

THDA LENDER NOTICE: #2024-6

February 1, 2024

SUBJECT: General Originating Agent Guide Updates

The intent of THDA's OA Guide is to provide information to our Originating Agents regarding guidelines and/or procedures that differ from Agency Loans and that are specific to THDA loans. In most cases, if a subject is not covered in THDA's guide, please refer to the appropriate Agency's guidelines.

Agency Loans

Throughout the OA Guide, references to insurer and/or guarantor's guidelines have been updated to reflect "Agency". Agency Loans are inclusive of FHA, VA, USDA and Freddie Mac. Since Freddie Mac is a different execution, the HFA Advantage Program will continue to have its own section in the OA Guide, Section X.

Hours of Operation and Holiday Schedule

Juneteenth and the day after Thanksgiving have been added to the holiday schedule.

MRB Income Exclusions

Income for any household member that is not secondarily liable for the mortgage has been added.

Appraisals

If an appraiser observes conditions that require further investigation, the appraiser must make the appraisal "subject to" an inspection by an appropriately licensed professional or another person trained in the particular field of concern, following the appropriate Agency's guidelines. Existing properties with minor needed repairs or deficiencies or deferred maintenance should also follow the appropriate Agency's guidelines. For THDA's uninsured portfolio product, THDA will follow FHLMC selling guide Chapter 5605: Appraisal Requirements.

Child Support and Alimony Obligations

Additional language was added to clarify if an amended order is in place to address delinquency, payments will be considered current.

Creditworthiness

Applicant(s) must show credit worthiness to obtain financing with THDA. A creditworthy individual is a person whose credit background reflects no delinquent accounts or collects, reflects no legal actions that would impair their credit, such as a foreclosure action, judgment, lien or bankruptcy; or reflects legal actions that have been adequately resolved, and/or delinquent accounts or collects that have been adequately resolved or that have an acceptable explanation.

The Lender's underwriter must determine the creditworthiness of the Borrower, which includes analyzing the Borrower's overall pattern of credit behavior and the credit report. Compensating factors cannot be used to compensate for any derogatory credit, however is encouraged if needed to evidence creditworthiness.

Establishing / Re-establishing Credit

Refer to HUD handbook 4000.1 Sufficiency of Credit References for a list of acceptable credit references.

Supplemental Consumer Information Form (Form 1103)

All loans delivered to THDA must include the SCIF. The SCIF (Form 1103) collects information about a borrower's language preference and any homeowner education or counseling that the borrower completed in the prior 12 months.

Loan Amount or Program Type Changes

THDA must receive all new approval documents when loan amounts change, this includes the second mortgages.

Use of MERS System

MERS is required for both the first and second mortgages.

Shipping Address

Due to the relocation of our servicing department in the first quarter of 2024, the address provided in [Lender Notice #2023-13](#) must be utilized to prevent delays in loan purchase and receiving SRP.

The following areas have been updated for clarification purposes:

- Overview for Submitting an Application – pg. 35
- Verification of Employment; Most Recent Pay Stub - pg.37
- THDA Underwriting Decisions – pg.39
- Void Commitments – pg.41
- Other Required Documentation has been changed to Title Policy- pg.44
- Hazard Insurance – pg. 45
- Flood Certification and Flood Insurance – pg.46
- Escrow for Repairs or Completion of Construction – pg.46