

Ralph M. Perrey, Executive Director



MEMORANDUM

DATE: July15, 2019
TO: All Originating Agents
FROM: Rhonda Ronnow, Director of Loan Operations
SUBJECT: **HUD ML 19-06 Update**

As a follow up to the memo from April 26, 2019, THDA would like to announce that our electronic loan management application (THELMA) has been updated to produce the new Enforceable Obligation Letter (EOL) to comply to ML 19-06/07. Attached is an example of the new EOL that will accompany your THDA commitment. This update provides the Legal Opinion for THDA to operate in a Governmental Capacity, as a State Housing Agency, as well as updating the Enforceable Obligation Letter to meet the requirements of ML 19-06.

Thank you again for your patience, continued support and participation in the THDA mortgage program. We will continue our communication regarding this matter as needed.

If you have any questions, please call 615-815-2100 or send an e-mail to SFask@thda.org



Legally Enforceable Obligation letter
 For HUD Mortgagee Letter 2013-14
 and HUD Handbook 4155.1 5.B.5.a Gift Letter

Date

Lender
 Address
 MURFREESBORO, TN 37129

Re: The "Second Mortgage Loan" is:
 Loan Type: THDA Great Choice Plus Loan
 Borrower:
 Property Address:

 Second Mortgage Loan Amount: No greater than 5% of SP
 Second Mortgage Loan Terms: 30 years deferred with 0% interest rate.
 Associated First Mortgage Loan: THDA Great Choice Loan

Dear Sir or Madam:

As required by Mortgagee Letter 2013-14 from the U.S. Department of Housing and Urban Development, this letter documents that the Tennessee Housing Development Agency ("THDA"), a political subdivision and instrumentality of the state of Tennessee, has incurred a legally enforceable obligation, in accordance with the requirements of the THDA commitment letter issued with respect to the Second Mortgage Loan and the Associated First Mortgage Loan, to provide the funds for the borrower's required Minimum Required Investment (MRI) at or before closing under its Great Choice Plus Loan Program on the terms and in the amount referenced above. The MRI provided by THDA is not contingent upon any future transfer of the insured Mortgage to a specific entity as required by Mortgagee Letter 19-06.

You must maintain this letter in your file and you must also satisfy the requirements in the last paragraph of this letter to maintain the FHA insurability of the Associated First Mortgage Loan referenced above.

THDA hereby agrees to purchase the Second Mortgage Loan described above which will be made by _____ Lender _____ (whether closing in THDA's name or in the name of _____ Lender) under THDA's Great Choice Plus Loan Program.

Prior to applying for FHA insurance on the Associated First Mortgage Loan, Lender must deliver to THDA the following documents:

1. Fully executed original note for the Great Choice Loan, endorsed to THDA;
2. A copy of the fully executed and notarized original Deed of Trust for the Great Choice Loan with all applicable Riders (The original Deed of Trust for the Great Choice Loan must be submitted to THDA immediately following recordation);
3. Fully executed original note for the Great Choice Plus Loan, endorsed to THDA;
4. A copy of the fully executed and notarized original Deed of Trust for the Great Choice Plus Loan with all applicable Riders (The original Deed of Trust for the Great Choice Plus Loan must be submitted to THDA immediately following recordation).

Grantor Name (Signature)
Tennessee Housing Development
Agency

Grantor Name (Printed)
Tennessee Housing Development
Agency

Grantor Name (Signature)
Borrower

Grantor Name (Printed)
Borrower



Legal Opinion Letter

For HUD Mortgagee Letter 2019-06
and HUD Handbook 4001.1 II.A.4.d.ii and II.A.5.c.ii

As required by Mortgagee Letter 2019-06 from the U.S. Department of Housing and Urban Development, this letter documents that the Tennessee Housing Development Agency ("THDA"), a political subdivision and instrumentality of the state of Tennessee, is authorized, pursuant to TCA 13-23-101 et. seq., to provide a mortgage loan program to low and moderate income Tennesseans by purchasing loans from originating agents provided anywhere within the boundaries of Tennessee.

This loan has been made pursuant to a mortgage loan program administered by THDA, and utilizing funds provided by THDA for that purpose. THDA, in its governmental capacity, has incurred an enforceable legal liability or obligation as provided in the Legally Enforceable Obligation Letter provided with this loan.

I have reviewed THDA's down payment assistance program and THDA qualifies under Section 201(d) of the National Housing Act (12 U.S.C. §1707(d)) as an instrumentality of the State of Tennessee and THDA's jurisdiction encompasses the entire State of Tennessee.

(Signature)
Assistant Chief Legal Counsel
Tennessee Housing Development
Agency

BRUCE BALCOM
(Printed)
Tennessee Housing Development
Agency