



MEMORANDUM

TO: All Participating Lenders

FROM: Kay Bowe *Kay Bowe*  
Underwriting & Post Closing Manager

DATE: January 10, 2025

RE: Reminders for 2025

We are so appreciative of our lending partners. With the new year upon us, we wanted to say thank you for making 2024 such an eventful and successful year. We wanted to provide some helpful reminders going forward.

- Please make sure appropriate roles are assigned by your system admin to allow access to our various reports (Loan Purchase, Post-Closing & Quality Control).
- All FHA loans registered 1/2/2025 and after are restricted to a DTI of 49.9% with a minimum 620 credit score. DTI's of 50% and greater are no longer eligible for sale to the Fund. Please be careful both at the time of registration and throughout the loan until closing. For our DE underwriters, make sure this is reviewed carefully when issuing your approval.
- Non-Delegated Lenders – when submitting a government loan for Federal Compliance, please make sure to submit the complete file using the submission checklist. Lenders must have government approval documents before submitting to the Fund to enable us to validate and review documentation.
- Seller credits continue to be an issue. When a sales contract includes seller paid items, these must be disclosed correctly on the application/1003. Please be familiar with FNMA guidelines on conventional loans with any excess of the allowable financing concessions being considered a sales concession. Disclosure affects the underwriting review and will delay approvals.

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- Please keep in mind the expected turn-round for reviews. Initial underwriting submissions are reviewed within 2 days with all subsequent conditions reviewed within 3 days of the most recent submission. (Submitting 1 document isn't a place holder as time starts with last document received.)
- Legible and fully complete documents are required for review.
- When submitting bank statements, or bank asset statements from a third-party vendor, review the transactions carefully. We are seeing an increase in the buy now pay later purchases, payroll loans, undisclosed debt, unidentified regular deposits and transfers, etc. Various significant or questionable deposits may also need addressed as all income must be considered toward the federal limits.
- Appliances are considered personal property on the Homeownership loans. The value must be considered in calculating an acceptable 1<sup>st</sup> mortgage loan amount.
- The final 1003 requires both borrower and LO signature.
- The life of loan transfer should be completed to reflect WVHDF on the flood determination certificate, either when the cert is ordered or by the time the closed package is sent.
- The complete FHA case number, including the ADP code is required on all applicable documents.
- Original Notes must be received to allow purchase of the loan. This is the only original document that should be mailed in. All other documents should be uploaded via the lender portal.
- Review the request for documents reports. These will provide instructions on which drop down option to select when sending documents in the lender portal – this ensures they are delivered and tasked to the correct department.
- The addition of persons to the Deed and/or the Deed of Trust either at or after closing is a violation of the Fund's programs and will result in repurchase of the loan. Please make sure to educate both the borrowers and your closing agents.
- Recapture Notices – must be signed by the time of underwriting
- Carefully review notarized signatures, dates and stamps. If signed or completed incorrectly, they are difficult to get corrected after closing.
- ALL Conventional loans for WVHDF programs (Homeownership and MovinUp) must be ran as HFA Preferred loans through DU.
- ALL Conventional loans must have the UCD closing report provided in the closed loan package. For non-delegated lenders, this must reflect the DU CaseID from the findings provided by WVHDF's underwriter.