none"> ● Form HUD-9991
BROKER & MINI-CORR CHANNEL	At application	<ul style="list-style-type: none"> ● Loan Registration Form (Form 1a)

Important: Refer to the [WHEDA Advantage FHA Origination Guide](#)
– All requirements must be met

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