

## 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](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**.

- **Renovation Disbursement Acknowledgement - Standard** (one per contractor)
  - ❖ Signed by contractor
  - ❖ Signed by borrower
- **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
- **Initial Renovation Loan Acknowledgement**
  - ❖ Signed by the borrower
- **Homeowner Contractor Agreement** (previously named 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](#) (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 Management Solutions
    - **Fastapp Appraisal Management**
    - Golden State
    - **Nadlan Valuation**
    - Nationwide Appraisal Network
    - Nationwide Property & Appraisal Services
  - ❖ 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](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** (recommended at submission not required)
  - ❖ Signed by contractor and borrower
- **Homebridge Initial Renovation Loan Acknowledgement Form** (recommended at submission not required)
- **Renovation Disbursement Acknowledgment – Standard** (recommended at submission not required)
  - ❖ Signed by contractor and borrower
- **Borrower/Contractor Identity of Interest/Conflict of Interest Certification** (one per contractor)
  - ❖ Signed by contractor and borrower
- **Contractor Questionnaire – Full Form** (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 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 \$200,000: 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*