

WSHFC/IHFA Program Matrix – Home Advantage—FHA/VA/USDA

Overlays to Investor guidelines are underlined and in italics. Red indicates a change from previous matrix.
 Further guidance can be found in the Commission’s manuals: <http://www.wshfc.org/sf/downloads.html>

Owner-Occupied Purchase transactions only

Maximum FICO, LTV/CLTV	Investor	Property Type	Maximum LTV (CLTV per investor guidelines)	FICO	DTI
	FHA	1-2 Unit	----- Manufactured Home	<u>96.5</u>	Per agency guidelines & AUS loan approval
VA		1-2 Unit		<u>100%</u>	
USDA	1-Unit	----- Manufactured Home	<u>100%</u>	Per agency guidelines & AUS loan approval	Per AUS & underwriter approval
		HUD 184	1-2 Unit		

¹ Exclusive of Financed Guaranty Funding Fees

Eligible Products/Programs	30 Year Fixed Rate <ul style="list-style-type: none"> • FHA: 30 Year Fixed Rate <ul style="list-style-type: none"> ○ Limited 203K ○ HUD 184 • VA: 30 Year Fixed Rate • USDA: 30 Year Fixed Rate
Ineligible Product Types	<ul style="list-style-type: none"> • FHA <ul style="list-style-type: none"> ○ Standard 203K loans ○ Good Neighbor Next Door ○ HUD \$100 Down with Repair Escrows • VA <ul style="list-style-type: none"> ○ Alteration and repair Loans • USDA <ul style="list-style-type: none"> ○ Rural Energy Plus Loans ○ Temporary buy downs ○ Section 504 Repair Pilot Program ○ Single Close Construction
Loan Purpose	<ul style="list-style-type: none"> • Purchase Only.
Occupancy	<ul style="list-style-type: none"> • Primary residence, owner occupied only
Property Location	<ul style="list-style-type: none"> • State of Washington
Loan	<ul style="list-style-type: none"> • The more restrictive of the first loan mortgage program or the applicable WSHFC guideline applies.

Limits/Acquisition Cost	<ul style="list-style-type: none"> • VA: The maximum loan amount (excluding the Financed Guaranty Funding Fee) cannot exceed VA loan limits for the county in which the property is located. • USDA: The maximum loan amount cannot exceed USDA loan limits for the county in which the property is located.
Income Limits	<ul style="list-style-type: none"> • Up to \$180,000, unless other restrictions apply.
Borrower Eligibility	<ul style="list-style-type: none"> • A U.S. citizen, or a Non-US Citizen(s) who are lawfully present in the United States. This includes both Permanent Qualified Resident Aliens and Non-Permanent Qualified Aliens. See section 3 of the Home Advantage manual. http://www.wshfc.org/sf/downloads.html. See Matrix. • <u>Loans to Limited Liability Corporations (LLC) are not permitted</u> • <u>Loans in a Trust or closing in a trust is not permitted.</u>
AUS/Underwriting	<p>FHA:</p> <ul style="list-style-type: none"> • Fannie Mae Desktop Underwriter (DU) with ‘Approve/Eligible’ recommendation or Freddie Mac Loan Prospect Advisor (LPA) with ‘Accept’ recommendation • <u>Manual Underwriting is permitted subject to the following:</u> <ul style="list-style-type: none"> ○ <u>as long as the overall insurability and/or eligibility of the loan is not affected</u> ○ <u>the loan received a refer/eligible recommendation</u> ○ <u>the loan received an approve or accept/eligible recommendation but it requires a downgrade due to additional information not considered in the AUS decision</u> ○ <u>DTI per AUS & underwriter loan approvals</u> ○ <u>FICO as per agency guidelines and AUS & loan approval</u> ○ <u>Manufactured Homes: Manual underwriting permitted, per agency guidelines.</u> <p>HUD 184:</p> <ul style="list-style-type: none"> • Manual Underwrite only, completed by HUD <p>VA:</p> <ul style="list-style-type: none"> • Fannie Mae Desktop Underwriter (DU) with ‘Approve/Eligible’ or Freddie Mac Loan Prospector (LPA) with ‘Accept’ recommendation • <u>Manual underwriting is permitted, per agency guidelines.</u> <p>USDA:</p> <ul style="list-style-type: none"> • GUS with ‘Accept/Eligible’ findings is required • <u>Manual Underwriting is permitted per agency guidelines if:</u> <ul style="list-style-type: none"> ○ <u>Loan is part of the Existing Manufactured Home Pilot, or</u> ○ <u>GUS cannot locate a property and returns an ‘Accept/Unable to determine’</u> <p>Other customized automated underwriting systems are not permitted.</p>
DTI	<ul style="list-style-type: none"> • Per AUS & underwriter loan approval, unless further restrictions apply.
Credit Requirements	<ul style="list-style-type: none"> • All borrowers with a credit score must meet the minimum credit score, per agency guidelines, unless other restrictions apply. • <u>FHA: Use of non-traditional credit permitted if any or all borrowers do not have a credit score or meet minimum credit guidelines, subject to the following requirements:</u> <ul style="list-style-type: none"> ○ <u>maximum DTI per AUS & underwriter loan approval</u> ○ <u>All borrowers who have a credit score must meet minimum FICO, per agency guidelines</u> ○ <u>Manufactured homes are permitted, per agency guidelines.</u> • <u>May be permitted for VA or USDA, per agency guidelines.</u> • Significant Derogatory Credit: <ul style="list-style-type: none"> ○ Refer to Investor Guidelines with the exception of the below <p>USDA</p> <ul style="list-style-type: none"> • <u>For borrowers in consumer Credit Counseling, Chapter 12 or Chapter 13 Bankruptcies, the applicant must obtain written permission from the credit agency or bankruptcy court/trustee, as applicable, to enter into the mortgage transaction. If permission is not obtained, the loan is ineligible for purchase.</u>
First Time Homebuyer	<p>Home Advantage – Borrower does not need to be a first-time homebuyer. <i>*Further restrictions apply when using a specialty dpa program.</i></p>
Employment/Income Verification	<ul style="list-style-type: none"> • Follow AUS requirements • All sources of qualifying income must be legal in accordance with applicable federal, state and local laws, rules and regulation, without conflict. • A 4506-C form is required to be signed at closing for all transactions. • If using a Specialty DPA Program: <u>Full written VOE required for all household members. 2 recent paystubs within 45 days.; 3 years of tax returns</u>

	<u>required for Borrower and Spouse.</u>
Tax Liens	<ul style="list-style-type: none"> • Follow appropriate agency guidelines
Flipping	<ul style="list-style-type: none"> • Follow appropriate agency guidelines
Assets	<ul style="list-style-type: none"> • Allowed per appropriate agency guidelines. <i>*Further restrictions apply when using some specialty dpa programs.</i>
Eligible Properties	<ul style="list-style-type: none"> • 1 or 2-Unit Single Family Residence, as allowed per agency guidelines. • PUDs in accordance with investor guidelines • Condominiums in accordance with investor guidelines. • Leaseholds (FHA only) • Manufactured homes: <ul style="list-style-type: none"> ○ FHA : <ul style="list-style-type: none"> ▪ Minimum FICO, per agency guidelines ▪ AUS: Approve/Eligible ▪ <u>Manual underwrite permitted, per agency guidelines</u> ▪ <u>Age and size of manufactured home, follow agency guidelines.</u> ▪ <u>Leaseholds and Community Land Trusts may be eligible, must be real property, follow agency guidelines.</u> ○ USDA: <ul style="list-style-type: none"> ▪ New Manufactured home units: <ul style="list-style-type: none"> • <u>Minimum FICO, per agency guidelines</u> • <u>Age and Size of manufactured home, follow agency guidelines.</u> • <u>Leaseholds and Community Land Trusts may be eligible, must be real property, follow agency guidelines.</u> • Unit must not have had ANY alterations or additions since construction in the factory • Follow USDA 7 CFR 3550.73 for full program guidelines • GUS Approve/Eligible ▪ Existing Manufactured home pilot: <ul style="list-style-type: none"> • <u>Minimum FICO, per agency guidelines</u> • <u>Follow agency guidelines for age and size of manufactured home.</u> • <u>Leaseholds and Community Land Trusts may be eligible, must be real property, follow agency guidelines.</u> • Unit must not have had ANY alterations or additions since construction in the factory • Manufactured home must have been constructed on or after January 1,2006 in conformance with the Federal Manufactured Home Construction and Safety Standards • Manual underwrite required for this program only. Must utilize the USDA stacking order checklist for Manual Underwrite and follow all USDA Manual Underwriting guidelines. • No credit exceptions permitted • Debt ratio waivers permitted per USDA guidelines • Unit must have additional inspection per pilot guidelines • Refer to USDA Existing Manufactured Homes Pilot program at https://www.rd.usda.gov/files/RDUL-SFHpilots.pdf for more details ○ VA: <u>Manufactured Home may be permitted, follow agency guidelines.</u>

Ineligible Properties	<ul style="list-style-type: none"> • Cooperatives • Group Homes • Mobile Homes (not attached to permanent foundation) • 3-4 units • Condotels • Hotel Condominiums • Timeshares • Geodesic Domes • Working Farms and Ranches • Unimproved Land
Sales Concessions/IPC's	<ul style="list-style-type: none"> • Permitted in accordance with appropriate agency guidelines.
Downpayment Assistance/ Subordinate Financing	<ul style="list-style-type: none"> • Refer to Section 13 of Home Advantage Program Manual for subordinate financing requirements.
Tax Transcripts	<ul style="list-style-type: none"> • Transcript Requirements: <ul style="list-style-type: none"> ○ W-2/1099 transcripts will not be required for a borrower when all income for that borrower is derived from W-2 wage earner and/or 1099 fixed income sources. ○ Tax transcripts are required in the following circumstances: <ul style="list-style-type: none"> • When tax returns are used to qualify a borrower. The number of years provided must be based on AUS findings. Income verified via tax returns includes but is not limited to the examples listed below: <ul style="list-style-type: none"> ○ Self-employment income ○ Rental income ○ Other income sources (i.e. Dividend Interest, Capital Gains, Alimony, etc). • When written VOE form 1005 is used as standalone income verification. • Employment by family members • When amended tax returns have been filed, transcripts are required and must support the amended income.
Homebuyer Education	<ul style="list-style-type: none"> • Homebuyer Education is required for all borrowers listed on the Note and Deed of Trust Refer to http://www.wshfc.org/buyers/education.htm for approved education
Underwriting Authority	<ul style="list-style-type: none"> • Delegated Underwriting only
Buydowns	Buydowns are permitted. http://www.wshfc.org/sf/downloads.html
Co-borrowers/Co-signers	<ul style="list-style-type: none"> • Non-occupant co-borrowers or non-occupant co-signers are allowed under the program, Follow agency guidelines. <i>If using a specialty DPA, non-occupant co-borrowers/non-occupant co-signors are not permitted.</i>
Subordinate Financing	Refer to http://www.wshfc.org/sf/downloads.html for subordinate financing requirements
Escrow Requirements	Escrow accounts for property taxes, homeowner's insurance and flood insurance are required on all loans.
Income Calculation	<ul style="list-style-type: none"> • Home Advantage: Follow income as determined by your underwriter per signed transmittal and DU or LPA findings. Maximum \$180,000, unless other restrictions apply. • Specialty DPA programs: <ul style="list-style-type: none"> • <i>Future projected household income used for all household members 18 years and older. Further information can be found in the Commission manuals located at: http://www.wshfc.org/sf/downloads.html</i>
Limited 203K	<ul style="list-style-type: none"> • Not permitted on manufactured homes • May only be used for minor remodeling and non-structural repairs. • Does not require the use of a 203K Consultant, but a Consultant may be used. • The total rehabilitation cost must not exceed \$35,000. There is no minimum rehabilitation cost. • All improvements to existing structures must comply with HUD's Minimum Property Requirements and meet or exceed local building codes. • Time frame for completion of repairs not to exceed six months. • Work completed must be on the 203K Limited Eligible Improvements/Repairs list • Follow FHA Handbook 4000.1 230K Limited guidelines, regarding reason, type of improvements, time to complete, quality, disbursements, and post-closing documentation. • Lenders must handle all disbursements and are responsible for release of escrow and closing out the loans in FHA Connection.
High Cost Loans	<ul style="list-style-type: none"> • IHFA will not purchase High Cost Loans, as defined by the CFPB

High Priced Mortgage Loans	<ul style="list-style-type: none"> Permitted in accordance with agency guidelines.
Assignment of Mortgage	<ul style="list-style-type: none"> All first mortgage loans must be registered with MERS at the time of delivery to IHFA.
Flood and Hazard Insurance Policies	Please follow guidelines listed in Section 2 of Home Advantage manual: http://www.wshfc.org/sf/downloads.html
Seasoning	<ul style="list-style-type: none"> All loans must be purchased by IHFA within 60 days of the note date. Extension fees apply as applicable.
Fees	<p>IHFA will collect the following fees upon loan purchase:</p> <ul style="list-style-type: none"> Tax Service Fee \$85.00 Flood Certification Transfer Fee \$10.00 Electronic Upload Fee \$40.00; Program Application Fee for Second Mortgage (as applicable) - \$40.00
Escrow Holdbacks	<p>Escrow holdbacks for repairs are permitted in accordance with all WSHFC loan program guidelines.</p> <ul style="list-style-type: none"> Escrow is permitted for outstanding minor repairs for incomplete construction or for alterations and repairs that cannot be completed prior to loan closing provided the subject property is habitable and safe for occupancy at the time of closing. Follow investor guidelines regarding reason, type of improvements, time to complete, quality, disbursements, and post-closing documentation. Loans with outstanding escrow repairs must not impact IHFA's ability to deliver/sell the loan to Fannie Mae. The correspondent lender or designated escrow company will be responsible for managing and disbursing the escrows. The correspondent lender shall deliver loans that were originated in accordance with the first mortgage investor guidelines. Correspondent lender or designated escrow company is to retain the escrow funds until all improvements have been completed. Lender to provide IHFA confirmation of all work completed and that escrow funds have been released.
Appraisal Requirements	<p>Appraisal Condition Rating of C5/C6 or a Quality Rating of Q6 is not permitted.</p> <ul style="list-style-type: none"> FHA - Refer to HUD Handbook 4000.1 <ul style="list-style-type: none"> Appraisers must be on FHA Connection with State Certification designation of Certified General or Certified Residential Appraiser must comply with the FHA Appraisal Independence Policy HUD 184- Refer to Section 184 Processing Guidelines VA - Refer to the VA Lender's Handbook <ul style="list-style-type: none"> All appraisals must be ordered through VA's WebLGY (The Appraisal System), which will assign the order to a VA approved Appraiser -include an interior and exterior inspection of the subject property A notice of value for property appraised as existing or new construction is valid for six months. Rapidly fluctuating real estate market conditions may temporarily dictate the use of a shorter validity period. No new Appraisal can be requested on a property which already has a valid VA value determination (No duplicate appraisals) USDA- Refer to the USDA SFH Guaranteed Loan Program Handbook <ul style="list-style-type: none"> The appraisal must have been completed within six months of the date of the request for a conditional commitment Appraisal transfers must be executed in accordance with USDA SFH Guaranteed Loan Program Handbook (3555)

Appraisal Transfers	<ul style="list-style-type: none">• Follow applicable FHA, VA or USDA guidelines.
*Seller shall deliver loans that were originated in accordance with FHA/VA/USDA and WSHFC Handbooks, unless otherwise noted in this matrix	