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NOTICE

**ORIGINATING AGENTS GUIDE
 REVISION 51**

April 6, 2010

Remove and discard:

Replace with enclosed:

Page 4 (Revised 12/29/09)Page 4 (Revised 04/05/10)
 HO-0473 (Rev. 10/06)HO-0473 (Rev. 04/10)

EFFECT OF CHANGE

Effective Thursday, April 8, 2010, the interest rate on all Single Family Program applications will be reduced. The reduced interest rates are 4.75% for Great Rate and Great Save, 5.05% for Great Advantage and 5.35% for Great Start. All loan applications, including electronic submissions, received on or after April 8, 2010 must be submitted at the lower rate. All program applications received by THDA prior to April 8, 2010, and outstanding commitments at the higher rates of 4.98% for Great Rate and Great Save, 5.28% for Great Advantage and 5.58% for Great Start, remain in effect and the respective loan must close at those rates.

Also effective with this revision date, Great Advantage and Great Start assistance funds are **NO LONGER** available on Conventional loans.

Initials: _____ Date: _____	It is suggested that the person making these changes to the Guide initial and date this page, and retain it in the back of the Guide to provide evidence that the Guide is current at all times.
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1.4. CURRENT THDA LOAN PROGRAMS

A. Great Rate/Great Advantage/Great Start

These programs are designed for low- and moderate-income borrowers. The **Great Rate** program offers a below market interest rate loan secured by a first mortgage. The **Great Advantage** and **Great Start** programs offer a loan at a slightly higher interest rate, secured by a first mortgage, but offer assistance with down payment and closing costs. Each loan program is described below.

HOMEOWNERSHIP CHOICES

	Great Rate	Great Advantage	Great Start
Maximum Household Income	Varies by county	Varies by county	Varies by county
Maximum Acquisition Cost (Including all incidentals)	Varies by county	Varies by county	Varies by county
Interest Rate	4.75% fixed rate, subject to change	5.05% fixed rate, subject to change	5.35% fixed rate, subject to change
Loan Term	30 years	30 years	30 years
Loan Types	FHA, VA, USDA/RD, Conventional	FHA, VA, USDA/RD	FHA, VA, USDA/RD
Mortgage Insurance or Guarantee	As required by loan type	As required by loan type	As required by loan type
Buydowns	Not allowed	Not allowed	Not allowed
Assumable	Subject to qualifying	Subject to qualifying	Subject to qualifying
Pre-Payment Penalty	No penalty	No penalty	No penalty
Subject to Recapture	Yes	Yes	Yes
Required Reserve	As required by loan type	As required by loan type	As required by loan type
Minimum Investment	As required by loan type	As required by loan type	As required by loan type
Closing Costs	May come from borrower, Seller, a gift, or as required by loan type	2% of loan amount available to borrower(s) as assistance with down payment and closing costs. The entire 2% assistance grant must be used.	4% of loan amount available to borrower(s) as assistance with down payment and closing costs. The entire 4% assistance grant must be used.
Down Payment	As required by loan type		
Homebuyer Education	Not required	Required	Required
Origination Fee	Maximum 1%	Maximum 1%	Maximum 1%
Discount Point	Maximum ¼%	Maximum ¼%	Maximum ¼%

Tennessee Housing Development Agency (THDA)

**Great Advantage or Great Start Program
Application for Grant Assistance**

Borrower

1. I/We, the undersigned borrower(s), are applying for a down payment and closing cost assistance grant under the terms of the Homeownership Great Advantage or Great Start Program and to induce THDA to provide such assistance, certify as follows:

a. I/We have applied for an FHA, VA, or USDA/RD THDA funded loan in the amount of \$_____ (Total Loan Amount Including FHA MIP, VA Funding Fee, or RD Guaranty Fee).

b. I/We request a Great Start grant in the amount of \$_____ (4% of total loan amount shown in 1a).

[OR]

I/We request a Great Advantage grant in the amount of \$_____ (2% of total loan amount shown in 1a).

c. I/We understand the interest rate on the loan will be _____.____% for the Great Start Program.

[OR]

I/We understand the interest rate on the loan will be _____.____% for the Great Advantage Program.

Borrower

Date

Co-Borrower

Date

Lender

2. In connection with this application for a Great Advantage or Great Start grant, I, the undersigned duly authorized representative of _____ (the lender), certify as follows:

a. The scheduled loan closing date is _____, 20__.

b. Lender also certifies that the borrower(s) will not receive any cash at closing as a result of, or from, proceeds of the Great Advantage or Great Start Assistance grant. Any "Net Funds to Borrower" at closing will be those allowable by THDA guidelines. (Originating Agent Guide, Section 7.5 G)

Lender Signature

Date

FOR THDA USE ONLY

THDA Loan # _____

Check Amount \$ _____

Date ____/____/____