

THDA LENDER NOTICE: #2024-1

January 3, 2024

SUBJECT: Down Payment & Closing Cost Assistance Changes Reminder

Effective with rate locks as of Thursday, February 1, 2024, THDA will be implementing program changes to the Great Choice Plus, Homeownership for Heroes Plus and HFA Advantage Plus mortgage loan programs. THDA will continue to offer two second mortgage loan program options that are available across the entire state for Down Payment Assistance (DPA).

Great Choice Plus-Payment, Homeownership for Heroes Plus-Payment, and HFA Advantage Plus-Payment Terms:

- Loan amount assistance is up to 5% of the Sales Price for sales prices up to \$300,000.
- Sales price greater than \$300,000 up to \$400,000, loan amount assistance is up to \$15,000.
- \$15,000 is the maximum DPA available.
- 30-Year Term Amortizing
- Interest rate is the same as the first mortgage.
- Monthly payment must be considered in the debt ratio.
- Second mortgage loan will be locked simultaneously with the first mortgage.

All loan products listed with the Deferred (No Payment) DPA option will not change.

The current DPA option of 6% will be suspended from rate lock options as of the close of business on Wednesday, January 31, 2024. All loans that are currently locked in THDA's loan portal should close with the existing terms as outlined in the rate lock confirmation and [Originating Agent's Guide](#). Only one 30-day extension is available. Please provide a copy of this notice to your Information Technology Department to prepare for any required system changes to your Loan Origination System.

Please continue to utilize the subordinate lien documents that are on [THDA's website](#). THDA requires MERS to be used for our second mortgages. Please ensure the first and second mortgage loans have the appropriate MIN listed, paper assignments are no longer acceptable.

The HFA Advantage Mortgage Loan Program will continue to utilize the 80% AMI threshold for determination of the private mortgage insurance coverage. Please refer to the LPA Feedback results to determine appropriate coverage.