

203(k) Limited Quick Reference Guide

Required Signed Disclosures (Recommended at Submission but 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) Limited 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)
- **Renovation Loan Agreement**
 - ❖ Signed by borrower
- **Draw Disbursement**
 - ❖ Signed by borrower
- **Initial Renovation Loan Acknowledgement**
 - ❖ Signed by the borrower
- **Homebridge Renovation Homeowner Contract**
 - ❖ Signed by borrower
 - ❖ Signed by contractor

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 - Limited (HUD Form 2420)** (one per contractor)
 - ❖ Signed by borrower
 - ❖ Signed by contractor

203(k) Limited Quick Reference Guide

Additional Requirements

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The following items are required on a Limited 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](#) (required at submission)
- **Contractor Bid(s)** (required at submission)
 - ❖ Must be on company letterhead and signed/dated by contractor and borrower
 - ❖ Labor and materials must be detailed and itemized (i.e. make/model/ratings, etc.)
 - ❖ Must be final bid; no expiration date should be indicated on any cost estimate as date of completion is unknown at time of bid completion
- **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 and borrower
- **Feasibility Study** (only required for “self-help” transactions)
- **Appraisal** (recommended but not required at submission)
 - ❖ 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 contractor bids to AMC at time of appraisal order
 - ❖ Report Specifics: **Must always** be completed “Subject To”

203(k) Limited Quick Reference Guide

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.

• **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)

203(k) Limited Quick Reference Guide

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 by Homebridge.

- **Homeowner/Contractor Agreement - Limited (HUD Form 2420)** (recommended at submission not required; one per contractor)
 - ❖ Signed by contractor and borrower
- **203(k) Limited Contractor Acknowledgment** (recommended at submission not required; one per contractor)
 - Signed by contractor
- **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)
- **Business References** – three (3) project references similar to the proposed subject project
- **Copy of current liability insurance** (recommended at submission not required)
- **Copy of signed final repair bid** (recommended at submission not required)
- **Completed Federal W-9** (recommended at submission not required)
- **Homeowner/Contractor Agreement - Limited** (recommended at submission not required; one per contractor)
 - ❖ Signed by contractor and borrower
- **203(k) Limited Contractor Acknowledgment** (recommended at submission 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
- **Any additional items required at the discretion of Homebridge**

203(k) Limited Quick Reference Guide

LE Reminders

- Final Title Update Fee
 - ❖ Section B
 - One (1) Final Title Update fee is required
 - Fee: \$95 all states
- Final Inspection Fee by Appraiser
 - ❖ Section B
 - Estimate \$125 - \$175
- Permit Fees (if applicable)
 - ❖ Section B
 - Estimate found in Contractor Bid(s)
- Feasibility Study (if applicable) Required if borrower doing “self-help”
 - ❖ Section B or C*

*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 **is listed** on the SPL include the fee in *Section C – Services You Can Shop For*