

Ralph M. Perrey, Executive Director



**MEMORANDUM**

DATE: March 27, 2019

TO: New Start Partners

FROM: Rhonda Ronnow, Director of Loan Operations, Single Family Programs

SUBJECT: **New Start Update – Middle TN Market**

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THDA would like to announce changes to the New Start Program for the middle Tennessee market. With the increase in building and development costs, THDA understands the struggle non-profit housing agencies have covering their costs while meeting the needs of low-income homebuyers. Therefore, THDA has received approval to make an adjustment to the acquisition price in the following counties: Maury, Williamson, Davidson, Rutherford, Wilson and Sumner.

**Effective today, March 27, 2019**, the maximum acquisition cost for these 6 designated counties will be increased to \$190,000, with a maximum New Start Mortgage Loan amount of \$123,750. All other counties will continue to have a maximum acquisition limit of \$150,000, maximum loan to value of 75% with a maximum loan amount of \$112,500.

This change in acquisition price limit allows the participating non-profit agencies to maintain sales prices at the current market value of these homes; therefore not forgoing any equity to be earned on the sale of the property. Based on the maximum loan limit of \$123,750, the increase in acquisition price should decrease the loan to value to below 75% in the middle Tennessee market.

We appreciate your participation in the New Start Loan Program, it has been a viable program that assists low-income families to obtain affordable housing. If you have any questions, please call 615-815-2111 or send an email to [SFask@thda.org](mailto:SFask@thda.org).