

Ralph M. Perrey, Executive Director



MEMORANDUM

DATE: June 9, 2020

TO: THDA Originating Agents

FROM: Rhonda Ronnow, Director of Single Family Loan Operations

SUBJECT: **Update on GC97—Freddie Mac HFA Advantage Mortgage Loans**

As previously announced, THDA is preparing for the GC97/GC97 Plus loan program to launch on July 1st. The updated rollout schedule is attached.

As a reminder, similar to THDA’s mortgage loan servicing initiative, THDA will roll out the GC97/GC97 Plus loan program to THDA Originating Agents (“OAs”) in phases. THDA developed a Lender Profile which tracks the timeliness and quality of the submissions for the Great Choice Loan Program and used this Lender Profile to develop the attached rollout schedule. The GC97/GC97 Plus rollout schedule is based upon timeliness of meeting delivery deadlines and document submission quality for THDA Great Choice Loans.

OA Participation Requirements

What can OAs do to prepare for participation in the CG97/GC97 Plus loan program? Work with your information technology department and secondary lock desk to implement the appropriate procedures and processes. Review the GC97/ GC97 Plus Conventional Program guide as well as the comparison matrix at www.thda.org/lender.

Each OA must provide the following information or documentation to THDA at least 10 business days prior to the attached rollout scheduled date to begin offering CG97/GC97 Plus loans through THDA:

- Originating Agent Working Agreement for the MBS Loans (GC97/GC97 Plus);
- Quality Control Procedures/Plan;
- Most recent 90 days QC report with management responses;
- OA’s hiring procedures for checking all employees, including management, in the origination of mortgage loans against GSA excluded parties list, HUD LDP List and FHFA SCP list;
- Copy of OA’s Freddie Mac approval; providing S/SN or TPO number is sufficient; and
- Written certification that systems are in place to transfer LPA feedback results and assign the appraisal within UCDP to THDA at time of loan underwriting submission.

An OA may submit the required documentation and information earlier than the date on the attached schedule, but may not begin offering GC97/GC97Plus loans prior to the date shown on the attached schedule.

GC97 Loan Program Highlights

- Down Payment Assistance (“DPA”) is available as a second mortgage loan as follows:
 - Sales price <\$150,000, DPA of \$6,000
 - Sales price ≥ \$150,000, DPA of \$7,500
 - CLTV no greater than 105%
 - Interest rate equal to interest rate on CG97 first mortgage loan
 - Amortized over 15 years
 - Monthly payments required
- Lower private mortgage insurance coverage.
- No first time homebuyer requirement.
- Flexibility for loan qualification for borrowers with student loan debt.
- Income limits apply differently.
- Qualifying income of the borrower(s) on the loan is used instead of household income limits.
- Lender compensation up to 2.75%. 1.75% paid at time of loan purchase by THDA plus a 1% service release premium as outlined in section 8.6 of THDA’s Origination Agent Guide.
- Since this is not a loan purchased with THDA bond proceeds, pre-closing disclosures, such as affidavits, are not required.

Training:

THDA will be hosting monthly WebEx sessions for the rollout of the program. Link below:

<https://thda.webex.com/webappng/sites/thda/meeting/download/d7034ddab38f42118f88312a48107ada?siteurl=thda&MTID=m0c52b75dfcc740f89ab2e103c0ba38a8>

June 17th at 10 am CST

Meeting number (access code): 133 951 8288

Meeting password: tvPkmVBm826

July 9th at 9 am CST

Meeting number (access code): 133 112 6291

Meeting password: FxDEzpr3B27

August 10th at 10 am CST

Meeting number (access code): 133 716 9361

Meeting password: 6SEe3A3dDP5

September 10th at 10 am CST

Meeting number (access code): 133 394 1841

Meeting password: epH5k8w2Zf8

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