



# West Virginia Housing Development Fund

Est. 1968

*The Fund for all of West Virginia*

# UNDERWRITING SUBMISSIONS

## Conventional Loans

The file should be submitted to underwriting as early as possible. This allows WWHDF to order credit and run DU, reducing the chance of changes from application date. The following documents are required: (The checklist should be used on lender side to track documents sent)

Fully completed and signed 1003/URLA

- Sales Contract - all pages/addendums fully executed
- Credit report (1<sup>st</sup> 3 pages) if ordered from Factual Data, Enterprise platform, which allows the Fund to reissue.
- Paystubs, Bank Statements, etc. **ONLY IF ALREADY RECEIVED.** Do not hold up initial submission for these items.

Prior to Closing Conditions (PTCs) should be reviewed and submitted as complete as possible to eliminate additional delays. Turnaround time is based on each submission. Appraisals require a separate upload/submission.

*It is important to use the correct submission checklist.*

# UNDERWRITING SUBMISSIONS

## Government Loans

Government loans are reviewed by the Fund for Federal Compliance Only (FCO). Lenders are responsible for meeting the insuring agency loan eligibility guidelines as well as the credit and property guidelines. The file should not be submitted to the Fund until the lenders government underwriter has issued the final government approval with conditions met. At that time, the appropriate checklist should be used to submit the documents for the Funds FCO.

- FHA loans - The Approval Date on the 92900a page 3 is required to match the final DU Findings. IF the loan is rerun after a compliance review has been completed, lender must provide the updated documents for review prior to closing.
- We are reviewing the DU findings and submission documents for obvious program or underwriting violations or concerns such as debts being paid off, cash received back at closing, variable income on a job less than 12 months, etc. Those items may be reason to request the file to be updated and resubmitted.
- Prior to Closing Conditions (PTCs) should be reviewed and submitted as complete as possible to eliminate additional delays. Turnaround time is based on each submission. Appraisals require a separate upload/submission.
- Loans missing pertinent documents for review will be pended for an incomplete file without a complete review.

# UNDERWRITING STATUS

## STATUS AND DECISION DOCUMENTS

Upon completion of underwriting reviews, the decision documents (Approval, Pend Notice or Notice of Denial) will be sent via the lender portal. The returned documents are found under "Downloads" Persons who have uploaded documents will receive a notification; however all users can access the portal and downloads.

Changes are currently being worked on to update this process. Once completed, we will notify lenders via a lender memo with instructions of the new process. Please make sure that the Loan Officer, Processor; (and Underwriter as applicable), email information is completed in Powerlender when registering the loan. Emails will be sent out and underwriting approvals, conditions, award letters, etc. will be able to be accessed from Powerlender. This is currently in the testing phase.)

Turnaround time for each submission is 2-3 business days. Please review documents carefully and plan accordingly as files are reviewed in the order received in the underwriting queue. The review time is based on the date of the last received document. Status of the loan can be found in Powerlender and must receive a Clear to Close status to close and for funds for the 2<sup>nd</sup> Deed of Trust loan to be sent.

\*Loans selected for a pre-fund QC review will have this noted on the approval as a PTC as soon as possible to allow for notice in scheduling closing. This will add up to 3 days to the turn around times.

# WVHDF Programs

## Homeownership

- Property must be a purchase transaction
- Property must be used as primary residence
- Property must be located in WV
- Only 1 active WVHDF loan at a time is allowable (1<sup>st</sup> Deed of Trust loans)
- Income and House Price Limits apply
- First-Time Homeownership **may** apply
- Homebuyer Education is required on all Conventional loans
- Tax Returns may be required
- Single Family Mortgage Brochure & Affidavits
- Recapture Notice
- Property Standards
- Personal Property
- Government insurance accepted
- DPA may be available

# WVHDF Programs

## **MovinUp (and MovinUp Special)**

- Property must be a purchase transaction
- Property must be used as primary residence
- Property must be located in WV
- Only 1 active WVHDF loan at a time is allowable (1<sup>st</sup> Deed of Trust loans)
- Income/House Price Limits apply
- Homebuyer Education is required on Conventional loans
- Government insurance accepted on MovinUp
- Conventional loans only on MovinUp Special
- DPA may be available

# WVHDF Programs

## Benefits of our Programs

- Competitive interest rate
- Available Closing Cost and Down Payment Assistance
- No LLPA
- Lower PMI coverage on Homeownership & MovinUp Special
- Local underwriting
- Local servicing

# First Time Homebuyer

In the **20 non-targeted** counties of the State the applicant(s)/titleholders could not have owned their principal (owner-occupied) residence in the past three years.

- All taking title must comply with this requirement. (refer to #5 on the Application Affidavit)
- 3 year residency is required on the URLA/1003 (regardless if in the US or not)
- Ownership of a singlewide unit that has not been permanently attached to land will not be considered as prior ownership for purpose of our programs. (Personal property tax ticket is required.)
- A land contract is considered homeownership, even though the title might not have transferred until a later date.
- Inheritance of property can disqualify an applicant if they occupied the property.
- Refer to the Single Family Mortgage Brochure and/or the Fund's procedural manual for more detailed information.

# Single-Family Mortgage Brochure

## Affidavits and Information

Homeownership Program – everyone taking title must execute the Application Affidavit and qualify under all program guidelines. All income of borrower(s) and/or persons taking title will be used toward income limits (refer to Income Limits in brochure for definition). Changes to the wording of these Affidavit's are not acceptable. The brochure and affidavits should be printed from the Fund's website at time of application to ensure the correct documents are being provided. \*These were last updated 4/2024.

- Application Affidavit must be fully completed, signed and notarized at time of underwriting.
- Review carefully for correct information.
- For #3 –although we have switched to one income limit per county, the number in household still needs to be disclosed. Please make sure to document the file when there is a discrepancy between documents (URLA/Tax Return/Affidavit/etc.)
- Family size is defined as borrower plus persons who will be occupying subject property as their primary residence 50% or greater.
- **All parties taking title must sign**, using the same affidavit. You will notice the Application Affidavit has been updated to identify signatories as title holders and not just borrowers.
  
- Seller Affidavit is to be fully completed, signed and notarized at time of underwriting.
- Must be signed by actual owner on title to the property.
- Signatures must match sales contract.
- Correctly signed by the Seller(s) (ie. POA, ATF or executor)
- Multiple affidavits may be used.

# Income/House Price Limits

- Make sure the correct chart is being used for most recent limits. The application date is determined by the date the loan is registered with WVHDF.
- **A pay stub with year-to-date earnings dated within 30 days of application is required on all loans.** Additional stubs may be required to provide current information at time of underwriting. Alternative documentation will be required if stub does not have YTD information.
- For Homeownership and Movin' Up Programs; all income of parties on the note and/or taking title to the property is used toward Federal Compliance but may not necessarily be eligible toward repayment ability. These are two (2) different calculations.
- The Movin'Up Special Program must meet both the income limit for Federal Compliance and also qualifying income under 80% AMI
- Refer to the Income Limits section on page 3 of the Single-Family Mortgage Brochure for additional income types.
- In no instance can the loan amount exceed house price limits

# Federal Compliance Income Calculations

- Income for federal compliance is defined as all income received (regardless of source and eligibility for qualifying) for all parties taking title. All income must be considered and documentation provided for calculating projected income. A pay stub reflecting a minimum of 30 days year to date income is mandatory to calculate projected income using number of days to pay period ending. When a VOE is provided, information on this must also be reviewed for prior year history, recent or upcoming raises, position change, etc. Any conflicting information on the VOE and other income documents must be addressed and considered. When a pay stub does not reflect year to date earnings, the stub along with alternative documentation must be used to calculate income. If using a payroll ledger, it must identify company, borrower, and person completing with their title, phone number and signature.
- Pay end date versus pay date should be used in calculations when different.
- Carry over days will make a difference in projected income and when applicable should be documented for accurate calculations. \*\*The first stub of the year showing pay periods would be required for documentation. If pay periods are not identified, provide the last stub of prior year and first stub of current year.\*\*
- Varying hours require additional documentation to average. If less than 2 yrs, alternative documentation is required. Increasing trends should be considered.
- When verifying income for person(s) taking title but not on the loan, the current pay stub as well as a verbal (or W2 from prior year at same company) must be provided to allow for proper calculations.
- Retained homes, accessory units, etc. must use fair market rent toward income limits.

# Federal Compliance Income Calculations-con't

- For self employed income and rent income the higher of a)most recent year or b)average 2 years, should be used when using tax returns. We use adjusted gross income plus depreciation. If rent has been recently increased, current rent would be considered in calculations.
- Other sources of income may be discovered from documents in the file such as bank statements, tax returns, etc. (Gambling, Tips, 2<sup>nd</sup> Jobs, child support, Pension, etc.)
- Income used toward federal compliance limits is not necessarily the same as income used for qualifying debt.
- A borrower may not reduce hours or pay; or quit a job to qualify. The pay history must be considered when reviewing.
- One-time payouts such as lottery winnings, lawsuit settlements, etc. will use 2% of amount received toward income limits. (If this causes borrower to exceed income limit, provide documentation to support actual income, percentage.)
- Per diem, housing allowance, auto allowance, etc. is to be used toward federal compliance income limits.
- Income identified on bank statements but not verifiable with typical documentation will require 4 months of bank statements to add this pay, divide by 4 and multiply by 12 for projected income. (Uber, Door Dash, repeated winnings from on-going gambling, etc.)
- NOTE: Boarder income is not acceptable

# Income Calculation Examples

- Homeownership: (\$60,160 limit) KANAWHA County
- Paystub B 4/24/26 YTD \$20,651.65 ( $\$20,651/114 \times 365 = \$65,769.32$ )
- 1<sup>st</sup> stub of 2026 reflects pay started 12/21/2026 = 11 carry over days
- YTD  $\$20,651.65 / 125 \text{ days} \times 365 = \$59,981.62$
  
- Homeownership: (\$65,680) OHIO County
- Paystub B 8/30/25 YTD \$23,488 ( $\$23,488/243 \times 365 = \$35,280.33$ )
- Paystub CB 8/27/25 YTD \$21,952 ( $\$21,952/240 \times 365 = \$33,385.33$ )
- TOTAL \$68,665.66 (over income limit)
  
- Carryover days for each is 14. Prior year cutoff for W2 reporting on 12/17/24. (days from 12/18/24 to end of year can be added the 2025 days to reach actual number of days in current year ytd)
  
- B ( $\$23,488/257 \times 365 = \$33,358.44$ )
- CB ( $\$21,952/254 \times 365 = \$31,545.20$ )
- TOTAL \$64,903.64 (under the income limit)

No Carry Over day example for Ohio County – Consider:

- MovinUp \$152,320 income limit. Total income is under this limit.
- MovinUp Special \$65,680 \*If borrowers would qualify for debt using only B or CB income, they would fit this program. Both are under the \$152,320 limit as well as individually under the \$65,680 limit. DU would need to support.

# BANK STATEMENTS

- Deposits – Identify when this raises questions of possible other income (even when < than 50% of gross income) due to Federal Income limits
- Undisclosed Debt – Payments not on credit report,
- NSF/Overdrafts – This is a type of derogatory credit – consider it accordingly. YTD history, consistent or an odd occurrence, is there an account to cover overdrafts, etc. An additional statement may be required showing no overdrafts or negative balance.
- BuyNowPayLater Transactions – these can affect repayment ability. Each transaction must be documented and considered in dti.
- Payment App Transactions – Venmo, PayPal, Metapay, etc.
- Cash Advances on Pay Check – Is borrower ready for homeownership? Address and document as applicable.
- Possible other income – may require 4 months statements to average.

# CREDIT/LIABILITIES

- Paying off revolving debt to qualify is not acceptable for the Homeownership program.
- Paying off installment debt at closing – be careful not to use DPA funds. Seller credits must be considered as a sales concession.
- Accounts with a zero balance but a current payment on bank statement after the report must be considered.
- New debt or new charges on a LQCC/soft pull prior to closing must be considered in dti.
- Frozen credit reports or accounts are required to be made accessible to the Fund and our Participating Lenders throughout the mortgage application process .
- Watch escrow payments that increase the dti substantially after underwriting, these may require a resubmission.
- BNPL – document each transaction and add the payments for a monthly liability.

# Federal Tax Returns

## **Underwriting – for purpose of Federal Compliance**

One (1) year Federal tax returns are to be provided on all non-target county properties.

- Returns must be signed correctly by borrower(s).
- All schedules and pages of actual returns are to be submitted (this includes W2's, 1099's, 1098's, etc. excluding worksheets).
- The Return Transcript or Record of Account are the only alternative documents accepted; they are not required to be signed by borrower(s).
- The Tax Affidavit form with acceptable explanation is required if borrower did not file tax returns.
- Review for additional income, as well discrepancies regarding address, dependents, marital status, etc.
- Extensions are not acceptable
- State returns are NEVER required. Please do not include.
- 2 year transcripts is a Closing/Post-Closing requirement

# Homebuyer Education

- Required on all Conventional loans for Homeownership, Movin' Up and Movin' Up Special programs
- On government insured loans, follow that agency's guidelines
- Completed by at least one of the borrowers
- Borrowers certificate to be provided – signatures are not required
- Must be provided by HomeView – unless exceptions covered in FNMA selling guide are applicable
- The certificate is good for one year at time of closing.
- Link for the course is located on our website ([www.wvhdf.com](http://www.wvhdf.com) > Lending Partners) \*Using this link provides the course with no charge.

# PMI Coverage

- Program loans must be insured by a mortgage company acceptable to FNMA.
- Lenders are responsible for meeting the MI guidelines and providing enforceable insurance. Transfer is required within 15 days of closing.
- Review certificate carefully for correct coverage. Borrower should get this benefit of program.
- Coverage required on all **Homeownership & Movin'Up Special**
- 95.01 – 97.00% LTV                      18%
- 90.01 – 95.00% LTV                      16%
- 85.01 – 90.00% LTV                      12%
- 80.01 – 85.00 % LTV                      6%
- 80.00 – 0% LTV                              0%
- Coverage on the Movin'Up Program follows FNMA requirements – using the higher of the coverage options. WVHDF offers no LLPA option for MI.

# Government Insured Loans

On the Homeownership Program loans wrapped with VA, FHA and RD follow their underwriting guidelines with the following overlays:

- Min Credit Score of 620, Max DTI of 49.99%
- No more than 5 acres max on Homeownership Program.
- No new or used singlewides.
- Meet Federal Compliance issues (income, house price, etc).
- The Fund does not accept co-signers nor non-occupant borrowers.
- RD loans must be processed through GUS and receive an Accept/Eligible finding. Guarantee Commitment to be provided.
- VA and FHA loans must be processed through DU and receive an Approve/Eligible.
- Loans requiring manual downgrades are not eligible for sale to the Fund.

# Recapture Tax

- Applies to the Homeownership Program only
- Maximum recapture is original loan amount times .0625 (example  $\$125,000 \times .0625 = \$7,812.50$ ).
- Is a factor only if home is sold during the first nine (9) years of ownership with additional criteria also being met.
- Recapture Notice is required at time of underwriting. Make sure the correct form is being used.
- A Recapture Q&A form is available on our website.
- Borrower receives a letter with loan specific information after closing.
- Refer questions to IRS website or a tax accountant.

# Interested Party Contributions

CONVENTIONAL – Reference FNMA Selling Guide (B3-4.1-02 & B3-4.1-03)

LENDERS DETERMINE LOAN TERMS, THEY DO NOT NEGOTIATE THE SALE CONTRACT TERMS

- Price of Subject Property includes any negotiated credits.
- Borrower should receive full benefit of credits following Concession guidelines.
- Financing Concession-subject to IPC limits
- Sales Concession-value required to be considered when calculating LTV for eligibility and MI coverage
- Sales Contract Addendums should NOT simply be provided lowering the credit (there is an expectation that the sale price should also be lowered when this happens)
- Seller Credits need disclosed correctly on the 1003 Loan Information Addendum and should match the sales contract. Appraisal should also reflect the same amount.
- Seller credit can only go up as much as actual closing costs.
- Other Credits – Documentation is required if credit is needed for sufficient funds to close.

# Seller Contribution - Examples

Sale Price \$140,000

Seller Credit \$5000

Loan Amount \$133,000 (95% LTV) w/DPA \$6000 (99.3% CLTV)

3% of SP = \$4200 (\$5000 - 4200 = \$800)

\$140,000 - 800 = \$139,200 (value to be used for eligibility/MI)

LA \$133,000 / \$139,200 = 95.5% LTV/99.9% CLTV

\*\*MI coverage would be based on 97% OR consider lowering 1<sup>st</sup> D/T or raising 2<sup>nd</sup>\*\*

The loan is still eligible. Had the loan been at 97% LTV, the loan would not be eligible and would require the loan amounts to be adjusted (not the credit).

@97% LA \$135,800 / \$139,200 = 97.6% which is not eligible. Loan amount would need lowered to \$135,024 max. Keep in mind the 2<sup>nd</sup> DPA loan can be used for the difference if available.

# Low Down Home Loan

## WVHDF 2<sup>nd</sup> for Down Payment and Closing Cost Assistance

- The Fund offers a 2nd D/T loan to be used toward down payment and closing costs. This rate is fully amortizing at a 15 year term with no deferment.
- The LTV is determined by actual calculations. We do not require FNMA's guideline of rounding up. **Maximum CLTV is 105%**
- With the new URLA, this should be listed in 4b as a subordinate lien, L3(second area) as subordinate lien in proposed payment and L4(j) in the Details of Transaction. L3(first area) should also reflect HFA Preferred in the Community Lending Product section.
- At the time of underwriting, the application addendum Details of Transaction should not reflect cash back to borrower from this source, however if actual costs are lower on the final CD, the excess can be applied as a principal reduction to the DPA loan. (with a max of \$1000)
- A borrower can be reimbursed for items paid outside of closing such as appraisal, 1st year Homeowners insurance, etc. as long as file documents these items were paid from borrower's funds.

AVAILABLE ON HOMEOWNERSHIP & MOVINUP/MOVINUP SPECIAL LOANS

Max \$12,000

Available for loans with LTV's of 80% or above. Loans with LTV under 80% are not eligible. Exception to the 80% rule are Homeblend loans using Home/Consortium funds.

# Escrows

## TAX & INSURANCE ESCROWS

- Homeownership and Movin Up programs require escrows with no exceptions.
- - Secondary Market – currently suspended but guidelines can be found in the procedural manual.

## ESCROW HOLDBACKS FOR REPAIRS

- These should be weather related & meet insuring agency guideline
- Requests are to be submitted with a Waiver Request and the supporting estimate. Each request will be reviewed and approved on a case by case basis.

# PROPERTY STANDARDS

- One house site supported by comps is required on all Homeownership, Movin'Up and Movin'Up Special Programs. Property cannot exceed five (5) acres on Homeownership Program.
- Appraisal must provide similar site comparables.
- Utilities are required to be on with appraiser's inspection.
- Each unit must have an electrical system of adequate size for unit with a minimum of 100 amps.
- No captured bedroom or only bath.
- Remaining 2 year life expectancy when roof inspection is required.
- Heating system must be suitable for year-round use with improvements considered adequate and conforming to the market.
- Condo and PUD properties must meet applicable agency guidelines (FNMA, FHA, VA, USDA). Refer to the updated sections under Property Eligibility for details.

# APPRAISAL DOCUMENTATION

- Homeownership and MovinUp loans required a full appraisal – property waivers/value acceptance is not acceptable.
- Review the report for accuracy.
- UCDP Findings must be submitted on all conventional loans.
- Findings should be reviewed and addressed prior to submitting to UW. It may be appropriate for lenders to address rather than appraisers on some findings or to provide alternative supporting documentation.
- CU details may be required on reports with low scores.
- When inspections are required, it is the lenders responsibility to ensure the person has acceptable credentials. A copy of the contractor's license should be included with the signed report.
- An original appraisal must be uploaded separately via the lender portal in pdf form using the appraisal option.

# PERSONAL PROPERTY

- Personal property can not be financed with the first deed of trust; **this includes appliances on the Homeownership Program.**
- Used appliances - \$50 per appliance has been established by the Fund as the value.
- New appliances – actual appliance invoice is required (watch for newly renovated kitchens as well as new construction).
- All other types of personal property must have an appraised value provided by person with credentials in appropriate field. (Follow FNMA guidelines for IPC/LTV)
- Deleting personal property from an executed contract requires estimate with expectation of a reduced sale price.

# Appliance Example

- **Used Appliances**
- **CONVENTIONAL 97% LTV**
- **\$100,000 Sale Price - \$3000 down payment = \$97,000 loan amount**
- **4 appliances (\$50 x 4 = \$200) The down payment exceeds the value of appliances. No further action is required.**
  
- **VA or USDA 100%**
- **\$100,000 Sale Price - \$0 down payment = \$100,000 loan amount**
- **4 appliances (\$50 x 4 = \$200) The 1st D/T loan amount would require lowered by the \$200 for max \$99,800.**
  
- **New appliances (Newly renovated kitchen or New Construction)**
- **CONVENTIONAL 97% LTV**
- **\$250,000 Sale Price - \$7500 down payment = \$242,500 loan amount**
- **Appliances \$3000 (per invoice or contract) The down payment exceeds the value of appliances. No further action is required.**
  
- **VA or USDA 100%**
- **\$250,000 Sale Price - \$0 = \$250,000**
- **Appliances \$3000 (per invoice or contract) The 1st D/T would need lowered by the \$3000 for max of \$247,000.**

# NEW CONSTRUCTION

- Rate can be locked for 180 days (Fee applies)
- Note must not have “roll over” option
- Watch for appliances
- **Survey or plat map with improvements is required**
- Property must be turn-key
- Conventional loans require a Certification of Completion (Form 1004D) and meet FNMA guidelines.
- Government loans must meet the insuring agency guidelines (which vary from FNMA) for property completion documentation.
- Additional conditions are required to be in the closed loan package such as builder warranty, soil treatment, etc.

# Movin'Up Special Program

- The 80% AMI is based only on the income used to qualify (the income loaded in DU system)
- Must still meet the Movin'Up Federal Compliance Guidelines (total income of all parties taking title)
- Product Code 6602
- Will have a discounted rate
- Requires lower PMI coverage
- DE Underwriters are to submit a copy of the DU Findings with the Underwriting Compliance Sheet

# Contact Us:

## Single Family Underwriting

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West Virginia Housing  
Development Fund

*Thank You!*

# Contact Us:

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