

WHEDA: Expands financing options for homebuyers

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MADISON – The Wisconsin Housing and Economic Development Authority has expanded its single-family financing options to help more Wisconsin residents achieve the dream of homeownership.

The new financing options include loans with increased down payment assistance of up to 6% of a home's purchase price and an expanded number of lenders that may originate WHEDA Advantage FHA loans. Meanwhile, the current shortage of move-in ready homes has increased the utility of WHEDA's Homestyle Renovation loans, which allow borrowers to finance all costs associated with purchase and renovation through a single 30-year, fixed rate mortgage loan.

"For many prospective homebuyers, the lack of savings for a down payment and repairs is a major barrier to homeownership," said Joaquín Altoro, WHEDA CEO. "The expansion of WHEDA's Easy Close down payment assistance loan is part of our strategy to increase homeownership among our diverse communities, large and small, all across Wisconsin. The new down payment option coupled with a WHEDA mortgage can cover up to 105% of a home's purchase price, meaning buyers may need little to no cash at closing. Our Homestyle Renovation loan also encourages homeownership and fosters reinvestment in our neighborhoods with older housing stock."

Homeownership builds wealth, strengthens communities and in many cases allows homebuyers to save money compared to what they would pay in monthly rent. With interest rates continuing at historic lows, WHEDA's low-cost mortgage and renovation loan options make it possible for more buyers to achieve the benefits of homeownership.

Previously, WHEDA's Easy Close down payment assistance loans capped the maximum loan at 3.5% of a home's purchase price, so the increase to 6% can significantly reduce the amount of cash needed at closing. In addition to the expanded down payment assistance, a change in required lender qualifications

from the U.S. Department of Housing and Urban Development means WHEDA Advantage FHA loans will now be available through dozens of additional lenders statewide.

Given the current demand for homes, limited supply of move-in ready properties and need for neighborhood revitalization, the WHEDA Advantage Conventional Homestyle Renovation loan is playing an increasingly important role in creating opportunities for homeownership during COVID-19. The loan allows homebuyers to finance all costs associated with a renovation – including up to six months of mortgage payments if the home cannot be occupied during renovation.

WHEDA's strong credit rating makes these low-cost financing options possible, because WHEDA can issue bonds to generate funding sources at rates below what other lenders can obtain.

WHEDA issued its most recent \$100 million revenue bond to support single family borrowers in April to continue advancing economic recovery. In addition to bonds, WHEDA uses other financing tools to make funds continuously available to qualified homebuyers.

While WHEDA is working to help more people realize the dream and benefits of homeownership, the authority continues to provide support to existing homeowners who are struggling due to job or income loss resulting from the COVID-19 pandemic. Existing WHEDA homeowners who are concerned about paying their mortgage should contact one of the authority's service advisers at 800-562-5546 to discuss the options. WHEDA will explore all options to keep people in their homes.

WHEDA mortgages are available through a network of 134 mortgage lending companies, banks and credit unions statewide. More information on WHEDA single family loan products and the Find a WHEDA Lender app can be found [here](#).

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