

Ralph M. Perrey, Executive Director



**MEMORANDUM**

DATE: March 20, 2020

TO: All Originating Agents

FROM: Rhonda Ronnow, Director of Single Family Loan Operations

SUBJECT: **Lender Guidance during COVID-19 National Emergency**

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As THDA continues to monitor the impact of the COVID-19, we have received several questions from our Originating Agents. We want to assure you that we have taken action to protect our staff and we have executed our business continuity plan. All Single Family Loan Operations staff are working remotely, we do not anticipate any interruptions or extended turn times for underwriting or purchasing loans at this time.

THDA's rate lock system, THELMA is available and we have not had any changes with the lock process. Loan submissions should continue to contain the following, appropriate documentation to evidence the borrower(s) income, all applicable items indicated on the submission checklist and the automated underwriting system (AUS) results. THDA will continue to require a verbal verification of employment (VVOE) with the closing package. With employers closing we do anticipate more specific directions from HUD and the GSEs regarding this issue. The IRS has extended tax day for 2019 taxes to July 15, 2020, THDA will follow the IRS direction.

THDA's homebuyer education team is working closely with the counseling network to monitor turnaround time for the 1-hour required follow up session. We strongly encourage the follow up sessions to be completed via phone or Zoom, during this time we are discouraging any in-person counseling. If your borrower is experiencing a turnaround time that exceeds 2 business days to schedule the follow up session or if your borrower's follow up session is scheduled for more than 7 days out, please notify our homebuyer education team at [homebuyereducationinfo@thda.org](mailto:homebuyereducationinfo@thda.org)

To assist customers that do not have internet access, the following procedure has been put in place:

- Lender to complete an exception request to allow pre-purchase to be completed as soon as available after closing, which is acknowledged by the borrower; this will be available on our website by Monday.
  - Lender must be in good standing with THDA, lender cannot have any outstanding loans with trailing documents exceeding 120 days.
  - Service Release Premium (SRP) will be retained by THDA if counseling is not provided within 120 days of closing.
- Exception requests will be emailed to THDA at [homebuyereducationinfo@thda.org](mailto:homebuyereducationinfo@thda.org)
- THDA staff will review the lender's request; if approved, refer the customer to a HBEI education/counseling agency in their area.

- Borrower must make phone contact with a counselor prior to closing.

We have information from ALTA that many title insurance companies are offering an Indemnity & Undertaking Agreement with their title agents. If you have a loan and the register's office is closed, therefore a deed of trust cannot be recorded, a copy of the executed agreement between the title agent and title insurance provider should be included in the closing file. The file should also include the appropriate executed affidavits. The following link provides access to monitor register closings <https://www.alta.org/business-tools/coronavirus.cfm>.

Tennessee is a state that has Remote On-line Notarization (RON) legislation, more information can be found here <https://sos.tn.gov/products/business-services/online-notaries-public>. THDA will allow RON documents executed per state legislation, including application and seller affidavits. Wet signatures are required on mortgage note(s), deeds of trust(s) and THDA's mortgage rider.

Please continue to email your mortgage note(s) immediately after closing to [closing@thda.org](mailto:closing@thda.org). We request a color image to identify the original blue ink signature. When uploading the closing package to THDA's online system THELMA, please include the tracking slip for the overnight containing the original note.

THDA understands we are currently in a difficult time with employment uncertainties, therefore, we would like to provide some relief to the Originating Agents for first payment defaults. For THDA mortgage bond loans a 90 day moratorium on first payment defaults will be put in place immediately. If any loan closed during the Presidentially-declared National Emergency, as long as the loan did not contain other faults, the lender would not be required to repurchase the loan. Our servicing staff will work with the borrower(s) to offer options.

These are challenging and uncertain times, and we are monitoring the situation closely and making adjustments as needed. We are committed to continuing our communication with our partners as adjustments are made. In-person trainings have been temporarily suspended, however our Customer Account Managers are available to host webinars.

Thank you for your continued support and participation in the THDA mortgage loan programs. If you have any questions, please call 615-815-2100, e-mail [SFask@thda.org](mailto:SFask@thda.org) or contact your local THDA Customer Account Manager.