

Ralph M. Perrey, Executive Director



**MEMORANDUM**

DATE: June 29, 2020

TO: All Originating Agents

FROM: Rhonda Ronnow, Director of Single Family Loan Operations

SUBJECT: Interest Rate Decrease for Mortgage Revenue Bond (MRB) Program

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THDA would like to announce that **effective Wednesday, July 1, 2020**, the interest rate on the Great Choice Mortgage Loan Program will decrease to 3.50%. Based on this rate, the Homeownership for the Brave Mortgage Loan Program will decrease to 3.00%. All interest rate locks **received by THDA on or after Wednesday, July 1, 2020**, will be locked at the lower rate. All rate locks received by THDA **prior to July 1, 2020**, and outstanding commitments at the higher rates of 4.00% for Great Choice and 3.50% for the Homeownership for the Brave will close at those respective rates.

**The Great Choice Plus second mortgage loan is changing to an amortizing second mortgage loan with locks on July 1, 2020 and after. All THDA second mortgage loans will have an interest rate equal to the rate of the first mortgage loan with a term of 15 years.**

To alleviate any delays with the review of the loan application submission, as well as the receipt of timely commitments from THDA, please verify all submission documentation reflects the correct interest rate as indicated on the lock confirmation.

This is the third rate change since THDA implemented the rate lock system on November 12, 2019, therefore the process has some changes to align with industry standards. As a reminder, rate locks for existing construction are for 90 days and new/proposed construction are for 180 days. The THDA commitment will expire on the same date the interest rate expires. Property and/or borrower cannot change from loan lock to loan submission.

Thank you again for your continued support and participation in the THDA mortgage program.

If you have any questions, please call 615-815-2100 or send an e-mail to [SFask@thda.org](mailto:SFask@thda.org).