



MEMORANDUM

VIA E-MAIL

TO: WVHDF Participating Lenders

FROM: Jon M. Rogers  
Senior Division Manager – Single Family Lending

DATE: Thursday, May 6, 2021

SUBJECT: \$1500 Lender Credit Offer: Updates & Reminder

Since announcing in February the availability of a \$1500 Lender Credit to be used for closing costs and pre-pays, we have received some additional guidance regarding: 1.) the property search tool, and 2.) where to input the Lender Credit on the new URLA/form 1003. The information below contains these updates (highlighted) and serves as a reminder of the continued availability of this offering. Please ensure new registrations adhere to this announcement. Previously funded credits are not impacted by these changes. To refresh your memory, loan purpose, product, income, and property limitations apply, as follows:

1. Loan purpose must be either **purchase** or **limited cash-out refinance** on primary, 1 – 4 unit dwelling.
2. The incentive is available on the following WVHDF products *only*:
  - a. **Conventional Movin’ Up and Movin’ Up Special** (purchase), and
  - b. **Secondary Market (FNMA)** (purchase or limited cash-out refinance).
3. Income must not exceed the applicable county’s **80% area median income (AMI)** limit.
  - a. Income limit is applicable to the Borrower(s) qualifying/DU income only. (Caution: Conventional Movin’ Up/Movin’ Up Special purchases are still subject to program eligibility calculations for federal compliance.)
  - b. Link to Fannie Mae Area Median Income Lookup Tool:  
<https://ami-lookup-tool.fanniemae.com/amilookuptool/>
4. Subject property must be in a **Fannie Mae Duty to Serve Rural**, WV census tract:
  - a. <https://ami-lookup-tool.fanniemae.com/amilookuptool/>
5. The credit *cannot* be used for down payment assistance, only closing costs or pre-pays. There is no repayment, additional lien, or note securing the funds.
6. Lenders utilizing the incentive must reserve the \$1500 credit separately at initial loan registration for funding purposes. Please refer to registration guidance on the next page.

### Closing and Funding

Lenders should advance the \$1500 credit to the closing table from their own account. When the Fund receives the file for purchase, we will reimburse the lender for the credit at par.

### Disclosure

Lenders are to disclose the \$1500 on the URLA/form 1003 (section L4. M. "Other Credits"). The credit should also appear on the LE and CD, as directed by your compliance departments.

### Underwriting

1. Non-delegated Underwriters: The Fund will make a note to your DU findings upon verification of eligibility.
2. Delegated Underwriters: For loans utilizing the credit, please indicate "\$1500 Credit – Special Feature Code (SFC) 843" on your Underwriting Compliance Sheet and the qualifying income amount used in DU. We suggest placing this in the Mortgage Insurance section. Example:

MORTGAGE INSURANCE	
<input type="checkbox"/> FHA # _____	\$1500 Credit - SFC 843 DU Income \$64,500/yr
<input type="checkbox"/> VA <input type="checkbox"/> USDA/RD <input type="checkbox"/> MI	

### Registration

A separate reservation is required to secure the credit. Regardless of your transaction type, please input the following product features along with the usual Borrower/property information:

- Occupancy: Primary Residence
- Loan Purpose: Purchase, or Limited Cash-out Refinance
- Loan Type: Conventional
- Rate: 0.001% (this is only to satisfy the system's interest rate requirement)
- Term: 120 (this is only to satisfy the system's term requirement)
- Base and Total Loan Amounts: \$1500
- Product: 9001 SEC MKT \$1500 GRANT
- Lock Period: 60

**At this time, the Fund is limited to 40 transactions utilizing this credit and all associated loans must close on or before December 15, 2021. We will keep you informed of availability.**

As always, please let me or other Single Family staff know if there are additional questions. We appreciate your partnership.