

203(k) Standard Quick Reference Guide

Required Signed Disclosures (Recommended at Submission not Required)

All referenced forms can be found on the Homebridge website at www.HomebridgeWholesale.com
Forms/Disclosures/Documents provided at submission are **not** required to be fully executed by all parties.
Use of the Homebridge version **is** required.

- **Homeowner/Contractor Certification** (one per contractor)
 - ❖ Signed by borrower
 - ❖ Signed by contractor
- **203(k) Standard Contractor Acknowledgement** (one per contractor)
 - ❖ Signed by Contractor
- **Borrower Identity of Interest/Conflict of Interest Certification**
 - ❖ Signed by borrower
- **Contractor Identity of Interest/Conflict of Interest Certification**
 - ❖ Signed by contractor(s)
- **Consultant Identity of Interest Certification**
 - ❖ Signed by consultant
- **203(k) Mortgage Payment Disclosure***
 - ❖ Signed by borrower
 - ❖ Signed by loan officer

* Required for both escrowed and non-escrowed PITI. Escrow of up to 6 months PITI only permitted when property uninhabitable and approved by Homebridge Renovation Concierge Department

- **Initial Renovation Loan Acknowledgement**
 - ❖ Signed by the borrower
- **Homebridge Renovation Homeowner Contract**
 - ❖ Signed by borrower
 - ❖ Signed by contractor
- **Draw Disbursement Check Waiver and Consent**
 - ❖ Signed by the borrower

The following disclosures are HUD documents. Samples are located on Homebridge website.

- **203(k) Borrower's Acknowledgment (HUD Form 92700-A)**
 - ❖ Signed by borrower. Borrower must indicate how interest to be paid by selecting one of the following options:
 - Directly to borrower
 - Apply net interest directly to mortgage principal balance for an equal amount of principal reductions
 - Other
 - ❖ Signed by loan officer at least 3 days prior to closing
- **Homeowner/Contractor Agreement – Standard (HUD Form 2420)** (one per contractor)
 - ❖ Signed by borrower
 - ❖ Signed by contractor

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Additional Requirements

*Forms/Disclosures/Documents provided at Submission are **not** required to be fully executed by all parties*

The following items are required on a Standard 203(k) in addition to regular FHA file submission requirements:

- **203(k) Maximum Mortgage Calculator Worksheet (MMW)** (print when complete) Located at [HUD.Gov 203\(k\) Calculator](https://www.hud.gov/203k) (required at submission)
- **Work Write-Up** (required at submission)
 - ❖ Total Cost of Repairs from the Work Write-up must match the Homeowner/Contractor Agreement – Standard
 - ❖ Signed by consultant, borrower and contractor. Contractor must agree to complete work detailed for the amount of the Cost Estimate and in the allocated time frame.
- **Consultant/Borrower Agreement** (recommended at submission but not required) **Not** required if the information is included in the Work Write-up
 - ❖ Not a specific form. Written acknowledgement signed by both parties of work to be completed and costs and any inspection performed by consultant is **not** a home inspection
 - ❖ Signed by consultant and borrower
- **Consultant is not a Home Inspector Disclosure** (recommended at submission but not required) Required on all Standard transactions
 - ❖ Written acknowledgement the borrower understands the consultant is not a home inspector and a home inspection is always recommended by HUD
 - ❖ Signed by consultant and borrower
- **Rehabilitation (Self-Help) Loan Agreement** – if applicable (required at submission with “self-help” transaction)
 - ❖ Signed by borrower and loan officer or other witness
 - ❖ Costs for labor and material for items to be completed by borrower must be attached
- **Permit/Certification Acknowledgement** (recommended at submission but not required)
 - ❖ Signed by contractor/consultant (as applicable) and borrower
- **Appraisal** (recommended at submission but not required)
 - ❖ Acceptable AMCs:
 - ACT Appraisal Management
 - AMC Settlement Services
 - Axis
 - Golden State
 - Mortgage Management Consulting (MMC)
 - Nationwide Appraisal Network
 - Nationwide Property & Appraisal Services
 - Xome
 - ❖ Broker must provide sales contract and Work Write-Up to AMC at time of appraisal order
 - ❖ Report Specifics: **Must always** be completed “Subject To”

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Additional Requirements (cont.)

- ❖ Transactions require **one** value:
 - An “After-Improved” value aka “As-Completed” value (value after improvements completed) **is always required**
 - HUD **does not require** an “As-Is” value; HUD assumes the purchase price is the “As-Is” value

NOTE: If an “As-Is” value is provided the **lower** of the sales price minus any inducements to purchase **or** the “As-Is” value must be used.
- **Engineer Inspection**, if applicable (recommended at submission but not required):
 - ❖ Required if adding a story, extending roof, extending structure
- **Architectural Plans and Specs**, if applicable (recommended at submission but not required)
 - ❖ Required if changing design and or layout , or for extensive addition
- **Manufactured Homes Only** (recommended at submission but not required)
 - ❖ Engineer’s Certification for Manufactured Housing (aka PFGMH Cert.)
 - If additions/alterations made to the home that were not addressed in the certification one of the following is required:
 - An inspection by a state agency that inspects manufactured homes for compliance, or
 - A certification of the structural integrity from a licensed structural engineer if the state does not employ inspectors
 - ❖ HUD Certification Label (information included on appraisal or Letter of Label verification)
 - ❖ HUD Data Plate (information must be included on the appraisal when available)

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Contractor Required Documents

All referenced forms can be found on the Homebridge website at www.HomebridgeWholesale.com
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Use of the Homebridge version is required.

The following documents are required if the contractor is **currently accepted** by Homebridge.

- **Homebridge Renovation Homeowner Contract** (recommended at submission not required)
 - ❖ Signed by contractor and borrower
- **Homebridge Initial Renovation Loan Acknowledgement Form** (recommended at submission not required)
- **203(k) Standard Contractor Acknowledgment** (recommended at submission not required)
 - ❖ Signed by contractor
- **Borrower/Contractor Identity of Interest/Conflict of Interest Certification** (one per contractor)
 - ❖ Signed by contractor and borrower
- **License/Insurance** (recommended at submission not required)
 - ❖ If license and/or insurance on file expired, copy of current license and/or insurance is required

In addition to the above, the following documents must be submitted if the contractor is **not currently** accepted by Homebridge for Homebridge review.

- **Contractor Profile Report (Fannie Mae Form 1202)** (recommended at submission not required; one per contractor)
- **Copies of Licenses and Insurance** - as required by the local, state, county and city jurisdiction. (recommended at submission but not required)
- **Copy of current liability insurance** (recommended at submission but not required)
- **Copy of signed final repair bid** (recommended at submission but not required)
- **Completed Federal W-9** (recommended at submission but not required)
- **Homeowner/Contractor Agreement – Standard** (recommended at submission not required; one per contractor)
 - ❖ Signed by contractor and borrower
- **203(k) Standard Contractor Acknowledgment** (recommended at submission but not required; one per contractor)
 - ❖ Signed by contractor
- **Project costs \$15,000 to \$35,000: Contractor must provide evidence they have been licensed and insured for the previous 12 months**
- **Project costs \$35,001 to \$75,000: Contractor must provide evidence they have been licensed and insured for the previous 24 months AND evidence of a 2-year history of completing similar projects**
- **Project costs \$75,001 to \$150,000: Contractor must provide evidence they have been licensed and insured for the previous 36 months AND evidence of a 3-year history of completing similar projects AND have a minimum of 25% of the direct project cost in an available line of credit and/or cash**
- **Any additional items required at the discretion of Homebridge.**

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LE Reminders

- Final Title Update Fee
 - ❖ Section B
 - ❖ One (1) Final Title Update fee is required
 - ❖ Fee: \$95 all states
- Architect/Engineering Fees (if applicable)
 - ❖ Section B or C*
 - Estimate found in Work Write-Up
- Permit Fees (if applicable)
 - ❖ Section B
 - Estimate found in Work Write-Up
- HUD Consultant Fees
 - ❖ Section B or C*
 - ❖ Fee varies based upon cost of proposed renovations found on the Work Write-Up:
 - \$5,000 - \$7500 = \$400
 - \$7501 - \$15,000 = \$500
 - \$15,001 - \$30,000 = \$600
 - \$30,001 - \$50,000 = \$700
 - \$50,001 - \$ 75,000 = \$800
 - \$75,001 - \$100,000 = \$900
 - \$100,001 and above = \$1000
 - Consultant may charge an additional \$25 per unit
- Inspection Fee(s)
 - ❖ Section B or C*
 - Inspection Fees (**Work Write-up not included in submission**):
 - ✓ Estimate 5 draws at \$250 per draw
 - Inspection Fees (**Work Write-up included in submission**):
 - ✓ Fees per Write-up; one fee per draw, maximum 5 draws

*Fee placement subject to the following:

- ✓ If the fee is **not listed** on the Service Provider List (SPL) include the fee in *Section B - Services You Cannot Shop For*, **or**
- ✓ If the fee **is listed** on the SPL include the fee in *Section C – Services You Can Shop For*