

Ralph M. Perrey, Executive Director



MEMORANDUM

DATE: July 22, 2020

TO: All Originating Agents

FROM: Rhonda Ronnow, Director of Single Family Loan Operations

SUBJECT: Rate Lock and Qualifying Income Revision

THDA would like to provide information regarding Originating Agent Guide revisions as well as reminders regarding liabilities. These updates are effective for both Great Choice and GC97 mortgage loan programs.

Rate Locks:

Rate locks cannot be cancelled and relocked when interest rates decrease. If a loan is cancelled and the borrower changes properties, a new lock can be obtained. If Program changes, THDA will take original lock date and new lock request into consideration and provide lock confirmation reflecting worse day pricing. When Program changes, THDA reserves the right to request a Change of Circumstance from the Originating Agent.

Qualifying Income:

Qualifying income must be accurate and documented. If primary employment is salary or hourly, the base pay rate for qualification purposes cannot exceed the amount reflected on the most recent pay stub.

Liabilities:

Debt excluded from debt ratios must be documented according to the insurer's guidelines. This documentation must be submitted to THDA. Although most insurer underwriting guidelines allow a certain number of remaining scheduled debt payments to be disregarded for purposes of loan qualifying, the impact of the existing debt could affect an Applicant's budget for scheduled mortgage payments. Therefore, the impact of these payments will be evaluated in THDA's sole discretion.

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.