

Ralph M. Perrey, Executive Director



MEMORANDUM

DATE: July 15, 2019
TO: All Originating Agents
FROM: Rhonda Ronnow, Director of Loan Operations
SUBJECT: **Closing Changes**

Effective July 15, 2019 THDA will implement two guide changes that will affect the Great Choice Mortgage Loan closing process. This will affect all loans closed on July 15, 2019 and moving forward.

1. The maximum allowable amount for Hazard Insurance deductible will be the maximum of 1% of the loan amount, \$2,500 or the maximum of guarantor's guidelines for VA and USDA loans.
2. To align with industry standards, the verbal verification of employment (VVOE) utilized by lenders to confirm the borrower's current employment status within 10 business days prior to the note date must be included in the closing package. This item will be added to the closed loan submission checklist.

As a reminder, THDA Great Choice Plus and HHF second mortgage loans can only be used for closing costs, prepaids and down payment assistance. Repair escrows, paying off debt to qualify for the mortgage loan or cash out above borrower's amount that they paid in advance from their personal funds for earnest money, appraisal fees, credit report fees, and homebuyer education counseling is not allowed.

Thank you 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.