

## 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](http://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
- **Renovation Disbursement Acknowledgement - Limited**
  - ❖ 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
- **Homeowner Contractor Agreement** (previously named 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

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### 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](http://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”
  - ❖ **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.

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### Additional Requirements (cont.)

- **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](http://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.*

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*